

ANNUAL REPORT

FOR THE YEAR ENDING 30 JUNE 2016

Adopted 25 October 2016



**TE WAIROA
WAIROA DISTRICT**

2015-2016 ANNUAL REPORT

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JOINT STATEMENT FROM THE MAYOR AND THE CHIEF EXECUTIVE OFFICER

Kia ora tātou and welcome to the Wairoa District Council's 2015/2016 Annual Report. It has been a busy year and we are pleased to share with you the highlights of another year which can be characterised as looking at opportunities to see Wairoa prosper as well as maintaining core levels of service. This report will focus on our achievements and progress towards outcomes as per our Annual Plan 2015/16, essentially a summary of the Council's activities, performance and financial situation.

Notable highlights and achievements are as follows;

With economic development as a key focus area, the Wairoa District Council has sought to encourage emerging innovation industries to the district, attracting businesses like Rocket Lab and Starkraving productions. Growing new and innovative industries demonstrates that the Wairoa District Council has a business friendly attitude. Council's 'green carpet' facilitative approach to new businesses that demonstrate sustainability and environmental sensitivity means that businesses are offered high quality pre-application and consultation advice to ensure a very efficient consenting process.

The Wairoa District Council has a renewed focus on recreational facilities and infrastructure, in line with our mission. The development of the Whakamahia Recreational Precinct over the past year has seen increase usage of the area including by freedom campers. The recently sealed road, new toilet and picnic facilities and an extension to the current walkway/cycleway all the way to the beachfront has added additional opportunities to open up the area for recreational purposes. The Wairoa district was also made a Motorhome Friendly Town by the New Zealand Motor Caravan Association in line with this renewed focus on recreational facilities and infrastructure.

Wairoa District Council was also selected as one of the 'Foundation Councils' to undertake the Local Government New Zealand (LGNZ) Excellence Programme. The programme is intended to be driven by councils for the benefit of their communities and will lift performance and reputation. It is designed to improve the public's knowledge of the work we do within our communities as well as supporting councils to improve the value we provide to the communities we serve. There are only 21 councils participating in this initial stage of the programme.

The Wairoa District Council as a Building Consent Authority (BCA) underwent an IANZ audit for re accreditation as a BCA and we were pleased to once again receive our reaccreditation. Regulations require Building Consent Authorities to have appropriate policies, systems and procedures in writing that record how it ensures that it implements effective policies, procedures and systems. Alongside this, the Wairoa District Council signed up to GoShift, a programme to standardise and simplify the building consenting process which is supported by the Ministry of Business, Innovation and Employment (MBIE). The Wairoa District Council has spent significant effort enhancing its BCA services and we are pleased with the results of these efforts and will continue to further enhance services where appropriate.

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

Financials

Overall Council completed the year with an Operating surplus of \$57,688 (2015: surplus of \$777,130). Specific measures in the results are:

- A 2.2% increase in rates revenue \$246,041 (2015: Increase of 10.1% \$1,027,302),
- A decrease in fees and charges \$2,488,989 (2014/15: Increase of \$2,246,640). The increase in 2015 included \$2,446,100 of Mahia and Opoutama Wastewater Scheme Lump Sum contributions, which were not charged in 2015/16.
- A decrease in Investment Income \$154,808 (2015: decrease of \$88,253)
- A decrease in operating costs of \$3,255,485 (2015: increase of \$3,992,107) being the one-off \$4,702,505 of Mahia and Opoutama Wastewater Scheme costs included in 2014/15, not charged in 2015/16.
- Working capital of \$7,696,768 was \$6,448,062 down on 2015 (\$14,144,830) as a result of moving available cash into longer term investments.
- Cash flow from Operations of \$8,979,667 was \$703,284 up on 2015 (\$8,276,383) due primarily to decreases in operating costs which included in 2014/15 \$1,837,101 of costs associated with the Mahia and Opoutama Wastewater Schemes.
- Capital Expenditure rose to \$8,001,599 (2015: \$4,894,492). The transfer of Mahia and Opoutama Wastewater scheme costs to operating costs in 2014/15 reduced the total capital spend in that year.
- A net increase in long term financial assets of \$3,864,036 (2014/15: Increase of \$1,136,398) and \$1,666,232 (2014/15: Reduction of \$4,018,009) in short term financial assets.

Performance Management

Of the 220 (2014/15: 150) identified service levels and targets, 174 (2014/15: 106) were achieved, a score of 79% compared with 71% last year.

Quality Rooding and Services (Wairoa) Limited

Quality Rooding and Services (Wairoa) Limited Annual Report shows an operating surplus before tax of \$427,477 (2014/15: \$113,305). The after tax profit was \$307,681 (2014/15: \$79,302) which represents a 5.3% (2014/15: 1.4%) return on equity of \$5.76 million (2014/15: \$5.83 million). A dividend of \$50,000 has been declared and reflected within the 2016 Accounts.

Roading

3.93km rehabilitated roads
6.7km resurfaced roads
2.2km unsealed road metal build-up

Stormwater

192m Wairoa open drains piped

Wastewater

Pre-Treatment Screen at the Wairoa WWTP
Tideflex Check Valves on all Wairoa Wastewater Pump Station Overflow Outfalls

Water

Water Treatment plant-
New 110Kva standby generator for the plant
Installation of new Monitored Fire Alarm

Intake Building
New flood protection doors at Intake building

Boundary Station
Upgrade boundary station pipework configuration.
New roadway protection barrier

WDC office

New 150kva standby generator

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

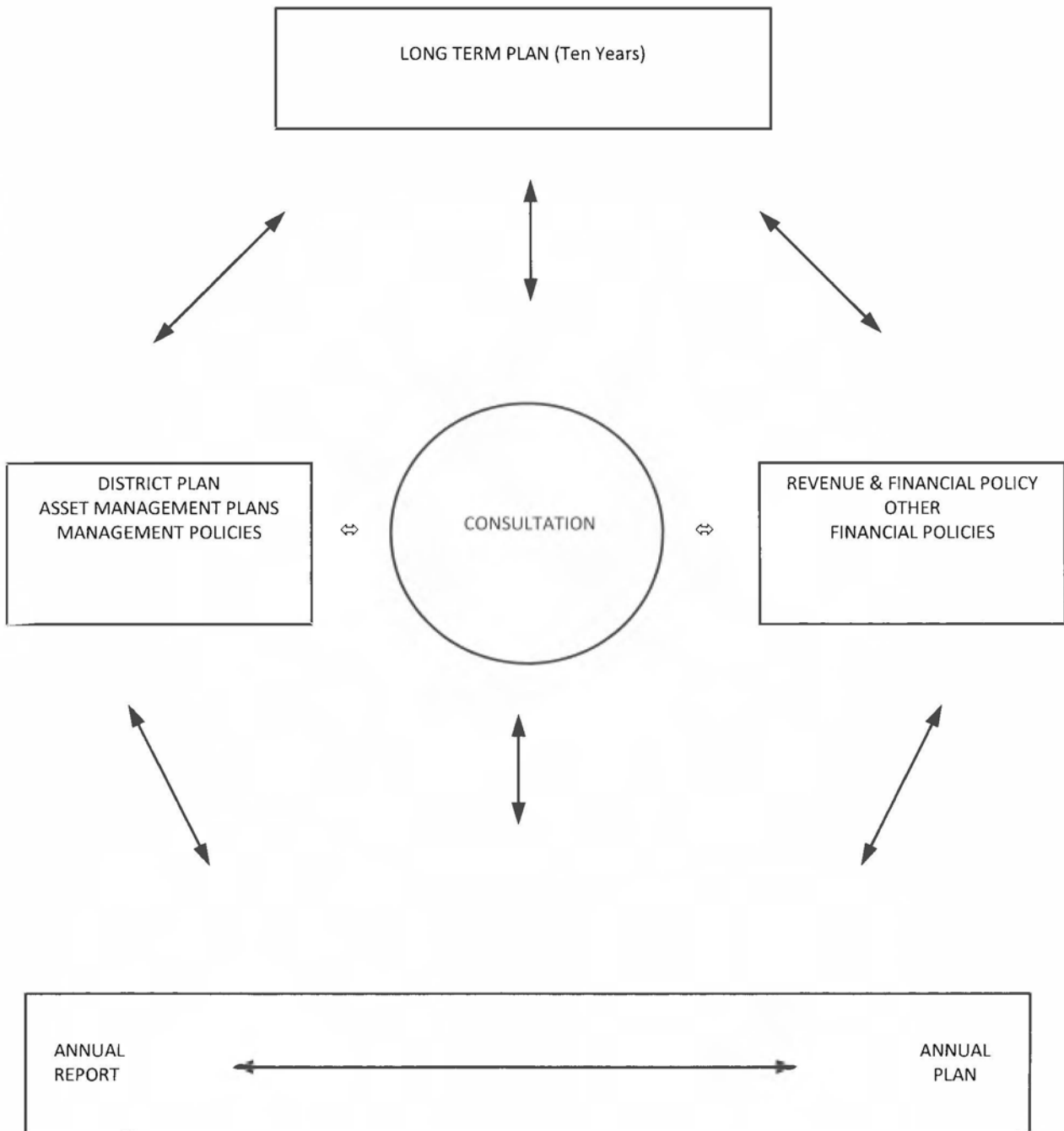


C Little
MAYOR



F Power
CHIEF EXECUTIVE OFFICER

RELATIONSHIP BETWEEN COUNCIL'S POLICIES AND PLANS



WAIROA DISTRICT COUNCIL 30 JUNE 2016



<p>His Worship the Mayor Mr. Craig Little</p>	<p>Councillors:</p> <ul style="list-style-type: none"> Denise Eaglesome-Karekare (Deputy Mayor) Mike Bird Benita Cairns Hine Flood Jeremy Harker Min Johansen
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MĀORI STANDING COMMITTEE MEMBERS

<p>Graeme Symes (Rakaipaaka) (Chairperson)</p>	<p>His Worship the Mayor Craig Little (ex-officio)</p> <p>Councillor Michael (Mike) Bird Councillor Hine Flood</p> <p>Paul Kelly (Wairoa Matangirau) (Deputy Chairperson), Peter Whaanga (Mahia Mai Tawhiti), Esther Foster (Wairoa Honengenenge), Kiwa Hammond (Wairoa Hopupu), Fere Nissen (Ruakituri), Neuton Lambert (Waikaremoana), Sam Jury (Wairoa Wānui), Gaye Hawkins (Pahauwera).</p>
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MANAGEMENT STRUCTURE

Chief Executive Officer

Fergus Power

OFFICE OF THE CHIEF EXECUTIVE	ENGINEERING SERVICES	FINANCE SERVICES	CORPORATE SERVICES	OPERATING SERVICES
FERGUS POWER	JAMIE COX	ANDREW MORTON	JAMES BATY	HELEN MONTGOMERY
CEO	ENGINEERING MANAGER	CHIEF FINANCIAL OFFICER	CORPORATE SERVICES MANAGER	CHIEF OPERATIONS OFFICER
<ul style="list-style-type: none"> • Transformation • Communications • Human Resources • Stakeholder Relations • Māori Governance 	<ul style="list-style-type: none"> • Roads, Streets & Bridges • Cemeteries • Sports Grounds • Reserves • Airport Control • Water Supply • Wastewater • Stormwater • Waste Management • Street Lighting • Traffic Management • Asset Management • 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 • Economic Development • Information Centre • Tourism & Events

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

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

Responsibility

- 1 The Council and management of Wairoa District Council accept responsibility for the preparation of the Annual Financial Statements and the judgements used in them.
- 2 The Council and management of Wairoa District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- 3 In the opinion of the Council and management of Wairoa District Council, the Annual Financial Statements for the year ended 30 June 2016 fairly reflect the financial position and operations of Wairoa District Council.



Mayor

C Little

25th October 2016



Chief Executive

F Power

25th October 2016

COMMUNITY OUTCOMES

Community outcomes are aspirational statements that describe what the community believes are important for its present and future economic, social, cultural and environmental well-being.

The community outcomes were derived from a regional-wide approach by the five Hawke's Bay Councils: Hastings District Council, Napier City Council, Central Hawke's Bay District Council, Wairoa District Council and the Hawke's Bay Regional Council, to work collectively with the community to identify community outcomes and determine a long-term vision for the future of our region. The community have reconfirmed the outcomes identified.

The community outcomes in this plan remain unchanged and are as follows:

1. A strong, prosperous and thriving economy.
2. A safe and 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.

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

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

Council Activities

Council activities are divided into two strategic goal areas being:

- **Community Development & Participation**

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

- **Safe Living Environment**

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

These are in turn supported by:

- management services
- investments.

In addition Council has grouped its activities into seven "Key Activity Areas" and the following table shows how these grouped key activity areas relate to the work of Council, the strategic goal areas of Council, and shows where there is a direct linkage to the community outcomes identified in the LTP.

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



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

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 Representaticn	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Māori Relationships			✓						
	Economic Development	✓								
7. Corporate Functions	Property	✓		✓	✓	✓		✓	✓	✓
	Corporate & Funds Management	✓	✓	✓	✓	✓	✓	✓	✓	✓

The Local Government Act 2002 requires Council to report measures taken and progress made towards achieving the community outcomes stated in the LTP at least once every three years.

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

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

	2012	2013	2014	2015	2016
Yes	22%	27%	28%	24%	39%
The same	64%	62%	52%	52%	44%
Worse	6%	8%	13%	17%	11%
Unable to comment	8%	4%	7%	7%	6%

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

	2012	2013	2014	2015	2016
Yes, definitely	40%	49%	52%	53%	49%
Yes, mostly	57%	49%	47%	41%	48%
Not really	2%	1%	1%	5%	3%
No, definitely not	1%	1%		1%	
Unsure					

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

	2012	2013	2014	2015	2016
Very satisfied	13%	9%	10%	11%	10%
Satisfied	42%	44%	50%	42%	44%
Neither satisfied or dissatisfied	33%	32%	20%	28%	27%
Dissatisfied	7%	9%	9%	11%	10%
Very dissatisfied	2%	1%	2%	5%	3%
Don't know	3%	5%	9%	3%	6%

Quality of Life (All outcomes)

	2012	2013	2014	2015	2016
Very good	38%	44%	51%	43%	47%
Good	46%	47%	41%	43%	39%
Fair	12%	5%	6%	11%	11%
Poor	4%	3%	2%	3%	3%
Don't know		1%			

Community Spirit (Supportive, caring and valued communities)

	2012	2013	2014	2015	2016
Very good	26%	35%	42%	39%	39%
Good	53%	51%	48%	46%	42%
Neither good nor bad	14%	12%	7%	10%	13%
Not very good	5%	2%	2%	4%	4%
Poor	1%		1%	1%	2%

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

	2012	2013	2014	2015	2016
Very satisfied	21%	17%	22%	19%	17%
Satisfied	54%	53%	52%	48%	57%
Neither satisfied nor dissatisfied	15%	18%	10%	23%	14%
Dissatisfied	5%	8%	7%	8%	9%
Very dissatisfied	3%	2%	6%	1%	2%
Don't know	1%	2%	3%	1%	1%

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

	2012	2013	2014	2015	2016
More than enough	34%	28%	27%	21%	23%
Enough	39%	43%	43%	45%	43%
Not enough	12%	15%	13%	13%	17%
Nowhere near enough	5%	5%	5%	4%	2%
Don't know	10%	10%	12%	17%	15%

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

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

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

The Council maintains processes that provide opportunities for Māori to contribute to decisions. The Wairoa District Council Māori Standing Committee, (the group that advise and support Council on things pertaining to Māori) advise 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:

- Council has established the position of Māori Relationships Manager. The roles of this position are:
 - To liaise with local hapū to ensure they understand the processes of Council, how they can become involved and to ensure that their views are considered by Council on matters of concern to them.
 - To ensure Council and management have an understanding of tikanga and don't 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.

Monitoring our effectiveness

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

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

Activity Group One WATER SERVICES

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

Water Supply

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

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	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	Achieved: The only complaints were associated with emergency water repairs when water had to be turned off. We do not collect details on time periods/hours/ day when water supply not available however during emergency repairs the CSR caller is notified of the possible water supply detail and most repairs are completed within 3 hours of turning the water off. (2014/15: New measure not previously assessed)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through Annual Plan process	Achieved: The Annual Plan process considers the cost of service. There were no submissions on the cost of water supply service levels. (2014/15: New measure not previously assessed)
	The provision of facilities shall be adequate for current and foreseeable demand	Mahanga supply assessment to continue in consultation with local community	Achieved: The current system is designed for a population in excess of 10,000 people. The Urban population is currently approx. 4,000 people. (2014/15: New measure not previously assessed)
	Customers' water pressure will be maintained	No valid CSRs regarding inadequate water pressure	Achieved: Monitored and recorded 24/7 on a telemetry Scada System. There is sufficient flow in the water mains to keep up with demand during summer. However, pressure issues occur at elevated properties

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
			when the water main leaks or breaks that at the properties connection. The supply is feed into water tanks on the resident properties. The pressure issue was known to the resident when they connected to the WDC supply. (2014/15: Achieved)
Council will comply with current standards, legislation and Council bylaws	Council shall meet all legislative requirements	Annual review of current legislation for compliance	Achieved: Wairoa, Frasertown and Tuai supplies are all compliant with the New Zealand Drinking Water Standards (NZDWS). Frasertown (also supplies Wairoa) and Tuai Water Treatment Plants (WTP) are also NZDWS compliant. Frasertown WTP supplies Wairoa drinking water. (2014/15: Achieved) Not Achieved: Mahanga currently has no water treatment facility however a Water Safety Plan for Mahanga has been approved and implemented. (2014/15: Not achieved)
	Council shall comply with Fire Fighting Standards	Council shall comply with Fire Fighting Standards	Achieved: Fire hydrants are inspected as part of maintenance contract. (2014/15: New measure not previously assessed)
	Council's Water Supply Bylaw shall be enforced	Council shall provide for monitoring of the bylaw All known breaches of the bylaw shall be addressed as provided for in the bylaw	Achieved: All new building consents are reviewed by the Utilities Engineer to ensure compliance with the WDC Water Supply Bylaw. (2014/15: New measure not previously assessed)
	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	Not Achieved: All Water Treatment Plants and supplies met the NZDWS except Mahanga which is currently being managed through a Water Safety Plan. (2014/15: New measure not previously assessed)
	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	Not Achieved: 1 CSR complaint received indicating a lack of water service at Mahanga. The other 16 No Water complaints were due to emergency main repairs. Mahanga – is on a permanent boil water notice and the supply is only to top up the residents water tank in

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
			emergency situations. Mahanga is going to referendum at the beginning of 2017 to verify that the residents are willing to pay for a NZDWS compliant water supply (2014/15: Not achieved)
	The taste, smell and look of the water are monitored	Compliance with the Drinking Water Standards in accordance with requirements of the Health Act in relation to taste, smell and look (aesthetic determinants)	Achieved: Monitoring is undertaken as part of the NZDWS at the Water Treatment Plant. (2014/15: 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	Achieved: HBRC Consent for Frasertown and Tuai Water Treatment Plants are complied with. Mahanga Consent and Water Permit conditions were Achieved: (2014/15: New measure not previously assessed)
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	Achieved: The Engineering Department maintains the Asset Finda Database with all associated contractor and council works. (2014/15: New measure not previously assessed)
	% 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>	Water loss from leakage in the reticulation system is not currently monitored. Accordingly no information is available for this measure. (2014/15: New measure not previously assessed)
	The average consumption of drinking water per day per resident shall reduce with time (due to system leakage, estimated 2014 consumption is 1,400m3/person/day)	The average consumption of drinking water per day per resident shall be less than 1,400m3	Achieved: 2015/2016 Average Residential Water Consumed per Person per Day is 452.9m3 (2014/2015 Achieved: 451.65m3).
	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%	Achieved: All maintenance, programmed and reactive works were completed on time and within budgets. The Renewals program is progressing with condition sampling of the reticulation system. (2014/15: New measure not previously assessed)

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.	Achieved: No reported accidents or near misses. (2014/15: 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	Achieved: 96% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2014/15: Achieved: 93%)
	Council shall respond to faults / interruptions in the network reticulation	The medium 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 medium response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours for NON-URGENT call-outs. The medium 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 medium response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours for NON-URGENT call-outs.	Achieved: Customer Service Requests are updated with the corrective action taken and then signed off by the council person responsible. (2014/15: New measure not previously assessed)
	Complaints received annually shall not exceed: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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. 	Achieved: Complaints received through the CSR system: <ul style="list-style-type: none"> • 2 for drinking water clarity • 0 for drinking water taste • 0 for drinking water odour • 17 for drinking water pressure or flow -These pressure and flow issues were associated with individual residents not the system as a whole in reference to B (page 1). • 0 for continuity of supply • 1 for response to issues for 1956 water service connections. (2014/15: Measure not previously assessed in this format)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as earthquake, tsunami, fire which result in the inability to provide the service	Annual meeting with civil defence team Contingency plans shall be developed	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. (2014/15: New measure not previously assessed)
	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	Not Achieved: Capacity sits at 18 hours however this will be elevated to 24 hours by December 2016 when the new Reservoir is commissioned. (2014/15: New measure not previously assessed)

COMMUNITY SURVEY - PERFORMANCE RATING

Water Supply (Users)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Very Satisfied/fairly satisfied	90%	91%	84%	88%	92%	95%	92%	93%	96%
Not very satisfied	7%	6%	15%	9%	7%	5%	8%	7%	4%
Don't know/NA	3%	3%	2%	3%	1%				

FUNDING IMPACT STATEMENT - WATER SUPPLY

For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	944,910	935,285	935,285	996,622
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	971,081	1,053,415	1,053,415	1,270,519
Local authorities fuel tax, fines, infringement fees, and other receipts	142,981	138,224	138,224	182,984
Total Operating Funding	2,058,972	2,126,924	2,126,924	2,450,125
Applications of Operating Funding				
Payments to staff and suppliers	1,359,557	1,468,158	1,468,158	1,527,459
Finance costs	107,030	106,799	106,799	-
Internal Charges and overheads applied	513,326	277,889	277,889	273,253
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,979,913	1,852,846	1,852,846	1,800,712
Surplus (Deficit) of operating funding	79,059	274,078	274,078	649,413
Sources of capital funding				
Subsidies and grants for capital expenditure	270,000	100,000	100,000	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	3,913	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	273,913	100,000	100,000	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	48,813	-	-	-
- to replace existing assets	1,885,766	762,000	762,000	336,589
Increase (Decrease) in reserves	(1,581,606)	(387,922)	(387,922)	312,824
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	352,972	374,078	374,078	649,413
Surplus (Deficit) of capital funding	(79,059)	(274,078)	(274,078)	(649,413)
Funding Balance				
Group depreciation and amortisation	482,016	451,328	451,328	649,413

Stormwater

The stormwater activity primarily contributes to the following community outcomes:

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will own, operate and maintain a stormwater system within the town limits of Wairoa, Tuai and Mahia that will protect properties from flooding events	All domestic households and non-domestic premises connected to the stormwater system will be provided with a service that removes stormwater from their properties	Council will have in place at all time, suitable stormwater system operation and maintenance contracts and arrangements to provide the services outlined	Not Achieved: 2 complaints associated with concerns over stormwater not draining away on their properties. One complaint was a private sump that was blocked and the other complaint was associated with the property not being connected to the council service. (2014/15: New measure not previously assessed)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	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 (2014/15: Achieved)
	The stormwater system shall be managed to limit the number of flooding events where 'flooding event' means an overflow of stormwater from the stormwater system and the impact of those flooding events on properties	There shall be no more than 10 flooding events For each flooding event, the number of habitable floors affected shall not exceed 50 per 1000 properties connected to the system	Achieved: The council visually inspects the network during heavy rain events to identifying and rectifying the areas that are affected by network flooding/blockages. (2014/15: New measure not previously assessed)
Council will comply with current legislation and Council bylaws	Council shall meet all legislation requirements	Annual review of current legislation for compliance	Achieved: Council is compliant with all Acts impacting this activity. (2014/15: New measure not previously assessed)
	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	Not assessed. No consents are in place for stormwater systems. However WDC is progressing with adopting the Stormwater Bylaw which will lead to a Resource Consent for stormwater discharge to the Wairoa River and Awatere Stream. (2014/15: New measure not previously assessed)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	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	Not Achieved: Bylaw has not yet been adopted by Council. Work is in progress to get this adopted by WDC. (2014/15: New measure not previously assessed)
Council will maintain stormwater systems to ensure long-term sustainability	Asset database to be maintained	Asset database to be maintained up to date including all additions and disposals Develop program to update asset database over next two years Critical assets identified	Achieved: Assetfinda maintains the Asset Database. (2014/15: New measure not previously assessed)
	Address impacts of infiltration and inflow into Wairoa system	Address impacts of infiltration and inflow into Wairoa system as they arise	Achieved: Infiltration and inflow project plan underway. (2014/15: New measure not previously assessed)
	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%	Achieved: All maintenance, programmed and reactive works were completed on time and within budget codes as allocated. Not Achieved: The Renewal programme is still under development (2014/15: 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.	Achieved: No reported Health & Safety incidences or non-compliances. (2014/15: 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	Not Achieved: 71% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2014/15: Not Achieved: 72%)
	Council shall respond to faults / interruptions in the network reticulation	The medium response time to attend a flooding event from receiving notification to the time that service personnel reach the site shall not exceed 4 hours	Achieved: Customer Service Requests are updated with the corrective action taken and then signed off by the council person responsible. (2014/15: New measure not previously assessed)
	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	Achieved: A total of 71 CSRs received for all connections (2014/15: New measure not previously assessed)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will implement systems/processes to ensure continued service delivery in emergency events	Contingency plans shall be implemented for emergency events such as earthquake, tsunami, fire which result in the inability to provide the service	Annual meeting with civil defence team Contingency plans shall be developed	Achieved: Council has Civil Defence Contingency Plans in place for events. (2014/15: New measure not previously assessed)

COMMUNITY SURVEY - PERFORMANCE RATING

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

FUNDING IMPACT STATEMENT - STORMWATER

For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	362,848	360,843	360,843	343,906
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	58,294	81,717	81,717	53,311
Total Operating Funding	421,142	442,560	442,560	397,217
Applications of Operating Funding				
Payments to staff and suppliers	75,376	105,659	105,659	101,249
Finance costs	73,334	72,833	72,833	22,576
Internal Charges and overheads applied	58,712	108,702	108,702	86,207
Other operating funding applications	-	-	-	-
Total applications of operating funding	207,422	287,194	287,194	210,032
Surplus (Deficit) of operating funding	213,720	155,366	155,366	187,185
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	100,000	100,000	118,290
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	100,000	100,000	118,290
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	118,290
- to improve the level of service	40,623	100,000	100,000	-
- to replace existing assets	53,507	350,000	350,000	80,652
Increase (Decrease) in reserves	119,590	(194,634)	(194,634)	106,533
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	213,720	255,366	255,366	305,475
Surplus (Deficit) of capital funding	(213,720)	(155,366)	(155,366)	(187,185)
Funding Balance				
Group depreciation and amortisation	169,980	194,495	194,495	187,185

Wastewater

The wastewater activity primarily contributes to the following community outcomes:

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

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	Not Achieved: Wairoa, Tuai, Mahia and Opoutama have operational centralized wastewater schemes. Failures of the system do occur and there was a total of 63 Wastewater CSR's for 2015/2016, 33 of these complaints were associated with wet weather events. (2014/15: 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	Achieved: All operational and maintenance work completed through the council Utilities Contract. (2014/15: New measure not previously assessed)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	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. (2014/15: Achieved)
	The provision of facilities shall be adequate for current and foreseeable demand	Develop programme towards renewal of the Wairoa consent	Achieved: Current facilities are adequate for the current and foreseeable demand of the community with some redundancy. There has been some drive for expanding the system to outlying areas and affordability is being discussed with these communities. (2014/15: New measure not previously assessed)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Annual review of current legislation for compliance	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. (2014/15: Not achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE 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, Oputama or Tuai systems Council shall report 6-monthly to HBRC on progress in relation to the inflow and infiltration study and associated renewals/rehabilitation	Not Achieved: There have been multiple failures of the Wairoa Wastewater discharge consent due to infiltration and inflow during and immediately after heavy rain events. (2014/15: Not Achieved)
	There shall be no dry weather sewerage overflows	There shall be no dry weather sewerage overflows for the Wairoa, Mahia, Oputama or Tuai systems	Achieved: There have been no dry weather sewerage overflows. (2014/15: New measure not previously assessed)
	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	Achieved: All new building consents reviewed by the Utilities Engineer included the requirement to comply with the WDC Trade Water and Wastewater Bylaw where applicable. (2014/15: New measure not previously 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	Achieved: Asset Finda is maintained as an Asset Database recording all wastewater assets (2014/15: New measure not previously assessed)
	Address infiltration and inflow into the Wairoa system	Infiltration and inflow physical investigations and remedial works – set program and budget for Annual Plan	Achieved: Investigations are underway to define the actions required to achieve a renewal of the wastewater discharge consent and part of this includes an investigation into the wastewater reticulation infiltration and inflow. (2014/15: 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%	Achieved: All maintenance, programmed and reactive works have been completed on time. Overall actual costs were within total wastewater budget. Renewals – is progressing with a bench mark condition of the wastewater mains based on previous years CCTV footage. This will locate the most at risk mains that require a review of their condition and this will prioritise the renewal program. (2014/15: 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.	Achieved: no reported or recorded incidences of Health & Safety non-compliance (2014/15: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	Achieved: 91% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2014/15: Achieved)
	Council shall respond to sewerage overflows resulting from a blockage or other fault in the sewerage system	The medium response time to attend an overflow from receiving notification to the time that service personnel reach the site shall not exceed 4 hours The medium response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours	Achieved: CSR sign off/closeout information. There were 4 overflow events, all during wet weather events when there is a large infiltration and inflow issue. 3 of these complaints are at a known infiltration and inflow hot spot, which is scheduled for relining at the start of 2017. (2014/15: New measure not previously assessed)
	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.	Not Achieved: 63 CSR were received 2015/16 (2014/15: Not Achieved: 58)
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 developed	Achieved: Council has Civil Defence Contingency Plans in place. (2014/15: New measure not previously assessed)

COMMUNITY SURVEY - PERFORMANCE RATING									
Sewerage (Users)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Very Satisfied/fairly satisfied	87%	93%	83%	88%	86%	86%	89%	81%	91%
Not very satisfied	7%	4%	12%	10%	9%	13%	7%	12%	6%
Don't know/NA	6%	3%	5%	2%	4%		4%	7%	3%

FUNDING IMPACT STATEMENT - WASTEWATER

For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1,332,296	1,344,836	1,344,836	1,884,684
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	1,400	7,500	7,500	5,231
Local authorities fuel tax, fines, infringement fees, and other receipts	170,072	145,751	145,751	262,020
Total Operating Funding	1,503,768	1,498,087	1,498,087	2,151,935
Applications of Operating Funding				
Payments to staff and suppliers	1,495,576	663,666	663,666	811,264
Finance costs	376,030	84,498	84,498	615,959
Internal Charges and overheads applied	312,101	209,453	209,453	342,132
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,183,707	957,617	957,617	1,769,355
Surplus (Deficit) of operating funding	(679,939)	540,470	540,470	382,580
Sources of capital funding				
Subsidies and grants for capital expenditure	1,055,000	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	50,000	50,000	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	1,055,000	50,000	50,000	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	36,066	50,000	50,000	-
- to replace existing assets	322,218	755,000	755,000	177,435
Increase (Decrease) in reserves	16,777	(214,530)	(214,530)	205,145
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	375,061	590,470	590,470	382,580
Surplus (Deficit) of capital funding	679,939	(540,470)	(540,470)	(382,580)
Funding Balance				
Group depreciation and amortisation	372,434	648,858	648,858	853,593

FUNDING IMPACT STATEMENT - WATER SERVICES

For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	2,640,053	2,640,964	2,640,964	3,225,212
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	972,481	1,060,915	1,060,915	1,275,750
Interest and Dividends from Investments	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	371,347	365,692	365,692	498,315
Total Operating Funding	3,983,881	4,067,571	4,067,571	4,999,277
Applications of Operating Funding				
Payments to staff and suppliers	2,930,509	2,237,483	2,237,483	2,439,972
Finance costs	556,394	264,130	264,130	638,535
Internal Charges and overheads applied	884,139	596,044	596,044	701,592
Other operating funding applications	-	-	-	-
Total applications of operating funding	4,371,042	3,097,657	3,097,657	3,780,099
Surplus (Deficit) of operating funding	(387,160)	969,914	969,914	1,219,178
Sources of capital funding				
Subsidies and grants for capital expenditure	1,325,000	100,000	100,000	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	150,000	150,000	118,290
Gross proceeds from sale of assets	3,913	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	1,328,913	250,000	250,000	118,290
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	118,290
- to improve the level of service	125,502	150,000	150,000	-
- to replace existing assets	2,261,491	1,867,000	1,867,000	594,676
Increase (Decrease) in reserves	(1,445,240)	(797,086)	(797,086)	624,502
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	941,753	1,219,914	1,219,914	1,337,468
Surplus (Deficit) of capital funding	387,160	(969,914)	(969,914)	(1,219,178)
Funding Balance				
Group depreciation and amortisation	1,024,430	1,294,681	1,294,681	1,690,191

WATER SERVICES

Statement of Cost of Service for the year ended 30 June 2016

	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED NET COST 2015/16	LTP NET COST 2015/16	ACTUAL NET COST 2014/15
Water Reticulation	1,583,424	433,446	1,149,978	990,285	990,285	1,333,739
Water Production	878,505	807,636	70,869	-	-	(146,397)
Stormwater	377,402	-	377,402	360,843	360,843	374,873
Wastewater	2,556,141	1,056,400	1,499,741	999,891	999,891	2,830,231
	5,395,472	2,297,482	3,097,990	2,351,019	2,351,019	4,392,446
Less internal allocation	524,683	524,683	-	-	-	-
	4,870,789	1,772,799	3,097,990	2,351,019	2,351,019	4,392,446
Interest Received	-	371,347	(371,347)	-	-	(425,592)
	4,870,789	2,144,146	2,726,643	2,351,019	2,351,019	3,966,854
	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED GROSS COST 2015/16	LTP GROSS COST 2015/16	ACTUAL GROSS COST 2014/15
Projects						
Water Reticulation	1,710,178	270,000	1,440,178	370,000	370,000	59,972
Water Production	224,400	-	224,400	392,000	392,000	276,685
Stormwater	94,130	-	94,130	450,000	450,000	154,737
Wastewater - Mahia/Opoutama	-	-	-	-	-	23,178
Wastewater - Other	358,284	-	358,284	805,000	805,000	-
	2,386,992	270,000	2,116,992	2,017,000	2,017,000	514,872
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	125,502	-	125,502	150,000	150,000	405,970
- to replace existing assets	2,261,491	270,000	1,991,491	1,867,000	1,867,000	108,902
	2,386,993	270,000	2,116,993	2,017,000	2,017,000	514,872

Activity Group Two WASTE MANAGEMENT

1. Waste Management

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

- 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.
- 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	Achieved: Council's contractor carries out weekly kerbside refuse collections in the 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. (2014/15: New measure not assessed last year)
	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	Achieved: Council's contractor carries out weekly kerbside recycling collections. No evidence of changes to collections by contractor. (2014/15: New measure not assessed last year)
	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	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. (2014/15: New measure not assessed last year)
	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	Achieved: Waste management in the Waikaremoana and Raupunga areas are community-run services facilitated by Council in partnership with local organisations. (2014/15: New measure not assessed last year)
	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	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. (2014/15: New measure not

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	assessed last year) 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. (2014/15: Achieved)
	Most appropriate form of service delivery to be provided	Current and alternative methods of procurement to be assessed to meet future needs and desires of community.	Achieved: No change in circumstances have warranted change for council's service delivery. Service Delivery Review (Section 17a) stage 1 review has recommended a stage 2 future options review. (2014/15: New measure not assessed last year)
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	Achieved: Council provides and contractor services numerous litter bins around the district in particular in urban and other high traffic areas. (2014/15: New measure not assessed last year)
	Council will comply with all resource consent conditions	There shall be no breaches of consent conditions	Achieved: No breaches of resource consents. Monitoring undertaken on behalf of council. (2014/15: New measure not assessed last year)
	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	Not Achieved: Bylaws have not been changed from previous year. No change in circumstances have warranted change for council's service delivery. (2014/15: New measure not assessed last year)
Council will maintain the landfill to ensure long-term sustainability	Asset database to be maintained including additions and disposal as well as condition information	Asset database to be set up in AssetFinda Develop programme to update asset database annually	Achieved: Contractor provides monthly data. (2014/15: New measure not assessed last year)
	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 Education programme to be developed to provide regular and detailed information about waste services, waste prevention and waste reduction Undertake review of the current landfill operation and develop initiatives for the future including community-led schemes, working with other districts	Achieved: New sorting pad assists with reducing the amount of recyclables going into the landfill – 81.6 tonnes of recyclables diverted from landfill in 2015/16 compared to 69.4 in 2014/15. (2014/15: New measure not assessed last year)
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%	Achieved: As per Contractor monthly schedule. (2014/15: New measure not assessed last year)
	Landfill and recycling area will be well maintained, clean and tidy at all times	No complaints regarding the tidiness of the landfill area.	Achieved: Duty to maintain the Landfill and Recycling area is detailed in the contract and monitored by council staff, working with the contractor.

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
			(2014/15: 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 with be cleared	Achieved: Contractors regularly review all areas to ensure compliance. (2014/15: New measure not assessed last year)
	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.	Not Achieved: Customer Service Requests (CSR) received regarding safety of contractor's operations. Dealt with via formal Notice To Contractor (NTC) to remedy issues. (2014/15: New measure not assessed last year)
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 programme for public consultation on opening and closing times	Achieved: Reviewed via the annual plan process. No CSRs receive in regards to the landfill's opening and closing times. Section 17a stage 2 review will consider future options. No evidence of variations to opening times by contractor except as advertised for public holiday closures. (2014/15: Achieved)
	Level of customer satisfaction through annual survey indicates 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	Not Achieved: Satisfaction result of very and fairly satisfied was 65%. (2014/15: Not Achieved: 75%)
	Analysis of CSR complaints to enable issues to be addressed	Number of complaints shall reduce	Achieved: 2 CSRs were received and dealt with via NTC to contractors to remedy issues. (2014/15: Achieved 38 CSRs)
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 developed	Not Required. Contingency plans are developed and adopted within the Asset Management Plan for waste. There were no events that required activation of the contingency plans. (2014/15: New measure not assessed last year)

COMMUNITY SURVEY - PERFORMANCE RATING

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Waste Management									
Very Satisfied/fairly satisfied	49%	66%	64%	69%	74%	74%	67%	75%	65%
Not very satisfied	48%	31%	30%	24%	18%	22%	28%	15%	18%
Don't know/NA	3%	3%	7%	7%	8%	4%	5%	10%	17%

FUNDING IMPACT STATEMENT - WASTE MANAGEMENT

For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	794,823	779,697	779,697	859,476
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	373,513	350,000	350,000	358,546
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	1,168,336	1,129,697	1,129,697	1,218,022
Applications of Operating Funding				
Payments to staff and suppliers	869,321	845,122	845,122	917,811
Finance costs	43,305	46,605	46,605	55,659
Internal Charges and overheads applied	145,603	153,092	153,092	169,262
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,058,229	1,044,819	1,044,819	1,142,732
Surplus (Deficit) of operating funding	110,107	84,878	84,878	75,290
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	55,000	55,000	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	55,000	55,000	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	42,323	55,000	55,000	-
- to replace existing assets	-	40,000	40,000	-
Increase (Decrease) in reserves	67,784	44,878	44,878	75,290
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	110,107	139,878	139,878	75,290
Surplus (Deficit) of capital funding	(110,107)	(84,878)	(84,878)	(75,290)
Funding Balance				
Group depreciation and amortisation	96,310	95,000	95,000	75,290

WASTE MANAGEMENT

Statement of Cost of Service for the year ended 30 June 2016

	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED NET COST 2015/16	LTP NET COST 2015/16	ACTUAL NET COST 2014/15
Waste Management	1,154,539	373,513	781,026	779,697	779,697	793,030
	1,154,539	373,513	781,026	779,697	779,697	793,030
Projects	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED GROSS COST 2015/16	LTP GROSS COST 2015/16	ACTUAL GROSS COST 2014/15
Waste Management	42,323	-	42,323	95,000	95,000	33,935
Waste Management - loan payment	-	-	-	-	-	-
	42,323	-	42,323	95,000	95,000	33,935
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	42,323	-	42,323	55,000	55,000	33,935
- to replace existing assets	-	-	-	40,000	40,000	-
	42,323	-	42,323	95,000	95,000	33,935

Activity Group Three

TRANSPORT

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

Land Transport (district funded & NZ Transport Agency subsidised)

The land transport activity contributes to the following community outcomes:

- A strong, 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 of notified road closures)	Not Achieved: Mahia East Coast Road – loss of traction (stock truck). (2014/15: Not Achieved)
	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	Achieved: All events advertised in the Wairoa Star. (2014/15: 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	2015/2016: 6.741km/300.844km = 2.24% (2014/15: New measure not previously assessed)
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	Not Achieved: 72% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2014/15: Achieved: 80%)
	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	Achieved: 96% Achieved: With 12 out of 319 Roading-related CSRs (including streetlights, footpaths and parking etc.) not completed by the due date. (2014/15: Achieved: 93%, 21 out of 296 not completed on time)
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	Achieved: 18 footpath related CSRs for 2015/16 compared to 19 in 2014/15. (2014/15 Not Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ASSESSMENT
	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	Not Achieved: Condition data not obtained. (2014/15: New measure not previously assessed)
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	Achieved: Pilot Hill>Whakamahia Limestone walkway construction underway. Construction of walkway from SH2 through Clyde Court connecting to Marine Pde. Dedicated intern developing Project Specific Business Case. (2014/15: Achieved)
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	Achieved: 71 streetlight-related CSRs for 2015/16 compared to 76 in 2014/15. (2014/15: Achieved)
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)	Achieved: No reported or recorded blocked parking for 2015/16. (2014/15: Achieved)
	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	Achieved: 1 Parking related CSR received for 2015/16 compared to 2 in 2014/15 (2014/15: Not Achieved: 2 compared to nil.)
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	Achieved: No reports received indicating any concerns with associated costs. Long Term Plan consultation processes provided opportunity for community to raise willingness and issues. (2014/15: Achieved)
	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	Achieved: Tender Process utilised incorporates consideration of local supplier score in non-essential criteria (2014/15: Achieved)
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 direct to best reflect the local resources where possible	Achieved: Procurement Strategy document updated Nov 2012 resulting in various local suppliers engaged in the publically tendered roading contract process. (2014/15: Achieved)
When using the network, all road users will experience a "fair" ride quality on a well-maintained and managed asset (<i>qualified to the extent that it has to be appreciated that over 66% of the network is unsealed</i>)	Council's target is to provide a "fair" ride quality i.e. average sealed road NAASRA <110 for 'fair' ride quality (<i>new mandatory performance measure</i>)	Average NAASRA of the sealed road network <110	Achieved: 2015/16 NAASRA = 102 (2014/15: NAASRA = 103)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ASSESSMENT
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 (<i>new mandatory performance measure</i>)	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	Not Achieved: 2015/2016: 6 vs 2014/15: 5 (2014/15: Achieved)
	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	Achieved: No reported incidents or accidents attributed to engineering or site works Traffic Management Plan deficiencies for 2015/16. (2014/15: Achieved)

COMMUNITY SURVEY - PERFORMANCE RATING

Roads	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Very Satisfied/fairly satisfied	68%	81%	69%	69%	71%	75%	71%	80%	72%
Not very satisfied	32%	17%	30%	29%	28%	25%	27%	20%	27%
Don't know/NA		2%	1%	2%	2%		2%		1%

Airport

The airport activity primarily contributes to the following community outcomes:

- 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.
- 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	Achieved: Airport and runway is checked daily for faults, more frequently during winter months or after severe weather conditions. No reports of issues with maintenance. (2014/15: New Measure not previously assessed)
	The community's willingness to pay for the service will be considered.	Monitor for complaints of cost of service through the Annual Plan process	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. (2014/15: Achieved)
	The provision of the service shall be adequate for current and foreseeable demand.	Review and document current services being provided at airport Survey key stakeholders/users to determine likely future demand for the service	Achieved: Council is looking to review the operations of the airport with a view to possible expansion and development in the future. (2014/15: New Measure not previously assessed)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Review current legislation for compliance	Achieved: The Council meets all legislative requirements through the relevant Acts. (2014/15: New Measure not previously assessed)
	Facilities shall meet all relevant safety standards.	Facilities shall be maintained in a safe condition, in accordance with relevant standards	Achieved: Meets current status as non-certified. (2014/15: New Measure not previously assessed)
Council will maintain the airport and associated facilities to ensure long term sustainability	Asset database to be maintained	Asset database to be set up in AssetFinda Develop programme to update asset database annually	Achieved: Council is looking to review the operations of the airport with a view to possible expansion and development in the future. (2014/15: New Measure not previously assessed)
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%	Achieved: Contractors managed closely, all work undertaken is delivered on time and within budget. No CSR complaints received. (2014/15: Changed Measure not previously assessed in this manner)
	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.	Achieved: No reported health and safety or non-compliance issues. (2014/15: Achieved)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	Not included in communitrak survey, no other survey carried out for airport users. Anecdotal evidence indicates that there are issues with runway surface. (2014/15: Not Measured in Survey)
	Analysis of CSR complaints to enable issues to be addressed	Number of complaints shall reduce	Achieved: 1 Customer Service Request received for leaking hydrant. Issued rectified by council contractor (2014/15: 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 earthquake and flooding where services may be affected or facilities damaged	Annual meeting with civil defence team Contingency plans shall be developed	Achieved: Airport is available for emergency events with contingency plans in place. (2014/15: New Measure not previously assessed)

FUNDING IMPACT STATEMENT - TRANSPORT
For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	92,502	57,340	57,340	75,354
Targeted rates (other than a targeted rate for water supply)	3,461,352	3,466,038	3,466,038	3,565,563
Subsidies and grants for operating purposes	4,580,750	5,109,450	5,109,450	3,724,917
Fees charges and targeted rates for water supply	832,827	826,883	826,883	919,578
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	8,967,431	9,459,711	9,459,711	8,285,412
Applications of Operating Funding				
Payments to staff and suppliers	7,571,128	7,337,108	7,337,108	6,117,917
Finance costs	-	3,000	3,000	7,727
Internal Charges and overheads applied	1,104,482	1,108,561	1,108,561	1,115,790
Other operating funding applications	-	-	-	-
Total applications of operating funding	8,675,610	8,448,669	8,448,669	7,241,434
Surplus (Deficit) of operating funding	291,821	1,011,042	1,011,042	1,043,978
Sources of capital funding				
Subsidies and grants for capital expenditure	1,893,569	4,628,000	4,628,000	2,157,659
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	50,000	50,000	-
Gross proceeds from sale of assets	27,529	10,000	10,000	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	1,921,098	4,688,000	4,688,000	2,157,659
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	266,771
- to improve the level of service	889,744	550,000	550,000	-
- to replace existing assets	2,079,754	6,053,715	6,053,715	3,430,609
Increase (Decrease) in reserves	(756,579)	(904,673)	(904,673)	(495,743)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	2,212,919	5,699,042	5,699,042	3,201,637
Surplus (Deficit) of capital funding	(291,821)	(1,011,042)	(1,011,042)	(1,043,978)
Funding Balance				
Group depreciation and amortisation	2,399,781	2,604,566	2,604,566	2,657,559

TRANSPORT

Statement of Cost of Service for the year ended 30 June 2016

	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED NET COST 2015/16	LTP NET COST 2015/16	ACTUAL NET COST 2014/15
Roading (NZTA assisted)	9,996,213	4,580,750	5,415,463	3,117,710	3,117,710	1,909,173
Roading (District funded)	399,709	10,748	388,961	348,328	348,328	508,413
Infrastructural Works Unit	581,725	624,645	(42,920)	-	-	(180,284)
Parking	39,870	-	39,870	41,419	41,419	43,158
Airport	57,874	34,322	23,552	9,921	9,921	22,704
	11,075,391	5,250,465	5,824,926	3,517,378	3,517,378	2,303,164
	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED GROSS COST 2015/16	LTP GROSS COST 2015/16	ACTUAL GROSS COST 2014/15
Projects						
Airport	10,659	-	10,659	65,000	65,000	-
Roading (NZTA assisted)	2,719,335	1,893,569	825,766	6,075,000	6,075,000	5,985,470
Roading (District funded)	221,652	-	221,652	348,000	348,000	249,955
infrastructural Works Unit	17,852	-	17,852	55,000	55,000	17,592
Parking	-	-	-	60,715	60,715	9,974
	2,969,498	1,893,569	1,075,929	6,603,715	6,603,715	6,262,991
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	889,744	500,174	389,570	550,000	550,000	4,765,340
- to replace existing assets	2,079,754	1,393,395	686,359	6,053,715	6,053,715	1,497,651
	2,969,498	1,893,569	1,075,929	6,603,715	6,603,715	6,262,991

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:

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

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	Use census data to assess remaining capacity of Wairoa cemetery Develop and implement (as necessary) contingency plan for situation such as pandemics where there may be a significantly increased demand over a short period of time	Achieved: New ashes berm and concrete beam installed this year. Land is available within cemeteries reserve to cater for future need. (2014/15: New measure not previously assessed)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	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. (2014/15: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Review current legislation for compliance	Achieved: The Council meets all legislative requirements through the relevant Acts and Council Bylaws. (2014/15: New measure not previously assessed)
	Council's Public Safety Bylaw shall be enforced	Council shall provide for monitoring of the bylaw All known breaches of the bylaw shall be addressed as provided for in the bylaw	Achieved: Enforced by By-law compliance officer. Cemeteries are regularly monitored by Police, community patrol, cemeteries contractor and council staff. (2014/15: New measure not previously assessed)
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	Not Achieved: Records maintained for council's cemeteries electronically. Including vacant, reserved and occupied plots. 2 instances of burial in incorrect plot. (2014/15: New measure not previously assessed)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will maintain any public cemeteries to ensure long term sustainability	Asset database to be maintained	Asset database to be set up in Assetfinda Develop programme to update assets database annually	Achieved: Records maintained for council's cemeteries electronically. Including vacant, reserved and occupied plots (2014/15: New measure not previously assessed)
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%	Achieved: All programmed work scheduled has been delivered on time and within budget. (2014/15: New measure not previously assessed)
	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.	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. (2014/15: 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	Not Achieved: 61% (2014/15: Not Achieved 70%)
	How the service is delivered to the community will be monitored through the CSR system	Number of complaints for inadequate service shall reduce	Not achieved: 7 CSRs received for cemeteries in year 2015-16. Issues actioned by council and remedied by contractor (2014/15: Achieved 5 CSRs)

COMMUNITY SURVEY - PERFORMANCE RATING									
Cemetery	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Very Satisfied/fairly satisfied	69%	80%	80%	75%	78%	79%	79%	70%	61%
Not very satisfied	6%	4%	2%	5%	4%	5%	3%	3%	2%
Don't know/NA	25%	16%	18%	20%	18%	16%	18%	27%	37%

Parks & Reserves

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

- A community that values and promotes its culture and heritage.
- Safe and accessible recreational facilities.
- 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	Develop plan for monitoring use of parks, reserves and sports grounds	Achieved: Status quo – no current change in demand. Plan for monitoring the use has been developed. (2014/15: New Measure not previously assessed)
	Council shall implement development projects from Reserve Management Plans (RMP)	Set programme of works based on priorities from Reserve Management Plans	Achieved: Projects undertaken from Reserve Management Plan include picnic table installation, Toilet and Pilot Hill improvements. (2014/15: New Measure not previously assessed)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through the Annual Plan process	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. (2014/15: Achieved)
Council will comply with current legislation and Council bylaws	Council shall meet all legislative requirements	Review current legislation for compliance	Achieved: The Council meets all legislative requirements through the relevant Acts. (2014/15: New Measure not previously assessed)
	Council's Public Safety Bylaw shall be enforced	Council shall provide for monitoring of the bylaw All known breaches of the bylaw shall be addressed as provided for in the bylaw	Achieved: Enforced by By-law compliance officer. (2014/15: New Measure not previously assessed)
	Facilities shall meet all relevant safety standards	Facilities shall be maintained in a safe condition, in accordance with relevant standards Develop and implement plan for monitoring safety of park facilities (minimum annually)	Achieved: Equipment certified and maintained to specified standards contractually. Additionally, no issues with health and safety or compliance have been reported for this year. (2014/15: New Measure not previously assessed)
Council will maintain parks and reserves and associated facilities to ensure long term sustainability	Asset database to be maintained	Asset database to be set up in Assetfinda Develop programme to update assets database annually	Not Achieved: Asset database is currently incomplete whilst in development phase. (2014/15: New Measure not previously assessed)
	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%	Not Achieved: Work undertaken by contractors is managed closely, all work undertaken has been delivered on time, but total costs are over budget. (2014/15: 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.	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. (2014/15: New Measure not previously assessed)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better minimum 80% approval rating	80% satisfaction rating	Achieved: 89%. (2014/15: 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	Achieved: 7 CSRs responded to and actioned by contractors under instruction from council. (2014/15: Achieved 10 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 developed	Achieved: Covered within plans for a Civil Defence event. (2014/15: New Measure not previously assessed)

COMMUNITY SURVEY - PERFORMANCE RATING

Parks and Reserves (Users)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
very Satisfied/fairly satisfied	80%	83%	84%	88%	90%	87%	70%	89%	89%
Not very satisfied	15%	12%	11%	8%	7%	11%	24%	9%	10%
Don't know/NA	5%	5%	5%	4%	3%	2%	6%	2%	1%

Library

The library activity primarily contributes to the following community outcomes:

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p>Demand and Capacity Council will continue to provide library services for the district through the Wairoa Centennial Library.</p>	<p>A regular pattern of new member enrolments is demonstrated.</p> <p>An increase in the number of eBook issues.</p> <p>Library visits exceed benchmark of 60,000.</p>	<p>Achieve measure</p> <p>Reports of library visits (both physical and virtual) reflect significant use by the Wairoa community</p>	<p>Achieved: 243 new members. (2014/15: Achieved: 212 new members)</p> <p>Not Achieved: 1,123 ebook issues vs. 1,154. (2014/15: Achieved: 1,154 issues vs. 733)</p> <p>Not Achieved: Recorded visits = 50,406 (2014/15: Not Achieved: visits = 55,853)</p>
<p>Accessibility Excluding statutory and public holidays, the Wairoa Centennial Library will be open during the times displayed.</p>	<p>The library building is accessible during the displayed opening hours and there is 24/7 online access to eBooks and EPIC reference information sources.</p>	<p>Achieve measure</p> <p>Encourage and promote use of/visits to library facilities (physical and virtual)</p>	<p>Achieved: Library was open all advertised hours and online access was available. (2014/15: Achieved)</p>
<p>Quality and Reliability The services provided will include:</p> <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 promoting lifelong learning • 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>Increased awareness of EPIC collections through advertising, targeted sessions and one-on-one support.</p> <p>Opportunities to participate in the annual Eastern & Central Regional Summer Reading Programme are provided via in-library displays, newspaper, library website, Facebook and flyers to schools.</p> <p>Staff have opportunities for professional development.</p>	<p>Achieve measure</p> <p>Develop accurate reporting of holdings and /or deletions of stock</p> <p>Develop and maintain access to past, current and future 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>Achieved: EPIC promoted via:</p> <ul style="list-style-type: none"> • 'At the Library' in Wairoa Star • Reading Together parent workshops with schools • Facebook • Website <p>(2014/15: Achieved)</p> <p>Achieved: Reading Programmes promoted via:</p> <ul style="list-style-type: none"> • Library displays • 'At the Library' in Wairoa Star • Reading Together parent workshops with schools • Facebook both Library and Council pages • Website • Wairoa Star news articles • Flyers to schools • Local radio station <p>(2014/15: Achieved: Summer and Winter Reading Programmes promoted)</p>
<p>Costs and Funding Council will manage library activities in a financially viable manner.</p>	<p>All preventative maintenance, renewals and other programmed works are completed on time and within budget.</p>	<p>Achieve measure</p> <p>Annual maintenance and renewal programmes are identified.</p>	<p>Achieved: Net operating costs of \$339,396 is less than budget of \$377,097. (2014/15: Not 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 With the exception of public holidays, the Wairoa Centennial Library will be open: Monday to Thursday: 10:00 am – 5:00 pm Friday: 9.30 am – 6:00 pm Saturday 10:00 am – 12:00 pm (noon) Closed: Sundays and Statutory Public Holidays</p>	<p>Achieved: 97% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2014/15: Achieved: 98%)</p>
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COMMUNITY SURVEY - PERFORMANCE RATING

Library (Users)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Very Satisfied/fairly satisfied	96%	96%	95%	93%	96%	98%	93%	98%	97%
Not very satisfied	2%	2%	2%	1%	2%	1%	3%		
Don't know/NA	2%	2%	3%	7%	2%	1%	4%	2%	3%

Community Support

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p>Demand Council will assist in the provision of healthy, accessible and enjoyable community facilities and encourage community participation.</p>	<p>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.</p>	<p>Achieve measure Community facilities are user focused, reviewed, and improved/changed in direct response to feedback from the local community through:</p> <ul style="list-style-type: none"> • Consultation • Needs analysis • Surveys 	<p>Achieved: Wairoa Community Centre 96% very/fairly satisfied. (2014/15: Achieved: 93%)</p> <p>Achieved: (Wairoa Museum) - 96% very/fairly satisfied. (2014/15: Achieved: 95%)</p>
<p>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.</p>	<p>Overall 'user' satisfaction of community facilities through survey indicates a 'fairly good, very good or better' approval rating of not less than 80%.</p>	<p>Achieve measure</p> <p>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 or funded by the Council</p> <p>Reports are received from the Wairoa Community Sports Centre, Wairoa Museum and Sport's Hawkes Bay in accordance with funding contracts/agreements</p> <p>Monthly reports are received from the Visitor Information Centre.</p>	<p>Achieved: 96% of the respondents rate the service as 'very satisfied' or 'fairly satisfied' in the annual public satisfaction survey. (2014/15: Achieved: 93%)</p>
<p>Costs and Funding Funds are provided for community facilities and initiatives in accordance with Council's community outcomes.</p>	<p>Council grants to funded organisations are paid in accordance with funding contracts/agreements.</p> <p>Funding contracts/agreements are reviewed annually/triennially in accordance with existing funding contract specifications.</p> <p>Residents are satisfied with value for money through rates on supporting community facilities and organisations with an approval rating of not less than 80%.</p>	<p>Achieve measure</p> <p>Funding is made available for distribution to community facilities and organisations within allocated timeframes</p> <p>Funded organisations achieve/exceed agreed service provision targets as specified in funding contracts/agreements</p> <p>Community organisations are assisted to build capabilities, resources, and structures</p> <p>Council to review and approve the annual/triennial renewal of existing funding contracts/agreements</p>	<p>Achieved: All grants paid in accordance with contracts/agreements. (2014/15: Achieved)</p> <p>Achieved: All agreements reviewed. (2014/15: Achieved)</p> <p>Not Achieved: 49%. (2014/15: Not Achieved: 42%)</p>

COMMUNITY SURVEY - PERFORMANCE RATING				COMMUNITY SURVEY - PERFORMANCE RATING			
Community Facilities Support	2013/14	2014/15	2015/16	Community Facilities Satisfaction	2013/14	2014/15	2015/16
Very Satisfied/fairly satisfied	42%	42%	49%	Very Satisfied/fairly satisfied	92%	93%	96%
Neither satisfied/dissatisfied	28%	41%	29%	Neither satisfied/dissatisfied			
Dissatisfied/very dissatisfied	17%	12%	8%	Dissatisfied/very dissatisfied	8%	7%	3%
Don't know	13%	5%	14%	Don't know			1%

FUNDING IMPACT STATEMENT - COMMUNITY FACILITIES

For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,427,533	1,010,209	1,010,209	1,041,114
Targeted rates (other than a targeted rate for water supply)	752,250	670,709	670,709	689,830
Subsidies and grants for operating purposes	46,244	46,709	46,709	65,845
Fees charges and targeted rates for water supply	56,757	56,117	56,117	63,337
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	2,282,783	1,783,744	1,783,744	1,860,126
Applications of Operating Funding				
Payments to staff and suppliers	1,358,998	1,453,297	1,453,297	1,525,647
Finance costs	106,745	53,727	53,727	20,837
Internal Charges and overheads applied	201,947	206,082	206,082	203,637
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,667,690	1,713,106	1,713,106	1,750,121
Surplus (Deficit) of operating funding	615,093	70,638	70,638	110,005
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	34,018	250,000	250,000	35,433
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	34,018	250,000	250,000	35,433
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	141,935
- to improve the level of service	418,904	299,000	299,000	-
- to replace existing assets	118,014	110,000	110,000	13,197
Increase (Decrease) in reserves	112,193	(88,362)	(88,362)	(9,694)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	649,111	320,638	320,638	145,438
Surplus (Deficit) of capital funding	(615,093)	(70,638)	(70,638)	(110,005)
Funding Balance				
Group depreciation and amortisation	150,881	151,318	151,318	95,625

COMMUNITY FACILITIES

Statement of Cost of Service for the year ended 30 June 2016

	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED NET COST 2015/16	LTP NET COST 2015/16	ACTUAL NET COST 2014/15
Cemeteries	93,726	28,559	65,167	104,614	104,614	80,506
Parks & Reserves	830,606	20,800	809,806	717,375	717,375	727,926
Library - Operating	350,512	11,116	339,396	377,097	377,097	392,514
Community Support	543,728	42,526	501,202	528,498	528,498	513,456
	1,818,572	103,001	1,715,571	1,727,584	1,727,584	1,714,402
	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED GROSS COST 2015/16	LTP GROSS COST 2015/16	ACTUAL GROSS COST 2014/15
Projects						
Cemeteries	41,391	-	41,391	85,000	85,000	10,600
Parks & Reserves	449,026	-	449,026	265,000	265,000	111,162
Library - Operating	46,500	-	46,500	59,000	59,000	36,883
	536,917	-	536,917	409,000	409,000	158,645
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
to improve the level of service	418,003	-	418,003	200,000	200,000	117,180
- to replace existing assets	118,014	-	118,014	110,000	110,000	41,456
	536,917	-	536,917	409,000	409,000	158,645

Activity Group Five

PLANNING & REGULATORY

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

Resource Planning

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

- A community that values and promotes its culture and heritage.
- Safe and accessible recreational facilities.

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>Not Achieved: 1 out of 28 consents went over the statutory timeframes. 96.5% within statutory timeframes. (2014/15: Not Achieved: 86%)</p>
	<p>No situations where inadequate conditions were imposed relating to roading, water supply, wastewater or stormwater infrastructure to be constructed and transferred to the Council, or to the standard and condition to which it was actually built before being transferred.</p>	No Council resource consent or land use consent decisions subsequently overturned by the Environment Court	Achieved: No situations where inadequate conditions were imposed have been reported. (2014/15: 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	Achieved: No instances where legal proceedings have succeeded against Council have been reported. (2014/15: Achieved)
	<p>The number of actual or potential claims that have had to be notified to the Council's insurers.</p>	Target – none.	Achieved: There have been no actual or potential claims notified to the Council's insurers. (2014/15: 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</p>	<p>The cost related to this activity does not exceed the approved budget.</p>	<p>Expenditure to be within budget +/- 5%</p>	<p>Achieved: Net Costs of \$98,763 were less than the budgeted net costs of \$493,147. (2014/15: Achieved)</p>

following table shows the approximate share of the cost from each source.

	General Rate	User Fees and Charges
Policy Development	100%	
Consent Applications		100%
Consent Monitoring		100%
Environmental Monitoring	100%	

Customer Service:

- a) All complaints and requests for service will be responded to within the following timeframes:
- verbal complaints – 3 working days
 - written complaints and requests for information – 10 working days.
- b) All applications for consent will be responded to within the following timeframes:
- i) If not required to be notified – within 20 working days.
 - ii) If required to be notified – notified, and notice served within 10 working days.

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.

- a) 100% of applications for consent dealt with within specified timeframes.

Achieve measure

a) Achieved: All queries and complaints and requests have been responded to in the appropriate timeframes or at an agreed timeframe.
(2014/15: Not achieved)

Not Achieved: 96.5% of resource consents were processed within the required timeframes. 28 Resource consents.
(2014/15: Not achieved 86%)

Environmental Health

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

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

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
<p>Legislative Obligations:</p> <p>(a) The Council will inspect all premises that are required to be registered under the Health Act 1956, the Food Act 2014, and the Food Hygiene Regulations 1974, for compliance every year, e.g.:</p> <ul style="list-style-type: none"> • food premises • hairdressers • funeral directors • camping grounds. <p>And it will take steps to ensure that all food workers are aware of their obligations.</p> <p>(b) It will also:</p> <p>i) monitor the community's water, wastewater, stormwater and sanitary services to ensure that they are being satisfactorily managed, and are performing satisfactorily, from the health point of view</p> <p>ii) maintain a general overview of the public health of the district and respond to public health complaints.</p>	<p>100% of all registered premises inspected during the year.</p>	Achieve measure	<p>Achieved: All registered premises were inspected or audited during the year.</p> <p>Note: With the introduction of the Food Act 2014 in March 2016, the inspection requirements for food premises will change progressively over the next 3 years. Certain Council registered food businesses will be subject to verification visits by other independent accredited agencies and this KPI will require amendment to reflect the actual circumstances. Audit intervals may also exceed 12 months in the case of some premises.</p> <p>(2014/15: Achieved)</p>
	<p>Any illness will be investigated with the cause of illness to be identified and measures instituted to minimise or eliminate the risk of it reoccurring.</p>	Achieve measure	<p>Achieved: 3 complaints were investigated during the year. In one instance a potentially hazardous practice was identified and remedial measures implemented.</p> <p>(2014/15: Achieved)</p>
	<p>100% of all complaints about unreasonable noise are responded to in accordance with legislation, regulations and Council policy.</p>	Achieve measure	<p>Achieved: All complaints were responded to as required. 152 complaints received.</p> <p>(2014/15: Achieved)</p>
<p>Health and Safety:</p> <p>All of the above responsibilities will be carried out safely.</p>	No health or safety incidents	Achieve measure	<p>Achieved: The Environmental Health Officer experienced no Health and Safety incidents.</p> <p>(2014/15: Achieved)</p>
<p>Costs and Funding:</p> <p>The services will be provided at a cost that will be publicly consulted on annually via the LTP or Annual Plan process. The Council will fund the activity by way of a combination of user fees and charges and the general rate.</p>	<p>The cost related to this activity did not exceed the approved budget.</p>	Expenditure to be within budget +/- 5%	<p>Not Achieved: Net Costs of \$120,901 were higher than the budgeted net costs of \$99,463.</p> <p>(2014/15: Not achieved)</p>

<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>Achieved: 95% of all complaints were attended within the Councils' specified deadlines. (2014/15: Achieved)</p>
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Building Control

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

- A strong, prosperous and thriving economy.
- A community that values and promotes its culture and heritage.
- Safe and accessible recreational facilities.
- Strong district leadership and a sense of belonging.
- 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:	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	Achieved: The BCA still maintains its accreditation status. (2014/15: Achieved)
(a) Council will monitor and exercise control over all building work that is undertaken in the district in accordance with its role as a Building Consent Authority.	Number of historic building consents, still needing code compliance certificates, is to be reduced annually.	Achieve measure	Achieved: 103 as at 30.06.16, 156 as at 30.06.15. (2014/15: Not achieved)
(b) Council processing, inspection and certification of buildings meet the requirements of the Building Act 2004.	Any unfenced or non-complying swimming pool fences identified during the year are addressed.	Achieve measure	Not Achieved: 6 pools not fully compliant. (2014/15: Not achieved)
(c) Ensure that all building work will be monitored and addressed to the extent that offers assurance that people, places and property will not be significantly harmed.	Council responds to 100% of all known illegal or unauthorised buildings (or instances of illegal or unauthorised building work identified during the year).	Achieve measure	Achieved: Three notices to fix issued. (2014/15: Achieved)
(d) Council will monitor and enforce the requirements of the Fencing of Swimming Pools Act 1977.	No instances where legal proceedings have been taken against, or have been threatened to be taken against Council, alleging that it has acted unlawfully or has been negligent in the exercise of its responsibilities.	Achieve measure	Achieved: No legal proceedings during the year. (2014/15: Achieved)
Costs and Funding: The service will be provided at a cost that will be publicly consulted on annually – via either the LTP or Annual Plan processes. The Council will fund this activity entirely from user fees and charges (except the cost of statutory administrative duties, which will be met from the general rate).	Operations and associated capital investments (vehicles) are undertaken cost effectively.	Expenditure to be within budget +/- 5%	Not Achieved: Net costs of \$201,069 are greater than the budgeted costs of \$120,822 Public Benefit Approx. 25% Private Benefit Approx. 75% (2014/15: Achieved)
Customer Service of Building Consent Authority and Territorial Authority: All applications for consent or other information will be processed within the following timeframes:- i) Building consents – 20 working days ii) Project information memoranda – 20 days iii) Code of compliance certificates – 20 days iv) Certificates of acceptance – 20	The number of consents, inspections, etc. are processed within the prescribed times. Target: 100%.	Achieve measure	Not Achieved: • Building Consents - 97.2% • 99 Building Consents • Project information memoranda (PIM) - 100%. • 1 PIM • Code of compliance certificates (CCC) – 98.7%. • 66 Code of compliance certificates • Certificates of acceptance – 100%.

<p>days v) Certificates of public use – 20 days</p>			<ul style="list-style-type: none"> • 1 Certificate of acceptance • Certificates of public use - 100%. <ul style="list-style-type: none"> • 1 Certificate of public use <p>The delay in the issue of some CCCs has been due to staff shortages and changes. (2014/15: Not achieved)</p>
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Liquor Control

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

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

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	Achieved: All premises monitored. (2014/15: Not 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	Achieved: One case was investigated to ensure that the sale of alcohol ceased when the liquor license expired and alcohol was anecdotally still being supplied. (2014/15: 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	Achieved: There were no circumstances requiring the revocation or suspension of licenses. (2014/15: 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%	Achieved: Net revenue of (\$7,983) was less than the budgeted net cost of \$63,160. (2014/15: 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	Achieved: There were no formal complaints lodged regarding the sale of alcohol. (2014/15: Achieved)

Bylaw Compliance:

Dog Control

Livestock Control

General Bylaw Enforcement

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

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

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> <p>iii) the number of dogs classified as dangerous and menacing</p> <p>iv) the number of infringement notices issued</p> <p>v) the number of complaints received, and the number of prosecutions taken.</p>	a) All known dogs registered by 30 June each year.	Achieve measure	Achieved: Registered Dogs 2014/15 - 2827 2015/16 - 3165. (2014/15: Not achieved)
	b) Annual Report about the administration of the Council's policy and dog control practices adopted by 30 August each year.	Achieve measure	Achieved: The communitrak customer satisfaction survey was presented to council on the 28th of June 2016, the survey was formally received at that meeting. (2014/15: Achieved)
	c) Council responds in accordance with legislation to 100% of complaints in relation to instances of:	Achieve measure	Achieved: All complaints are responded to within legislative time frames.
	i) dogs attacking persons or animals		5 reported cases. 0 recorded incidents.
	ii) dogs rushing at persons, animals, or vehicles		0 recorded incidents. 0 recorded incidents.
	iii) dogs causing serious injury		0 recorded incidents. (2014/15: Achieved)
	iv) dogs at large and an immediate disturbance or threat to wildlife.		Achieved: Report submitted. (2014/15: Achieved)
<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</p>	a) The extent to which wandering stock poses a danger to traffic in the district as measured by:	Achieve measure	Not Achieved: Refer to the specific performance targets listed below
	i) The number of complaints received about wandering stock.		Approximately 250 reported incidents. (2014/15: 180)
	ii)		

highways. It will also respond to complaints relating to animal nuisances.	<p>iii) The number of times stock has had to be impounded during the year.</p> <p>b) No complaints about the manner in which the Council has carried out its livestock control responsibilities.</p>		<p>21 incidents of stock impounded. (2014/15: 5)</p> <p>0 Complaints received (2014/15: 0)</p>
<p>Legislative Obligations – GENERAL BYLAWS ENFORCEMENT:</p> <p>(a) The Council will maintain bylaws for a variety of purposes relating to community well-being.</p> <p>(b) The Council will enforce compliance with its bylaws as and when necessary.</p>	<p>a) The number of occasions when the Council has had to formally enforce compliance with any of its bylaws, or institute a legal action under them during the year.</p> <p>b) Target: No court decisions against the Council on the basis that any Council bylaw is, or the Council's enforcement of it has been, unreasonable or ultra vires.</p>	Achieve measure	<p>120 infringements were issued relating to Freedom Camping. This was a new bylaw introduced in 2015, appropriate signage and information regarding the bylaw has been installed and monitoring has been rigorous as requested by our community.</p> <p>Achieved: No court actions against council. (2014/15: Achieved)</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%	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 \$83,733 for all services was less than the budgeted net costs of \$139,431. (2014/15: Achieved)
<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, 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>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	Achieved: 0 reported incidents. (2014/15: New measure not previously assessed.
<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	

Customer Service - DOG & LIVESTOCK CONTROL: All complaints will be responded to within the following timeframes: <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	2015/16: 511 Complaints. (2014/15: New measure, not previously assessed)
	b) Not less than 95% of all complaints dealt with within the specified timeframes.	Achieve measure	Achieved: Required timeframes for complaints was met. (2014/15: New measure not previously assessed)
	c) Not less than 70% of the respondents rate the service as 'fairly good or better' in the annual public satisfaction survey.	Achieve measure	Achieved: 71% as shown in the communitrak customer satisfaction survey. (2014/15: Achieved)
Customer Service - ENFORCEMENT All complaints will be responded to within the following timeframes: - <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	Achieved: Required timeframes for complaints was met. (2014/15: New measure not previously assessed)

COMMUNITY SURVEY - PERFORMANCE RATING

Dog Control	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Very Satisfied/fairly satisfied	56%	62%	56%	66%	56%	65%	71%	63%	71%
Not very satisfied	36%	33%	42%	30%	36%	31%	24%	29%	21%
Don't know/NA	8%	5%	3%	3%	8%	4%	5%	8%	8%

COMMUNITY SURVEY - PERFORMANCE RATING

Livestock Control	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Very Satisfied/fairly satisfied	78%	83%	84%	83%	79%	83%	79%
Not very satisfied	12%	11%	10%	7%	10%	8%	13%
Don't know/NA	10%	7%	7%	9%	11%	9%	8%

**Emergency Management:
Civil Defence
Rural Fire**

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

- A safe and secure community.
- A lifetime of good health and well-being.
- An environment that is appreciated, protected and sustained for future generations.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	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	Achieved: Warden groups are established. (2014/15: Achieved)
	Public awareness of rural fire and civil defence through liaison with community groups, volunteers and the media is maintained.	Achieve measure	Achieved: Public awareness of rural fire and civil defence through liaison with community groups, volunteers and the media is maintained. (2014/15: Achieved)
Council will ensure emergency management resources are available to all ratepayers, residents, stakeholders, and visitors to the district when required.	Rural Fire Plan maintained and meets statutory and local requirements.	Achieve measure	Achieved: Rural Fire Plan is in place and has met all statutory and local requirements. (2014/15: Achieved)
Readiness and Preparedness: Council will be prepared to respond to and manage emergency management incidents.	Response plans and Standard Operating Procedures (SOPs) are current and reflect perceived threats. 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. Appropriately trained personnel are identified for the position of controller	Achieve measure	Achieved: Response plans and Standard Operating Procedures (SOPs) are current and reflect perceived threats. (2014/15: Achieved) Achieved: Appropriate response plans and SOPs were developed and maintained. (2014/15: Achieved) Ongoing. <ul style="list-style-type: none"> • 23-24/09/15 Emergency operations centre training • 01/06/16 Emergency management information system training (EMIS) • 03/06/16 EMIS training. (2014/15: Ongoing) Appropriately trained personnel were identified and assigned the position of controller. (2014/15: Achieved)
Response/Recovery: Council will provide resources to effectively manage emergency management incidents	Non-declared and declared events are responded to and recovered from efficiently and effectively in accordance with Hawke's Bay Civil Defence Emergency Management Plans. The procedures described in the Adverse Events Plan and the Civil Defence Emergency Management Group Plan pertaining to warning systems, co-ordination, and	Achieve measure	Achieved: No declared events (2014/15: 0) Ongoing: Non declared events <ul style="list-style-type: none"> • 21/09/15 Swell update • 03/04/16 Tsunami advisory (2014/15: Achieved)

	<p>management, of response and recovery activities are complied with.</p> <p>Rural fire prevention and suppression activities are administered effectively and efficiently in accordance with Council's Rural Fire Plan 2014</p>		<p>Achieved: WDC rural fire plan has been complied with. (2014/15: Achieved)</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>	<p>Achieve measure</p>	<p>Achieved: Preventative maintenance and renewals are under contract with Professional Fire and Fleet Maintenance.</p> <p>Achieved: Net operating costs of \$218,477 is less than budgeted net costs of \$254,737. (2014/15: 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). 	<p>Achieve measure</p>	<p>Achieved: A rural Fire Officer is on call 24/7 for 365 days of the year. (2014/15: Achieved)</p> <p>Achieved: All events are recorded, and response timeframes were met. (2014/15: Achieved)</p>

FUNDING IMPACT STATEMENT - PLANNING AND REGULATORY
For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,278,440	564,612	564,612	389,432
Targeted rates (other than a targeted rate for water supply)	-	394,168	394,168	263,709
Subsidies and grants for operating purposes	22,337	-	-	-
Fees charges and targeted rates for water supply	484,371	514,680	514,680	566,912
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	1,785,148	1,473,460	1,473,460	1,220,053
Applications of Operating Funding				
Payments to staff and suppliers	1,002,833	1,389,488	1,389,488	958,549
Finance costs	20,221	9,803	9,803	11,159
Internal Charges and overheads applied	303,267	378,245	378,245	228,045
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,326,321	1,777,536	1,777,536	1,197,753
Surplus (Deficit) of operating funding	458,827	(304,076)	(304,076)	22,300
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	15,000	15,000	-
Gross proceeds from sale of assets	30,746	40,000	40,000	30,000
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	30,746	55,000	55,000	30,000
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	94,808	15,000	15,000	-
- to replace existing assets	98,742	216,000	216,000	116,088
Increase (Decrease) in reserves	296,023	(480,076)	(480,076)	(63,788)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	489,573	(249,076)	(249,076)	52,300
Surplus (Deficit) of capital funding	(458,827)	304,076	304,076	(22,300)
Funding Balance				
Group depreciation and amortisation	39,571	54,644	54,644	83,800

PLANNING & REGULATORY

Statement of Cost of Service for the year ended 30 June 2016

	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED NET COST 2015/16	LTP NET COST 2015/16	ACTUAL NET COST 2014/15
Resource Planning	156,123	57,360	98,763	493,147	493,147	116,763
Environmental Health	135,678	14,777	120,901	99,463	99,463	124,790
Building Control	349,794	148,725	201,069	120,822	120,822	208,139
Liquor Control	18,035	25,968	(7,933)	63,160	63,160	(2,666)
Bylaw Compliance	313,869	230,136	83,733	139,431	139,431	26,650
Safer Communities	22,337	22,337	-	-	-	-
Civil Defence	144,951	779	144,172	116,320	116,320	82,264
Rural Fire	225,104	6,627	218,477	254,737	254,737	299,895
	1,365,891	506,709	859,182	1,287,080	1,287,080	855,835
	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED GROSS COST 2015/16	LTP GROSS COST 2015/16	ACTUAL GROSS COST 2014/15
Projects						
Building Control	72,338	-	72,338	60,000	60,000	41,080
Bylaw Compliance	43,227	-	43,227	61,000	61,000	55,639
Environmental Health	20,123	-	20,123	25,000	25,000	-
Civil Defence	56,904	-	56,904	85,000	85,000	-
Rural Fire	957	-	957	-	-	1,072
	193,550	-	193,550	231,000	231,000	97,791
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	94,808	-	94,808	15,000	15,000	42,152
- to replace existing assets	98,742	-	98,742	216,000	216,000	55,639
	193,550	-	193,550	231,000	231,000	97,791

Activity Group Six

LEADERSHIP & GOVERNANCE

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

Community Representation

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

- A strong 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>Access</p> <p>Opportunities are provided to the public to address Council on any matter through public forums and submissions.</p>	<p>Business conducted in confidence is kept to a minimum, and where decisions are deemed to not be of a sensitive nature, confidential items are released as public information.</p>	<p>Achieve measure</p> <p>Meetings of Council are scheduled, advertised, and conducted in the advertised day.</p> <p>Elected representatives attend all meetings of Council, and where they are absent, a formal leave of absence has been applied for prior to the meeting.</p>	<p>Achieved: Confidential items kept to a minimum</p> <p>Achieved: Monthly Council Meetings and Council Forums held. 2 committees held meetings bi monthly.</p> <p>(2014/15: Achieved)</p>
<p>Quality</p> <p>Council will promote and maintain ethical standards.</p>	<p>Council's Code of Conduct, policies, and other such documentation are available to the public on request and/or from Council's website.</p> <p>Council activities meet legislative requirements.</p>	<p>Achieve measure</p> <p>Council's Governance Statement is clear, understandable, and in line with current practice.</p> <p>Codes and policies cover all legal requirements and standards for councillors, staff, and contractors.</p> <p>Council's policy manual is up to date.</p> <p>Council formally adopts significant changes and/or amendments to policy following review.</p>	<p>Achieved: All policies provided/available on request.</p> <p>(2014/15: Achieved)</p> <p>All activities performed in accordance with legislative requirements. No court proceedings upheld.</p> <p>(2014/15: Achieved)</p>
<p>Leadership</p> <p>The services provided will include:</p> <p>Council will demonstrate leadership to the community as a whole, to its electors, stakeholders, and within the organisation.</p>	<p>Executive Officer and all other officers of the Council are clearly defined.</p> <p>Lines of accountability and delegation are defined.</p>	<p>Achieve measure</p> <p>Corporate structures ensure that planning, standards, performance management, internal controls and communications are consistently applied across the Council.</p> <p>Council's vision acknowledges both community priorities and Council's strategy.</p> <p>Leadership is open to self-criticism, challenge, and review via</p>	<p>Achieved: All roles clearly defined by job descriptions and Council policy/delegations.</p> <p>(2014/15: Achieved)</p> <p>Achieved: Lines of accountability and delegation are clearly defined.</p> <p>(2014/15: Achieved)</p>

		<p>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>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 Committee.</p> <p>Consultation provides understanding of the needs of the different and diverse communities of the district.</p>	<p>Achieved: No complaints upheld. No court proceedings upheld. (2014/15: Achieved)</p> <p>Achieved: Opportunities provided for all stakeholders to engage in consultation. Public notifications Achieved: (2014/15: 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>Not Achieved: Net operating costs of \$1,471,555 exceeded the expected net operating budget of \$1,464,210 by \$7,345 or 0.5%. (2014/15: Not 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>Achieved: (Mayor and councillors) 5% rated performance not very good or poor. (2014/15: Not achieved)</p> <p>Achieved: (Council staff) 5% rated performance not very good or poor. (2014/15: Not Achieved)</p>

COMMUNITY SURVEY - PERFORMANCE RATING									
Mayor and Councillors	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Very good/fairly good	54%	59%	61%	71%	69%	63%	67%	57%	55%
Just acceptable	31%	30%	28%	16%	21%	27%	18%	25%	32%
Not very good/poor	9%	8%	9%	8%	6%	6%	4%	15%	5%
Don't know	6%	3%	2%	5%	5%	4%	11%	3%	9%

Māori Relationships

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

- A community that values and promotes its culture and heritage.

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.	Achieved: Ongoing. (2014/15: 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	Achieved: Meetings held monthly alternating between marae and Council chambers. (2014/15: 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.	Achieved: As per Local Government Act (2002). Māori Standing Committee now being requested to facilitate major issue meetings between Hawkes Bay Regional Council, Gisborne District Council, and private corporations. (2014/15: 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.	Achieved: Net operating costs of \$139,606 is less than budget of \$179,699. (2014/15: Achieved)
Customer Service and Satisfaction Council will respond to all enquiries, requests, complaints, and identified issues in a timely manner.	Council offices are open during the hours displayed. All complaints are responded to within established timeframes.	Achieve measure With the exception of public holidays, Council offices will be open Monday through Friday 9:00am – 4:30pm. Response times to customer enquiries will be as follows: <ul style="list-style-type: none"> • telephone calls (1 working day) • reception (15 minutes) • letters, faxes, e-mail (8 working days). 	Achieved: Office hours as displayed as well as 24 hours access via email. Māori Relationships Manager increasing profile in the community. (2014/15: Achieved) Achieved: Complaints responded to within timeframes. (2014/15: Achieved)

Economic Development

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

- A strong prosperous and thriving economy.

Service Levels and Performance Measures

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Strategy planning & policy:	Development of Economic Development Plan.	Completed – Action Plan to be developed	Achieved: New Regional Economic Development Strategy (REDS) developed and adopted. (2014/15: Achieved, ongoing)
	Number of actions completed in the Economic Development Plan – Action Plan.	40% of actions completed.	Not Achieved: No actions have been complete yet as the REDS was launched on the 27 th of July 2016, and later adopted by Council. (2014/15: Achieved: 12 Completed, 8 ongoing)
District Promotion	Number of tourism focused events	Achieve measure	Achieved: 40 events (2014/15: Achieved: 21 events)
Promoting economic development of the district.	Number of business promotion events.	Achieve measure	Achieved: 41 events (2014/15: Achieved: 19 events)
	The number of businesses that have been established in the district annually.	Achieve measure	Achieved: 19 events (2014/15: Achieved: 11 events)
	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.	Achieved: 467 Unemployed (2014/15: 1018 unemployed)
Visitor Centre	The number of visitors to the Visitor Information Centre.	Increase of 5% more visitors per annum.	Not Achieved: 14,813 Visitors (2014/15: Not achieved. 14,836 visitors)
	Number of visitors who stay overnight in the district.	Achieve measure	60,746 (1 June 2015 – 31 May 2016) (2014/15: 56,935)
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	Not Achieved: Net operating costs of \$377,660 is greater than budget of \$320,923. (2014/15: Not Achieved)
Customer complaints will be dealt with promptly and properly.	Verbal complaints within 1 working day.	Achieve measure	Achieved: Any verbal complaints are dealt with using prescribed procedures at time that the complaint is made. (2014/15: Achieved)
	Written complaints within 3 working days.	Achieve measure	Not Achieved: Correct complaints procedure was not followed. (2014/15: Achieved)

FUNDING IMPACT STATEMENT - LEADERSHIP AND GOVERNANCE
 For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	2,030,500	1,848,112	1,848,112	1,686,113
Targeted rates (other than a targeted rate for water supply)	-	140,361	140,361	126,710
Subsidies and grants for operating purposes	2,000	-	-	3,195
Fees charges and targeted rates for water supply	25,079	123,450	123,450	141,542
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	2,057,579	2,111,923	2,111,923	1,957,560
Applications of Operating Funding				
Payments to staff and suppliers	977,723	1,103,888	1,103,888	902,660
Finance costs	1,431	5,220	5,220	-
Internal Charges and overheads applied	1,161,235	1,115,835	1,115,835	1,052,220
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,140,389	2,224,943	2,224,943	1,954,880
Surplus (Deficit) of operating funding	(82,811)	(113,020)	(113,020)	2,680
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	-	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	7,231	-	-	-
- to replace existing assets	1,250	-	-	-
Increase (Decrease) in reserves	(91,292)	(113,020)	(113,020)	2,680
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	(82,811)	(113,020)	(113,020)	2,680
Surplus (Deficit) of capital funding	82,811	113,020	113,020	(2,680)
Funding Balance				
Group depreciation and amortisation	8,070	7,200	7,200	2,680

LEADERSHIP & GOVERNANCE

Statement of Cost of Service for the year ended 30 June 2016

	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED NET COST 2015/16	LTP NET COST 2015/16	ACTUAL NET COST 2014/15
Community Representation	1,473,120	1,565	1,471,555	1,464,210	1,464,210	1,439,374
Maori Governance	141,606	2,000	139,606	179,699	179,699	149,942
Economic Development	385,533	7,873	377,660	320,923	320,923	271,259
Visitor Information Centre	148,200	15,641	132,559	140,361	140,361	113,409
Total	2,148,459	27,079	2,121,380	2,105,193	2,105,193	1,973,984
	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED GROSS COST 2015/16	LTP GROSS COST 2015/16	ACTUAL GROSS COST 2014/15
Projects						
Economic Development	-	-	-	-	-	-
Visitor Information Centre	1,250	-	1,250	-	-	-
Community Representation	7,231	-	7,231	-	-	36,878
	8,481	-	8,481	-	-	36,878
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	7,231	-	7,231	-	-	36,878
- to replace existing assets	1,250	-	1,250	-	-	-
	8,481	-	8,481	-	-	36,878

Activity Group Seven CORPORATE FUNCTIONS

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

Property

The property activity primarily contributes to the following community outcomes:

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

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	Achieved: Maintenance is undertaken at all facilities. All facilities are available for use by the public. (2014/15: Achieved)
	Community's willingness to pay for the service will be considered	Monitor for complaints of cost of service through Annual Plan process	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. (2014/15: Achieved)
	The provision of the services shall be adequate for current and foreseeable demand	Use census data to assess adequacy of facilities provided	Achieved: Based on current demand levels for service provision. (2014/15: New measure not previously assessed)
Council will comply with current legislation and Council bylaws	Council shall meet all legislation requirements	Review current legislation for compliance	Achieved: Legislative requirements are factored into management of the properties. (2014/15: New measure not previously assessed)
	Council's 'Public Safety Bylaw' shall be enforced	Council shall provide for monitoring of the bylaw All known breaches of the bylaw shall be addressed as provided for in the bylaw	Achieved: Council enforcement officers check for the adherence to the Bylaw and take appropriate action where required. (2014/15: New measure not previously assessed)
	Facilities shall meet all relevant safety standards	Facilities shall meet all relevant safety standards	Achieved: Buildings comply with standards and are certified, health and safety plans are in place as appropriate. (2014/15: New measure not previously assessed)
Council will maintain the facilities to ensure long term sustainability	Asset database to be maintained	Asset database to be set up in Assetfinda Develop programme to update assets database annually	Not Achieved: Changes in staffing levels in Engineering Department have delayed the update of AssetFinda. This is expected to be updated in the next year. (2014/15: New measure not previously assessed)

LEVEL OF SERVICE STATEMENT	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
Council will undertake operational, maintenance and renewals activities in a cost-effective manner	All maintenance, renewals and other programmed and reactive works are completed on time and within budget	Forward works program to be set as part of Annual Plan process Works to be within budget +/- 5%	Achieved: Planned maintenance program and unplanned breakages were addressed in time and within budget. (2014/15: New measure not previously assessed)
	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.	Achieved: No Health and Safety related accidents have been reported for this year. Policies are being further developed to meet the new legislative requirements. (2014/15: New measure not previously assessed)
Customers will receive a prompt and efficient service	Level of customer satisfaction through annual survey indicates a 'fairly good', 'very good' or better	80% satisfaction rating	Achieved: User satisfaction from the Communitrak survey are: Community Centre: 96% Halls: 96% (2014/15: New measure not previously assessed)
	Analysis of CSR complaints to enable issues to be addressed	Number of complaints shall reduce	Achieved: 50 CSR's received in regards to property during the year. 3 CSR's have not been updated for completion report. (2014/15: New measure not previously assessed)
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	Not required. Contingency plans have been prepared. No instances occurred where the plans needed to be implemented. (2014/15: New measure not previously assessed)

FUNDING IMPACT STATEMENT - PROPERTY
For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	39,781	88,629	88,629	188,528
Targeted rates (other than a targeted rate for water supply)	-	23,525	23,525	125,289
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	241,045	274,390	274,390	123,592
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	280,826	386,544	386,544	437,409
Applications of Operating Funding				
Payments to staff and suppliers	304,319	347,273	347,273	283,472
Finance costs	11,325	84,693	84,693	39,855
Internal Charges and overheads applied	31,911	23,551	23,551	(119,734)
Other operating funding applications	-	-	-	-
Total applications of operating funding	347,555	455,517	455,517	203,593
Surplus (Deficit) of operating funding	(66,729)	(68,973)	(68,973)	233,816
Sources of capital funding				
Subsidies and grants for capital expenditure	390,000	1,000,000	1,000,000	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	390,000	1,000,000	1,000,000	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,810,212	1,000,000	1,000,000	-
- to replace existing assets	124,141	103,000	103,000	180,886
Increase (Decrease) in reserves	(1,611,082)	(171,973)	(171,973)	52,930
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	323,271	931,027	931,027	233,816
Surplus (Deficit) of capital funding	66,729	68,973	68,973	(233,816)
Funding Balance				
Group depreciation and amortisation	468,296	495,808	495,808	352,737

PROPERTY

Statement of Cost of Service for the year ended 30 June 2016

	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED NET COST 2015/16	LTP NET COST 2015/16	ACTUAL NET COST 2014/15
Corporate Property	174,470	146,283	28,187	(18,333)	(18,333)	35,063
Staff Housing	23,692	7,463	16,229	(3,071)	(3,071)	(38)
Camping Grounds	16,585	-	16,585	9,130	9,130	17,285
Commercial Property	7	3,464	(3,457)	(1,108)	(1,108)	(3,458)
Information Centre Property	33,171	-	33,171	25,582	25,582	23,667
Library Property	17,318	-	17,318	12,088	12,088	17,282
Community Centre	447,126	-	447,126	183,045	183,045	(88,603)
Community Halls	26,345	-	26,345	23,525	23,525	31,284
Pensioner Housing	76,534	83,835	(7,301)	(4,244)	(4,244)	2,361
Sundry Property	130	-	130	2,665	2,665	129
Forestry	474	-	474	9,734	9,734	6,599
	815,852	241,045	574,807	239,013	239,013	41,571
	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED GROSS COST 2015/16	LTP GROSS COST 2015/16	ACTUAL GROSS COST 2014/15
Projects						
Corporate Property	-	-	-	-	-	153,433
Staff Housing	-	-	-	-	-	7,500
Commercial Property	3,312	-	3,312	-	-	-
Information Centre Property	-	-	-	17,000	17,000	9,027
Community Centre	1,920,458	390,000	1,530,458	1,035,000	1,035,000	338,163
Community Halls	-	-	-	-	-	42,555
Pensioner Housing	10,583	-	10,583	51,000	51,000	9,586
	1,934,353	390,000	1,544,353	1,103,000	1,103,000	560,264
Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	1,810,212	390,000	1,420,212	1,000,000	1,000,000	433,423
- to replace existing assets	124,141	-	124,141	103,000	103,000	126,841
	1,934,353	390,000	1,544,353	1,103,000	1,103,000	560,264

Corporate & Funds Management

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

- 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 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	(1,109,720)	(176,874)	(176,874)	(521,447)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	3,491	-	-	852
Local authorities fuel tax, fines, infringement fees, and other receipts	1,577,870	950,736	950,736	637,960
Total Operating Funding	471,642	773,862	773,862	117,365
Applications of Operating Funding				
Payments to staff and suppliers	384,149	773,862	773,862	112,365
Finance costs	387,177	-	-	-
Internal Charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	771,326	773,862	773,862	112,365
Surplus (Deficit) of operating funding	(299,685)	-	-	5,000
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	-	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (Decrease) in reserves	(299,685)	-	-	5,000
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	(299,685)	-	-	5,000
Surplus (Deficit) of capital funding	299,685	-	-	(5,000)
Funding Balance				
Group depreciation and amortisation	-	-	-	-

INVESTMENTS*Statement of Cost of Service for the year ended 30 June 2016*

	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED NET COST 2015/16	LTP NET COST 2015/16	ACTUAL NET COST 2014/15
Funds Management	13,951	1,017,879	(1,003,928)	(351,244)	(351,244)	(1,056,313)
Dividends	-	50,000	(50,000)	(150,000)	(150,000)	(145,000)
Corporate	386,028	513,482	(127,454)	324,370	324,370	(490,890)
	<u>399,979</u>	<u>1,581,361</u>	<u>(1,181,382)</u>	<u>(176,874)</u>	<u>(176,874)</u>	<u>(1,692,203)</u>
Less Internal Reallocation						-
	<u>399,979</u>	<u>1,581,361</u>	<u>(1,181,382)</u>	<u>(176,874)</u>	<u>(176,874)</u>	<u>(1,692,203)</u>
Less Interest Received	-	371,347	(371,347)	-	-	(425,592)
	<u>399,979</u>	<u>1,210,014</u>	<u>(810,035)</u>	<u>(176,874)</u>	<u>(176,874)</u>	<u>(1,266,611)</u>

FUNDING IMPACT STATEMENT - SUPPORT SERVICES
For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	LTP 2014/15
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	(1,704)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees charges and targeted rates for water supply	12,418	15,100	15,100	26,732
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total Operating Funding	12,418	15,100	15,100	25,028
Applications of Operating Funding				
Payments to staff and suppliers	3,637,239	3,856,415	3,856,415	3,244,577
Finance costs	57,750	5,900	5,900	38,118
Internal Charges and overheads applied	(3,832,584)	(3,581,407)	(3,581,407)	(3,350,812)
Other operating funding applications	-	-	-	-
Total applications of operating funding	(137,595)	280,908	280,908	(68,117)
Surplus (Deficit) of operating funding	150,013	(265,808)	(265,808)	93,145
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	30,000	30,000	476,478
Gross proceeds from sale of assets	6,324	20,000	20,000	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	6,324	50,000	50,000	476,478
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	59,983	47,000	47,000	476,478
- to replace existing assets	92,175	130,800	130,800	101,177
Increase (Decrease) in reserves	4,179	(393,608)	(393,608)	(8,032)
Increase (Decrease) of investments	-	-	-	-
Total application of capital funding	156,337	(215,808)	(215,808)	569,623
Surplus (Deficit) of capital funding	(150,013)	265,808	265,808	(93,145)
Funding Balance				
Group depreciation and amortisation	153,018	140,967	140,967	93,145

SUPPORT SERVICES

Statement of Cost of Service for the year ended 30 June 2016

	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED NET COST 2015/16	LTP NET COST 2015/16	ACTUAL NET COST 2014/15
Chief Executive Officer	749,352	-	749,352	785,294	783,294	541,581
Administration Services	826,363	4,346	822,017	892,019	892,019	897,624
Financial Services	894,252	8,072	886,180	933,527	933,527	958,002
Information Services	596,482	-	596,482	651,446	651,446	660,581
Engineering Services	626,944	-	626,944	586,267	586,267	554,349
Regulatory Manager	154,615	-	154,615	139,628	139,628	127,992
Less Overhead Allocation	-	3,832,584	(3,832,584)	(3,581,227)	(3,581,227)	(3,738,018)
	3,848,008	3,845,002	3,006	406,954	404,954	2,111

	COSTS 2015/16	REVENUE 2015/16	NET COST 2015/16	BUDGETED GROSS COST 2015/16	LTP GROSS COST 2015/16	ACTUAL GROSS COST 2014/15
Projects						
Chief Executive Officer	1,692	-	1,692	-	-	-
Administration Services	38,480	-	38,480	55,000	55,000	35,215
Information Services	73,882	-	73,882	87,800	87,800	115,192
Corporate Services	-	-	-	-	-	6,253
Engineering Services	38,104	-	38,104	35,000	35,000	30,531
	152,158	-	152,158	177,800	177,800	187,191

Application of capital funding						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	59,983	-	59,983	39,000	39,000	187,191
- to replace existing assets	92,175	-	92,175	138,800	138,800	-
	152,158	-	152,158	177,800	177,800	187,191

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

Council-Controlled Organisations

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

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

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

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

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

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

Council's objectives for QRS are:

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

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

	2016 Plan	2016 Actual ACHIEVED
Net profit before tax as a percentage of opening shareholder funds	10%	7.4%
Total cost of public debt servicing not to exceed 20% of operating revenue	20%	0.9%
Ratio of shareholder funds to total assets – not less than	45%	63%
Local permanent workforce	>60	97**

** At 30 June 2016.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2016

	Notes	COUNCIL 2015/16 ACTUAL	COUNCIL 2015/16 ANNUAL PLAN	COUNCIL 2015/16 LTP	COUNCIL 2014/15 ACTUAL	GROUP 2015/16 ACTUAL	GROUP 2014/15 ACTUAL
REVENUES							
Rates	1	11,407,513	11,507,490	11,507,490	11,161,472	11,407,513	11,161,472
Subsidies and Grants	32	8,259,900	10,884,159	10,884,159	9,831,302	8,259,900	9,831,302
Petrol Tax		66,731	65,000	65,000	77,283	66,731	77,283
Construction Revenue		-	-	-	-	3,111,579	4,471,847
Fees and Charges		1,694,641	3,049,066	3,049,066	4,183,630	1,673,435	4,154,389
Investment Income	3	1,079,610	885,736	885,736	1,234,418	1,033,919	1,102,033
Miscellaneous Income		4,783	-	-	-	4,783	-
		<u>22,513,178</u>	<u>26,391,451</u>	<u>26,391,451</u>	<u>26,488,105</u>	<u>25,557,860</u>	<u>30,798,326</u>
		<u>22,513,178</u>	<u>26,391,451</u>	<u>26,391,451</u>	<u>26,488,105</u>	<u>25,557,860</u>	<u>30,798,326</u>
EXPENDITURE							
Water Services		4,605,703	4,302,793	4,302,793	8,244,032	4,605,703	8,244,032
Solid Waste		1,111,234	1,129,697	1,129,697	1,108,734	1,111,234	1,108,734
Transport		10,450,745	11,051,568	11,051,568	10,565,859	10,450,745	10,565,859
Community Facilities		1,712,357	1,830,410	1,830,410	1,827,224	1,712,357	1,827,224
Planning & Regulatory		1,356,324	1,819,512	1,819,512	1,415,565	1,356,324	1,415,565
Leadership & Governance		2,148,459	2,220,643	2,220,643	1,986,708	2,148,459	1,986,708
Investments		399,979	408,170	408,170	(68,163)	399,979	(68,163)
Property		658,244	723,474	723,474	628,455	658,244	628,455
Corporate		12,445	410,900	410,900	2,561	12,445	2,561
Expenditure - QRS		-	-	-	-	2,761,918	4,393,891
		<u>22,455,490</u>	<u>23,897,167</u>	<u>23,897,167</u>	<u>25,710,975</u>	<u>25,217,408</u>	<u>30,104,866</u>
Net Surplus (Deficit) on Operations		57,688	2,494,284	2,494,284	777,130	340,452	693,460
Plus: increase (decrease) in biological asset	2	-	-	-	-	-	-
Net Surplus (Deficit) before taxation		<u>57,688</u>	<u>2,494,284</u>	<u>2,494,284</u>	<u>777,130</u>	<u>340,452</u>	<u>693,460</u>
Taxation	9	-	-	-	-	119,796	34,003
Net Surplus (Deficit) after taxation		<u>57,688</u>	<u>2,494,284</u>	<u>2,494,284</u>	<u>777,130</u>	<u>220,656</u>	<u>659,457</u>
OTHER COMPREHENSIVE INCOME							
Property, Plant and Equipment - vested asset		-	-	-	-	-	-
Increase (Decrease) in revaluation reserve		-	-	-	2,449,206	-	2,449,206
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		<u>57,688</u>	<u>2,494,284</u>	<u>2,494,284</u>	<u>3,226,336</u>	<u>220,656</u>	<u>3,108,663</u>

The accompanying notes form part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	COUNCIL 2015/16 ACTUAL	COUNCIL 2015/16 ANNUAL PLAN	COUNCIL 2015/16 LTP	COUNCIL 2014/15 ACTUAL	GROUP 2015/16 ACTUAL	GROUP 2014/15 ACTUAL
Equity at 1 July 2015	262,637,421	255,129,890	255,129,890	259,411,085	266,376,833	263,268,170
Net Surplus/(Deficit) for period	57,688	2,494,284	2,494,284	777,130	220,656	659,457
Other Comprehensive Income	-	-	-	2,449,206	-	2,449,206
Total Comprehensive Income	<u>57,688</u>	<u>2,494,284</u>	<u>2,494,284</u>	<u>3,226,336</u>	<u>220,656</u>	<u>3,108,663</u>
Equity at 30 June 2016	<u>262,695,109</u>	<u>257,624,174</u>	<u>257,624,174</u>	<u>262,637,421</u>	<u>266,597,489</u>	<u>266,376,833</u>
Components of Equity						
Ratepayers Equity at the beginning of the year	135,198,972	129,091,237	129,091,237	136,490,113	137,947,850	139,356,664
Net surplus/(deficit) for period	57,688	2,494,284	2,494,284	777,130	220,656	659,457
Transfers from restricted reserves	5,290,958	5,478,607	5,478,607	4,773,685	5,290,958	4,773,685
Transfers to restricted reserves	(4,512,882)	(4,728,253)	(4,728,253)	(6,841,956)	(4,512,882)	(6,841,956)
Transfer from revaluation reserve on disposal	-	-	-	-	-	-
Ratepayers Equity at 30 June 2016	<u>136,034,736</u>	<u>132,335,876</u>	<u>132,335,876</u>	<u>135,198,972</u>	<u>138,946,583</u>	<u>137,947,850</u>
Special Funds at the beginning of the year	23,178,435	21,142,093	21,142,093	21,110,164	23,178,435	21,110,164
Transfer from ratepayers equity	4,512,882	4,728,253	4,728,253	6,841,956	4,512,882	6,841,956
Transfer to ratepayers equity	(5,290,958)	(5,478,607)	(5,478,607)	(4,773,685)	(5,290,958)	(4,773,685)
Special Funds at 30 June 2016	<u>22,400,359</u>	<u>20,391,739</u>	<u>20,391,739</u>	<u>23,178,435</u>	<u>22,400,359</u>	<u>23,178,435</u>
Revaluation reserve infrastructural at the beginning of the year	104,260,014	104,896,560	104,896,560	101,810,808	105,250,548	102,801,342
Net transfer from revaluation reserve on disposal	-	-	-	-	-	-
Transfer to revaluation	-	-	-	2,449,206	-	2,449,206
Revaluation reserve infrastructural at 30 June 2016	<u>104,260,014</u>	<u>104,896,560</u>	<u>104,896,560</u>	<u>104,260,014</u>	<u>105,250,548</u>	<u>105,250,548</u>
Total Equity at 30 June 2016	<u>262,695,109</u>	<u>257,624,174</u>	<u>257,624,174</u>	<u>262,637,421</u>	<u>266,597,489</u>	<u>266,376,833</u>

The accompanying notes form part of the Financial Statements

STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Notes	COUNCIL 2015/16 ACTUAL	COUNCIL 2015/16 ANNUAL PLAN	COUNCIL 2015/16 LTP	COUNCIL 2014/15 ACTUAL	GROUP 2015/16 ACTUAL	GROUP 2014/15 ACTUAL
CURRENT ASSETS							
Cash and cash equivalents	7	4,518,019	140,775	140,775	9,182,198	5,659,415	9,942,468
Inventories	5	65,574	38,291	38,291	40,083	1,405,077	966,027
Trade & other receivables from non-exchange transactions	4	3,051,652	5,984,868	5,984,868	6,847,636	4,266,124	8,608,057
Financial assets at fair value	6	3,977,241	13,320,660	13,320,660	2,311,009	3,977,241	2,311,009
Taxation Refundable		-	-	-	-	-	113,496
Total Current Assets		11,612,486	19,484,593	19,484,593	18,380,926	15,307,857	21,941,057
LESS CURRENT LIABILITIES							
Trade & other payables	8	3,905,458	3,822,346	3,822,346	4,236,096	4,830,529	5,367,470
Term Liabilities - Current Portion	10	10,260	-	-	-	765,085	900,191
Taxation Payable		-	-	-	-	26,334	-
Total Current Liabilities		3,915,718	3,822,346	3,822,346	4,236,096	5,621,948	6,267,661
Working Capital		7,696,768	15,662,247	15,662,247	14,144,830	9,685,909	15,673,396
NON CURRENT ASSETS							
Property, Plant & Equipment	12	249,041,948	246,756,157	246,756,157	246,042,918	252,702,730	249,865,328
Loans & other receivables	13	60,247	-	-	90,247	60,247	90,247
Investments in Subsidiary	14	1,250,000	1,250,000	1,250,000	1,250,000	-	-
Investment Property	15	-	277,000	277,000	-	-	-
Biological asset - forestry	17	150,380	69,946	69,946	150,380	150,380	150,380
Available for sale financial assets	16	22,992	22,992	22,992	22,992	22,992	22,992
Intangible Assets	11	121,343	143,277	143,277	156,733	332,083	274,925
Financial assets at fair value	6	10,242,546	-	-	6,378,510	10,242,546	6,378,510
Deferred Taxation	9	-	-	-	-	292,907	255,796
		260,889,456	248,519,372	248,519,372	254,091,780	263,803,885	257,038,178
NON CURRENT LIABILITIES							
Employee Entitlements	20	111,459	147,883	147,883	121,063	174,342	191,089
Landfill Aftercare	28	755,898	859,562	859,562	478,126	755,898	478,126
Quarry Aftercare	29	-	-	-	-	154,943	146,324
Borrowings	10	5,023,758	5,550,000	5,550,000	5,000,000	5,807,122	5,519,202
		5,891,115	6,557,445	6,557,445	5,599,189	6,892,305	6,334,741
Net Assets		262,695,109	257,624,174	257,624,174	262,637,421	266,597,489	266,376,833
Represented by							
Equity	18	262,695,109	257,624,174	257,624,174	262,637,421	266,597,489	266,376,833

The accompanying notes form part of the Financial Statements

STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	COUNCIL 2015/16 ACTUAL	COUNCIL 2015/16 ANNUAL PLAN	COUNCIL 2015/16 LTP	COUNCIL 2014/15 ACTUAL	GROUP 2015/16 ACTUAL	GROUP 2014/15 ACTUAL
OPERATING ACTIVITIES						
Cash was provided from:						
Rates received	11,571,975	13,077,245	13,077,245	11,213,849	11,571,975	11,213,849
Other Revenue	13,114,627	12,079,897	12,079,897	13,189,122	16,736,917	15,846,901
Dividends received	50,000	-	-	145,000	-	-
Interest received	787,322	-	-	935,094	791,631	947,709
	<u>25,523,923</u>	<u>25,157,142</u>	<u>25,157,142</u>	<u>25,483,065</u>	<u>29,100,522</u>	<u>28,008,459</u>
Cash was applied to:						
Payments to Suppliers & Employees	16,676,250	20,555,817	20,555,817	16,904,182	21,510,824	19,249,349
Taxation	-	-	-	-	17,076	124,449
Interest Paid	307,394	473,078	473,078	302,500	411,920	364,168
	<u>16,983,644</u>	<u>21,028,895</u>	<u>21,028,895</u>	<u>17,206,682</u>	<u>21,939,820</u>	<u>19,737,966</u>
Net Cash Flow from Operations	19 <u>8,540,279</u>	<u>4,128,247</u>	<u>4,128,247</u>	<u>8,276,383</u>	<u>7,160,702</u>	<u>8,270,493</u>
INVESTING ACTIVITIES						
Cash was provided from:						
Sale of Property, Plant & Equipment	68,512	70,000	70,000	-	154,361	131,217
Repayment of Advances	30,000	-	-	-	30,000	-
Sale of Financial Assets	1,164,930	1,400,000	1,400,000	136,418	1,164,930	136,418
	<u>1,263,442</u>	<u>1,470,000</u>	<u>1,470,000</u>	<u>136,418</u>	<u>1,349,291</u>	<u>267,635</u>
Cash was applied to:						
Purchase of Intangibles	47,410	-	-	129,800	170,387	137,830
Purchase of Financial Assets	6,452,910	-	-	90,000	6,452,910	90,000
Purchase of Property, Plant & Equipment	8,001,599	10,600,149	10,600,149	4,894,492	6,322,563	6,754,387
	<u>14,501,918</u>	<u>10,600,149</u>	<u>10,600,149</u>	<u>5,114,292</u>	<u>12,945,859</u>	<u>6,982,217</u>
Net Cash Flows from Investing Activities	<u>(13,238,476)</u>	<u>(9,130,149)</u>	<u>(9,130,149)</u>	<u>(4,977,874)</u>	<u>(11,596,568)</u>	<u>(6,714,582)</u>
FINANCING ACTIVITIES						
Cash was provided from:						
Loans Raised	41,400	550,000	550,000	-	692,136	1,331,169
	<u>41,400</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>	<u>692,136</u>	<u>1,331,169</u>
Cash was applied to:						
Borrowings Repaid	7,382	2,334,615	2,334,615	-	539,322	312,682
	<u>7,382</u>	<u>2,334,615</u>	<u>2,334,615</u>	<u>-</u>	<u>539,322</u>	<u>312,682</u>
Net Cash Flows from Financing Activities	<u>34,018</u>	<u>(1,784,615)</u>	<u>(1,784,615)</u>	<u>-</u>	<u>152,814</u>	<u>1,018,487</u>
Net Increase/(Decrease)	<u>(4,664,179)</u>	<u>(6,786,517)</u>	<u>(6,786,517)</u>	<u>3,298,509</u>	<u>(4,283,053)</u>	<u>2,574,398</u>
Plus opening cash & cash equivalents	9,182,198	6,927,292	6,927,292	5,883,689	9,942,468	7,368,070
Cash & cash equivalents at end of year	<u>4,518,019</u>	<u>140,775</u>	<u>140,775</u>	<u>9,182,198</u>	<u>5,659,415</u>	<u>9,942,468</u>
Made up of:						
Cash	640,116	140,775	140,775	801	1,781,512	761,071
Short Term Deposits	3,877,903	-	-	9,181,397	3,877,903	9,181,397
Bank Overdraft	-	-	-	-	-	-
	<u>4,518,019</u>	<u>140,775</u>	<u>140,775</u>	<u>9,182,198</u>	<u>5,659,415</u>	<u>9,942,468</u>

The accompanying notes form part of the Financial Statements

Note 1 Statement of Rates

	2016	2015
(a) Rate Debtors		
Balance of Rate Debtors at start of year	3,215,048	3,060,614
Add Rates levied (current rates)	13,703,657	13,393,679
Penalties charged	227,661	217,062
Legal costs	(708)	13,301
	<u>17,145,658</u>	<u>16,684,656</u>
Less rates collected	(12,929,631)	(12,698,431)
Adjustments/write offs/discounts	(846,174)	(789,974)
Plus increase (Decrease) in rates paid in advance	(32,314)	18,797
	<u>3,337,539</u>	<u>3,215,048</u>
(b) Rates revenue		
Rates levied		
General Rates	2,968,017	2,899,881
Water	987,991	834,234
Sewerage	1,393,039	1,568,725
Waste Management	831,061	796,611
Stormwater / Drainage	379,391	347,576
Services	952,229	690,679
Roading	3,619,164	3,574,496
Recreation	786,547	934,428
	<u>11,917,439</u>	<u>11,646,630</u>
Penalties charged	227,661	217,062
	<u>12,145,100</u>	<u>11,863,692</u>
Less Remissions	(367,831)	(344,545)
	<u>11,777,269</u>	<u>11,519,147</u>
Less internal charges	(369,756)	(357,675)
Rating revenue per Income Statement	<u>11,407,513</u>	<u>11,161,472</u>

Note 2 Other Income

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Net gain (Loss) on disposal of property, plant and equipment	4,783	-	4,783	-
	<u>4,783</u>	<u>-</u>	<u>4,783</u>	<u>-</u>

Note 3 Investment Income

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Interest on Financial assets at fair value through Profit and Loss	775,591	935,094	779,900	947,709
Gain / (Loss) in market value of Bond Portfolio	242,288	136,418	242,288	136,418
Dividends	50,000	145,000	-	-
Rental income on other investments	10,927	17,373	10,927	17,373
Other income	804	533	804	533
	<u>1,079,610</u>	<u>1,234,418</u>	<u>1,033,919</u>	<u>1,102,033</u>

Note 4 Trade and other Receivables

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Rates Debtors	3,337,539	3,215,048	3,337,539	3,215,048
Trade Receivables - Non exchange transactions	2,547,989	5,837,491	2,547,989	5,837,491
Trade Receivables - Exchange transactions	-	-	1,218,081	1,762,594
GST Receivable	231,040	512,243	231,040	512,243
Less provision for impairment of receivables	(3,064,916)	(2,717,146)	(3,068,525)	(2,719,319)
	<u>3,051,652</u>	<u>6,847,636</u>	<u>4,266,124</u>	<u>8,608,057</u>

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

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

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

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

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Not past due	327,710	290,280	327,710	290,280
up to 2 years	1,055,902	1,025,097	1,055,902	1,025,097
2 to 5 years	883,017	867,959	883,017	867,959
over 5 years	1,070,911	1,031,712	1,070,911	1,031,712
Total Rates Debtors	<u>3,337,539</u>	<u>3,215,048</u>	<u>3,337,539</u>	<u>3,215,048</u>

2016 Council and Group			
	Gross	Impairment	Net
Not past due	327,710	79,811	247,899
up to 2 years	1,055,902	627,112	428,790
2 to 5 years	883,017	856,727	26,290
over 5 years	1,070,911	1,070,911	-
	<u>3,337,539</u>	<u>2,634,561</u>	<u>702,979</u>

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

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

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

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

2016 Council			
	Gross	Impairment	Net
Not past due	1,289,470	-	1,289,470
Past due 30 - 60 days	387,594	-	387,594
Past due 60 - 90 days	197,728	-	197,728
Past due > 90 days	673,196	430,355	242,840
	<u>2,547,989</u>	<u>430,355</u>	<u>2,117,634</u>

2016 Group			
	Gross	Impairment	Net
Not past due	2,113,359	-	2,113,359
Past due 30 - 60 days	575,121	-	575,121
Past due 60 - 90 days	288,314	-	288,314
Past due > 90 days	789,275	433,964	355,310
	<u>3,766,070</u>	<u>433,964</u>	<u>3,332,106</u>

2016 Summary			
	Gross	Impairment	Net
Council	6,116,568	3,064,916	3,051,652
Group	7,334,649	3,068,525	4,266,124

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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:

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
At 1 July	2,717,146	2,524,095	2,719,319	2,524,603
Additional provision	347,770	193,051	349,206	194,716
At 30 June	<u>3,064,916</u>	<u>2,717,146</u>	<u>3,068,525</u>	<u>2,719,319</u>

Note 5 Inventories

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Metal Stocks	-	-	709,883	685,025
Water reticulation spare parts	3,921	3,921	3,921	3,921
Water treatment chemicals	52,855	24,265	52,855	24,265
Other supplies	8,798	11,897	115,235	120,273
Work in progress	-	-	523,183	132,543
	<u>65,574</u>	<u>40,083</u>	<u>1,405,077</u>	<u>966,027</u>

The carrying amount of inventories held for distribution that are measured at lower of cost or net realisable value as at 30 June 2016 amounted to \$ 65,574 (2015: \$40,083). The write-down of inventories held for distribution amounted to \$nil (2015: \$nil), while reversal of write downs amounted to \$nil (2015: \$nil.) The carrying amount of inventories pledged as security is \$nil (2015: \$nil) and for liabilities is \$nil (2015: \$nil.)

NOTES TO THE FINANCIAL STATEMENTS

Note 6 Financial assets at Fair Value

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Stock and Debentures	11,011,687	7,621,424	11,011,687	7,621,424
Term deposits over 3 months	3,208,100	1,068,095	3,208,100	1,068,095
	<u>14,219,787</u>	<u>8,689,519</u>	<u>14,219,787</u>	<u>8,689,519</u>

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

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

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Maturity				
One year or less	3,977,241	2,311,009	3,977,241	2,311,009
Weighted average interest rate	3.82%	4.35%	3.82%	4.35%
Between one and five years	7,486,605	5,864,728	7,486,605	5,864,728
Weighted average interest rate	5.34%	5.47%	5.34%	5.47%
Over five years	2,755,941	513,782	2,755,941	513,782
Weighted average interest rate	4.35%	5.52%	4.35%	5.52%
	<u>14,219,787</u>	<u>8,689,519</u>	<u>14,219,787</u>	<u>8,689,519</u>

The stocks and debentures are local authority stocks, and commercial bonds that are actively traded. The coupon rates vary from 4.14% to 7.00% with yields from 2.61% to 5.28%. Purchases and sales are accounted for at settlement date. These assets are exposed to cash flow interest rate risk.

Note 7 Cash and Cash Equivalents

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Cash at bank and in hand	640,116	801	1,781,512	761,071
Short term deposits	3,877,903	9,181,397	3,877,903	9,181,397
Total cash and cash equivalents	<u>4,518,019</u>	<u>9,182,198</u>	<u>5,659,415</u>	<u>9,942,468</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Note 8 Trade and other Payables

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Trade Payables	2,832,928	3,112,387	3,103,730	3,434,251
Employee Entitlements	549,973	588,298	1,230,848	1,309,543
GST Payable	-	-	36,277	158,291
Prepayments - Rates	259,252	290,685	259,252	290,685
Prepayments - Other debtors	101,029	117,418	101,029	117,418
	<u>3,743,181</u>	<u>4,108,788</u>	<u>4,731,135</u>	<u>5,310,188</u>
Less non-current portion of employee entitlements	<u>(111,459)</u>	<u>(121,063)</u>	<u>(174,342)</u>	<u>(191,089)</u>
	<u>3,631,722</u>	<u>3,987,725</u>	<u>4,556,793</u>	<u>5,119,099</u>
Trust funds and deposits				
Deposits	270,087	244,724	270,087	244,724
Trust funds	3,649	3,647	3,649	3,647
	<u>273,736</u>	<u>248,371</u>	<u>273,736</u>	<u>248,371</u>
	<u>3,905,458</u>	<u>4,236,096</u>	<u>4,830,529</u>	<u>5,367,470</u>

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

Safer Community Committee	<u>3,649</u>	<u>3,647</u>	<u>3,649</u>	<u>3,647</u>
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Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value approximates their fair value.

Note 9 Taxation

	2015/16 Group	2014/15 Group
Current tax expense	162,877	-
Adjustments to current tax in prior years	-	-
Reduction in tax rate	-	-
Deferred tax expense	(43,081)	34,003
Income tax expense	<u>119,796</u>	<u>34,003</u>
Total Group Income	340,452	693,460
Less Non assessable income	(87,025)	580,155
Assessable income	<u>427,477</u>	<u>113,305</u>
Tax @ 28%	119,693	31,725
Plus taxation effect of permanent differences	-	-
Imputation credit adjustment	-	-
Reduction in tax rate	-	-
Non deductible expenses	<u>103</u>	<u>2,278</u>
Less prior period taxation	-	-
Income tax expense at effective rate of 28%	<u>119,796</u>	<u>34,003</u>
The major components of taxation expense are:		
Current taxation	162,877	-
Deferred taxation	(43,081)	34,003
Reduction in tax rate	<u>-</u>	<u>-</u>
	<u>119,796</u>	<u>34,003</u>
Deferred Tax Asset		
Opening Balance	255,796	289,799
Current year charge	43,081	(34,003)
Use of Prior Year Recognised Loss and Other Movement not Recognised	(5,970)	-
Closing Balance	<u>292,907</u>	<u>255,796</u>

Deferred Income Tax as at 30 June 2016 relates to the following

	Balance Sheet Group		Income Statement Group	
	2015/16	2014/15	2015/16	2014/15
Deferred tax liabilities				
Contract retentions	92,302	148,365	56,062	(41,562)
Future amortisation	5,399	6,462	1,063	1,042
Gross deferred tax liabilities	97,701	154,827	57,126	(40,520)
Deferred tax assets				
Doubtful Debts	1,011	608	402	466
<u>Provisions</u>				
Annual leave	89,141	82,362	6,779	4,171
Staff gratuities	19,938	24,375	(4,437)	2,619
Sick leave	5,799	1,350	4,449	(4,973)
Time in lieu	21,129	19,331	1,798	(5,850)
Long service leave	7,194	9,260	(2,065)	(1,026)
Staff bonus	-	-	-	-
Aftercare	43,384	40,971	2,413	(3,777)
ACC Premiums	6,385	12,362	(5,977)	29
Recognised tax losses	-	5,758	-	5,758
Maintenance accruals	-	931	(931)	(24,392)
Construction accruals	32,102	45,742	(13,640)	20,810
Future depreciation	164,525	167,573	(2,836)	12,682
Deferred tax assets	390,608	410,623	(14,045)	6,517
Net deferred tax assets	292,907	255,796		
Deferred tax income (expense)			43,081	(34,003)

Note 10 Borrowings

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Current Portion				
Secured Loans	10,260	-	765,085	900,191
Debentures	-	-	-	-
Total Current Portion	10,260	-	765,085	900,191
Non Current Portion				
Secured Loans	5,023,758	5,000,000	5,807,122	5,519,202
Total Borrowings	5,034,018	5,000,000	6,572,207	6,419,393

Maturity Analysis and effective interest rates

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

	2015/16 Secured Loans Council	2014/15 Secured Loans Council
Less than one year	10,260	-
<i>weighted average effective interest rate</i>	16.43%	0.00%
Later than one year but less than two years	11,681	-
<i>weighted average effective interest rate</i>	16.43%	0.00%
Later than two years but less than five years	5,012,077	5,000,000
<i>weighted average effective interest rate</i>	6.03%	6.05%
Later than five years	-	-
<i>weighted average effective interest rate</i>	0.00%	0.00%
	5,034,018	5,000,000

Fair Value of borrowings - Group

	Carrying Amounts		Fair Values	
	2015/16	2014/15	2015/16	2014/15
Secured Loans	6,572,207	6,419,393	6,572,207	6,419,393
	6,572,207	6,419,393	6,572,207	6,419,393

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 6.05% Council (2015: 6.05%) and 7.3% Group (2015: 7.15%) The carrying amounts of borrowings repayable within one year approximate their fair value. WDC does not have any floating rate debt.

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

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

Internal Borrowing - Council

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

Activity Group	Balance 2014/15	Borrowed in Year 2015/16	Repaid in Year 2015/16	Balance 2015/16
Water Supply	1,779,977	-	-	1,779,977
Stormwater and Drainage	1,181,617	40,623	-	1,222,240
Wastewater	1,323,073	92,810	-	1,415,883
Waste Management	721,747	-	-	721,747
Community Facilities	147,430	1,622,828	-	1,770,258
Planning and Regulatory	159,457	-	-	159,457
Property	146,714	42,032	-	188,746
Support Services	35,177	14,467	-	49,644
	<u>5,495,192</u>	<u>1,812,760</u>	<u>-</u>	<u>7,307,952</u>

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

Activity Group	Interest Charged 2015/16
Water Supply	106,799
Stormwater and Drainage	73,334
Wastewater	84,953
Waste Management	43,305
Community Facilities	106,215
Planning and Regulatory	9,567
Property	11,325
Support Services	2,979
	<u>438,477</u>

Note 11 Intangible Assets

	2015/16 Council Software	2014/15 Council Software	2015/16 Group Software	2014/15 Group Software
Opening Balance				
Cost	680,625	550,825	1,135,415	997,584
Accumulated amortisation and impairment	(523,892)	(444,694)	(860,490)	(742,395)
Opening carrying value	<u>156,733</u>	<u>106,131</u>	<u>274,925</u>	<u>255,189</u>
Year ended 30 June 2016				
Additions	35,874	129,800	158,851	137,831
Amortisation charge	(82,800)	(79,198)	(113,229)	(118,095)
Closing carrying amount	<u>109,807</u>	<u>156,733</u>	<u>320,547</u>	<u>274,925</u>
	2015/16 Council Trademarks	2014/15 Council Trademarks	2015/16 Group Trademarks	2014/15 Group Trademarks
Year ended 30 June 2016				
Additions	11,536	-	11,536	-
Amortisation charge	-	-	-	-
Closing carrying amount	<u>11,536</u>	<u>-</u>	<u>11,536</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 12

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

Description	Cost/Revaluation 30/06/2015	Accumulated Depreciation and Impairment Charges 30/06/2015	Carrying Amount 30/06/2015	Revaluation	Current Year Disposals	Current Year Accumulated Depreciation Disposals	Current Year Additions Assets Constructed	Current Year Additions Assets Transferred	Depreciation and Impairment Charges 30/06/2016	Carrying Amount 30/06/2016	Carrying Amount at 30/06/2016 Represented By	
											Cost/ Revaluation	Accumulated Depreciation and Impairment Charges
Land	4,116,861	1,035	4,115,826	-	-	-	41,391	-	1,035	4,156,182	4,158,252	2,070
Buildings	10,521,058	1,918,515	8,602,543	-	26,685	7,837	2,063,747	-	361,861	10,285,582	12,558,121	2,272,538
	14,637,919	1,919,550	12,718,369	-	26,685	7,837	2,105,138	-	362,896	14,441,764	16,716,373	2,274,609
Other Improvements	2,545,524	1,261,236	1,284,288	-	403	-	359,618	-	145,352	1,498,151	2,904,739	1,406,588
Vehicles	1,031,800	816,879	214,921	-	163,537	136,865	181,341	-	78,711	290,879	1,049,604	758,726
Furniture and Office Equipment	2,649,071	1,533,522	1,115,549	-	165,250	164,041	273,803	-	275,308	1,112,835	2,757,623	1,644,788
Fixtures and Fittings	68,070	44,157	23,913	-	-	-	-	-	8,589	15,324	68,070	52,746
Library Collections	448,523	333,295	115,228	-	-	-	36,979	-	44,852	107,355	485,502	378,147
	6,742,988	3,989,089	2,753,899	-	329,190	300,906	851,741	-	552,812	3,024,544	7,265,539	4,240,995
Roading	166,622,112	2,111,126	164,510,986	-	361,613	12,160	1,891,159	-	1,773,127	164,279,565	168,151,658	3,872,093
Land under Roads	5,344,000	-	5,344,000	-	-	-	-	-	-	5,344,000	5,344,000	-
Bridges	18,828,742	572,568	18,256,174	-	180,075	5,537	1,044,194	-	576,905	18,548,925	19,692,861	1,143,936
Water Supply-Treatment Plant & Facilities	6,476,728	162,000	6,314,728	-	9,283	298	211,832	-	176,208	6,341,367	6,679,276	337,909
Water Supply-Other Assets	13,744,422	287,210	13,457,212	-	9,110	193	93,009	-	287,646	13,253,659	13,828,321	574,662
Sewerage - Treatment Plant & Facilities	9,623,570	361,995	9,261,575	-	20,237	580	198,690	-	232,976	9,207,632	9,802,023	594,391
Sewerage - Other Assets	7,376,668	164,727	7,211,941	-	19,740	368	205,182	-	139,458	7,258,293	7,562,110	303,817
Stormwater	5,407,504	169,980	5,237,525	-	9,061	284	94,130	-	169,980	5,152,897	5,492,572	339,676
Parking	390,168	25,220	364,948	-	-	-	-	-	25,220	339,728	390,168	50,440
	233,813,914	3,854,826	229,959,089	-	609,119	19,421	3,738,194	-	3,381,519	229,726,065	236,942,989	7,216,924
Capital Work in Progress	611,562	-	611,562	-	-	-	1,849,575	(611,562)	-	1,849,575	1,849,575	-
TOTAL	255,806,383	9,763,465	246,042,919	-	964,994	328,165	8,544,649	(611,562)	4,297,227	249,041,948	262,774,476	13,732,528

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

NOTES TO THE FINANCIAL STATEMENTS

Note 12

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

Description	Cost/Revaluation 30/06/2015	Accumulated Depreciation and Impairment Charges 30/06/2015	Carrying Amount 30/06/2015	Revaluation	Current Year Disposals	Current Year Accumulated Depreciation Disposals	Current Year Additions Assets Constructed	Current Year Additions Assets Transferrec	Depreciation and Impairment Charges 30/06/2016	Carrying Amount 30/06/2016	Carrying Amount at 30/06/2016 Represented By	
											Cost/ Revaluation	Accumulated Depreciation and Impairment Charges
Land	4,395,324	9,105	4,386,219	-	-	-	61,870	-	1,440	4,446,649	4,457,194	10,545
Buildings	11,040,188	2,207,211	8,832,977	-	26,685	7,837	2,063,747	-	377,384	10,500,493	13,077,251	2,576,757
	15,435,512	2,216,316	13,219,196	-	26,685	7,837	2,125,617	-	378,824	14,947,142	17,534,445	2,587,303
Other Improvements	2,545,524	1,261,236	1,284,288	-	403	-	359,618	-	145,352	1,498,151	3,344,127	1,845,976
Vehicles	13,603,348	9,614,605	3,988,743	-	573,515	508,984	886,685	-	892,460	3,918,437	13,916,518	9,998,082
Furniture and Office Equipment	3,412,868	1,975,902	1,436,966	-	165,250	164,041	441,901	-	368,607	1,509,051	3,689,518	2,180,467
Fixtures and Fittings	68,070	44,157	23,913	-	-	-	-	-	8,589	15,324	68,070	52,746
Library Collections	448,523	333,295	115,228	-	-	-	36,979	-	44,852	107,355	485,502	378,147
	20,078,333	13,229,195	6,849,138	-	739,168	673,025	2,164,571	-	1,899,248	7,048,318	21,503,736	14,455,418
Roading	165,848,453	2,111,126	163,737,327	-	361,613	12,160	1,796,446	-	1,773,127	163,411,193	167,283,286	3,872,093
Land under Roads	5,344,000	-	5,344,000	-	-	-	-	-	-	5,344,000	5,344,000	-
Bridges	18,828,742	572,568	18,256,174	-	180,075	5,537	1,044,194	-	576,905	18,548,925	19,692,861	1,143,936
Water Supply -Treatment Plant & Facilities	6,476,728	162,000	6,314,728	-	9,283	298	211,832	-	176,208	6,341,367	6,679,276	337,909
Water Supply-Other Assets	13,744,422	287,210	13,457,212	-	9,110	193	93,009	-	287,646	13,253,659	13,828,321	574,662
Sewerage - Treatment Plant & Facilities	9,623,570	361,995	9,261,575	-	20,257	580	198,690	-	232,976	9,207,632	9,802,023	594,391
Sewerage -Other Assets	7,363,517	151,575	7,211,942	-	19,740	368	205,182	-	139,458	7,258,294	7,548,959	290,665
Stormwater	5,407,506	169,980	5,237,526	-	9,061	284	94,130	-	169,980	5,152,899	5,492,574	339,676
Parking	390,168	25,220	364,948	-	-	-	-	-	25,220	339,728	390,168	50,440
	232,880,962	3,695,530	229,185,432	-	609,119	19,421	3,643,481	-	3,381,519	228,857,696	235,915,324	7,057,628
Capital Work in Progress	611,562	-	611,562	-	-	-	1,849,575	(611,562)	-	1,849,575	1,849,575	-
TOTAL	269,006,369	19,141,041	249,865,327	-	1,374,972	700,284	9,783,245	(611,562)	5,659,591	252,702,731	276,803,080	24,100,349

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

NOTES TO THE FINANCIAL STATEMENTS

Note 12

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Note 12

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

Description	Cost/Revaluation 30/06/2014	Accumulated Depreciation and Impairment Charges 30/06/2014	Carrying Amount 30/06/2014	Revaluation	Current Year Disposals	Current Year Accumulated Depreciation Disposals	Current Year Additions Assets Constructed	Current Year Additions Assets Transferrec	Depreciation and Impairment Charges 30/06/2015	Carrying Amount 30/06/2015	Carrying Amount at 30/06/2015 Represented By	
											Cost/ Revaluation	Accumulated Depreciation and Impairment Charges
Land	4,158,517	8,070	4,150,447	-	-	-	236,807	-	1,035	4,386,219	4,395,324	9,105
Buildings	10,682,094	1,873,297	8,808,797	-	-	-	358,094	-	333,914	8,832,977	11,040,188	2,207,211
	14,840,611	1,881,367	12,959,244	-	-	-	594,901	-	334,949	13,219,196	15,435,512	2,216,316
Other Improvements	2,431,836	1,121,856	1,309,980	-	-	-	113,688	-	139,380	1,284,288	2,545,524	1,261,236
Vehicles	12,588,026	9,052,676	3,535,350	-	418,461	340,041	1,433,783	-	901,970	3,988,743	13,603,348	9,614,605
Furniture and Office Equipment	2,957,745	1,668,620	1,289,125	-	2,655	732	457,758	-	308,014	1,436,966	3,412,868	1,975,902
Fixtures and Fittings	59,043	36,305	22,738	-	-	-	9,027	-	7,852	23,913	68,070	44,157
Library Collections	414,940	271,085	143,855	-	-	-	33,583	-	62,210	115,228	448,523	333,295
	18,451,590	12,150,542	6,301,048	-	421,096	340,773	2,047,839	-	1,419,426	6,849,138	20,078,333	13,229,195
Roading	161,953,128	208,818	161,744,310	-	1,639,199	-	5,534,524	-	1,902,308	163,737,327	165,848,453	2,111,126
Land under Roads	5,344,000	-	5,344,000	-	-	-	-	-	-	5,344,000	5,344,000	-
Bridges	18,050,000	-	18,050,000	-	80,872	-	859,614	-	572,568	18,256,174	18,828,742	572,568
Water Supply -Treatment Plant & Facilities	5,441,318	617,914	4,823,404	1,402,988	25,294	-	275,630	-	162,000	6,314,728	6,476,728	162,000
Water Supply-Other Assets	13,804,233	1,239,642	12,564,591	1,172,962	456	-	7,325	-	287,210	13,457,212	13,744,422	287,210
Sewerage - Treatment Plant & Facilities	11,953,262	742,729	11,210,533	(1,749,695)	1,714	-	18,302	-	215,851	9,261,575	9,623,570	361,995
Sewerage -Other Assets	8,181,241	553,070	7,628,171	(268,058)	357	-	3,761	-	151,575	7,211,942	7,363,517	151,575
Stormwater	4,058,165	541,669	3,516,497	1,891,009	-	-	-	-	169,980	5,237,526	5,407,506	169,980
Parking	390,168	-	390,168	-	-	-	-	-	25,220	364,948	390,168	25,220
	229,175,515	3,903,842	225,271,674	2,449,206	1,747,892	-	6,699,156	-	3,486,712	229,185,432	232,880,962	3,695,530
Capital Work in Progress	3,251,044	-	3,251,044	-	-	-	225,923	(2,865,405)	-	611,562	611,562	-
TOTAL	265,718,760	17,935,751	247,783,010	2,449,206	2,168,988	340,773	9,567,819	(2,865,405)	5,241,087	249,865,328	269,006,369	19,141,041

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

Note 12 Cont.

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

Estimating any obsolescence or surplus capacity of the asset.

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

Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions (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 Income and Expenses. To minimise this risk, infrastructural asset useful lives have been determined with reference to the International Infrastructure Management Manual and adjusted where local knowledge and experience suggests this is appropriate.

The most recent valuation for roading, bridges and parking was performed by Mel England and reviewed by Thayalan Sivachelvan, both of Opus International Consultants Ltd. The valuation had an effective date of 1 July 2014.

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

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

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

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

There have been no changes in the useful life, replacement cost or use of assets as at 30 June 2016. Therefore the carrying value of assets appropriately approximates the fair value of assets as at this date.

Note 13 Loans and other Receivables

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Te Matarae o Te Wairoa Trust	60,000	90,000	60,000	90,000
Housing and Community Advances	247	247	247	247
	<u>60,247</u>	<u>90,247</u>	<u>60,247</u>	<u>90,247</u>

There were no impairment provisions for Loans and Other Receivables.

The fair value of community loans is \$60,247 (2015: \$90,247).

The carrying value of community loans approximates their fair value.

Maturity Analysis and effective interest rates

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

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Less than one year	30,247	30,247	30,247	30,247
<i>weighted average effective interest rate</i>	0.00%	0.07%	0.00%	0.00%
Later than one year but less than two years	30,000	30,000	30,000	30,000
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
Later than two years but less than five years	-	30,000	-	30,000
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
Later than five years				
<i>weighted average effective interest rate</i>	0.00%	0.00%	0.00%	0.00%
	<u>60,247</u>	<u>90,247</u>	<u>60,247</u>	<u>90,247</u>

Note 14 Investment in Subsidiary

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Quality Roding and Services (Wairoa) Ltd	1,250,000	1,250,000	-	-

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

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

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

Note 15 Investment Property

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Information Centre				
Balance at 1 July	-	277,000	-	277,000
Additions from acquisitions	-	-	-	-
Transferred to Land and Building Assets	-	(277,000)	-	(277,000)
Fair value gains (losses) on valuation	-	-	-	-
Balance at 30 June	-	-	-	-

WDC's investment properties no longer meet the definition of investment properties and were transferred to Property, Plant and Equipment in the 2014/15 financial year (Note 12).

Note 16 Available for sale financial assets

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
NZ Local Government Insurance Ltd	22,992	22,992	22,992	22,992

Note 17 Biological Asset - Forestry

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Balance at 1 July	150,380	150,380	150,380	150,380
Increases due to purchase	-	-	-	-
Gains (losses) arising from changes in fair value	-	-	-	-
Balance at 30 June	150,380	150,380	150,380	150,380

WDC owns 29.3 hectares (2015: 29.3 hectares) of forest, mostly *Pinus radiata*, which are at varying stages of maturity ranging from 3 to 25 years.

Independent Valuers New Zealand Forest and Woodlot Services Ltd. have valued forestry assets as at 28th September 2014. This approximates the fair value as at 30th June 2016.

Financial risk management strategies

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

Note 18 Reserves (Council only)**a) Special Funds**

	2014/15			2015/16
	Balance	Transfer to	Transfer From	Balance
Reserves held for Emergency Purposes				
Disaster Recovery Reserve	689,594	23,416	-	713,010
	<u>689,594</u>	<u>23,416</u>	<u>-</u>	<u>713,010</u>
Reserves held for future Asset Purchases				
District Development Fund	221,293	30,864	-	252,157
Asset and Vehicle Depreciation Reserve	1,187,555	176,206	259,802	1,103,959
Information Systems Renewal Reserve	181,469	148,436	30,861	299,044
Water Production Depreciation Reserve	1,402,912	192,577	212,707	1,382,782
Water Reticulation Depreciation Reserve - Wairoa	2,536,920	265,395	1,413,316	1,388,999
Water Reticulation Depreciation Reserve - Peri Urban	139,706	-	-	139,706
Water Reticulation Depreciation Reserve - Tuai	60,826	-	-	60,826
Water Reticulation Depreciation Reserve - Frasertown	51,784	-	-	51,784
Water Reticulation Depreciation Reserve - Mahanga	18,676	-	-	18,676
Sewerage System Depreciation Reserve - Wairoa	4,644,348	211,283	322,218	4,533,413
Sewerage System Depreciation Reserve - Tuai	364,265	-	-	364,265
Stormwater Reticulation Depreciation Reserve - Wairoa	1,703,550	144,926	53,507	1,794,969
Stormwater Reticulation Depreciation Reserve - Mahia	13,220	-	-	13,220
Parking Area Depreciation Reserve	441,900	40,225	-	482,125
Bridges Depreciation Reserve	4,446,416	727,886	1,233,607	3,940,695
Landfill/RTS Depreciation Reserve	271,835	69,452	42,323	298,965
Airport Runway Depreciation Reserve	108,975	8,686	10,659	107,002
Roading Depreciation Reserve	-	540,400	540,400	-
Footpaths Depreciation Reserve	771,673	111,615	-	883,288
Library Book Stocks Depreciation Reserve	178,183	51,060	36,979	192,264
Pensioner Housing Depreciation Reserve	134,684	23,195	10,583	147,296
Parks and Reserves Depreciation Reserve	195,394	78,629	127,931	146,092
	<u>19,075,584</u>	<u>2,820,835</u>	<u>4,294,894</u>	<u>17,601,525</u>
Reserves held for future Operational Costs				
General Purpose Fund	1,746,219	835,504	829,470	1,752,253
Wairoa Urban Fund	246,311	8,364	-	254,675
Retirement and Restructuring Reserve	224,131	7,611	166,594	65,148
Tuai Village Reserve	205,352	6,973	-	212,325
Water Production Reserve	392,682	13,334	-	406,016
Water Reticulation Reserve - Wairoa	51,873	1,761	-	53,634
Water Reticulation Reserve - Wairoa Peri Urban	303,218	10,296	-	313,514
Water Reticulation Reserve - Frasertown	38,938	1,322	-	40,260
Water Reticulation Reserve - Mahanga	1	-	-	1
	<u>3,208,725</u>	<u>885,165</u>	<u>996,064</u>	<u>3,097,826</u>
Reserves held for repayment of maturing debt				
Loan Repayment Reserve - External	204,532	106,945	-	311,477
Loan Repayment Reserve - Internal	-	676,521	-	676,521
	<u>204,532</u>	<u>783,466</u>	<u>-</u>	<u>987,998</u>
Total special funds reserves	<u>23,178,435</u>	<u>4,512,882</u>	<u>5,290,958</u>	<u>22,400,358</u>

WDC has the following Council created reserves:

- Reserves held for emergency purposes
- Reserves held for future asset purchases
- Reserves held for future operational costs
- Reserves held for the repayment of maturing debt

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

Reserves held for future asset purchases include proceeds from the sale of Council-owned infrastructure and land and buildings which are held in the District Development Reserve and may be used towards the cost of purchasing or constructing new assets. A number of depreciation reserves are held to fund the renewal of infrastructure and other assets.

Reserves held to meet future operational costs include administration reserves – funds carried over from one financial year to the next to match related expenditure, and retirement and restructuring reserves – to fund future retirement, redundancy, long service gratuities and costs associated with Council reorganisations.

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

c) Revaluation Reserves

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

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Revaluation Reserve Infrastructural				
As at 1 July	104,260,014	101,810,808	105,250,548	102,801,342
Transfers to:				
Revaluations	-	2,449,206	-	2,449,206
Transfer from:				
Net transfer from asset revaluation reserve on disposal	-	-	-	-
	<u>104,260,014</u>	<u>104,260,014</u>	<u>105,250,548</u>	<u>105,250,548</u>

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Retained Earnings				
As at 1 July	135,198,972	136,490,113	137,947,850	139,356,664
Transfers to:				
Restricted Reserves	(4,512,882)	(6,841,956)	(4,512,882)	(6,841,956)
Transfer From:				
Restricted Reserves	5,290,958	4,773,685	5,290,958	4,773,685
Net transfer from asset revaluation reserve on disposal	-	-	-	-
Surplus (Deficit) for year	57,688	777,130	220,656	659,457
	<u>136,034,737</u>	<u>135,198,972</u>	<u>138,946,583</u>	<u>137,947,850</u>

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Equity is made up of:				
Special Fund reserves	22,400,358	23,178,435	22,400,358	23,178,435
Sinking Fund reserves	-	-	-	-
Revaluation Reserves	104,260,014	104,260,014	105,250,548	105,250,548
Accumulated Funds	136,034,737	135,198,972	138,946,583	137,947,850
	<u>262,695,109</u>	<u>262,637,421</u>	<u>266,597,489</u>	<u>266,376,833</u>

NOTES TO THE FINANCIAL STATEMENTS

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

	2015/16 COUNCIL	2014/15 COUNCIL	2015/16 GROUP	2014/15 GROUP
Surplus / Deficit	57,688	777,130	220,656	659,457
Add non cash items:				
Depreciation	4,380,027	4,456,200	5,303,004	5,320,286
Loss on disposal of assets	636,829	1,747,892	588,839	1,696,994
Amortisation	-	-	30,430	38,896
Decrease (Increase) in deferred taxation	-	-	(37,112)	34,003
Increase (Decrease) in employee benefit provision	(9,604)	(10,486)	(49,974)	19,087
Increase in Bad Debts provision	302,409	167,871	302,409	167,871
Revaluation of investment property and forestry	-	-	-	-
Unrealised loss (Gain) on investments	(242,288)	2,745,193	(242,288)	2,745,193
Increase in Landfill aftercare provision	277,772	(381,100)	277,772	(381,100)
Quarry Aftercare Provision	-	-	8,619	(13,491)
	<u>5,402,833</u>	<u>9,502,700</u>	<u>6,402,355</u>	<u>10,287,196</u>
Add (less) movements in other working capital items:				
(Increase) Decrease in rates receivable	(106,514)	(134,291)	(106,514)	(134,291)
(Increase) Decrease in trade & other receivables	3,134,961	(1,041,046)	1,181,103	(1,625,258)
Increase (Decrease) in trade & other payables	(293,750)	12,799	(445,263)	(77,535)
Increase (Decrease) in Quarry Aftercare	-	-	-	-
Increase (Decrease) in loans and other receivables	(30,000)	90,000	(30,000)	90,000
(Decrease) in GST Receivable / Increase in GST Payable	458,240	(143,025)	458,240	(143,025)
Increase (Decrease) in taxation payable	-	-	139,831	(124,449)
(Increase) / Decrease Inventories	(25,491)	(10,754)	(439,050)	(2,145)
	<u>8,540,279</u>	<u>8,276,383</u>	<u>7,160,702</u>	<u>8,270,493</u>
Net cash inflow / (outflow) from operating activities	<u>8,540,279</u>	<u>8,276,383</u>	<u>7,160,702</u>	<u>8,270,493</u>

Note 20 Chief Executive Officer's Remuneration

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

Annual Remuneration	185,633
	<u>185,633</u>

Elected Representatives Remuneration		2015/16	2014/15
Mayor	C.Little	71,946	76,907
Deputy Mayor	D.Eaglesome	30,282	29,400
Councillor	B.Cairns	21,630	26,591
Councillor	M.Johansen	23,690	23,000
Councillor	H.Flood	23,690	23,000
Councillor	M.Bird	21,630	23,172
Councillor - From 23 October 2013 to 10 November 2014	C.Joblin	-	9,731
Councillor - From 24 February 2015	J Harker *	23,690	6,812
		<u>216,558</u>	<u>218,613</u>

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

Key management personnel compensation	2015/16	2014/15
Salaries and other short term benefits	766,744	746,961
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 four senior management personnel.

Severance Payments

One severance payment totalling \$27,893 was made during the 2016 financial year. There were two severance payments made in the 2015 financial year. (\$77,377).

Employee staffing levels and remuneration	2015/16	2014/15
Number of full time employees	47	42
Full time equivalent number of all other employees	4.9	7.9
Employees receiving total remuneration < \$60,000	32	32
Employees receiving total remuneration in the band \$60,000 - \$80,000	12	11
Employees receiving total remuneration in the band \$80,000 - \$100,000	10	8
Employees receiving total remuneration in the band \$100,000 - \$160,000	3	5
Employees receiving total remuneration in the band \$160,000 - \$180,000	1	1
Employees receiving total remuneration in the band \$180,000 - \$200,000	1	1

Note 20 – continued

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Employee benefit expenses				
Salaries and Wages	3,737,026	3,680,842	9,030,262	8,770,537
Employer contributions to Superannuation	106,625	137,364	233,441	208,688
Increase (decrease) in employee benefit liabilities	(68,136)	(44,143)	(103,770)	(14,570)
Total employee benefit expenses	3,775,515	3,774,063	9,159,933	8,964,655
	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Employee benefit liabilities				
Accrued pay	67,784	205,235	335,783	350,496
Annual leave	352,514	270,928	744,679	720,732
Long service leave	3,311	5,977	8,001	40,283
Retirement gratuities	105,937	118,232	90,092	205,286
Sick leave	5,521	2,831	42,123	7,651
Total employee benefit liabilities	535,067	603,203	1,220,678	1,324,448
Comprising:				
Current	423,608	482,140	1,046,336	1,133,359
Non-current	111,459	121,063	174,342	191,089
Total employee benefit liabilities	535,067	603,203	1,220,678	1,324,448

Note 21 Items included in net surplus

	2015/16 Council	2014/15 Council		
Insurance premiums	311,949	372,376		
Public ceremonies	9,805	14,738		
Subscriptions, levies, grants and contributions	549,917	565,408		
	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Other disclosures				
Depreciation - Infrastructural assets	3,381,519	3,486,712	3,381,519	3,486,712
Depreciation - Operational assets	915,709	890,290	1,838,685	1,754,376
Amortisation charge - Intangible assets	82,800	79,198	113,230	118,094
Audit fees for financial statements audit	114,160	88,866	175,990	153,211
Audit fees for LTP	-	96,265	-	96,265
Interest paid - bank borrowings	293,108	302,500	397,634	364,168
Mayor and Councillor fees	216,558	218,613	216,558	218,613
Impairment of receivables (bad debts written off)	-	-	-	-
Impairment of receivables (provision for doubtful debts) (Note 4)	3,064,916	2,717,146	3,068,525	2,719,319
Lease expenses	36,386	33,000	48,916	47,300
Loss on disposal of Property, Plant, and Equipment	636,829	1,747,892	638,236	1,750,471
Unrealised (gain) loss on investments	(242,288)	(136,418)	(242,288)	(136,418)
(Gain) on sale of assets	(4,783)	-	(54,180)	53,477
Directors fees	-	-	111,580	85,342

Note 22 Transactions with related parties

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

Purchase of services \$10,293,169 (2015: \$8,772,585)
 Sales: \$24,387 (2015: \$33,631) Dividend \$50,000 (2015: \$145,000)

Amount owed by Quality Roothing and Services (Wairoa) Ltd to Council at year end: \$1,937 (2015: \$375 which was receivable on normal trading terms).

Amount owed by Council to Quality Roothing and Services (Wairoa) Ltd at year end: \$792,411 (2015: \$781,699) which is payable on normal trading terms except for \$329,186 (2015: \$446,570) 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:

	2015/16 Business Transacted	2015/16 Balance Owing	2014/15 Business Transacted	2014/15 Balance Owing
QRS Directors and Executive Officers	7,878	753	11,780	420

Note 23 Interest Revenue

Council recognises interest income on an accrual basis with movements in fair value profits and losses disclosed in the overall income statement as interest on investments. Fair value gains on revaluation of investments for the year ending 30 June 2016 were \$439,473 (2015: \$108,058 loss).

Note 24 Financial Instruments Risk

The Financial Instruments Categories	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
FINANCIAL ASSETS				
Financial assets at fair value through profit and loss - upon initial recognition				
Shares and debentures	14,219,787	8,689,519	14,219,787	8,689,519
Loans and Receivables				
Cash and Cash Equivalents	4,518,019	9,182,198	5,659,415	9,942,468
Trade and other receivables	2,820,612	6,335,393	4,035,084	8,095,814
Other Financial Assets				
Te Matarae o Te Wairoa Trust	60,000	90,000	60,000	90,000
Housing and Community Advances	247	247	247	247
	<u>7,398,878</u>	<u>15,607,838</u>	<u>9,754,746</u>	<u>18,128,529</u>
Available for Sale Financial Assets				
NZ Local Government Insurance Corporation Limited	22,992	22,992	22,992	22,992
	<u>22,992</u>	<u>22,992</u>	<u>22,992</u>	<u>22,992</u>
Total Financial Assets	<u>21,641,657</u>	<u>24,320,349</u>	<u>23,997,525</u>	<u>26,841,040</u>
FINANCIAL LIABILITIES				
Financial Liabilities at Amortised cost				
Trade and other Payables	4,661,356	4,714,222	5,741,370	5,991,920
Borrowings				
Secured Loans	5,034,018	5,000,000	6,572,207	6,419,393
Total Financial Liabilities at amortised cost	<u>9,695,374</u>	<u>9,714,222</u>	<u>12,313,577</u>	<u>12,411,313</u>

Financial Instrument Risks

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

Market Risk

Price Risk

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

Currency Risk

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

Interest Rate Risk

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

Fair Value Interest Rate Risk

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

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose WDC to cash flow interest rate risk.

Credit Risk

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

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

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

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

Note 25 Events subsequent to balance date

There have been no other events subsequent to balance date that would have a material effect on the 30 June 2016 Annual Report.

	2016 Council	2015 Council	2016 Group	2015 Group
Note 26 Contingencies:				
Contingent Liabilities	-	-	-	-
Performance bonds with ANZ Banking Group (NZ) Ltd	-	-	407,000	339,000

Form of Performance Bonds – Guarantees

\$407,000 (2015 : \$339,000)

Note 27 Long-Term Plan 2015-2025

The Long-Term Plan for 2015-2025 was adopted by Council on 5 August 2015. The first year of this Plan is reported in these Financial Statements as Annual Plan 2016.

Note 28 Landfill aftercare provision

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

The cash outflows for landfill post-closure are expected to occur within the next 29 years. There are inherent uncertainties due to the long-term nature of the liability. The costs have been estimated using existing technology with a discount rate of 3.00% (2014/15: 5.27%)

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Balance at 1 July	478,126	859,226	478,126	859,226
Provided (released) during the year - Wairoa	286,080	(368,480)	286,080	(368,480)
Provided (released) during the year - Mahia	(8,308)	(12,620)	(8,308)	(12,620)
Balance at 30 June	<u>755,898</u>	<u>478,126</u>	<u>755,898</u>	<u>478,126</u>

Note 29 Quarry aftercare provision

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

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Balance at 1 July	-	-	144,913	159,815
Provided during the year	-	-	10,030	11,246
Expenditure during the year	-	-	-	(26,148)
Balance at 30 June	<u>-</u>	<u>-</u>	<u>154,943</u>	<u>144,913</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 30 Statement of Commitments as at 30 June 2016

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Capital Commitments approved and contracted	3,462,733	3,367,795	3,462,733	3,367,795

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:-

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
Non cancellable operating lease commitments				
Office equipment				
Up to one year	33,000	33,000	33,000	33,000
one to five years	62,250	96,250	62,250	96,250
over five years	-	-	-	-

The lease does not transfer substantially all the risks and rewards incidental to ownership.

The lease does not transfer ownership to WDC at the end of the lease term.

The leased asset is not of a specialised nature that only the lessee can use without modifications.

The lessee cannot cancel the lease unilaterally unless the lessor is in material breach of contract, and gains and losses in value do not accrue to the lessee.

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

Wairoa District Council has control over the following entities:

Quality Roothing and Services (Wairoa) Ltd

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

Dividends 2015/16	Dividends 2014/15
50,000	145,000

Note 32 Government Grants and Subsidies

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

Source of Funding	2015/16	2014/15
Land Transport New Zealand - Transport Subsidies	6,474,319	8,220,615
Ministry of Health	1,325,000	1,000,000
Veteran Affairs	2,568	2,568
Creative New Zealand	8,941	2,990
SPARC's - Rural Travel Fund	10,253	-
YROA YNOT		61,350
- Ministry of Social Development	10,000	
- Ministry of Youth Development	13,400	
- Department of Internal Affairs	9,111	
Ministry of Internal Affairs	400,953	43,779
Others	24,132	500,000
	<u>8,278,677</u>	<u>9,831,302</u>

* Receipts listed are the gross grants received from government agencies. Some funding has been carried forward
WDC has fulfilled all conditions attached to the Government assistance.

Revenue received from Government grants and subsidies (and hence operating surplus) includes \$3,608,569 (2015: \$6,407,577) relating to grants received where the associated expenditure has been capitalised. Expenditure relating to these projects will be recognised (primarily as depreciation) over the life of the capitalised assets.

Cashflow from Government grants and subsidies (and hence operating cash inflows) includes \$3,608,569 (2015: \$6,407,577) with respect to these capital grants where the associated cash outflows are recognised as investing activities.

Note 33 Segmental Reporting

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

Note 34 Variances from the Annual Plan

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

	2015/16 Annual Plan
Income Statement	
2016 plan net surplus	2,494,284
Higher (lower) subsidy revenue (regional projects, emergency works)	(2,624,259)
Higher (lower) income from investments	193,874
Higher (lower) income from fees and charges (water production, waste management)	(1,354,425)
Higher income from rates	(99,977)
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).	1,441,677
Capital gain on asset sales	4,783
Gain/(Loss) on revaluation of woodlots	-
Gain on revaluation of Wairoa Landfill Aftercare provision	-
Other	1,731
2016 actual net surplus	<u><u>57,688</u></u>
Capital expenditure	
2016 plan	10,636,515
Projects underspent during year	(2,412,242)
Actual expenditure 2016	<u><u>8,224,274</u></u>

Note 35 Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, liabilities, investments and general financial dealings.

The object of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the cost of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its Annual Plan to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

NOTES TO THE FINANCIAL STATEMENTS

Note 36 Funding Impact Statement - Council Only
For the year ending 30th June 2016

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	ACTUAL 2014/15	BUDGET 2014/15
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	3,759,036	3,392,028	3,392,028	3,440,989	3,398,054
Targeted rates (other than a targeted rate for water supply)	7,648,477	8,115,462	8,115,462	7,720,482	7,312,703
Subsidies and grants for operating purposes	4,651,331	5,156,159	5,156,159	3,423,724	3,710,909
Fees charges and targeted rates for water supply	3,001,982	3,221,535	3,221,535	4,294,882	5,529,408
Interest and Dividends from Investments	1,067,879	1,124,724	1,124,724	1,216,512	1,124,724
Local authorities fuel tax, fines, infringement fees, and other receipts	442,861	191,704	191,704	1,623,500	65,000
Total Operating Funding	20,571,566	21,201,612	21,201,612	21,720,089	21,140,798
Applications of Operating Funding					
Payments to staff and suppliers	19,036,219	19,343,939	19,343,939	22,376,385	15,805,472
Finance costs	745,871	473,078	473,078	529,685	440,081
Other operating funding applications	-	-	-	-	-
Total applications of operating funding	19,782,090	19,817,017	19,817,017	22,906,070	16,245,553
Surplus (Deficit) of operating funding	789,476	1,384,595	1,384,595	(1,185,981)	4,895,245
Sources of capital funding					
Subsidies and grants for capital expenditure	3,608,569	5,728,000	5,728,000	6,407,578	7,706,542
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	34,018	550,000	550,000	-	2,334,615
Gross proceeds from sale of assets	68,512	70,000	70,000	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding	3,711,099	6,348,000	6,348,000	6,407,578	10,041,157
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	(21,675)
- to improve the level of service	3,448,707	2,116,000	2,116,000	6,022,079	8,959,107
- to replace existing assets	4,775,567	8,520,515	8,520,515	1,830,488	5,447,897
Increase (Decrease) in reserves	(3,723,698)	(2,903,920)	(2,903,920)	(2,630,970)	551,073
Increase (Decrease) of investments	-	-	-	-	-
Total application of capital funding	4,500,575	7,732,595	7,732,595	5,221,597	14,936,402
Surplus (Deficit) of capital funding	(789,476)	(1,384,595)	(1,384,595)	1,185,981	(4,895,245)
Funding Balance					
Group depreciation and amortisation	4,340,357	4,844,184	4,844,184	4,444,467	5,552,905

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of Total Comprehensive Income

	ACTUAL 2015/16	BUDGET 2015/16	LTP 2015/16	ACTUAL 2014/15
Surplus / (Deficit) of operating funding from funding impact statement	789,476	1,384,595	1,384,595	(1,185,981)
Add subsidies and grants for capital expenditure	3,608,569	5,728,000	5,728,000	6,407,578
Add development and financial contributions	-	-	-	-
Add depreciation and amortisation expense	(4,340,357)	(4,844,184)	(4,844,184)	(4,444,467)
Add capital funding through Income Statement	-	225,874	225,874	-
Net Surplus before taxation in Income Statement	57,688	2,494,285	2,494,285	777,130

Note 37 Insurance of Assets

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

Motor Vehicles and Mobile Plant are insured for market value.

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

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

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

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

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

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

Note 38 Rating Base Information

The number of rating units within the district at the end of the financial year 2014-2015 were:	7,276
The total capital value of rating units within the district at the end of the financial year 2014-2015 was:	\$1,813,313,900
The total land value of rating units within the district at the end of the financial year 2014-2015 was:	\$1,057,704,050

Note 39 Adoption of Annual Report

Council adopted the Annual Report on the 25th October 2016.

The statutory deadline to adopt the Annual Report for the year ended 30 June 2016 was 31st October 2016.

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

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

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

The financial statements of WDC are for the year ended 30 June 2016. The financial statements were authorised for issue by Council on 25 October 2016.

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.

Revenue

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

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

Exchange transactions

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

Non-exchange transactions

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

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

Revenue from non-exchange transactions

Rates revenue

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

Government Subsidies

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

Vested Assets

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

Provision of services

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

Revenue from exchange transactions

Revenue from Water by Meter

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

Provision of services

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

Sale of Goods

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

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

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

Income Tax

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

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

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

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

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

LEASES

Operating Lease

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

Cash or Cash Equivalents

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

Trade and Other Receivables

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

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

Inventories

Inventories are stated at the lower of cost (on a first in first out basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Financial Assets

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

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

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

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

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

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

A. Financial assets at fair value through profit and loss

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

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

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

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

B. Loans and receivables

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

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

C. Available-for-sale financial assets

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

Impairment of Financial Assets

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

Loans and Other Receivables

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

Quoted and unquoted equity investments

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

Interest-bearing borrowings

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

Non-current assets held for sale

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

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

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

Property, Plant & Equipment

Property, plant and equipment consists of:

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

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

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

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

Additions

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

Disposals

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

Subsequent costs

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

Depreciation

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

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

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

Property, Plant and Equipment

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

SEWERAGE	Life years	STORMWATER	Life years
Structures	50	Reticulation piping	50-100
Oxidation ponds	40	Culverts	50-120
Pipes	80-120	Manholes/sumps	50-100
Manholes	80	Open Drains	Not depreciated
Pumps	10-35		
Plant	10-35		
Resource consents	25		

WATER SUPPLY	Life years	ROADS	Life years
Structures	50	Top surface (seal)	14
Pumps	15-35	Basecourse	Not depreciated

Reticulation piping	60-120	Formation	Not depreciated
Meters	20	Bridges	20-80
Hydrants	40	Footpaths	15-40
Resource consents	20-25	Kerbs	50
Reservoirs	80-100	Streetlights (poles)	50

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

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

Revaluation

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

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

Operational land and buildings

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

Restricted land and buildings

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

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

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

Land under roads

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

Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognized as an expense when incurred. Costs that are directly associated with the development of software for internal use by WDC are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Trademarks

Acquired trademarks are capitalised on the basis of the costs incurred to acquire the specific trademark.

Amortisation

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

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

Computer software	3 years	33%
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Impairment of property, plant and equipment and intangible assets

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

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

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

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

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

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

Forestry Assets

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

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

Investment Property

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

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

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

Any gains or losses on derecognition of an investment property are recognised in the statement of financial performance in the year of derecognition.

Trade and Other Payables

Trade and Other Payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

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

Employee Benefits

Short-term benefits

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

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

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

Long– Term Employee Entitlements

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

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

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

Superannuation

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

Provisions

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

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

Borrowing Costs

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

Equity

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

The components of the reserves are:

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

Restricted & Council Created Reserves

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

Restricted reserves are those subject to specific conditions accepted as binding by WDC and which may not be revised by WDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to or from these reserves are at the discretion of the Council.

WDC's objectives, policies, and processes for managing capital are described in note 35.

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

Overhead Cost Allocation

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

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

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

Critical Accounting Estimates and Assumptions

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

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

Landfill Aftercare

Note 28 discloses an analysis of the exposure of WDC in relation to the estimates and uncertainties surrounding the landfill aftercare provision. WDC has assumed that the aftercare provision for Wairoa Landfill is operative until 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.

The cash outflows for landfill post-closure are expected to occur within the next 29 years. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 3.00%.

Infrastructure Assets

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

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

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

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Critical Judgements in Applying WDC's Accounting Policies

Management has not been required to exercise any critical judgements in applying WDC's accounting policies for the period ended 30 June 2016.

Changes in Accounting Policies

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

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

The following policy was consulted on in 1999 and reconfirmed on 30th August, 2006

Depreciation:

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

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

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

The effects of this decision are that:

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

Depreciation not funded:

	BUDGET \$	ACTUAL \$
1. Community halls	5,690	6,819
2. Housing	4,421	4,608
3. Ruakituri and Tuai fire appliances	17,752	16,246
4. Camping ground	8,658	8,121
5. Roothing (Transfund subsidised portion of roading)	1,591,857	1,148,349
6. Community Centre	400,820	363,955
7. Loan-funded assets including the Māhia wastewater system and the Opoutama sewerage system.	605,991	310,920
	<hr/> \$2,635,189	<hr/> \$1,859,018

Financial Prudence Benchmarks

Annual report disclosure statement for year ending 30 June 2016

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

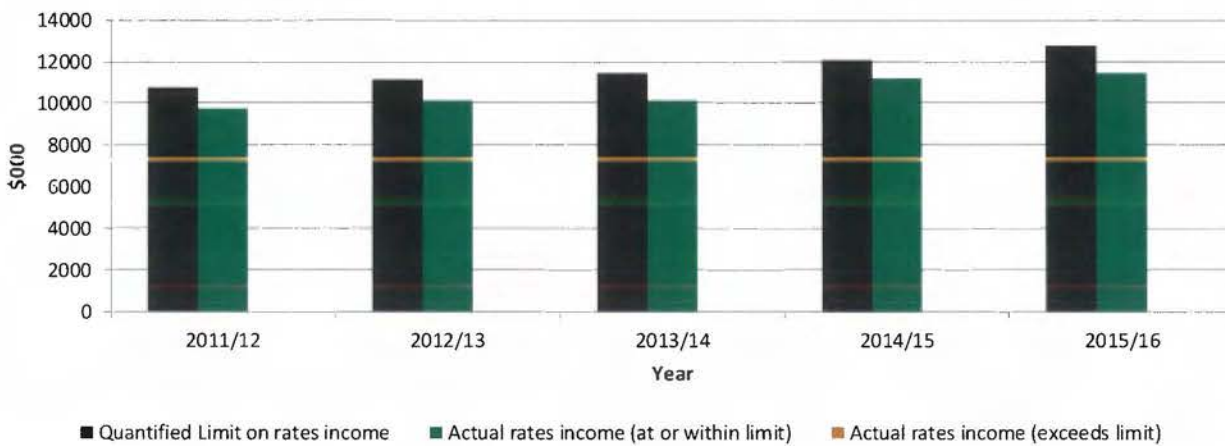
The council meets the rates affordability benchmark if:

- 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.

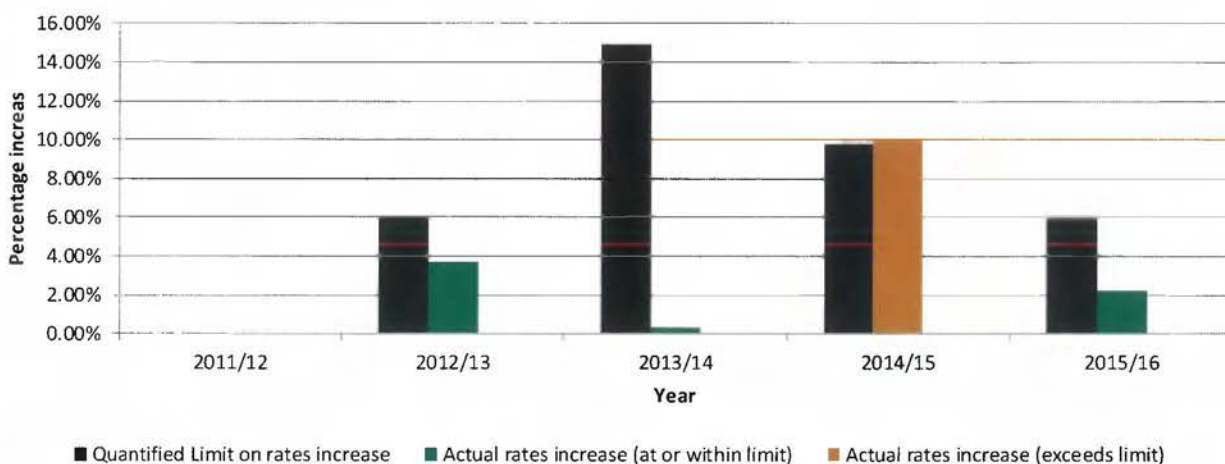
Rates (income) affordability



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%.

Rates (increases) affordability



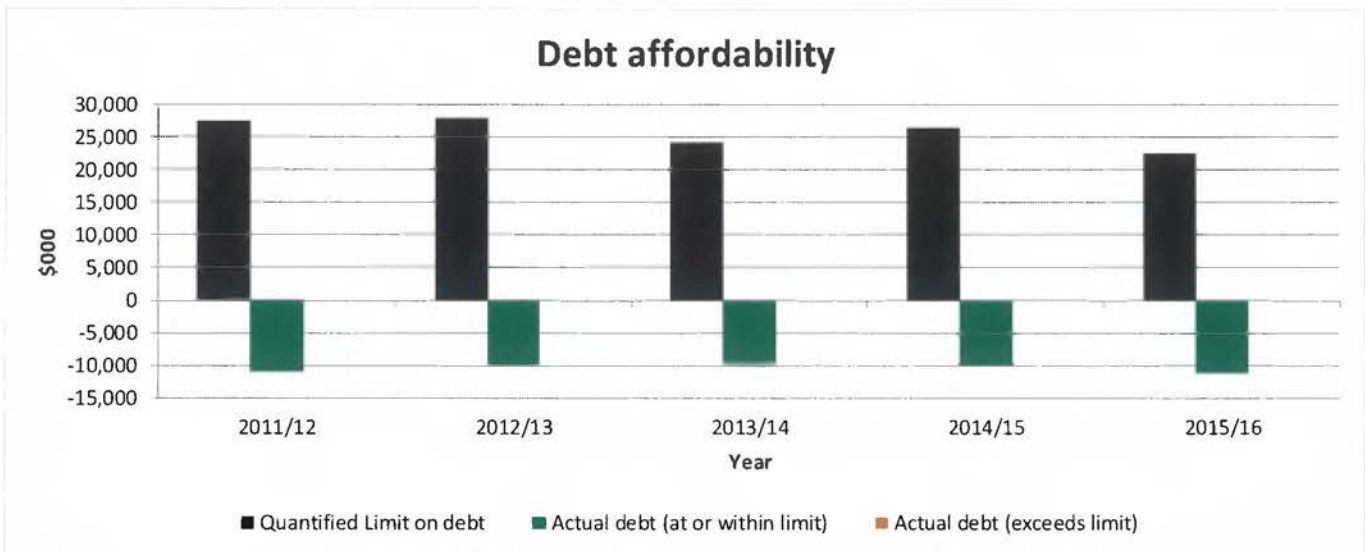
Note: Benchmarks are only available from the 2012/13 year.

Debt affordability benchmark

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

Net debt less than 100% of total revenue.

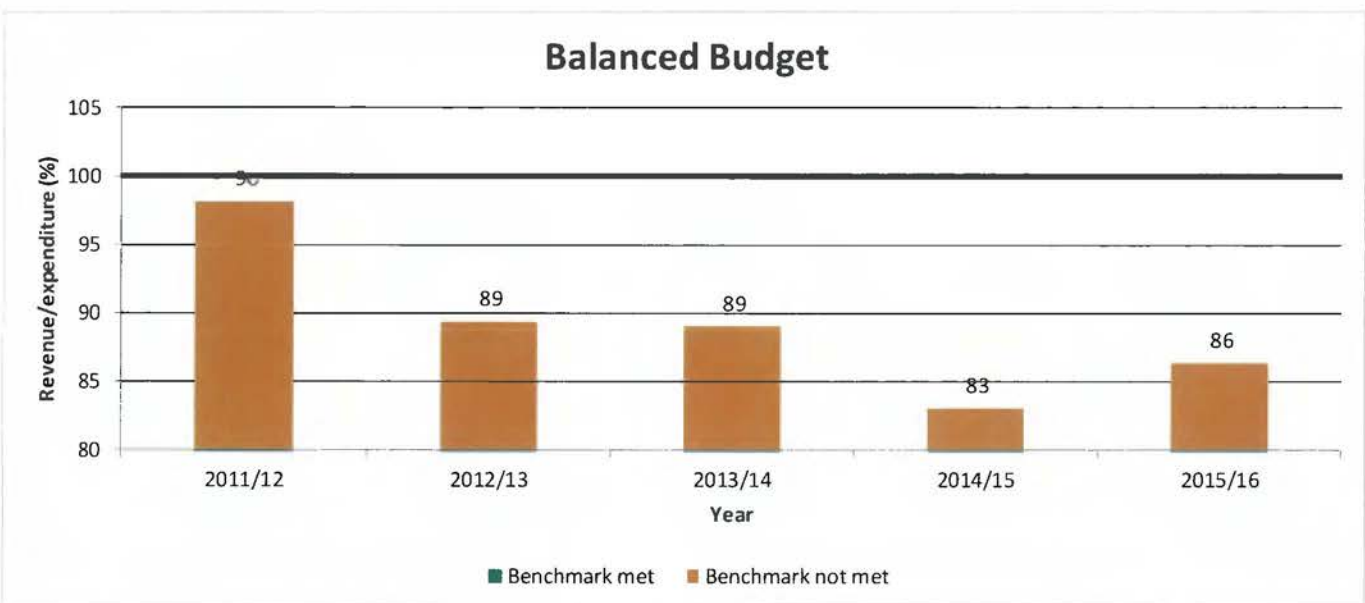
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net debt is less than 100% of total revenue.



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).

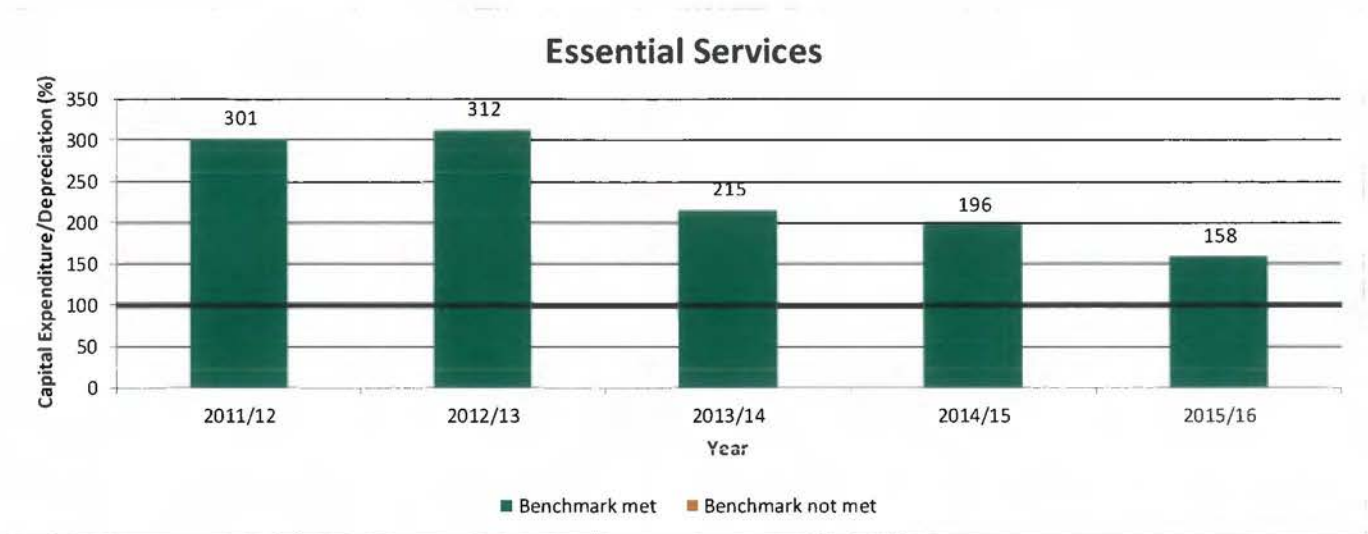
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



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

Essential services benchmark

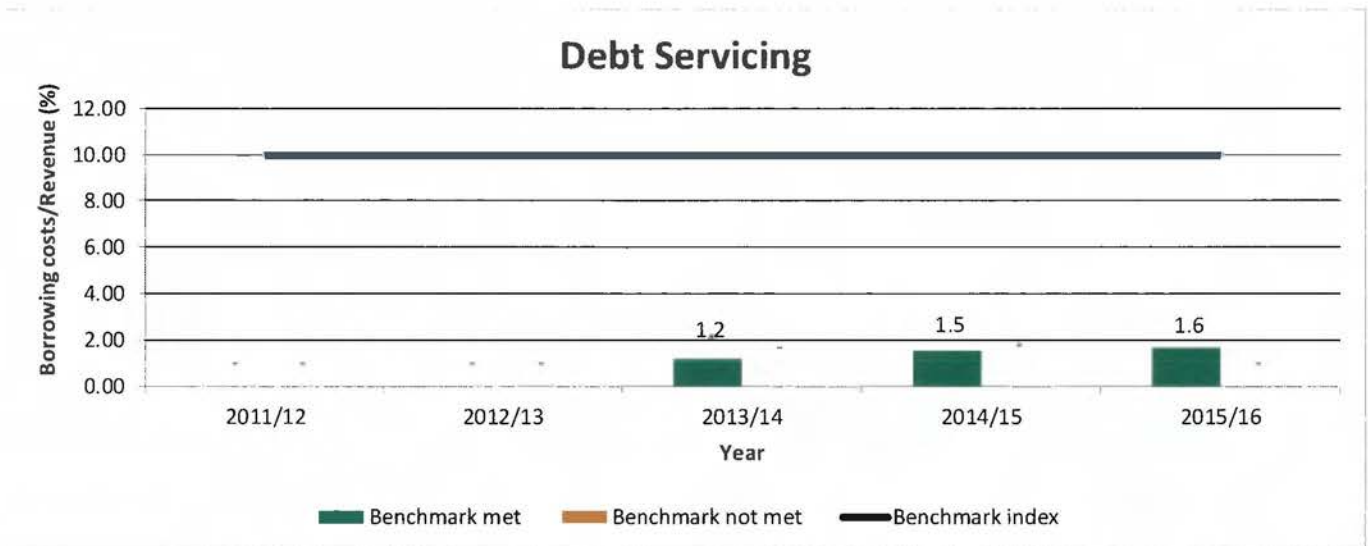
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



The essential services benchmarks for 2011/12 to 2013/14 have been adjusted from the figures disclosed within the Annual Report 2014 to reflect the accepted interpretation of the benchmark. (The prior year interpretation included only Capital spend funded from Reserves, not total Capital spending).

Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). 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 its borrowing costs equal or are less than 10% of its revenue.

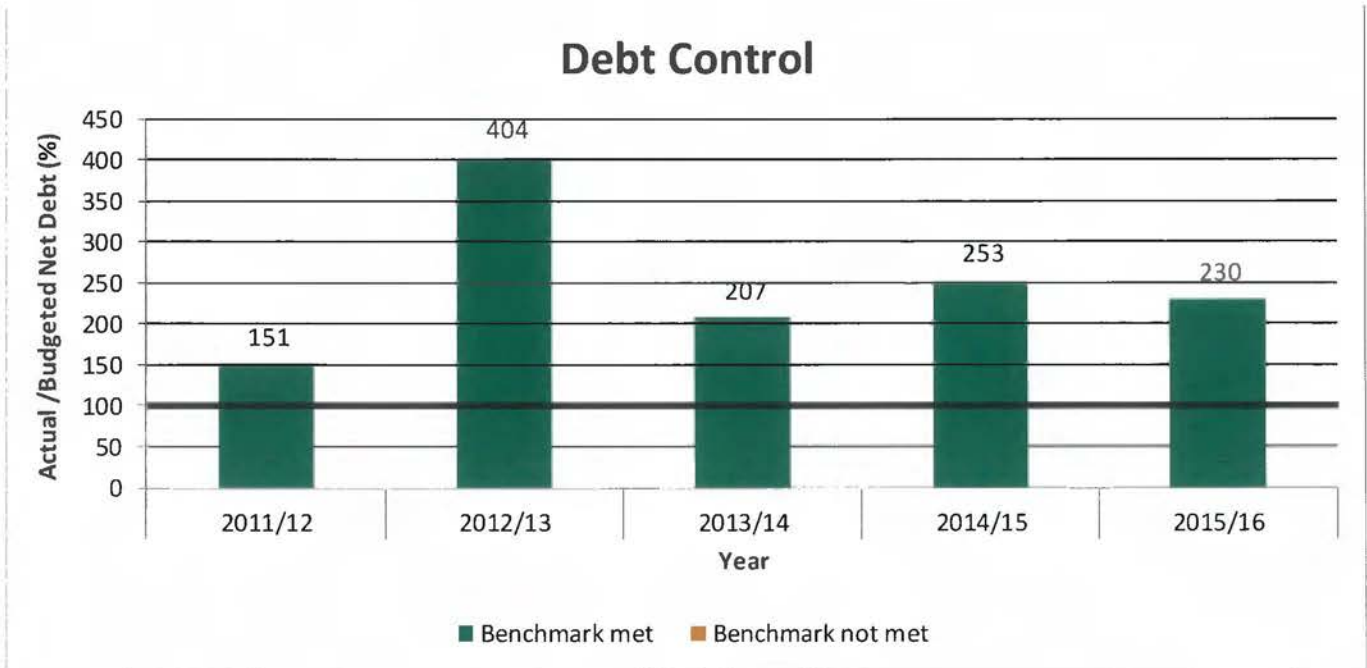


Note: No borrowing costs have been incurred during the period 2011/12 to 2012/13 as Council did not hold any debt during this period.

Debt control benchmark

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

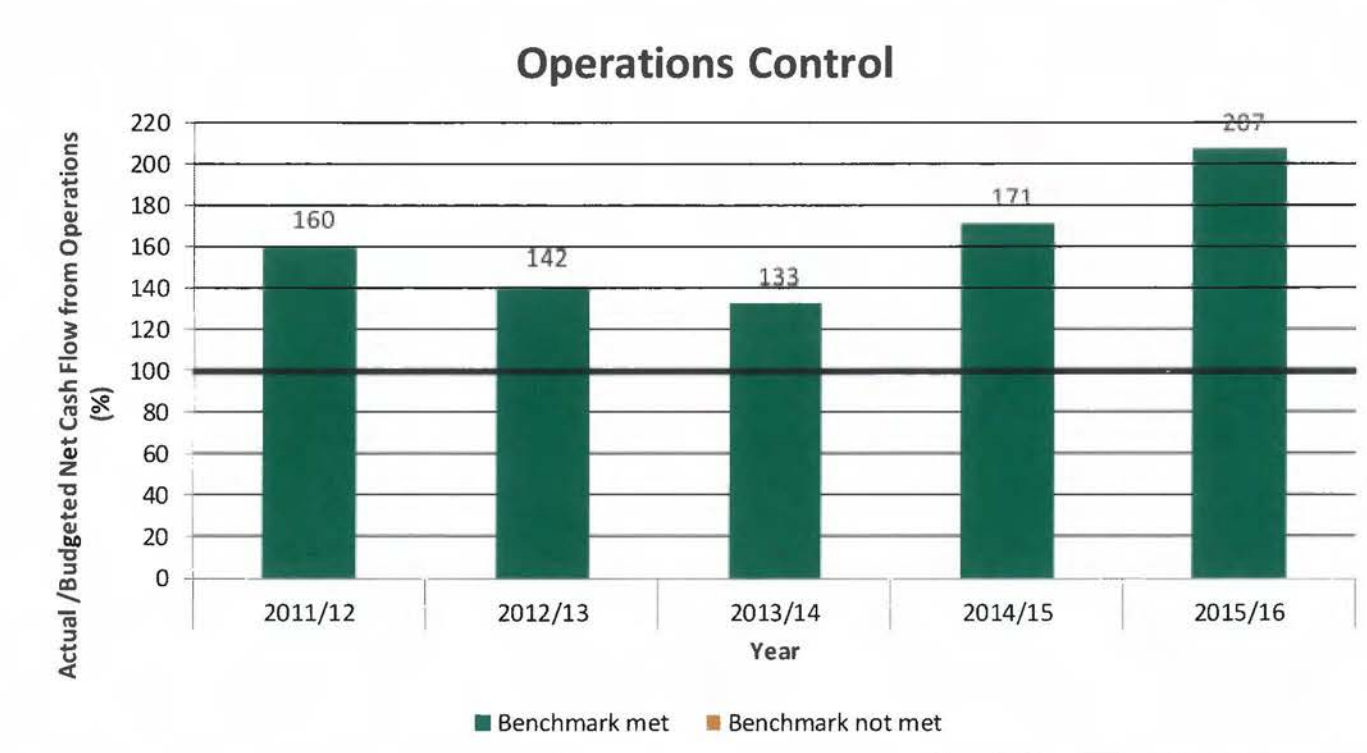
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Note: In years 2011/12 to 2015/16 the council planned to have net assets – that is, its financial assets (excluding trade and other receivables) were planned to exceed its financial liabilities. Mathematically, the results shown in the graph above are correct. The graph shows “benchmark met” whenever the council is better off (either less indebted or with greater net assets) than planned. Conversely it shows “benchmark not met” whenever the council is either more indebted or has less net assets than planned.

Operations control benchmark

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



OFFICIAL INFORMATION

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

DOCUMENTS HELD BY COUNCIL

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

Corporate Services Manager
Wairoa District Council
PO Box 54
Wairoa 4160

POLICY MANUALS/DOCUMENTS

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

District Plan
Wairoa District Operative District Plan.

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

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

Long-term Plan 2015-2025

Infrastructure Strategy 2015-2045

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

Wairoa District Policies

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

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

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

Wairoa District Council Consolidated Bylaw

COUNCIL DIRECTORY AS AT 30 JUNE 2016

EXECUTIVE STAFF

Chief Executive Officer	F. Power
Corporate Services Manager	J. Baty
Engineering Manager	J. Cox
Chief Operating Officer	H. Montgomery
Chief Financial Officer	A. Morton

POSTAL ADDRESS

PO Box 54
Wairoa 4160

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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 AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

The Auditor-General is the auditor of Wairoa District Council (the District Council) and group. The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, on her behalf, to:

- audit the information included in the District Council and group's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the District Council and group has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- the financial statements on pages 85 to 128:
 - present fairly, in all material respects:
 - the District Council and group's financial position as at 30 June 2016;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime;
- the funding impact statement on page 116, 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 and group's Long-term plan;
- the statement of service provision made up of Activity Group One through to Activity Group Seven of the District Council on pages 17 to 84:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, 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;
- the statement about capital expenditure for each group of activities on pages 17 to 84, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council and group's Long-term plan;
- the funding impact statement for each group of activities on pages 17 to 84, 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 and group's Long-term plan.

Compliance with requirements

The District Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 130 to 133 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and group's audited information.

Our audit was completed on 25 October 2016. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

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

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

When reporting on whether the District Council and group complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*.

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

Responsibilities of the Council

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

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



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