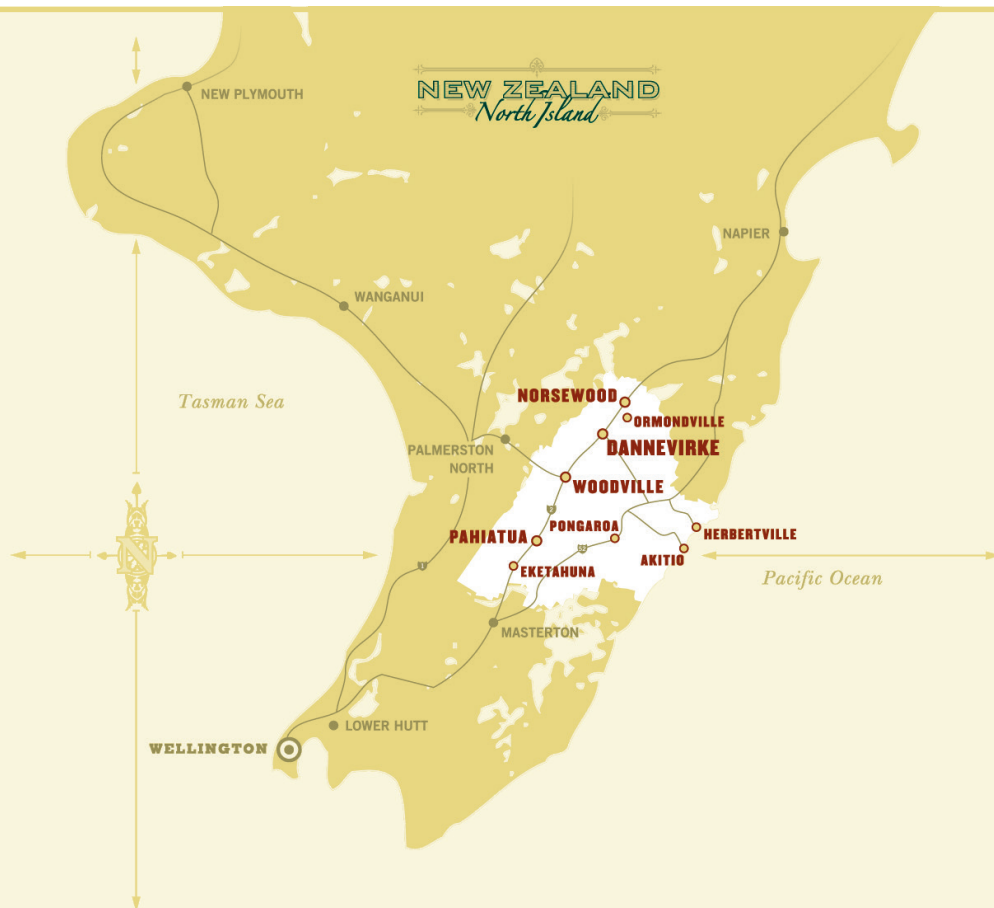




ANNUAL REPORT 2015/16



Untouched coastline, bush-cloaked ranges, sparkling fish-filled rivers...

Rugged ranges, remote coastline, bush-clad valleys – defined by hundreds of kilometres of river. The Taranaki region stretches from Mount Bruce to north of Norsewood, and is bounded by the foothills of the majestic Ruahine and Taranaki Ranges, and the shores of the Pacific on the East Coast. The physical presence of Taranaki is awesome.

In the beginning...

The Kurahaupo canoe made landfall on the Mahia Peninsula; the three principal chiefs on board were Ruatea, Whatonga and Popoto. Rongomaiwahine of the Mahia Peninsula, one of the descendants of Popoto, married Kahungunu, a descendant of the Takitimu aristocracy. Their marriage was the beginning of the Ngati Kahungunu of Hawke's Bay.

Whatonga established himself near Cape Kidnappers, and built himself a house which he called 'Heretaunga'. Whatonga's son, Tara, who was born in Hawke's Bay finally made his home in the Wellington area. His name is commemorated in many places from Napier through to Wellington. From Whatonga's second marriage was born Tautoki, who was the father of Tane-nui-a-Rangi, or Rangitane as he is more commonly known.

Tara's descendants, the Ngai-Tara, and the Rangitane people eventually peopled many parts of the Heretaunga, Central Hawke's Bay, Taranaki and Wairarapa areas. The pre-European history of the District tells of a vast primeval forest with clearings occupied by Maori.

European settlement within the District started in 1854 when the first sheep were driven up the coast from Wellington to establish coastal stations, but access to this area remained almost entirely by sea until well into last century.

There are some great communities waiting to be discovered in Taranaki. Each has a unique identity, story to tell and experience to share. From the hardship tales of the Scandinavian settlers who felled the Seventy Mile Bush, to the pioneers who established farming on the region's rugged east coast at Herbertville and Akitio. These communities are one of the elements that make this region unique in New Zealand.

Around 95% of Taranaki's 400,000 hectares is farmed and the region has a reputation for producing high quality stock. Sheep, beef and dairy are the most significant types of farming, representing 90% of all holdings and accounting for 99% of total stock units. Forestry is a growing industry and there are now more than 13,000 hectares planted in pinus radiata.

Pastoral farming continues to be the major economic sector within Taranaki.

Taranaki is a unique, proud and diverse region of rugged unspoiled landscape.

ANNUAL REPORT 2015/2016

① ARARUA DISTRICT COUNCIL

Contents

1. Introduction	7	4. Financial Statements	132
Mayor's Introduction	7	Statement of Comprehensive Revenue and Expense.....	132
Chief Executive's Introduction	9	Statement of Changes in Equity	133
How this Report Works.....	11	Statement of Financial Position	134
		Statement of Cash Flows	136
		Whole of Council Funding Impact Statement	138
2. Reports	14	Reconciliation Whole of Council Funding Impact Statement to Comprehensive Revenue and Expense.....	139
Linkage Between Council Policies and Plans.....	14	Statement of Accounting Policies	140
Our Progress Towards the Strategies in Our Long Term Plan.....	15	Notes to Financial Statements	151
Annual Report Disclosure Statement	22	Council's Interests in Other Entities	203
Capital Expenditure Report	28		
Governance Report	48	5. General Information	206
Report of the Auditor-General	50	Council.....	206
Statement of Compliance and Responsibility.....	53	Community Boards & Council Committees	208
		Management Team & Directory	210
3. Activities and Service Performance	57	Glossary of Terms.....	211
Introduction	57		
Building Communities and Leadership	59		
Community and Recreation Facilities.....	66		
District Promotion and Economic Development.....	82		
Regulatory Services.....	89		
Roading and Footpaths	100		
Solid Waste Management	110		
Stormwater	115		
Wastewater.....	120		
Water Supplies	125		

Introduction

1

Mayor's Introduction

The 2015/16 year was the first year of delivering the 2015–2025 Long Term Plan. The focus continues to be on improving core infrastructure and increasing efforts in economic development within a prudent financial management framework. This has been a consistent strategic focus since 2012.

Highlights of the Year

Iwi relationships

A significant milestone for local iwi was achieved with the treaty settlement signed with Government in August 2016. Council has worked closely with both Rangitane and Ngati Kahungunu Iwi, the Office of Treaty Settlements and the Minister for Treaty of Waitangi Settlements on matters relating to the two local iwi's treaty claims. The settlement is a major benefit to local iwi and Council looks forward to developing partnership opportunities in the future that are likely to generate benefits for all residents.

Rates affordability

As the district was impacted by historically low dairy prices, and the flow-on impacts of this on dairy farming and support business incomes, we were faced with some tough funding decisions when planning our services and activities as part of the 2015-2025 Long Term Plan. The impacts spread through to retailers, professional support businesses and those who work in these industries.

Councillors worked hard to hold the rate increase to 2.91%, while continuing with the infrastructure upgrade programme. For 2016/17, the rate increase is just 1.71%, with

a rural sector rate increase of 0.96%. We are proud of these lower-than-forecast rate increases and our efforts to deliver modern and affordable services to residents.

“
Councillors worked hard to hold the rate increase to 2.91%, while continuing with the infrastructure upgrade programme.
”

Business and employment growth

The district has been struggling with population and employment decline for many years. Recent renewed efforts and strategic focus in economic development services have started to show some promising signs. Population, school student numbers and employment have all recorded positive trends in the last year. The significant positive change to



migration trends, with families coming to live in Tararua from Australia and elsewhere, is a welcome sign and gives us confidence in the future of Tararua.

A stable to growing population is critical to rural communities in order to provide affordable services and infrastructure that meet accepted standards. Council recognises that business support and facilitation is integral to drive new employment opportunities, while visitor and resident attraction is an important component of the overall economic strategy.

It is important that the district continues to have an economic development team with a strong business focus, as well as sufficient resources to provide strategic direction and support local events, business and the wider community. Over the past year, the team has exceeded our targets and have some exciting programmes underway, including providing regular services through the Pahiatua Service Centre on a one-day-a-fortnight basis. To this end, Council has provided a modest increase in resources to deliver better outcomes.

Financial prudence

As a result of many years of hard work, the Council has a strong financial foundation. The 2015–2025 Long Term Plan features another prudent financial strategy. This great work has allowed us to continue with our significant investments in core infrastructure, while at the same time maintaining sufficient capacity for future development.

Infrastructure and partnerships

Council had an ambitious investment programme in urban water and wastewater networks to meet new mandatory standards and to improve the resilience and quality of the services.

Worth noting are Council's continued partnerships with Horizons Regional Council (or "Horizons"), Ministry of Health and the Ministry for the Environment, who support the planning and funding of these upgrade projects. Without their support and subsidies, the impact on the affordability of rates would have been significant.

A major highlight, and one that is ongoing, is the increased NZ Transport Agency (NZTA) subsidies for road maintenance that Council lobbied for in 2013/14 and commenced in 2014/15. This has resulted in substantial savings for local ratepayers to maintain the roading network.

The third town upgrade project was carried out in Eketahuna and involved substantial input from residents. Council is now planning for the Pahiatua Town Upgrade, which will complete the programme of upgrades over the four major townships.

Council has seen considerable improvement in the condition and investment value of the Council owned Birch North commercial forest. Revenue from the harvesting activities has built up cash reserves and further investments have been made in roading and replanting.

Improved governance

This year, following the review of our governance process undertaken by Local Government New Zealand, Council established an Audit and Risk Committee in a manner consistent with sector best practice. An independent chairperson was appointed to bring sector knowledge and experience to guide the committee in fulfilling its functions.

The challenges

We had a long term goal to complete the water and wastewater upgrades this year - unfortunately, this has not been possible. A range of issues has delayed some of the upgrade projects and the upgrades will now be largely completed in the 2016/17 and 2017/18 years.

“
... a year of solid achievements
underpinning a clear vision
and sound strategies.”

Last year we saw the “changing of the guard” in the delivery and management of roading services with the liquidation of Infracon and the establishment of a collaborative working agreement with Downer NZ Ltd (or “Downer”), known as the “Tararua Alliance”, which continues to deliver great results.

All in all, a year of solid achievements underpinning a clear vision and sound strategies.

Tracey Collis
Mayor

Chief Executive's Introduction

The 2015/16 year saw Council make significant gains in operational capability and efficiency gains from structural changes.

Council staff were focused on the delivery of services in the most affordable way by reducing costs where possible. The key achievements were:

- A large capital investment programme in place;
- The Tararua Alliance bedding in and delivering increased efficiencies. During the year, stormwater, asset management and renewals for water and wastewater were added to the Tararua Alliance contract;
- An expansion of the economic development service with the Tararua Business Network established;
- Increased staff capability in project management; and
- Ongoing shared service investigations to improve efficiency.

Infrastructure Investments

The Council had approved an ambitious capital investment programme for 2015/16, with a focus on the water and wastewater network upgrades. We delivered \$16.8 million of projects, significantly more than in the previous year (\$13.6 million). While an improvement, there was \$6 million of approved projects carried forward to the 2016/17 year. Many of these projects involve partnerships with Horizons, Ministry of Health and Ministry for the Environment.

A major focus on best practice project management and reporting skills was implemented across the Council this year. This move to build staff capability is delivering results and will take full effect in the 2016/17 year.

Details of specific projects are set out in the 'Highlights' section – including details of key investments in roading, solid waste and the three waters.

“
A major focus on best practice project management and reporting skills was implemented
”

Structural changes and the benefits

We continue to strive for efficiencies within the organisation in order to provide affordable services. This focus is now a continuous process where we ensure that we are making efficiencies where we can and are open to providing services through different models. Over the last two years, there has been pressure from central government to reduce costs and – at the same time – increase service levels.

A number of new processes to review our services are now legally required. We have been doing this as normal business practice for some time and are incorporating the new review processes into our work programme. In most cases, further reviews will not be required and we are



already moving forward on a number of shared services options.

Council has indicated that a review of how we deliver and fund our regulatory services will be undertaken over the next year. Throughout the year, structural changes put in place (or reviewed) included:

“

The benefits of the Tararua Alliance have been substantial

”

- Tararua Alliance (collaborative working agreement with Downer), operating on roading, footpaths and stormwater activity. This year, we have added to the partnership the management of assets and reticulation network for water and wastewater;
- Shared service investigations with MW LASS for building consent processing and information technology; and
- A Heads of Agreement was signed with Horowhenua District Council to explore shared services.

The benefits of the Tararua Alliance have been substantial, with Council gaining access to skilled staff, management processes and systems through Downer. This includes best practice asset management systems that will drive further efficiencies over time. We are anticipating improved asset information that will underpin the next Long Term Plan process in 2017/18.

We are fortunate to have the services of some highly skilled staff that are recognised as experts in their fields on a national scale, including asset management, risk management, earthquake prone buildings and rating policies.

Financial Strength and Prudence

This year saw one of the largest infrastructure investment programmes the district has ever seen. Despite the large investment in infrastructure, Council is in a very strong financial position with low debt, positive internal cash balances and low rate increases. The outlook is stable and the new elected Council will have options for the future direction of the Council when developing the 2018–2028 Long Term Plan.

The hard work over the last few years, focusing on sound and prudent financial management places us in a position of strength going forward. Whilst work will always be required to reduce costs and deliver low rates increases, we now have healthy reserves and are in a position to respond to

unexpected shocks and natural disasters; not all councils are in this position.

Challenges

As often happens with such a diverse and challenging range of services and projects, not everything has gone to plan. There have been a number of issues in delivering the water and wastewater upgrade projects on time and on budget.

Despite additional resources allocated, the programme was too ambitious relative to the staff resources available. In addition, problems with ground conditions, design regulations, bores being unsuitable and new design options have resulted in various changes in scope and costs required for a number of key projects.

These sorts of issues are common with projects involving underground services, the actual impact on each project is only known in hindsight. In order to optimise the design solution, reduce the risks and improve project time and cost forecasts, Council has increased staff capability and support in project management and business case development. This will improve the planning process and risk management for all significant capital projects, as well as ensure timely, accurate advice and information for Councillors to make decisions.

“

This year saw one of the largest infrastructure investment programmes the district has ever seen

”

Looking Ahead

Council is facing a number of potentially significant challenges over the next few years. Proposed new legislation could change how roading and the three waters are delivered and governed. The drive to share services across Councils and further reduce costs could also impact on staff. We will continue to provide advice to elected Councillors on how to deliver services in a manner that provides optimal benefits to residents.

Finally, I would like to acknowledge the efforts made by Council staff in implementing the plans and actions on the Council's behalf. They are tremendous ambassadors for our district and work hard to ensure we all remain proud to call the district home.

Blair King
Chief Executive

How this Report Works

Purpose of this Annual Report

The purpose of this annual report is to compare our actual performance for the year from 1 July 2015 to 30 June 2016 against what was forecast in the Long Term Plan for that year.

An annual report is required by section 98(1) of the Local Government Act 2002 (the Act).

Structure of this Report

This Report has five sections – Introduction, Reports, Activities and Service Performance, Financial Statements, and General Information.

Introduction

This section includes:

- The Mayor and Chief Executive's introductions.

Reports

This section includes:

- Our Progress Towards the Strategies in Our Long Term Plan – a review of our progress towards our strategies.
- Financial Prudence Benchmarks Disclosures – details Council's performance against the new Local Government (Financial Reporting and Prudence) Regulations 2014 disclosure requirements.
- Capital expenditure report and explanation for variances.
- Report that shows how we fulfil our responsibilities to govern the district well.

Activities and Service Performance

These show the detail of work done and money spent in each major area grouped by significant activity, and reports our performance against targets we set for ourselves for each area.

Financial Statements

We detail the Council's financial performance against budget.

General Information

This section shows how the Council is structured, the Community Boards and Committees, Management Team, and a directory. A glossary of terms completes this section.

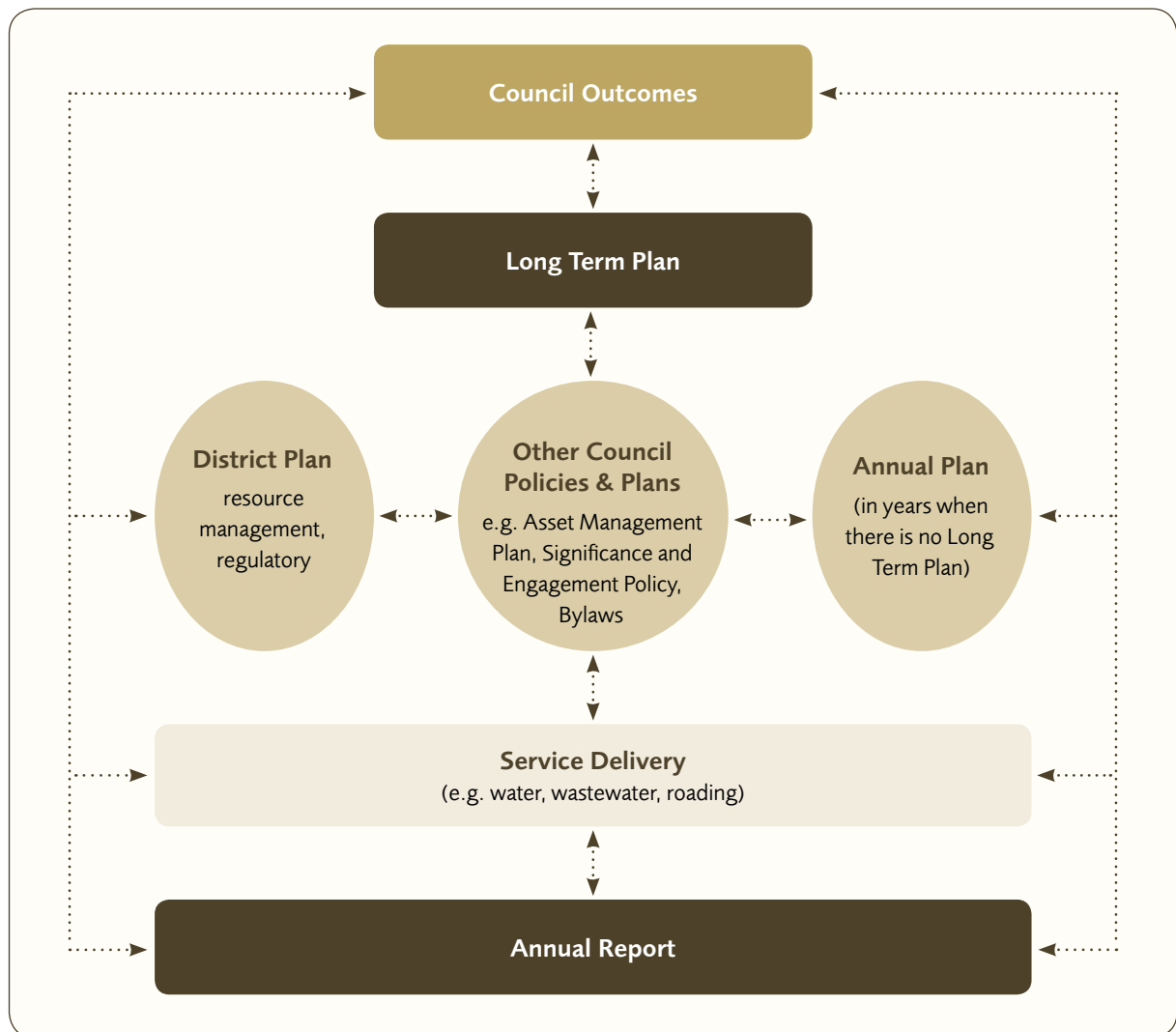
Reports

2



Linkage Between Council Policies and Plans

This Annual Report gives outcomes for the 2015/16 financial year. These actions were shaped by the directions outlined in the our Long Term Plan and in our other Policies and Plans. The linkages between these are shown in the diagram below:



Our Progress Towards the Strategies in Our Long Term Plan

In the 2015–2025 Long Term Plan, Council confirmed the vision for the district that was adopted in the 2012–2022 Long Term Plan:

A growing and prosperous district providing a wide range of employment opportunities that is underpinned by highly efficient, capable and affordable infrastructure.

Underpinning this vision is the Strategic Focus for Council.



Strategic Focus

Council first adopted its Vision and the underlying three limbs of strategy in the 2012–2022 Long Term Plan – Core Network Infrastructure, Economic Development and Financial Prudence. In the three years that followed, Council made significant progress on these strategies.

The 2015–2025 Long Term Plan maintained the same three overall strategies through consultation with the community, with some changes in priorities and focus that reflected new challenges and achievements.

The following table summarises our progress towards the Council's Strategies in the 2015–2025 Long Term Plan.

Strategy 1: Core Infrastructure

Continued investment in core infrastructure

Legend: ● On Track ● Need to catch up ● Needs more effort

Strategy	Progress 2013/14	Progress 2014/15	Progress 2015/16	Comments
To build resilience in water, wastewater, stormwater, and roading networks.	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> We had invested \$14.4 million this year in our core infrastructure to ensure we continue to maintain, and in some areas increase, our service levels. One of the steps to bring this measure to "on track" Council has decided to bring forward the Woodville impounded supply upgrade project by one year into 2016/17 to address the current summer water quality and quantity issues. The dam size will be increased to 75,000m³ and a floating cover will be installed. This project will double the capacity of the existing dam and stop algae growth in the dam. Project to install more water storage in the Pahiatua township has commenced. This is to supply all water for the town from the existing bore source and eliminate the need for any further take from the Mangatainoka river. The project has been delayed due to unsuitability of soil structure. Completed the project to lift the height of the water level in the Dannevirke impounded supply water by one metre increasing the capacity of the dam by five days. <p>Previous Years</p> <ul style="list-style-type: none"> Dannevirke impounded supply has provided security of water supply to residents and businesses.

Legend: ● On Track ● Need to catch up ● Needs more effort

Strategy	Progress 2013/14	Progress 2014/15	Progress 2015/16	Comments
To improve our environment and meet our commitments to the Manawatu River Accord.	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> We have received \$389,000 of the remaining funding for the Ministry for the Environment funded projects, bringing the total subsidy received to \$2.08 million. Three oxidation ponds in Dannevirke are relined and fully operational. Completion of Dannevirke No.1 and Woodville oxidation ponds have been delayed. These projects will be completed next year. <p>Previous Years</p> <ul style="list-style-type: none"> Progress on wastewater upgrades to improve discharge into rivers and increase treatment capacity has been hampered by weather, sludge disposal and staff resource issues.
To increase public safety in Council roads, footpaths, recreation facilities and public buildings.	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> No fatal accidents on roads due to road factors. Parks, reserves, playground equipment and sports facilities continue to be maintained to relevant safety standards. Appointed a Safety Officer, established a safety committee, implemented a regime of conducting safety audits on work sites and working towards being accredited at tertiary level in accordance with the Health and Safety Act. <p>Previous Years</p> <ul style="list-style-type: none"> No fatal accidents on roads due to road factors. Playground equipment meet standards and are regularly maintained. Identified Council's buildings that are classified as being earthquake prone buildings and programmed their upgrade.



Legend: ● On Track ● Need to catch up ● Needs more effort

Strategy	Progress 2013/14	Progress 2014/15	Progress 2015/16	Comments
To meet legally required performance standards.	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> A new resource consent for the Norsewood wastewater pond and discharge has been received. Consent renewal applications for Eketahuna and Pahiatua wastewater discharges have been completed and lodged. We continue to meet all existing resource consents for urban water supplies. <p>Previous Years</p> <ul style="list-style-type: none"> Except for a minor non-compliance for increasing the extraction from the Tamaki River during the March 2015 water issue in Dannevirke, we met all resource consents for urban water supplies. We met all resource consents for urban water supplies. Even though four of the eight wastewater schemes do not have renewed consents, they meet the conditions of the expired resource consents.

Strategy 2: Economic Development

Promoting and facilitating economic development

Legend: ● On Track ● Need to catch up ● Needs more effort

Strategy	Progress 2013/14	Progress 2014/15	Progress 2015/16	Comments
Supporting and facilitating growth in local business.	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> As a result of previous years' upgrades, visitors to the Dannevirke Camping Ground increased by 60% from 2,821, in 2014/15, to 4,484 in 2015/16. Eketahuna Camping Ground visitors rose by 30% from 3,898, in 2014/15, to 5,054 in 2015/16. Numbers in Woodville were also higher than the year before, up until the camping ground closed for renovation in May 2016. <p>Previous Years</p> <ul style="list-style-type: none"> In 2014 Council established the Tararua Business Hub (as a stand-alone operational unit) to link, support, facilitate and enable small to medium business growth within the district. The business incubation service within the Tararua Business Hub was set up, in order to help fledging businesses to grow and establish themselves. Facilitated seven (total of 17 over the three years) business applications to the Ministry of Science and Innovation Subsidy scheme. The GO! Project – with help from NIWA, HortResearch, and Crop and Food Research – has identified opportunities for land owners to diversify into crops that are best suited for the Tararua district.
Provide business friendly and welcoming support for new residents.	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> Welcome packs sent out to 363 new residents. <p>Previous Years</p> <ul style="list-style-type: none"> Welcome Wagon for new residents to the district is operational. Welcome packs sent out to 227 new residents. Worked closely with Fonterra in Pahiatua for accommodation, housing and recreation for the new staff employed in the Fonterra factory expansion.



Legend: ● On Track ● Need to catch up ● Needs more effort

Strategy	Progress 2013/14	Progress 2014/15	Progress 2015/16	Comments
<i>Build district identity; promote the district by telling our story.</i>	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> Over 10,000 people came to the district to attend major events, such as Woodville Motocross, Wheels with Attitude and Dannevirke A & P Show. Council participated in national trade shows that provided the platform necessary to promote our district for those considering visiting or relocating here for lifestyle, business and/or investment. Over 241,000 people attended these trade shows. Tararua is recognised as embracing motorhome friendly opportunities and we have achieved accreditation to Pahiatua as "Motorhome Friendly". <p>Previous Years</p> <ul style="list-style-type: none"> Working with the four major towns on branding and developing an identity. For example the Woodville "Wood You" and in Dannevirke the "Viking Country". Promoting Tararua Country through videos, website, local newspaper, Facebook, and advertising. New Zealand Motor Caravan Association (NZMCA) has accredited Dannevirke and Woodville as "Motor Home Friendly" towns. Developed and successfully organised the national Provincial Conference in April 2015 to profile issues within the rural sector of New Zealand.

Strategy 3: Financial Viability

Continued financial viability through sustainable growth and investment

Legend: ● On Track ● Need to catch up ● Needs more effort

Strategy	Progress 2013/14	Progress 2014/15	Progress 2015/16	Comments
<i>Cost control</i>	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> Operating expenditure, excluding depreciation and fair value movement of derivatives, was \$23 million which is similar to last year. This shows that Council, through efficiencies, better cost management and changes to delivery of services, has been able to offset other cost increases. <p>Previous Years</p> <ul style="list-style-type: none"> Overall operating expenditure excluding depreciation was \$21 million in Year 1, \$20 million in Year 2 and \$23 million in Year 3 (2014/15). This equated to an increase of 19.3% over the three years.

Legend: ● On Track ● Need to catch up ● Needs more effort

Strategy	Progress 2013/14	Progress 2014/15	Progress 2015/16	Comments
<i>Affordability</i>	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> • Rates increases have reduced from 4.26% in 2011/12 to 1.71% in 2016/17. <p>Previous Years</p> <ul style="list-style-type: none"> • Rates increases for the last three years have reduced from 4% in Year 1, to 3.5% in Year 3.
<i>Reducing financial and business risk</i>	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> • Council continues to have capacity to more than double its current external borrowing of \$9 million. • Brought in-house the management of the forestry operations and has accumulated net cash returns from this activity. <p>Previous Years</p> <ul style="list-style-type: none"> • Council was in a net cash position – i.e. cash investments are higher than core external debt. • Council has the capacity within its prudent borrowing limits to increase borrowing to \$30 million if required to fund capital development. • Adequate insurance policies were in place to mitigate risk of unplanned asset replacements due to natural disasters. • Council continued to rationalise its commercial investment portfolio to maximise returns.
<i>Financial sustainability (long-term financial health).</i>	●	●	●	<p>This Year</p> <ul style="list-style-type: none"> • Total debt levels (external and internal) continue to be within the limits in the Long Term Plan. • Depreciation reserves for future asset replacements are \$20.8 million, increased by \$7 million in the last three years. <p>Previous Years</p> <ul style="list-style-type: none"> • Debts level remained well within limits in the Long Term Plan. • Council's core external debt at year end was \$10 million. Forestry activity generated positive net returns to Council. • Depreciation reserves for future asset replacements had increased by \$3.5 million.



Annual Report Disclosure Statement

For the year ended 30 June 2016.

What is the purpose of this statement?

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

Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). 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:

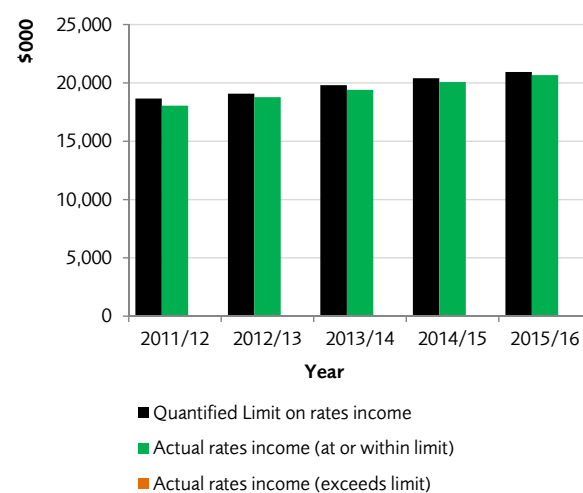
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares Council's actual rates income with the quantified limit on rates contained in the Financial Strategy included in Council's 2015–2025 Long Term Plan.

The quantified limit we have used is previous year's rates income plus the BERL Local Government Cost Index plus 2%.

RATES (INCOME) AFFORDABILITY

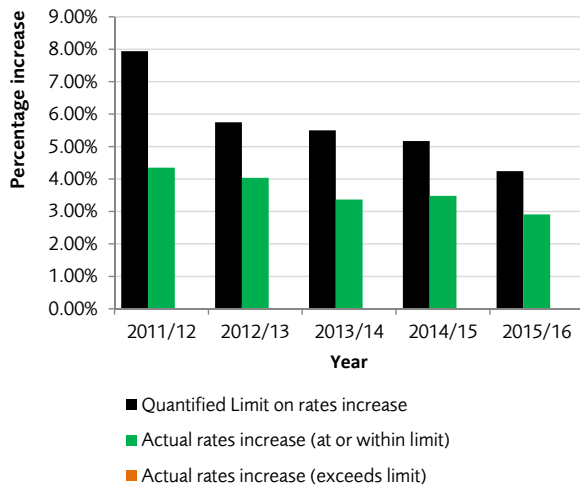


Rates (increases) affordability

The following graph compares Council's actual rates increases with the quantified limit on rates increases contained in the Financial Strategy included in Council's 2015–2025 Long Term Plan.

The quantified limit we have used is the BERL Local Government Cost Index plus 2%.

RATES (INCREASES) AFFORDABILITY



Overall, Council's rates increases over 5 years show a declining trend:

	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16
Quantified limits	7.94%	5.75%	5.50%	5.17%	4.24%
Rates increase	4.35%	4.04%	3.37%	3.48%	2.91%
Available headroom*	\$621,000	\$309,000	\$401,000	\$327,000	\$267,000

* Denotes difference between quantified limits and actual rate increases.

We have continued to find efficiencies and cost savings over the last five years, which meant our actual rates increases were much lower than our limits.

Affordability will continue to play a major role as we continue to balance the desire to keep rate increases low, while at the same time investing in our infrastructure and enabling the district to thrive by attracting more business and people.



Debt affordability benchmark

We meet the debt affordability benchmark if our actual borrowing is within each quantified limit on borrowing.

The following four graphs compares Council's actual borrowing with the quantified limits on borrowing stated in the Financial Strategy included in the 2015-2025 Long Term Plan. Quantified limits on borrowings have been reduced in the 2015-2025 Long Term Plan. The below graphs show the new lower limits. This has not affected the results of previous years.

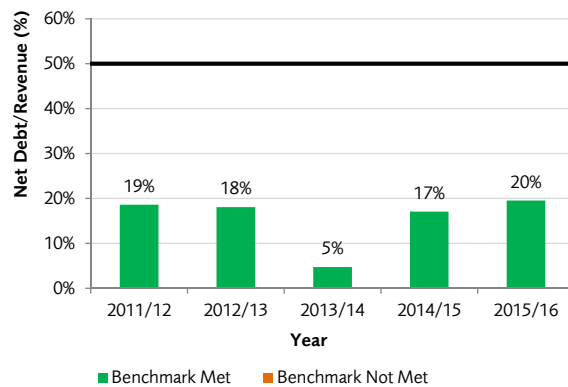
Council has reviewed the definition of finance costs. This has been clarified to be interest on secured loans. This is a change from what has previously been used as finance cost. Relevant debt affordability benchmarks and the debt servicing benchmark have been restated to reflect the current definition.

Council has met all of its debt limits and has sufficient capacity to borrow if required for capital investment in the future.

The quantified limits are as follows:

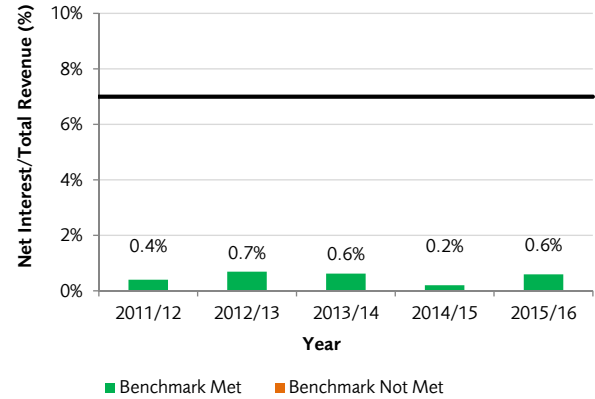
1. Net external debt as a percentage of total revenue will not exceed 50%.

DEBT AFFORDABILITY (NET DEBT AGAINST TOTAL REVENUE)



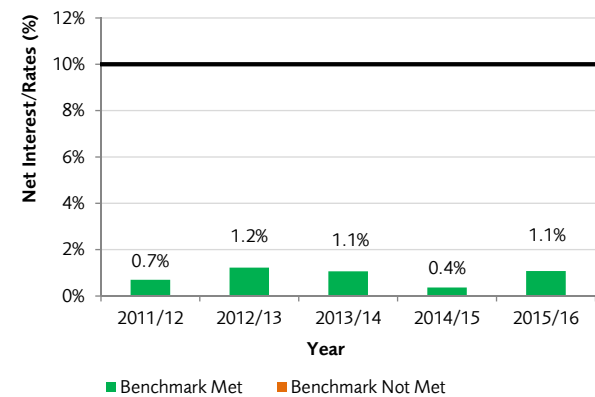
2. Net interest on external debt as a percentage of total revenue will not exceed 7%.

DEBT AFFORDABILITY (NET INTEREST AGAINST TOTAL REVENUE)



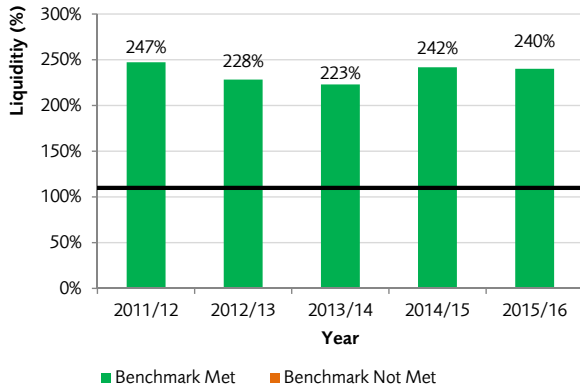
3. Net interest on external debt as a percentage of annual rates income will not exceed 10%.

DEBT AFFORDABILITY (NET INTEREST AGAINST RATES REVENUE)



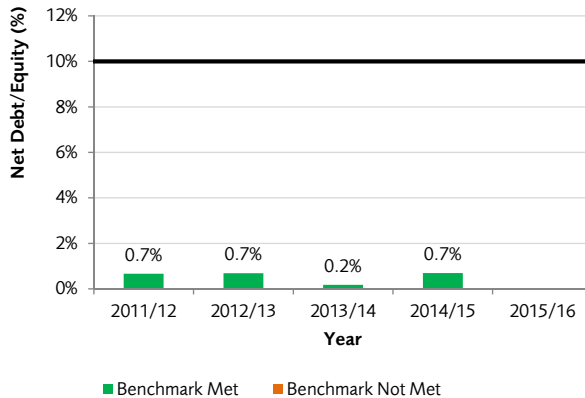
4. Liquidity (External, term debt + committed loan facilities + cash and cash equivalents to existing external debt) is greater than 110%.

DEBT AFFORDABILITY (LIQUIDITY)



5. Net debt as a percentage of equity will not exceed 10%.

DEBT AFFORDABILITY (NET DEBT AGAINST RATEPAYERS EQUITY)



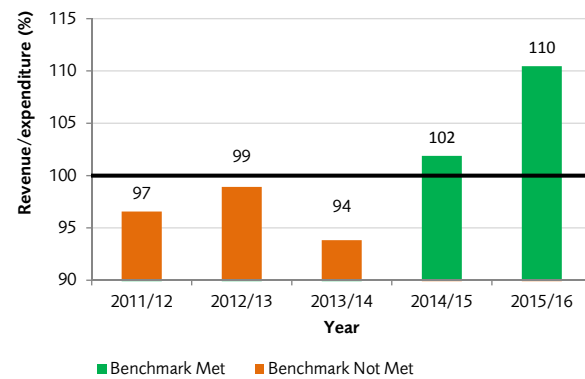
Net debt as a percentage of equity borrowing limit applies until the 2014/15 financial year. This was a previous limit that was not included as a borrowing limited in the Financial Strategy in the 2015–2025 Long Term Plan.

Balanced budget benchmark

The following graph displays 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).

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

BALANCED BUDGET



2011/12

Valuation increases continue to be higher. Together with the significant additions resulting from the capital investment in the district, depreciation expenses were higher than budgeted.

Actual interest rates rose significantly higher than budgeted. In 2012/13, Council implemented strategies (disclosed in the Debt Servicing benchmark below) to manage this risk and reduce the impact on rates due to the fluctuations in the interest rates. Included in the interest cost is \$343,000 of fair value movement in interest rate swaps.

In 2011/12, the Dannevirke Transfer station was operational. The budgets were based on the Transfer Station opening sooner but delays meant we had to incur additional cost for contractors to provide waste collection and disposal services.

Council received part subsidies from NZ Transport Agency for works related to flood damages. The remaining cost, that is unbudgeted, is funded by Council from its reserves.

2012/13

Valuation increases continue to be higher. Together with the significant additions resulting from the capital investment in the district, depreciation expenses were higher than budgeted.



In 2012/13, Council extended the refuse and recycling services to the smaller towns in the district. Additional cost for providing this services (unbudgeted cost) and increase in transportation and recycling cost resulted in the overruns. These issues were resolved in 2013/14.

Council received part subsidies from NZ Transport Agency for works related to flood damages. Council funds the remaining cost, which is unbudgeted, from its reserves.

2013/14

Council's investment in Infracon Limited was \$3.609 million. In August 2014, the company was placed in liquidation. As a result, Council had to impair (write down) its investment in company to the Income Statement, resulting in Council not meeting the balanced budget benchmark.

Council received part subsidies from NZ Transport Agency for works related to flood damages. The remaining cost, that is unbudgeted, is funded by Council from its reserves.

2015/16

Council revenue is higher than its operating expenses mainly due to NZ Transport Agency subsidies received for the Saddle Road and flood damage work, and cash received due from the liquidation of Infracon.

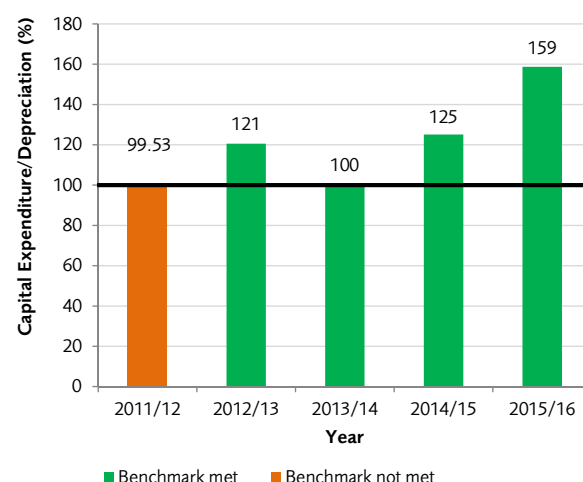
Essential services benchmark

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. (Capital work includes both renewals of existing infrastructure as well as new capital work undertaken.)

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

Network services is defined in the regulations as infrastructure related to water supply, sewerage and the treatment and disposal of sewage, storm water drainage, flood protection and control works, and the provision of roads and footpaths. Council owns no infrastructure related to flood protection and control work.

ESSENTIAL SERVICES



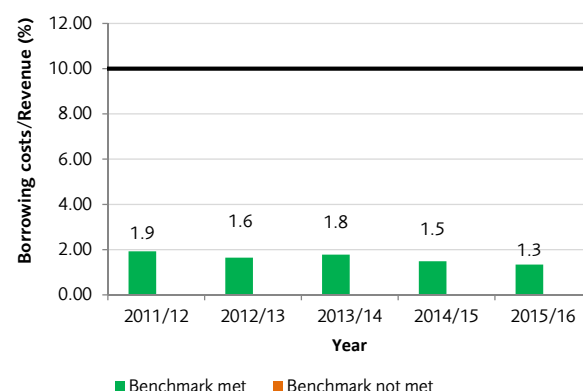
Debt servicing benchmark

The following graph displays 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).

The 2010/11 to 2012/13 results do not include the PBE IPSAS transition adjustments.

Because Statistics New Zealand projects the district's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark of borrowing costs equal or are less than 10% of its revenue.

DEBT SERVICING



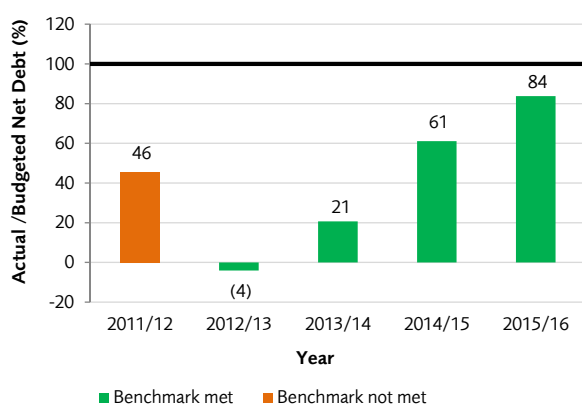
Debt control benchmark

The following graph displays 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 graph shows negative values when financial liabilities are less than financial assets, excluding rate and other receivables.)

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

In 2011/12, Council budgeted for a higher net investment position than it achieved, resulting in the benchmark not being met in that year.

DEBT CONTROL



Our debt levels have remained constant over the years due to the following:

- We borrowed internally to fund capital projects where possible.
- We have debt instruments that allow us to repay and drawdown loans without incurring break fees and penalties from the banks.

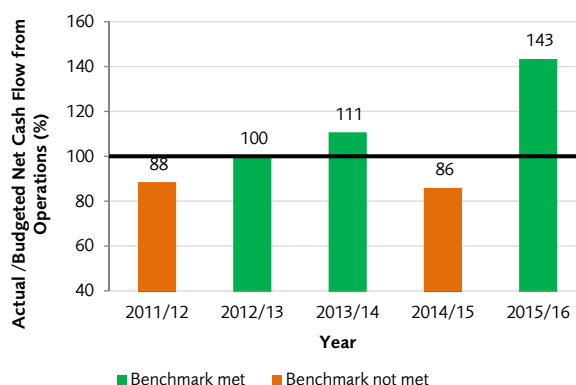
These arrangements have given us more flexibility in managing our debt levels and interest rates risk.

Operations control benchmark

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

OPERATIONS CONTROL



The reasons for not meeting this benchmark for the relevant years are as follows:

2011/12

Overall shortfall in cashflow from operations was \$1.3 million and was due to:

- Emergency repairs to our roading network due to Flood damages was \$400,000 higher than budget.
- Higher road maintenance expenditure of \$894,000 to take advantage of the NZ Transport Subsidy higher subsidy.

2014/15

Overall shortfall in cash flow from operations was \$1.9 million and was due to:

- Emergency repairs to our roading network due to flood damage was \$200,000 higher than budget.
- Higher road maintenance expenditure of \$900,000 mainly for bring forward pre reseal work.
- Excluding \$1 million of NZ Transport Agency subsidy that related to road sections on the Saddle Road. These sections are Palmerston North City Council and Manawatu District Council roads hence subsidy received (though budgeted) were not included.



Capital Expenditure Report

For the year ended 30 June 2016.

The following assets were acquired/developed in accordance with the Long Term Plan, Annual Plan, and variations as authorised by Council.

Activity & Capital Works Project	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Budget \$000s	Year to June 2016 \$000s
COMMUNITY AND RECREATION FACILITIES				
Cemeteries				
Growth				
Mangatera new berms	7	20	27	12
Woodville new berms	-	3	3	4
Growth Total	7	23	30	16
Level of Service				
Mangatera stillborn area	3	-	3	5
Memorial restoration	2	-	2	-
Pahiatua carpark sealing	-	10	10	1
Pahiatua stillborn area	-	15	15	-
Woodville carpark sealing	-	6	6	6
Level of Service Total	5	31	36	12
Cemeteries Total	12	54	66	28
Community Buildings				
Level of Service				
Akitio boat ramp	-	-	-	30
Pahiatua Service Centre earthquake work	(16)	100	84	-
Woodville Service Centre earthquake work	-	200	200	-
Level of Service Total	(16)	300	284	30



Balance \$000s	Authorised Revision \$000s	Total Remaining Budget Under/(Over) \$000s	Variance Explanation
15	-	15	Work in progress. Outstanding work to complete project is drainage and extra berm. Waiting on drier weather to recommence work. Carry forward remaining budget to the 2016/17 year.
(1)	-	(1)	Completed.
14	-	14	
(2)	-	(2)	Completed.
2	-	2	Completed.
9	-	9	Work in progress. Work to complete is sealing of driveway. Waiting on dry weather to complete works.
15	-	15	Project delayed due to prioritisation of projects. Waiting on drier weather to commence works. Carry forward remaining budget to the 2016/17 year.
-	-	-	Completed.
24	-	24	
39	-	38	
(30)	30	-	Completed.
84	(84)	-	Project forwarded to 2016/17 as we are awaiting on update of standards regards assessing Earthquake Prone Buildings.
200	(200)	-	Project forwarded to 2016/17 as we are awaiting on update of standards regards assessing Earthquake Prone Buildings.
254	(254)	-	



Activity & Capital Works Project	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Budget \$000s	Year to June 2016 \$000s
Renewals				
Dannevirke Sport Centre stadium - general	8	46	54	73
Dannevirke Town Hall renewal - general	10	11	21	11
District off-road carpark sealing	-	150	150	-
District renewals - seating	3	3	6	1
Eketahuna Medical Centre	19	5	24	5
Pahiatua Stadium	1	-	1	3
Pahiatua Town hall	101	2	103	103
Pongaroa Community Hall - general	10	-	10	-
Woodville Community Centre	6	23	29	-
Renewals Total	158	240	398	196
Community Buildings Total	142	540	682	226
Housing				
Level of Service				
Mobility garaging	-	-	-	3
Level of Service Total	-	-	-	3
Renewals				
Ballarat Court - new roof	47	-	47	49
District-wide window replacement	27	-	27	12
District-wide renewals and refurbishments	(56)	-	(56)	-
Renewals Total	18	-	18	61
Housing Total	18	-	18	64
Library				
Renewals				
Books	15	100	115	88
Furniture and fittings	(19)	70	51	9
Library management system	-	118	118	99
Microfilm reader	-	20	20	20
Pahiatua library refurbishment	15	-	15	8
Renewals Total	11	308	319	224
Library Total	11	308	319	224



Balance \$000s	Authorised Revision \$000s	Total Remaining Budget Under/(Over) \$000s	Variance Explanation
(19)	-	(19)	Completed. Overspend offset against Dannevirke Sport Centre and Town Hall.
10		10	Completed.
150	-	150	Project was delayed as a robust Forward Works Programme had to be developed first. Carry forward budget to the 2016/17 year.
5	-	5	Work in Progress. Work involves carpets and seating. Project is at the planning phase. Carry forward budget to 2016/17 year.
19	-	19	Work in progress. Project is near completion. Carry forward remaining budget to next 2016/17 year.
(2)	-	(2)	Completed.
-	-	-	Completed.
10	-	10	Delay due to availability of contractor to complete work. Carry forward budget to the 2016/17 year.
29	-	29	Work in progress as project is in planning phase. Project relates to the toilets in the building and is part of Woodville Campground development project. Carry forward budget to the 2016/17 year.
202	-	202	
456	(254)	202	
(3)	-	(3)	Completed. Over spend due to additional request from tenants.
(3)	-	(3)	
(2)	-	(2)	Completed.
15	-	15	Completed.
(56)	56	-	Work in progress. Projects delayed due to Council's decision regarding options for delivering this service. Carry forward budget to the 2016/17 year.
(43)	56	13	
(46)	56	10	
27	-	27	Work in progress. Purchase of books is ongoing throughout year. Carry forward budget remaining to 2016/17 year.
42	-	42	Portion spent in Pahiatua Library. Balance of the budget is for the Woodville Library/ Service Centre/i-SITE project. Carry forward remaining budget to 2016/17 year.
19	-	19	Completed.
-	-	-	Completed.
7	-	7	Completed.
95	-	95	
95	-	95	



Activity & Capital Works Project	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Budget \$000s	Year to June 2016 \$000s
Parks and Reserves				
Level of Service				
Dannevirke Camping Ground	(266)	24	(242)	57
District-wide drainage	6	5	11	-
District-wide walkway development	15	10	25	11
Norsewood Waterwheel Park - play equipment and flying fox	31	-	31	5
Woodville Camping Ground upgrade	-	105	105	-
Woodville play equipment	-	60	60	18
Level of Service Total	(214)	204	(10)	91
Renewals				
Dannevirke Domain and Camping Ground	9	24	33	2
Eketahuna Camping Ground	4	2	6	4
Eketahuna Domain	7	7	14	7
Eketahuna playground matting	-	10	10	-
Pahiatua new flagpole	5	22	27	-
Pahiatua Camping Ground renewal	-	25	25	16
Woodville Camping Ground renewals	-	5	5	-
Woodville Fountaine Square - furniture replacement	-	20	20	2
Renewals Total	25	115	140	31
Parks and Reserves Total	(189)	319	130	122
Public Conveniences				
Level of Service				
Dannevirke Domain playground - New toilets	-	40	40	44
Woodville New toilets	-	100	100	-
Level of Service Total	-	140	140	44
Renewals				
District-wide renewals and refurbishments	16	12	28	10
Eketahuna public toilets	24	-	24	28
Renewals Total	40	12	52	38
Public Conveniences Total	40	152	192	82



Balance \$000s	Authorised Revision \$000s	Total Remaining Budget Under/(Over) \$000s	Variance Explanation
(299)	274	(25)	Completed. Cost overrun due to several minor additional expenses not budgeted.
11	-	11	Project is tied to the Woodville camping ground project. Carry forward remaining budget to 2016/17 year.
14	-	14	Work in progress. Project tied with Woodville camping ground project.
26	-	26	Work in progress. Project is near completion. Carry forward remaining budget to 2016/17 year.
105	-	105	Project in the procurement phase - awaiting quotes. Carry forward budget to 2016/17 year.
42	-	42	Project part of Woodville Fountaine Square. The design had been approved and work will start next year in drier weather. Carry forward remaining budget to 2016/17 year.
(101)	274	173	
31	-	31	Work in progress. Project is tied to Dannevirke Camping Ground work. Carry forward budget to 2016/17 year.
2	-	2	Completed.
7	-	7	Work in progress. Carry forward remaining budget to 2016/17 year.
10	-	10	Work in progress. Project is tied in with Eketahuna Playground project. Carry forward budget to 2016/17 year.
27	-	27	Work in progress. Carry forward remaining budget to 2016/17 year.
9	-	9	Work in progress. Project is in procurement phase. Carry forward remaining budget to 2016/17 year.
5	-	5	Project is tied with Woodville camping ground. Carry forward budget to 2016/17 year.
18	-	18	Work in progress. Project design is approved and work will commence next year during drier weather conditions. Carry forward remaining budget to 2016/17 year.
109	-	109	
7	274	282	
(4)	-	(4)	Completed.
100	-	100	Project was delayed as budget is part of the Woodville Library/Service Centre/i-SITE project. Carry forward remaining budget to 2016/17 year.
96	-	96	
18	-	18	Completed.
(4)	-	(4)	Completed.
14	-	14	
110	-	110	



Activity & Capital Works Project	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Budget \$000s	Year to June 2016 \$000s
Swimming Pools				
Level of Service				
Eketahuna outdoor pool	(10)	16	6	2
Pahiatua outdoor pool development	-	-	-	5
Level of Service Total	(10)	16	6	7
Renewals				
District pool renewal and refurbishment	5	4	9	9
Woodville pool - new filter	-	33	33	30
Renewals Total	5	37	42	39
Swimming Pools Total	(5)	53	48	46

DISTRICT PROMOTION AND ECONOMIC DEVELOPMENT

Commercial Investments

Level of Service

Forestry road improvements	-	-	-	46
Woodville 49 Vogel Street depot - drainage from building to stormwater	16	-	16	-
Level of Service Total	16	-	16	46
Commercial Investments Total	16	-	16	46

District Promotion and Development

Level of Service

Computer hardware	-	5	5	-
District-wide fibre project	3	10	13	3
Te Apiti walkway development	-	25	25	-
Level of Service Total	3	40	43	3
District Promotion and Development Total	3	40	43	3

REGULATORY SERVICES

Animal Control

Level of Service

Dannevirke pound	-	50	50	138
Level of Service Total	-	50	50	138



Balance \$000s	Authorised Revision \$000s	Total Remaining Budget Under/(Over) \$000s	Variance Explanation
4	-	4	Work in progress. Waiting on end of swimming season to install rest of the sails. Carry forward remaining budget to 2016/17 year.
(5)	-	(5)	Cost is for Pool feasibility study for project that is budgeted in the 2016/17 year. Carry forward overspend to offset against next year's budget.
(1)	-	(1)	
-	-	-	Completed.
3	-	3	Completed.
3	-	3	
2	-	2	
(46)	-	(46)	Completed. Part of Forestry harvesting activities and funded from proceeds of sale of forestry logs.
16	-	16	Project on hold due to potential sale of property.
(30)	-	(30)	
(30)	-	(30)	
5	(5)	-	Project forwarded to 2016/17 to be completed as part of the Woodville Library/Service Centre/i-SITE project.
10	-	10	Wok in progress. Project is in Planning phase. Carry forward remaining budget to 2016/17 year.
25	(25)	-	Project moved to 2016/17 due to changes to project scope and participation organisations.
40	(30)	10	
40	(30)	10	
(88)	154	66	Work in progress. Carry forward remaining budget to 2016/17 year.
(88)	154	66	



Activity & Capital Works Project	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Budget \$000s	Year to June 2016 \$000s
Renewals				
Dannevirke Pound Upgrade/ Renewal	(10)	70	60	22
Firearms Renewal	-	-	-	2
Renewals Total	(10)	70	60	24
Animal Control Total	(10)	120	110	162
Emergency Management				
Level of Service				
Replacement vehicle - Rural Fire utility	-	15	15	-
Level of Service Total	-	15	15	-
Renewals				
Radio network renewal	-	3	3	20
Renewals Total	-	3	3	20
Emergency Management Total	-	18	18	20
Health & Safety				
Renewals				
Sound level meter	7	-	7	-
Swimming pool kit	3	-	3	2
Renewals Total	10	-	10	2
Health & Safety Total	10	-	10	2
ROADING AND FOOTPATHS				
Footpaths				
Level of Service				
District-wide footpath development	51	30	81	-
Eketahuna town centre upgrade	24	442	466	323
Level of Service Total	75	472	547	323
Renewals				
Footpath renewals	-	-	-	57
Renewals Total	-	-	-	57
Footpaths Total	75	472	547	380



Balance \$000s	Authorised Revision \$000s	Total Remaining Budget Under/(Over) \$000s	Variance Explanation
38	-	38	Work in progress. Carry forward remaining budget to 2016/17 year.
(2)	-	(2)	Completed.
36	-	36	
(52)	154	102	
15	-	15	Completed. Pool vehicle transferred to Emergency Management.
15	-	15	
(17)	16	(1)	Completed.
(17)	16	(1)	
(2)	16	14	
7	-	7	Work in progress. Project is in procurement phase. Carry forward project budget to the 2016/17 year.
1	-	1	Completed.
8	-	8	
8	-	8	
81	-	81	Work delayed due to priority given to Eketahuna town centre upgrade. Detailed Forward Works Programme will be developed to complete work by 30 June 2017. Carry forward budget to the 2016/17 year.
143	-	143	Work in progress. Carry forward remaining budget to 2016/17 year.
224	-	224	
(57)	28	(29)	Completed. Overrun due to higher number of customer requests for unsafe trip hazards.
(57)	28	(29)	
167	28	195	



Activity & Capital Works Project	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Budget \$000s	Year to June 2016 \$000s
Roading				
Level of Service				
Manawatu/Hawkes Bay alternate route	327	608	935	1,515
Minor improvements	23	601	624	710
Level of Service Total	350	1,209	1,559	2,225
Renewals				
Bridge renewals	129	-	129	-
Carpark renewals	-	30	30	77
Drainage renewals	-	506	506	514
Emergency reinstatements	-	-	-	1,369
Pavement rehabilitation	-	1,704	1,704	1,892
Sealed road resurfacing	738	2,375	3,113	1,816
Structures components replacement	-	95	95	123
Traffic services renewal	-	93	93	180
Unsealed road metalling	197	575	772	31
Renewals Total	1,064	5,378	6,442	6,002
Roading Total	1,414	6,587	8,001	8,227
SOLID WASTE MANAGEMENT				
Level of Service				
Dannevirke Transfer Station - road improvements	-	30	30	100
District-wide recycling - bulk bin setup	17	-	17	3
Eketahuna capping	42	20	62	9
Pongaroa capping	10	10	20	-
Level of Service Total	69	60	129	112
Renewals				
Pahiatua recycling centre fire replacement	41	-	41	450
Recycling centres - minor capital	-	10	10	-
Renewals Total	41	10	51	450
Solid Waste Management Total	110	70	180	562



Balance \$000s	Authorised Revision \$000s	Total Remaining Budget Under/(Over) \$000s	Variance Explanation
(580)	1,940	1,360	Work in progress. Phase 1 nearing completion and Phase 2 of project proceeding ahead of schedule. Brought forward portion of 2016/17 budget as a variation to budget for Phase 2. Carry forward remaining budget to 2016/17 year.
(86)	-	(86)	Work in progress. Carry forward overrun to offset against the 2016/17 budgets.
(666)	1,940	1,274	
129	(129)	-	Budget transferred to structures component renewal.
(47)	-	(47)	Completed.
(8)	-	(8)	Completed.
(1,369)	-	(1,369)	Completed. Emergency historically treated as operational.
(188)	-	(188)	Completed. Increased safety component to give additional shoulder strengthening to pavements.
1,297	-	1,297	Completed. Budgets offset overspend on Emergency Reinstatements.
(28)	129	101	Completed.
(87)	-	(87)	Completed. Overspend funded from Sealed Road Resurfacing project.
741	-	741	Completed.
440	-	440	
(224)	1,940	1,714	
(70)	-	(70)	Completed. Overrun is due to \$70,000 funded from the depreciation reserve as it was renewal.
14	-	14	Completed. All bins currently in use.
53	-	53	Project on hold as capping is not required this year. Carry forward remaining budget to 2016/17 year.
20	-	20	Project on hold as capping is not required this year. Carry forward remaining budget to 2016/17 year.
17	-	17	
(409)	386	(23)	Completed. Cost overrun due to unexpected variations.
10	-	10	Completed. Budget to be spent as required.
(399)	386	(13)	
(382)	386	4	



Activity & Capital Works Project	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Budget \$000s	Year to June 2016 \$000s
----------------------------------	---	-----------------------------	------------------------	--------------------------------

STORMWATER DRAINAGE

Level of Service

Dannevirke Wai Splash stormwater development	-	-	-	10
District-wide stormwater management	96	60	156	28

Level of Service Total	96	60	156	38
-------------------------------	-----------	-----------	------------	-----------

Renewals

District-wide mains replacement	-	41	41	42
---------------------------------	---	----	----	----

Renewals Total	-	41	41	42
-----------------------	----------	-----------	-----------	-----------

Stormwater Drainage Total	96	101	197	80
----------------------------------	-----------	------------	------------	-----------

WASTEWATER

Level of Service

Akitio sewer option report	-	15	15	-
----------------------------	---	----	----	---

CCTV camera	-	-	-	2
-------------	---	---	---	---

CCTV heavy mains cleaning	-	20	20	-
---------------------------	---	----	----	---

Eketahuna treatment plant	-	810	810	71
---------------------------	---	-----	-----	----

Manhole rehabilitation	4	-	4	-
------------------------	---	---	---	---

Ministry for the Environment project - Dannevirke pond leakage investigation	(1,173)	-	(1,173)	1,854
--	---------	---	---------	-------

Ministry for the Environment Project - Pahiatua sewage treatment plant	744	-	744	59
--	-----	---	-----	----

Ministry for the Environment Project - Woodville sewage treatment plant	241	-	241	188
---	-----	---	-----	-----

Norsewood treatment plant	6	-	6	42
---------------------------	---	---	---	----

Pongaroa treatment plant	69	90	159	4
--------------------------	----	----	-----	---

Septic tank treatment/dewatering	-	200	200	2
----------------------------------	---	-----	-----	---

Telemetry sewerage renewals	-	10	10	6
-----------------------------	---	----	----	---

Level of Service Total	(109)	1,145	1,036	2,228
-------------------------------	--------------	--------------	--------------	--------------



Balance \$000s	Authorised Revision \$000s	Total Remaining Budget Under/(Over) \$000s	Variance Explanation
(10)	-	(10)	Completed. Work related to the construction of the stormwater drainage under Wai Splash pool carpark. But was from the district-wide stormwater management project.
128	-	128	Work in progress. Work completed include Survey, modelling and design work. Carry forward remaining budget to 2016/17 year.
118	-	118	
(1)	-	(1)	Completed.
(1)	-	(1)	
117	-	117	
15	(15)	-	Project pushed out to 2016/17 year so that design will incorporate the results from the other new plants.
(2)	-	(2)	Completed.
20	-	20	Project delayed due to identifying and prioritising the mains for cleaning. Carry forward budget to 2016/17 year.
739	(810)	(71)	Project pushed out to 2016/17 year so that design will incorporate the results from the other new plants. Carry forward overspend to be offset against the 2016/17 budget.
4	-	4	Completed. Budget to be spent as required.
(3,027)	3,534	507	Work in progress. Project delayed to change in scope and design. Carry forward remaining budget to the 2016/17 year.
685	(690)	(5)	Completed.
53	137	190	Work in progress. Outstanding work is mainly repairing the liner issues, completing the tephra beds, safety rails for clarifier and screen installation. Carry forward remaining budget to 2016/17 year.
(36)	-	(36)	Work in progress. Currently working ahead of schedule and consuming portion of next year budget. Carry forward cost overruns to offset against 2016/17 budgets.
155	-	155	Project delayed due to change in scope and variation to design. Carry forward remaining budget to 2016/17 year.
198	-	198	Project is near completion. Carry forward remaining budget to 2016/17 year to be used in Dannevirke Pond No.1.
4	-	4	Completed.
(1,192)	2,156	964	



Activity & Capital Works Project	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Budget \$000s	Year to June 2016 \$000s
Renewals				
Aerators renewal	37	-	37	-
Dannevirke sewage treatment plant renewals	13	80	93	28
District-wide consent upgrades	-	30	30	37
District-wide replacements	172	343	515	422
Eketahuna earthquake sewer replacements	760	-	760	1,060
Infiltration renewals - Pahiatua and Eketahuna	21	-	21	-
Woodville main relining project	-	-	-	517
Renewals Total	1,003	453	1,456	2,064
Wastewater Total	894	1,598	2,492	4,292



Balance \$000s	Authorised Revision \$000s	Total Remaining Budget Under/(Over) \$000s	Variance Explanation
37	-	37	Work in progress. Project is part of the Ministry for the Environment project - Dannevirke sewage treatment plant. Carry forward budget to the 2016/17 year.
65	-	65	Work in progress. Project is part of the Ministry for the Environment project - Dannevirke sewage treatment plant. Carry forward remaining budget to the 2016/17 year.
(7)	-	(7)	Eketahuna, Norsewood, and Woodville consent renewal.
93	(100)	(7)	Completed. Cost overruns due to renewals being based on poorest condition pipes. Overspend offset by budget from district-wide preventative maintenance.
(300)	700	400	Work in progress. Project is nearing completion for mains replacement. Focus will shift to renewal of laterals to reduce infiltration. Carry forward remaining budget to the 2016/17 year.
21	-	21	Project delayed due to planning and the need to determine renewals based on poorest condition pipes. Carry forward budget to 2016/17 year.
(517)	294	(223)	Completed. Project was to reline Woodville sewer mains to reduce infiltration into the wastewater network. The number of damaged pipes identified was more than budgeted.
(608)	894	286	
(1,800)	3,050	1,250	



Activity & Capital Works Project	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Budget \$000s	Year to June 2016 \$000s
WATER SUPPLIES				
Level of Service				
Akitio upgrade	-	150	150	-
Dannevirke soda ash conversion	-	30	30	-
Dannevirke treatment plant	482	-	482	593
Dannevirke water storage - lift level	-	-	-	10
Demand management and zone metering	-	20	20	7
District-wide generators	-	150	150	-
Eketahuna water storage	-	75	75	144
Large users, metering and management	10	-	10	-
Leak detection - Pahiatua and Norsewood	40	25	65	12
Norsewood treatment plant upgrade	5	-	5	12
Pahiatua new bore and treatment - phase 1	(17)	1,423	1,406	171
Pongaroa town water supply	-	-	-	10
Water and sanitary services team	80	-	80	46
Woodville water storage	-	50	50	80
Level of Service Total	600	1,923	2,523	1,085
Renewals				
Chlorinator replacement - Dannevirke No.1 Reservoir	22	-	22	-
District-wide mains replacement - water supplies	70	355	425	359
District-wide treatment plant upgrades	117	485	602	73
Meter reading devices renewals	-	8	8	-
Telemetry renewal	10	-	10	-
Water pump replacement	4	-	4	-
Renewals Total	223	848	1,071	432
Water Supplies Total	823	2,771	3,594	1,517



Balance \$000s	Authorised Revision \$000s	Total Remaining Budget Under/(Over) \$000s	Variance Explanation
150	(150)	-	Carried forward 2016/17.
30	-	30	Work in progress. Project is part of the Dannevirke treatment plant project. Carry forward budget to 2016/17 year.
(111)	-	(111)	Work in progress. Phase 1 is near completion. Carry forward cost overrun to offset budget for Phase 2 in 2016/17 year.
(10)	-	(10)	Completed.
13	-	13	Work in progress. Project delayed due to prioritisation of projects. Carry forward remaining budget to 2016/17 year.
150	-	150	Project delayed due to prioritisation of projects. Carry forward budget to 2016/17 year.
(69)	-	(69)	Completed. Cost overrun was due to the reshaping and deepening of the existing pond.
10	-	10	Project delayed due to prioritisation of projects. Carry forward budget to 2016/17 year.
53	-	53	Work in progress. Leak detection work for Pahiatua is completed. Work on Norsewood was reprioritised to be completed next year. Carry forward remaining budget to 2016/17 year.
(7)	-	(7)	Completed.
1,235	-	1,235	Work in progress. Cost incurred this year was for Phase 1-4 days storage. Carry forward remaining budget to the 2016/17 year.
(10)	-	(10)	New valves. Completed.
34	-	34	Project was delayed as waiting on the completion of the structural review of the maintenance/customer request response team. Carry forward remaining budget to the 2016/17 year.
(30)	-	(30)	Work in progress. Planning phase is near completion. Carry forward cost overrun to offset budget for the construction phase in 2016/17 year.
1,438	(150)	1,288	
22	-	22	Work in progress. Project is part of the Dannevirke treatment plant project. Carry forward budget to 2016/17 year.
66	-	66	Completed.
529	(482)	47	Work in progress. Budget used in the Dannevirke treatment plant. Carry forward remaining budget to 2016/17 year.
8	(8)	-	Project pushed out to 2016/17 year and current application does not meet requirements. Further investigating on available devices and applications will be carried out in 2016/17 year.
10	-	10	Work in progress. Project is part of the Dannevirke treatment plant project. Carry forward budget to 2016/17 year.
4	-	4	Work in progress. Project is part of the Dannevirke treatment plant project. Carry forward budget to 2016/17 year.
639	(490)	149	
2,077	(640)	1,437	



Activity & Capital Works Project	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Budget \$000s	Year to June 2016 \$000s
Support				
Level of Service				
Carpark - 43 Vogel Street, Woodville	-	-	-	137
Information services developments hardware	184	-	184	75
Level of Service Total	184	-	184	212
Renewals				
Asset management system	(15)	-	(15)	12
District buildings renewals	109	15	124	7
District library refurbishment and renewals	13	55	68	13
District-wide equipment Renewals	155	119	274	69
District-wide service centre renewals	-	17	17	-
Information Services hardware renewals	100	287	387	73
Information Services software renewals	52	134	186	102
Vehicle renewals	57	155	212	200
Renewals Total	471	782	1,253	476
Support Total	655	782	1,437	688
Grand Total	4,115	13,985	18,100	16,771

Summary of Capital Projects

	Carry forward Budget to 2015/16 \$000s	Budget 2015/16 \$000s	Total Planned Budget \$000s	Actual spend Year to June 2016 \$000s	Planned Budget Remaining \$000s
Growth	7	23	30	16	14
Level of Service	1,049	5,665	6,714	6,598	116
Renewals	3,059	8,297	11,356	10,158	1,198
Total	4,115	13,985	18,100	16,772	1,329

Included in the total capital spend for the year, are amounts that relate to budgets that were revised during the year. Budget revisions occurred due to; change in scope of existing projects, new projects introduced, and projects deferred.

The table below summaries the authorised revisions to the planned budgets:

	Planned Budget Remaining \$000s	Authorised Revisions from Original Budgets \$000s	Total Budget Remaining / (Overspent) \$000s
Growth	14	-	14
Level of Service	116	4,090	4,206
Renewals	1,198	659	1,857
Total	1,329	4,749	6,078



Balance \$000s	Authorised Revision \$000s	Total Remaining Budget Under/(Over) \$000s	Variance Explanation
(137)	-	(137)	Completed. New Carpark purchased at 43 Vogel St.
109	-	109	Work in progress. Project delayed due to prioritisation of projects. Carry forward remaining budget to 2016/17 year.
(28)	-	(28)	
(27)	30	3	Work in progress. Developer adding required functionality
117	-	117	Work in progress. Will be spent on office renovation and renewals. Carry forward remaining budget to the 2016/17 year.
55	-	55	Completed. Portion may be used for Pahiatua Carpeting
205	(129)	76	Work in progress. Carry forward budget to 2016/17 year.
17	-	17	Budget will be included in the combined Council services in Woodville (Library/Service Centre/i-SITE project). Carry forward budget to 2016/17 year.
314	(80)	234	Work in progress. Carry forward budget to 2016/17 year.
84	(52)	32	Work in progress. Carry forward budget to 2016/17 year.
12	-	12	Completed.
777	(231)	546	
749	(231)	518	
1,334	4,749	6,078	



Governance Report

Role of the Council

The Council has overall responsibility and accountability for the proper direction and control of the district's development.

Structure of Council

Council appoints a Chief Executive to manage the Council operations. The Chief Executive, Blair King, is accountable to the Mayor and Councillors for managing the Council.

He has statutory powers conferred by the Local Government Act 2002 and other powers at Council's discretion. The Chief Executive has appointed managers to manage key areas of the Council's operations.

The Council has a portfolio system in place for specific activities/functions to oversee and liaise with management on the governance aspects and report back as appropriate through the monthly meeting. The Council has over the years found this is an effective mechanism for Councillors involvement in enhancing and fulfilling their role as elected representatives.

Council Committees

The Council has four committees to monitor and assist in the effective discharge of Council's responsibilities. These include:

- Tribunal and Hearings Committee
- Chief Executive's Performance Appraisal Committee
- Audit and Risk Committee
- Forestry Committee

Tribunal and Hearings Committee

To hear and adjudicate on all matters Council is required to handle relating to tribunal and hearings matters, meeting

throughout the district or outside as appropriate. The Chief Executive is delegated the authority to handle and approve straightforward applications on a regular basis.

Chief Executive's Performance Appraisal Committee

To review the performance of the Chief Executive and the accountabilities relating to this position.

Audit and Risk Committee

The Council as part of the review of its governance process undertaken by Local Government New Zealand agreed to establish an Audit and Risk Committee in a manner consistent with sector best practice. The Audit and Risk Committee is part of the framework that the Council is establishing to manage risk. An independent Chairperson was appointed to bring the relevant knowledge and experience to guide the committee in fulfilling its functions.

Council Forestry Committee

This committee consists of the Mayor and two other Council members and has full delegation to oversee the management of Council's forestry assets and make recommendations to the Council if it wishes to divest the forestry assets.

Community Boards and Community Committees

Elected community boards represent Dannevirke and Eketahuna communities. In addition Pahiatua On-Track Incorporated and Woodville Districts' Vision Incorporated are both representative community committees.

The boards reflect unique historical requirements of each locality and assist Council to meet the community's needs. The Boards advise Council on a wide range of issues.

Activities Undertaken to Promote Maori

The Council has an obligation to take into account the principles of the Treaty of Waitangi and to recognise and provide for the special relationship between Maori, their culture, traditions, land and taonga.

Processes to provide opportunities for Iwi to contribute to Council decision-making are referenced in the Council's Significance and Engagement Policy.

The Council has a current Memorandum of Partnership with Rangitane o Tamaki nui a Rua. This covers processes for engagement in decision-making. As part of the Crown negotiating treaty claims with the two Iwi who exercise Rohe within the Tararua District Council boundary, areas of significance to those Iwi have been identified. Some of these areas identified by Iwi have reserve status under the Reserves Act 1977, with management control vested in the Council, rather than the Crown through the Department of Conservation.

The Council continued to provide direction to the Office of Treaty Settlements on how it would prefer to work with Iwi where such proposals relate to the future management of reserves under its control. This has involved discussions with both Rangitane o Tamaki nui a Rua and Ngati Kahungunu ki Wairarapa-Tamaki nui a Rua Iwi, in liaison with representatives of the Office of Treaty Settlements.

The Council met with the Minister for Treaty of Waitangi Settlements, the Honourable Christopher Finlayson in December 2015. This meeting facilitated the opportunity for discussion on the settlements with both Rangitane and Ngati Kahungunu, and in particular to consider options relating to the inclusion of the Makirikiri reserves as part of those proposals.

The Minister met with representatives of these Iwi early in 2016, and agreement was reached whereby the Makirikiri reserves formed part of their settlements in the name of the common ancestor Te Rangiwhakaaewa. To oversee the management of this area the Iwi intend to form a joint administering entity for this purpose, with a liaison link to the Council acknowledging the reserves remain available for public access.

With the overlapping claims for this land resolved the Crown progressed negotiations to finalise the settlements and Rangitane were able to enter into a deed of settlement for their Iwi. Ngati Kahungunu significantly advanced its negotiations through reaching an agreement in principle with the Crown to settle their Treaty claims.

The Maori Liaison Working Party continued its meetings to work with both Rangitane and Ngati Kahungunu Iwi on preparing new Memorandums for consideration by the Council to review and develop new partnership agreements. These new partnership agreements will set in place the detailed policy for the Development of Maori Capacity to Participate in Council Decision-Making as required by the

Local Government Act 2002. Specific issues that may be addressed include:

- New Memorandums of Partnership;
- Future community Investment partnerships;
- A stocktake of issues affecting Maori in the district;
- The existing and expected capacity of Maori to contribute to decisions; and
- Appropriate communication protocols.

Governance Framework

Independent Election

The Council believes the democratic election of Councillors by the citizens of Tararua district ensures that it is able to operate in the best interests of the district and to function independently of management.

Communications

The public can be part of Council's decision-making process through various legislated consultation processes. In addition, Council carries out other community engagement processes. These include the community planning process, and policy consultations. More detail on Council engagement processes are set out in the Significance and Engagement Policy.

Division of Responsibility between Council and Management

A key to the efficient running of the Council is the clear division between the roles of Council (elected members) and management. Council concentrates on setting the strategic vision and policies, while management is concerned with implementing policy and strategy.

While many functions have been formally delegated to the Chief Executive, the overall responsibility for maintaining effective systems of internal control rests with the Council. Internal control includes the policies, systems and procedures, which have been established to provide measurable assurance that the specific objectives of the Council are being achieved.

The Council has acknowledged its responsibility with the signing of the Statement of Compliance and Responsibility.



Report of the Auditor-General

Independent Auditor's Report

To the readers of Tararua District Council's annual report for the year ended 30 June 2016

The Auditor General is the auditor of Tararua District Council (the District Council). The Auditor General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the District Council 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 132 to 202:
 - present fairly, in all material respects:
 - the District Council'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.
- the funding impact statement on page 138, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- the activities and service performance on pages 57 to 130:
 - 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.
- complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 60 to 126, presents fairly, in all material respects, actual capital expenditure

as compared to the budgeted capital expenditure included in the District Council's long-term plan;

- the funding impact statement for each group of activities on pages 60 to 126, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Compliance with requirements

The District Council 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 22 to 171 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's audited information.

Our audit was completed on 26 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'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'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 activities and service performance 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 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, we have carried out an independent assurance review of the District Council's Debenture Trust Deed, which are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the District Council.

Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Compliance and Responsibility

Compliance

The Council and management of Tararua District Council confirm that all statutory requirements in relation to the Annual Report have been compiled in accordance with the Local Government Act 2002.

Responsibility

The Council and management of Tararua District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and management of Tararua 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.

In the opinion of the Council and management of Tararua District Council, the annual Financial Statements for the year ended 30 June 2016 fairly reflects the financial position and operations of the Council.



Mayor



Chief Executive

Activities and Service Performance



Introduction

Activities and Service Performance

We provide a wide range of services and facilities for people living in Tararua. These services – called Activities – help to make Tararua a better, safer, healthier and more enjoyable place to live.

We have nine groups of activities, and 22 activities. The rest of this section explains what we achieved in each activity, the overall cost to ratepayers, and our service performance results.

Groups of Activities

Building Communities & Leadership ..	59
Community & Recreation Facilities.....	66
District Promotion & Economic Development	82
Regulatory Services.....	89
Roading & Footpaths	100
Solid Waste Management	110
Stormwater	115
Wastewater	120
Water Supplies	125



How the Council Outcomes Relate to Council Services

Key: Strongly Related ✓ Related ● Partially Related ◇

Groups of Activities	Council Outcomes				
	Efficient Infrastructure	Prosperous Economy	Great Lifestyle	Sustainable Environment	Collaborative Council
Building Communities and Leadership	●	●	✓	✓	✓
Community and Recreation Facilities	✓	●	✓	✓	✓
District Promotion and Development	◇	✓	✓	●	✓
Regulatory Services	◇	●	✓	✓	✓
Roading and Footpaths	✓	✓	✓	◇	●
Solid Waste Management	✓	◇	●	✓	●
Stormwater	✓	◇	◇	◇	✓
Wastewater	✓	●	◇	✓	✓
Water Supplies	✓	●	●	✓	●

Building Communities and Leadership

Activities in this Group

1 Community Support
To support communities to support themselves.

2 Representation
To enable democratic local decision-making and action by, and on behalf of communities to meet the current and future needs of communities for good quality local infrastructure, local public services, and the performance of regulatory functions in a way that is cost-effective for households and businesses.

Group Level Funding Impact Statement

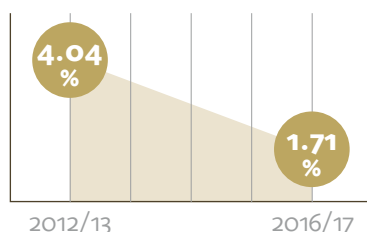
	2014/15 Actual \$000s	2014/15 LTP Budget \$000	2015/16 LTP Budget \$000s	2015/16 Actual \$000s
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	1,655	1,000	1,622	1,622
Targeted rates	-	446	-	-
Grants and subsidies operating	14	-	-	8
Fees and charges	0	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	34	-	33	20
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,703	1,447	1,655	1,650
Applications of Operating Funding				
Payment to staff and suppliers	1,068	837	1,160	1,234
Finance costs	-	-	-	-
Internal charges and overheads applied	673	606	458	453
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	1,741	1,443	1,618	1,687
Surplus/(Deficit) of Operating Funding (A - B)	(37)	4	37	(36)
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 (C)	-	-	-	-
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	1
- to replace existing assets	-	-	10	-
Increase (decrease) in reserves	(37)	4	27	(37)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	(37)	4	37	36
Surplus/(Deficit) of Capital Funding (C - D)	37	(4)	(37)	36
Funding Balance ((A - B) + (C - D))	-	-	-	-

What We Achieved

TOTAL GRANTS PAID OUT

\$226,000

RATES INCREASES REDUCING



ADOPTED A ROBUST 10-YEAR PLAN



SAFETY IS NO.1



Established safety committee



Appointed safety officer



Conducting safety audits



Working towards tertiary level accreditation

ESTABLISHED AUDIT AND RISK COMMITTEE WITH AN INDEPENDENT CHAIR



REVIEW OF COUNCIL'S GOVERNANCE PROCESS COMPLETED



Community Support

Community Support is an activity that focuses on providing funding or services that help the community either directly or through grants. This includes funding for main street programmes, community boards and committees, sporting and recreational activities, Pahiatua town centre under veranda lighting and public crime prevention CCTV systems.

Closed Circuit TV Systems

Community CCTV systems in the district are now being maintained by Council. An upgrade was completed to bring the pre-existing Eketahuna system onto the centralised Police monitored public CCTV system to improve quality, access and security of the information. The New Zealand Police estimate they refer to the CCTV video footage several times a week to assist with their investigations. This has assisted with determining the facts, and the successful arrest and conviction for criminal activity.

Grants

The following significant grants were provided by Council:

- | | |
|--|----------|
| • Pahiatua Wheel Park Project | \$50,000 |
| • Pukaha Mount Bruce – forest restoration and predator control | \$10,000 |
| • Tiraumea Hall Committee – purchase former Ministry of Education land | \$11,000 |
| • Rotary Club of Dannevirke – Dannevirke Community Walkway (Adelaide Road) | \$5,000 |
| • Horizons Regional Council – Gorge Biodiversity project | \$5,000 |
| • Dannevirke Ross Shield 2016 | \$5,000 |

Sport Tararua

Work has also now commenced on developing options for a significant sport event in the Tararua in conjunction with the role of the full time Recreation Officer contracted from Sport Manawatu.



Representation



The Mayor, Councillors and Community Board Members collectively committed their energies to working in the best interests to promote the district and the respective communities. Decision-making, reporting and accountability were facilitated through monthly meetings being held, and the work undertaken by elected representatives was supported through their appointments to oversee various portfolios, liaison with community organisations, and following up issues and concerns raised by residents.

The following was completed and achieved:

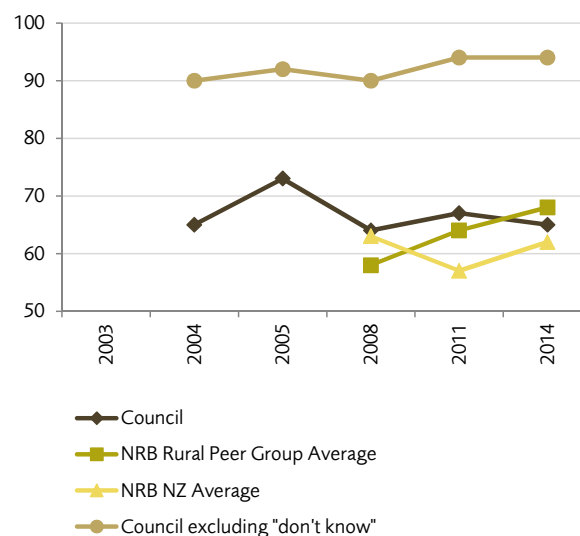
- Review the representation arrangements for the 2016 election, with the existing basis to apply of a Mayor elected at large by the district, a North and South Ward each comprising of four councillors and Community Boards for Dannevirke and Eketahuna each with four elected members and one member appointed by the Council.
- Warren Davidson resigned from his position of councillor for the South Ward on 29 July 2015, with a by-election held resulting in the election of Peter Johns to fill this extraordinary vacancy.
- Commence the process to exit from the pensioner housing activity as determined through the Long Term Plan, and agree to invite expressions of interest from reputable not for profit social housing organisations.
- Endorse the Horizons Regional Council undertaking a new activity called Regional Economic Development through amending the Triennial Agreement, thereby facilitating the Regional Growth Strategy and implementing Accelerate25 Regional Growth Action Plan.
- Liaise with Rangitane, Ngati Kahungunu and the Office of Treaty Settlements on negotiations relative to specific Council reserves proposed for inclusion as part of the redress from the Crown.
- Appoint a working party to review and strengthen iwi relationships and consider establishing memorandums with both iwi.
- Continue to maximise the financial returns provided from the Council's forestry interests under the oversight of the Forestry Committee.
- Initiate a review of the Council's governance process through Local Government New Zealand, with the outcome stating they are fit for purpose and consistent with the practice of well-performing rural councils.
- Adopt the recommendations from the Local Government New Zealand review for areas of improvements that represent excellence in governance practice. Have established an Audit and Risk Committee with an appointed independent chairperson, and will address the other recommendations next year.
- Review the Class 4 Gambling and Racing Board Venue Policy, and adopt the current sinking lid approach with a target of reducing gaming machine numbers in the district to 100; and introduce a relocation policy to allow existing operators to relocate their venues with the same number of gaming machines as in operation immediately prior to the relocation.
- Commence the process to undertake the bylaws review, and consider options to control stray and feral cats including the possible introduction of a bylaw from a health and nuisance perspective.
- Identify issues for including as part of a proposed District Plan change, including introducing provisions relating to derelict houses and vehicles.

Performance Against Objectives

Community Support

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">Percentage of residents rating Council's involvement in community support as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023..	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/fairly satisfied</td><td>67%</td><td>65%</td></tr><tr><td>Not very satisfied</td><td>4%</td><td>4%</td></tr><tr><td>Don't know / Unable to say @</td><td>30%</td><td>32%</td></tr><tr><td>Percentage satisfied</td><td>67%</td><td>65%</td></tr><tr><td>Percentage satisfied excl @</td><td>94%</td><td>94%</td></tr></table>	Category	2011	2014	Very/fairly satisfied	67%	65%	Not very satisfied	4%	4%	Don't know / Unable to say @	30%	32%	Percentage satisfied	67%	65%	Percentage satisfied excl @	94%	94%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/fairly satisfied	67%	65%																				
Not very satisfied	4%	4%																				
Don't know / Unable to say @	30%	32%																				
Percentage satisfied	67%	65%																				
Percentage satisfied excl @	94%	94%																				
<ul style="list-style-type: none">All organisations receiving grants meet accountability requirements of Council.	100%	ACHIEVED: No issues identified with grants and their use for the purpose intended.																				

COMMUNITY SUPPORT – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014

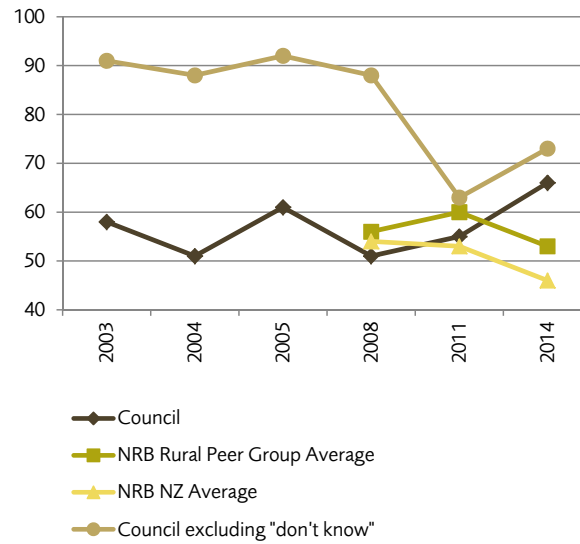


Representation

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																					
<ul style="list-style-type: none">Percentage of residents rating the overall performance of the Mayor and Councillors as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>55</td><td>66</td></tr><tr><td>Just acceptable</td><td>28</td><td>20</td></tr><tr><td>Not very satisfied</td><td>5</td><td>5</td></tr><tr><td>Don't know / Unable to say @</td><td>12</td><td>9</td></tr><tr><td>Percentage satisfied</td><td>55%</td><td>66%</td></tr><tr><td>Percentage satisfied excl @</td><td>63%</td><td>73%</td></tr></table> <p>The increase in percentage satisfied was a result of Council's continued efforts in engaging with key stakeholders and the wider community in the district through consultation on planning documents and communicating on our results in the Annual Report and Council publications (via Bush Telegraph, website, flyers/ brochures).</p> <p>For the Long Term Plan, Council's consultation with the community included a road show, stakeholder meetings, videos of staff and Stakeholder presentations, online polls and use of Facebook. We received positive feedback from the community.</p> <p>This year we were not required to prepare and consult on an Annual Plan for the 2016/17 financial year due to changes in the Local Government Act. However, we prepared a full Annual Plan and engaged with the community and received feedback.</p>	Category	2011	2014	Very/Fairly Satisfied	55	66	Just acceptable	28	20	Not very satisfied	5	5	Don't know / Unable to say @	12	9	Percentage satisfied	55%	66%	Percentage satisfied excl @	63%	73%	No NRB survey	No NRB survey
Category	2011	2014																							
Very/Fairly Satisfied	55	66																							
Just acceptable	28	20																							
Not very satisfied	5	5																							
Don't know / Unable to say @	12	9																							
Percentage satisfied	55%	66%																							
Percentage satisfied excl @	63%	73%																							
<ul style="list-style-type: none">Percentage of residents rating the overall performance of the Community Boards and Community Committees as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>N/A</td><td>54</td></tr><tr><td>Just acceptable</td><td>N/A</td><td>13</td></tr><tr><td>Not very satisfied</td><td>N/A</td><td>4</td></tr><tr><td>Don't know / Unable to say @</td><td>N/A</td><td>28</td></tr><tr><td>Percentage satisfied</td><td>N/A</td><td>54%</td></tr><tr><td>Percentage satisfied excl @</td><td>N/A</td><td>75%</td></tr></table>	Category	2011	2014	Very/Fairly Satisfied	N/A	54	Just acceptable	N/A	13	Not very satisfied	N/A	4	Don't know / Unable to say @	N/A	28	Percentage satisfied	N/A	54%	Percentage satisfied excl @	N/A	75%	No NRB survey	No NRB survey
Category	2011	2014																							
Very/Fairly Satisfied	N/A	54																							
Just acceptable	N/A	13																							
Not very satisfied	N/A	4																							
Don't know / Unable to say @	N/A	28																							
Percentage satisfied	N/A	54%																							
Percentage satisfied excl @	N/A	75%																							
<ul style="list-style-type: none">Percentage of Council committee meetings that meet the requirements the Local Government Official Information and Meetings Act.	100%	ACHIEVED: Meetings were publicly notified by newspaper, generally through the Bush Telegraph.	●	●																					



REPRESENTATION PERFORMANCE – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014





Community and Recreation Facilities

Activities in this Group

- 1 Cemeteries**
To provide attractive burial places where the community can remember loved ones and celebrate our district's heritage.
- 2 Community Buildings**
To provide community buildings for social, cultural, recreational and educational activities.
- 3 Housing**
To respond to the needs of older people with limited income and assets by providing access to affordable and suitable long-term housing.
- 4 Libraries**
To meet the community's needs for recreational and educational reading; and the provision of information.
- 5 Parks and Reserves**
To protect and enhance the natural character of the district, and provide a mix of parks and reserves facilities for leisure and recreation.
- 6 Public Conveniences**
To provide well maintained public conveniences in areas of frequent community activity.
- 7 Service Centres**
To provide excellent customer service and stakeholder access to services locally.
- 8 Swimming Pools**
To provide funding support for community pools to promote community wellbeing.

Group Level Funding Impact Statement

	2014/15 Actual \$000s	2014/15 LTP Budget \$000	2015/16 LTP Budget \$000s	2015/16 Actual \$000s
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	2,820	3,328	2,991	2,991
Targeted rates	1,386	883	1,580	1,580
Grants and subsidies operating	5	6	5	5
Fees and charges	558	517	567	583
Local authorities fuel tax, fines, infringement fees, and other receipts	352	171	394	247
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	5,120	4,905	5,537	5,407
Applications of Operating Funding				
Payment to staff and suppliers	3,126	3,226	3,285	3,183
Finance costs	42	60	53	36
Internal charges and overheads applied	908	862	1,181	1,099
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	4,076	4,148	4,519	4,318
Surplus/(Deficit) of Operating Funding (A - B)	1,044	758	1,018	1,089
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	181	758	603	(88)
Gross proceeds from sale of assets	-	-	-	550
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	181	758	603	462
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	41	23	-
- to improve the level of service	444	916	691	205
- to replace existing assets	517	421	712	612
Increase (decrease) in reserves	265	137	195	734
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	1,226	1,516	1,621	1,551
Surplus/(Deficit) of Capital Funding (C - D)	(1,044)	(758)	(1,018)	(1,089)
Funding Balance ((A - B) + (C - D))	-	-	-	-



What We Achieved

PERFORMANCE MEASURES ACHIEVED



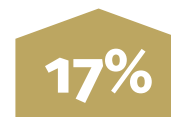
ENROLMENT IN LIBRARY PROGRAMMES INCREASED FROM 1,498 TO 1,757

Winter Warmers **↑ 22%**

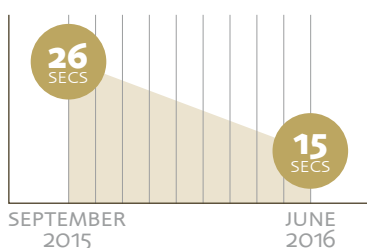
Summer Reading **↑ 43%**

Maths is Fun **↑ 11%**

CAMPING GROUND VISITORS INCREASED



AVERAGE CALL WAITING TIME REDUCED



CAPITAL INVESTMENT

\$793,000

Cemeteries

Projects undertaken in the past year have enhanced the appearance of the cemeteries and Council has received considerable positive feedback from the community and visitors to the district. In the past year:

- Berms were laid in the Dannevirke Cemetery and a stillborn monument was installed.
- The large macrocarpa trees at the Pongaroa Cemetery were removed at the request of the community.
- The large hedge at the back of the Mangatainoka Cemetery was trimmed and some dead trees removed. The fence beside the stillborn burial area has been replaced.
- The dead hedge on the southern side of the Pinfold Road Cemetery has been removed and replanted. This hedge has been extended to incorporate the old grave in front of the cemetery. New plantings along the entire northern boundary have been completed. A trellis fence and planter boxes have been erected in front of the still born area.

Community Buildings

Council has addressed the community request for public access to a toilet during library opening hours. The toilets in the Pahiatua Town Hall were upgraded and a new toilet added, with access added from the library.

The interior of the Pahiatua library has been refurbished and the old office walls have been removed to open up the children's area. The whole complex has been painted and recarpeted. Heat pumps have been installed throughout the library and town hall, and the bricks on the exterior of the building have been sealed and painted. The redevelopment of the Pahiatua Town Hall/Library has added to the user satisfaction of the facility.

The toilets and changing rooms in the Dannevirke Sports Centre stadium have undergone a major renovation. The men's urinal has been replaced by urinettes and all the cisterns and pans have been replaced. The walls have been relined and the floors re-vinyl. All painted surfaces have been repainted.

The lighting bars and lights have been replaced on the stage of the Dannevirke Town Hall to address health and safety concerns.

Housing

In general, no redevelopment has occurred on the housing portfolio over the past twelve months as Council has a preferred option, adopted in the 2015-2025 Long Term Plan, to exit this activity in the medium term.

The ten older units at Hovding Court were sold during the year. An offer has been made on the three remaining units in Swinburn Street. Once this agreement settles on 1 August 2016, the number of units in Council's housing portfolio will have fallen from 92 to 79.

Essential maintenance and redecoration of units has continued to ensure that the condition of the remaining units does not decline in standard. When assessed in February 2016, the condition of the units was found to be good to very good, with only minor maintenance issues noted.

Libraries

Traditional Library Use

The move to more digital information needs, driving customers use, has seen a continued drop in physical loans and visits nationwide. At Tararua, physical issues have increased slightly on the previous year, up 1% (1,092). During the same time, foot traffic decreased by 1% (1,632).

The library continued to offer e-book lending and an online subscription database allowing customers to access information without entering a physical facility.

Our library branches offer community meeting places for individuals and groups. This is utilised by groups such as Te Aho o Te Kura Pounamu who have teacher/student meetings at many of our library branches throughout the year.

The implementation of Kotui – the shared library management and resource discovery consortia for New Zealand libraries – in May has allowed seamless searching of the physical library collections and online resources.

Much of the library's customer enquiries are lower in volume with higher value interactions.

As traditional use of libraries reduces, the need for libraries is no less relevant with the focus now falling on:

- Physical meeting spaces
- Access to online information
- Supporting literacy
- High individual value transactions

Aotearoa People's Network Kaharoa (APNK)

With public libraries being an essential component of an information driven age, access to online services helps to reduce the digital divide.

Libraries are an investment rather than an expense – and an essential component of an information-driven economy. Libraries help strengthen communities assisting more people online and reducing the digital divide. Staff support social services through assistance to individuals updating their curriculum vitae or applying for positions online and assisting individuals to access e-government services.

This is evident by the continuing increase in the use of the Aotearoa People's Network Kaharoa.

Usage is up 8% (4,524 sessions) on the 2014/15 year. At some of the branches use of the wifi is 60% or more of the total internet use, reflecting the use of mobile devices by the public.

Libraries continue to have a significant impact on lessening the digital divide in terms of providing and addressing digital literacy.

Literacy Programmes

The library continues to support literacy in all its forms.

Literacy

The library continues to offer the E.C.READ'N Summer Reading Programme, iRead Programme, and Winter Warmers reading programme. These programmes are generously funded by the Eastern and Central Community Trust. The reading programmes help maintain literacy for children and support the work of our education system.

The Winter Warmers programme is taken out to the schools by library staff and has grown in the past year by 22% with 1,608 children enrolling in the programme.

The E.C.READ'N Summer Reading Programme also showed an increase in first time enrolments with 43% of children enrolled having never participated in the programme prior.

Our preschool programme Little Ears aims to encourage literacy in preschool children in the Tararua district. Participation in the programme is high at the Dannevirke and Woodville branches, with increasing numbers of participants recorded. This programme is not proving as popular at Pahiatua, with participation dropping by two thirds this year. A continued effort will be made in the 2016/17 year to promote this worthwhile programme in this town.

Numeracy Programmes

The Math is Fun programme is now available at all four branches. It is also funded by the Eastern and Central Community Trust. The programme aims to provide fun and interactive maths activities and games. These are designed to increase children's understanding and confidence in maths, and to apply the knowledge they gain to everyday situations. Enrolments for this programme have increased by 11%.



Digital Literacy

This year the library ran its inaugural digital literacy holiday programme for primary school aged children. Children across the district were offered GIF making classes during the term one holidays.

Adult Digital Literacy

In partnership with Wairarapa REAP, the Stepping UP programme, (free community-based computer and internet training that helps adults build their digital skills in small easy steps) was run at the Eketahuna and Pahiatua branches. Wairarapa REAP provide the tutors and the library the venue and wifi connection via the APNK.

Classes on Computer Basics, Introduction to Tablets, Word and Email were the most popular classes run. Those registering in the classes had options to learn many basic computer applications including Microsoft office tools, digital photography, home finance, social networking tools, internet safety and RealMe. Throughout the year, 236 people took part in these classes.

These classes help to lessen the digital divide and allow these individuals access to many online services that they would otherwise not be confident to use.

Parks and Reserves

The upgrade of facilities on parks and reserves, which started in 2012, has continued in 2015/16. This has led to an improved standard of amenity in a number of recreation facilities across the district.

One of the highlights of the year was the relocation of the Dannevirke camping ground manager into the new house located within the camping ground. Along with the new office, it enables the manager to provide a much better service for visitors than when she was located in the old house outside the Domain. The old house and section was subdivided and both sold at auction during the year. New gates have been installed at the entrance to the Lower Domain and, when their automation is complete, these gates will provide better security and control of access for campers during hours of darkness.

Visitor nights at the district's camping grounds continue to rise, with higher numbers recorded at all camping grounds when compared to 2015. The exception was in Pahiatua where the numbers were much higher in 2015 due to the contractors working on the expansion of the Fonterra Pahiatua factory. Visitors to the Dannevirke Camping Ground increased by 60% from 2,821 in 2014/15 to 4,484 in 2015/16. Eketahuna Camping Ground visitors rose by 30% from 3,898 in 2014/15 to 5,054 in 2015/16. Numbers in Woodville were also tracking higher than the year before, up until the camping ground closed for renovation in May 2016.

In the Dannevirke Domain, a new set of toilets was installed beside the playground adjacent to the state highway. These toilets replace the portaloo that was put in place in 2014/15 when the old set of toilets under the grandstand were closed

due to ongoing issues with security and vandalism. The new toilets are well used and offer a much higher level of amenity than the older toilets. Within the Upper Domain a number of large shrub borders have been cleared out and replanted.

At the Dannevirke Lower Domain, an area is being developed as a walkway and picnic area. This new recreation area allows both residents and visitors access to the river in a quiet and relaxing environment close to the town centre. The general condition of the Lower Domain continues to improve with the removal of some existing trees and the planting of new trees.

The programme to improve the safety of our district's playgrounds continues. Safety matting has been installed under the flying fox at Norsewood's Waterwheel Park. Drainage has been completed at the Eketahuna Playground area and new matting will be laid in the new financial year. The large slide in Fountaine Square, Woodville, was removed during the year and safety improvements will continue into 2016/17.

Public Conveniences

During the past year, Council has continued with its public toilet upgrade programme to improve the standard of toilet facilities provided throughout the district. The programme aims to improve the look of the toilets while making the toilets easier to maintain and keep clean.

The upgrade to the toilets in Eketahuna, which began in 2014/15, has now been completed. The new toilets offer a much higher standard than previously with new wall linings, lowered ceilings, new fittings, and piped music throughout.

The floors in the toilets in Pahiatua and Woodville have been resurfaced. This has made them easier to keep clean.

Service Centres

Our customer service centres handled over 32,000 calls (an average of about 129 calls per work day), with callers waiting only an average of 17 seconds to have their call answered. A total of 6,297 customer requests (last year 5,611) were entered into our system.

Changes in staff during the year resulted in additional training and upskilling of staff. Staff are now fully resourced to meet the agreed service levels.

We exceeded our targets for both waiting times and abandoned calls. Average waiting time reduced from 26 seconds in September 2015, to 15 seconds in June 2016. Similarly, the percentage of abandoned calls decreased from 7% in September 2015, to 2% in the last three months of the year.

Combining the Woodville Library and Service Centre has worked well and next year we are looking to operate the library, service centre and i-SITE as a combined service from a new building (the old Alliance site at 45 Vogel Street). This will create synergies, reduce costs, provide better customer

service, and be a focal point for visitors and residents in Woodville.

Swimming Pools

Recognising that the Pahiatua pool is in need of major renewal in the near future, Council funded a needs analysis and a feasibility study regarding public pool provision in Pahiatua. Council also received funding assistance through Sport NZ, for a peer review of the report. At this time, consultation with the community is ongoing and no decision has been made on the use of the \$500,000 capital provision budgeted for in 2016/17.

Minor repairs were undertaken at the Eketahuna and Pahiatua pools to address leaks. This made a big difference to the amount of water lost during the season, and assisted with pool water treatment.



The filter at the Woodville pool failed in mid March. This resulted in the closure of the pool. A new door was installed in the filter shed to allow for the removal of the old filter and the installation of the new filter.

Inclement weather over the summer period resulted in a shorter than usual summer season with the Eketahuna pool being open 11 weeks, the Pahiatua pool 12 weeks, and the Woodville pool 12 weeks.

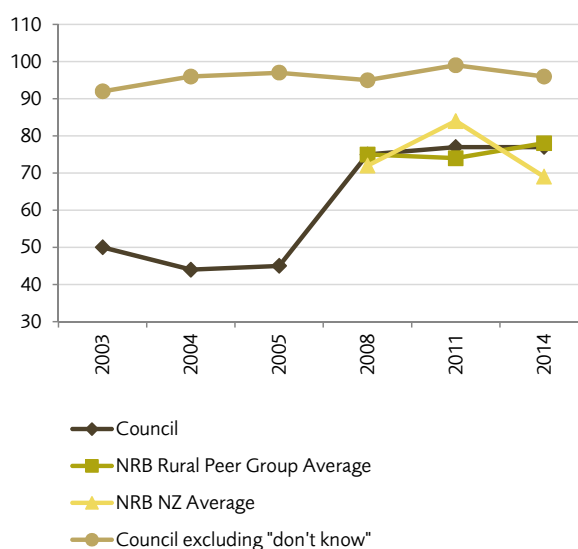


Performance Against Objectives



Cemeteries

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">Percentage of residents rating cemeteries as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>77</td><td>77</td></tr><tr><td>Not very satisfied</td><td>1</td><td>3</td></tr><tr><td>Don't know / Unable to say @</td><td>22</td><td>20</td></tr><tr><td>Percentage satisfied</td><td>77%</td><td>77%</td></tr><tr><td>Percentage satisfied excl @</td><td>99%</td><td>96%</td></tr></table> <p>Council continues to commit funding in each Annual Plan to progressively upgrade the cemeteries in the district. During the year there has been a particular focus on garden areas, fencing, and trees.</p>	Category	2011	2014	Very/Fairly Satisfied	77	77	Not very satisfied	1	3	Don't know / Unable to say @	22	20	Percentage satisfied	77%	77%	Percentage satisfied excl @	99%	96%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	77	77																				
Not very satisfied	1	3																				
Don't know / Unable to say @	22	20																				
Percentage satisfied	77%	77%																				
Percentage satisfied excl @	99%	96%																				
<ul style="list-style-type: none">Percentage of cemeteries in district with plots available for next 12 months – based on historical burial data.	100%	<p>ACHIEVED: 100%.</p> <p>All cemeteries have more than adequate number of plots available.</p>																				

CEMETERIES – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



Community Buildings

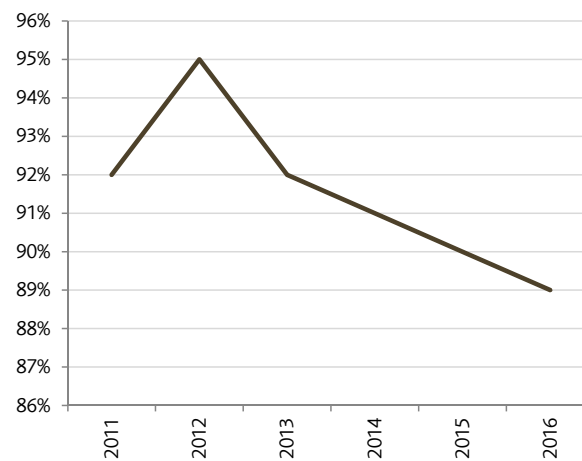
Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">Percentage of residents "fairly satisfactory" or "very satisfactory" with community buildings in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>93</td><td>91</td></tr><tr><td>Not very satisfied</td><td>2</td><td>4</td></tr><tr><td>Don't know / Unable to say @</td><td>5</td><td>5</td></tr><tr><td>Percentage satisfied</td><td>93%</td><td>91%</td></tr><tr><td>Percentage satisfied excl @</td><td>98%</td><td>96%</td></tr></table> <p>Council has committed a limited budget in each Annual Plan to progressively upgrade the halls and sport facilities in the district. This ensures that community facilities are being maintained to current requirements, hence ensuring service levels expectations are being met. The Sports Centre changing rooms were upgraded during the year.</p>	Category	2011	2014	Very/Fairly Satisfied	93	91	Not very satisfied	2	4	Don't know / Unable to say @	5	5	Percentage satisfied	93%	91%	Percentage satisfied excl @	98%	96%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	93	91																				
Not very satisfied	2	4																				
Don't know / Unable to say @	5	5																				
Percentage satisfied	93%	91%																				
Percentage satisfied excl @	98%	96%																				
<ul style="list-style-type: none">The total number of hours per annum facilities are booked through Council.	> 3,100	<p>ACHIEVED: 3,632 hours.</p> <p>The results show an increase for the four years: 3,089 2012/13; 3,321 2013/14; 3,465 2014/15; and 3,632 2015/16.</p> <p>This represents a 5% increase over the last year, and a 17% increase over the four years.</p>																				



Housing

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results
<ul style="list-style-type: none"> Percentage of housing units which, when inspected, are found to have maintenance issues that are more than minor. 	< 10%	<p>ACHIEVED: 0%.</p> <p>The annual condition assessment found no units with more than minor maintenance issues. Council sold the ten older units at Hovding Court during the year. These units typically were the only units with recurring maintenance issues.</p>	New measure	●
<ul style="list-style-type: none"> Tenants' satisfaction with the landlord service received from Council. 	90%	<p>ACHIEVED: 95%.</p> <p>The customer satisfaction survey for all Housing tenants was undertaken in February 2016. The response rate was 46%.</p>	No survey	●





RENTAL HOUSING OCCUPANCY RATE



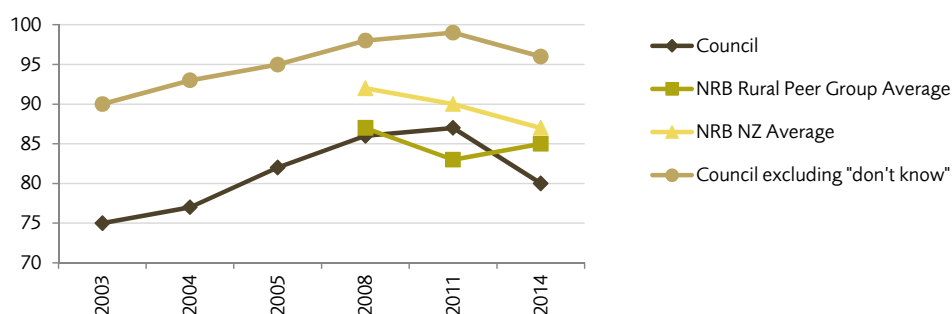
Libraries

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">Library services are clean, welcoming and open at times suited to their community based on the annual survey carried out internally by the library.	90%	<p>ACHIEVED: 100%.</p> <p>Survey results:</p> <table><thead><tr><th>Category</th><th>Responses</th></tr></thead><tbody><tr><td>Completely Satisfied</td><td>101</td></tr><tr><td>Very Satisfied</td><td>28</td></tr><tr><td>Moderately Satisfied</td><td>5</td></tr><tr><td>Not Very Satisfied</td><td>0</td></tr><tr><td>Not at all Satisfied</td><td>0</td></tr><tr><td>Not Applicable</td><td>2</td></tr></tbody></table> <p>A total of 136 users responded to the survey with 129 completely or very satisfied, and 5 moderately satisfied.</p>	Category	Responses	Completely Satisfied	101	Very Satisfied	28	Moderately Satisfied	5	Not Very Satisfied	0	Not at all Satisfied	0	Not Applicable	2	New measure	<div></div>				
Category	Responses																					
Completely Satisfied	101																					
Very Satisfied	28																					
Moderately Satisfied	5																					
Not Very Satisfied	0																					
Not at all Satisfied	0																					
Not Applicable	2																					
<ul style="list-style-type: none">Percentage of residents rating libraries as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><thead><tr><th>Category</th><th>2011</th><th>2014</th></tr></thead><tbody><tr><td>Very/Fairly Satisfied</td><td>87</td><td>80</td></tr><tr><td>Not very satisfied</td><td>1</td><td>4</td></tr><tr><td>Don't know / Unable to say @</td><td>12</td><td>16</td></tr><tr><td>Percentage satisfied</td><td>87%</td><td>80%</td></tr><tr><td>Percentage satisfied excl @</td><td>99%</td><td>96%</td></tr></tbody></table> <p>The library ran a survey in-house (see performance measure above) for all four branches. The responses were: Dannevirke 22; Woodville 31; Pahiatua 65; Eketahuna 18.</p> <p>We are looking to run this survey monthly in the next financial year.</p>	Category	2011	2014	Very/Fairly Satisfied	87	80	Not very satisfied	1	4	Don't know / Unable to say @	12	16	Percentage satisfied	87%	80%	Percentage satisfied excl @	99%	96%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	87	80																				
Not very satisfied	1	4																				
Don't know / Unable to say @	12	16																				
Percentage satisfied	87%	80%																				
Percentage satisfied excl @	99%	96%																				
<ul style="list-style-type: none">Library collections are current and accessible based on a weighted average of:<ul style="list-style-type: none">the number of new items added to the collection (60% weighting with zero for 2 items per 1,000 of population and 10% for each 0.1 items above that up to 60% for 2.5 per 1,000 of population); andpercentage of time that online information (e-resources – eBooks, online databases) is available to the public (40% weighting with zero for 90% of the time up to the 40% for 100% of the time).	85%	<p>ACHIEVED: 99%.</p> <p>The downtime was due to implementation of new library software in May this year.</p> <p>4,327 items added.</p> <p>Downtime for online issues: 211 hours and 12 minutes (out of a total of 35,040 hours).</p>	New measure	<div></div>																		






Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																
<ul style="list-style-type: none">Number of programmes run annually.	> 5	ACHIEVED: 6.	New measure																	
		<table><tr><th>Category</th><th>Participation</th></tr><tr><td>Winter Warmers (literacy)</td><td>1,244</td></tr><tr><td>Summer Reading Programme</td><td>294</td></tr><tr><td>iRead</td><td>70</td></tr><tr><td>Maths is Fun (numeracy)</td><td>140</td></tr><tr><td>GIF Making (digital literacy)</td><td>57</td></tr><tr><td>Little Ears (preschool programme)</td><td>970</td></tr><tr><td>Total</td><td>2,775</td></tr></table>			Category	Participation	Winter Warmers (literacy)	1,244	Summer Reading Programme	294	iRead	70	Maths is Fun (numeracy)	140	GIF Making (digital literacy)	57	Little Ears (preschool programme)	970	Total	2,775
		Category			Participation															
		Winter Warmers (literacy)			1,244															
		Summer Reading Programme			294															
		iRead			70															
		Maths is Fun (numeracy)			140															
		GIF Making (digital literacy)			57															
		Little Ears (preschool programme)			970															
Total	2,775																			
<ul style="list-style-type: none">Library customers are satisfied with the programmes offered.	90%	ACHIEVED: 97%	New measure																	
		Survey results:																		
		<table><tr><th>Category</th><th>Responses</th></tr><tr><td>Completely satisfied</td><td>27</td></tr><tr><td>Very satisfied</td><td>7</td></tr><tr><td>Moderately satisfied</td><td>2</td></tr><tr><td>Not very satisfied</td><td>1</td></tr><tr><td>Not at all satisfied</td><td>1</td></tr><tr><td>Not applicable</td><td>32</td></tr></table>			Category	Responses	Completely satisfied	27	Very satisfied	7	Moderately satisfied	2	Not very satisfied	1	Not at all satisfied	1	Not applicable	32		
		Category			Responses															
		Completely satisfied			27															
		Very satisfied			7															
		Moderately satisfied			2															
		Not very satisfied			1															
		Not at all satisfied			1															
Not applicable	32																			
70 participants responded with 2 participants not satisfied.																				
<ul style="list-style-type: none">Library customers are satisfied with staff service (annual survey).	90%	ACHIEVED: 97%																		
		Survey results:																		
		<table><tr><th>Category</th><th>Responses</th></tr><tr><td>Completely satisfied</td><td>121</td></tr><tr><td>Very satisfied</td><td>11</td></tr><tr><td>Moderately satisfied</td><td>3</td></tr><tr><td>Not very satisfied</td><td>0</td></tr><tr><td>Not at all satisfied</td><td>1</td></tr><tr><td>Not applicable</td><td>0</td></tr></table>			Category	Responses	Completely satisfied	121	Very satisfied	11	Moderately satisfied	3	Not very satisfied	0	Not at all satisfied	1	Not applicable	0		
		Category			Responses															
		Completely satisfied			121															
		Very satisfied			11															
		Moderately satisfied			3															
		Not very satisfied			0															
		Not at all satisfied			1															
Not applicable	0																			
136 participants responded with 1 participant not satisfied.																				

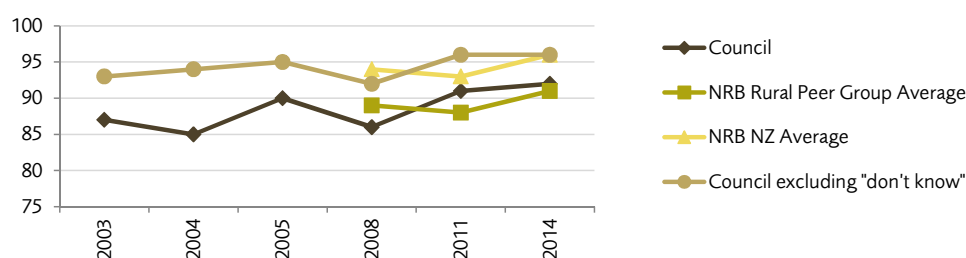
LIBRARIES – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



Parks and Reserves



Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">Percentage of residents rating parks and reserves as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>91</td><td>92</td></tr><tr><td>Not very satisfied</td><td>4</td><td>4</td></tr><tr><td>Don't know / Unable to say @</td><td>5</td><td>5</td></tr><tr><td>Percentage satisfied</td><td>91%</td><td>92%</td></tr><tr><td>Percentage satisfied excl @</td><td>96%</td><td>96%</td></tr></table> <p>We continue to progressively upgrade our playgrounds and camping grounds, and have programmed tree maintenance and garden renewals.</p>	Category	2011	2014	Very/Fairly Satisfied	91	92	Not very satisfied	4	4	Don't know / Unable to say @	5	5	Percentage satisfied	91%	92%	Percentage satisfied excl @	96%	96%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	91	92																				
Not very satisfied	4	4																				
Don't know / Unable to say @	5	5																				
Percentage satisfied	91%	92%																				
Percentage satisfied excl @	96%	96%																				
<ul style="list-style-type: none">Number of recorded incidences where parks and reserves are found to be below the agreed maintenance standard.	< 5	<p>ACHIEVED: Nil.</p> <p>We continue to see that our parks, reserves, and sports facilities are well used.</p> <p>We have not received any reported incidents regarding these facilities not being suitable for intended use.</p>	New measure																			
<ul style="list-style-type: none">Percentage of playgrounds in the district with all equipment meeting the AUS/NZ playground safety standard.	85%	<p>ACHIEVED: 85%.</p> <p>Council continues to progressively upgrade/repair/replace pieces of equipment that do not meet the Australia/New Zealand playground safety standards as part of our yearly capital and maintenance programme.</p> <p>The programme to improve the safety of our district's playgrounds continues. Safety matting has been installed under the flying fox at Norsewood's Waterwheel Park. Drainage has been completed at the Eketahuna Playground area and new matting will be laid in the new financial year. The large slide in Fountaine Square, Woodville, was removed during the year and safety improvements will continue into 2016/17.</p>																				

PARKS AND RESERVES – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014

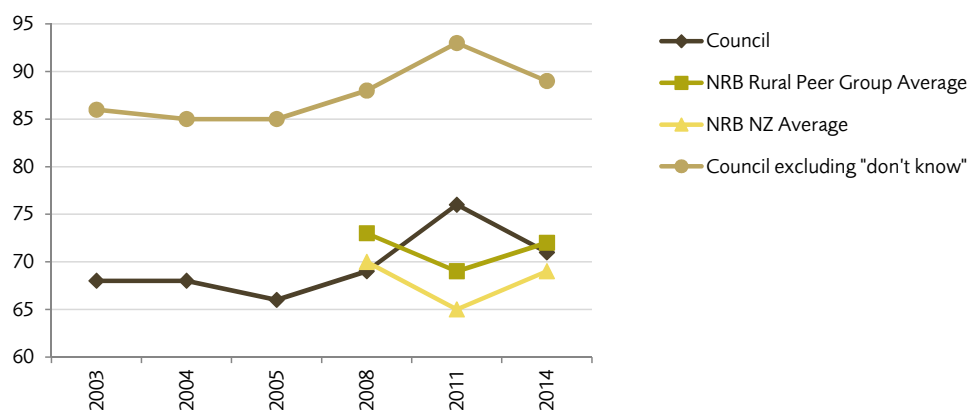




Public Conveniences

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">Percentage of residents rating public conveniences as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>76</td><td>71</td></tr><tr><td>Not very satisfied</td><td>6</td><td>9</td></tr><tr><td>Don't know / Unable to say @</td><td>18</td><td>20</td></tr><tr><td>Percentage satisfied</td><td>76%</td><td>71%</td></tr><tr><td>Percentage satisfied excl @</td><td>93%</td><td>89%</td></tr></table> <p>The maintenance of the public toilets is an ongoing issue. We will continue with the upgrade and maintenance programme as budgeted in the 2015-2025 Long Term Plan, and install CCTV where possible to deter vandalism.</p>	Category	2011	2014	Very/Fairly Satisfied	76	71	Not very satisfied	6	9	Don't know / Unable to say @	18	20	Percentage satisfied	76%	71%	Percentage satisfied excl @	93%	89%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	76	71																				
Not very satisfied	6	9																				
Don't know / Unable to say @	18	20																				
Percentage satisfied	76%	71%																				
Percentage satisfied excl @	93%	89%																				
<ul style="list-style-type: none">The number of complaints received per annum about the condition of public toilets.	< 50	<p>NOT ACHIEVED: 73.</p> <p>The number of customer requests received for public toilets:</p> <p>2015/16: 73*</p> <p>2014/15: 67</p> <p>2013/14: 47</p> <p>2012/13: 44</p> <p>2011/12: 40</p> <p>2010/11: 24</p> <p>* 73 service requests: 11 regarding cleanliness; 62 for maintenance/graffiti/vandalism.</p> <p>The majority of the complaints relate to maintenance items (e.g. blockages as a result of vandalism) as opposed to cleanliness. This highlights the importance of continuing to upgrade public toilets.</p>																				

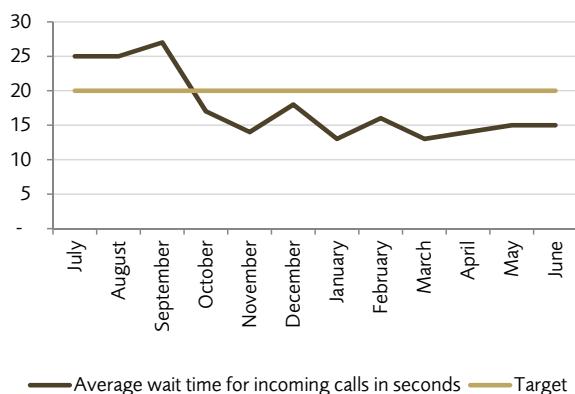
PUBLIC CONVENIENCES – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



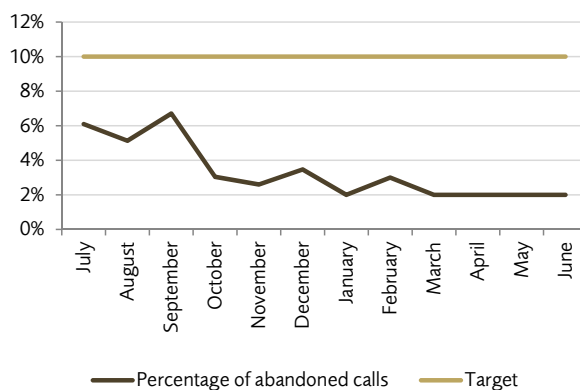
Service Centres

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">Percentage of customers who lodge faults/requests are satisfied with the service provided.	92%	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>N/A</td><td>94%</td></tr><tr><td>Not very satisfied</td><td>N/A</td><td>6%</td></tr><tr><td>Don't know / Unable to say @</td><td>N/A</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>76%</td><td>94%</td></tr><tr><td>Percentage satisfied excl @</td><td>93%</td><td>94%</td></tr></table>	Category	2011	2014	Very/Fairly Satisfied	N/A	94%	Not very satisfied	N/A	6%	Don't know / Unable to say @	N/A	-	Percentage satisfied	76%	94%	Percentage satisfied excl @	93%	94%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	N/A	94%																				
Not very satisfied	N/A	6%																				
Don't know / Unable to say @	N/A	-																				
Percentage satisfied	76%	94%																				
Percentage satisfied excl @	93%	94%																				
<ul style="list-style-type: none">Average wait time for incoming calls by customer services.	20 seconds	<p>ACHIEVED: 17.6 seconds.</p> <p>Average waiting time in July and August was higher than target due to resignation of staff (refer to graph below).</p>	New measure	<div></div>																		
<ul style="list-style-type: none">Percentage of abandoned calls by customer services.	< 10%	<p>ACHIEVED: 4%.</p> <p>Total calls received for the year was 32,437, which is an average of 129 calls per day. Total calls abandoned was, on average, 5 per day.</p>	New measure	<div></div>																		
<ul style="list-style-type: none">Percentage of customers who lodge faults/request are satisfied with the after hours service received.	90%	<p>NOT APPLICABLE.</p> <p>The afterhours service did not run a survey this year.</p> <p>We have incorporated this measure into our annual community surveys. The graph on page 84 shows that afterhours well within their target throughout the year.</p>	N/A	N/A																		
<ul style="list-style-type: none">Percentage of abandoned calls by the after hours service.	< 10%	<p>ACHIEVED: 5%.</p> <p>Total calls received for the year was 3,997, which is an average of 11 calls per day. Total calls abandoned was, on average, 1 call every 2 days.</p>	New measure	<div></div>																		
<ul style="list-style-type: none">Average wait time for incoming calls by the afterhours service.	20 seconds	<p>ACHIEVED: 14.8 seconds.</p>	New measure	<div></div>																		

AVERAGE WAIT TIME IN SECONDS FOR INCOMING CALLS TAKEN BY COUNCIL

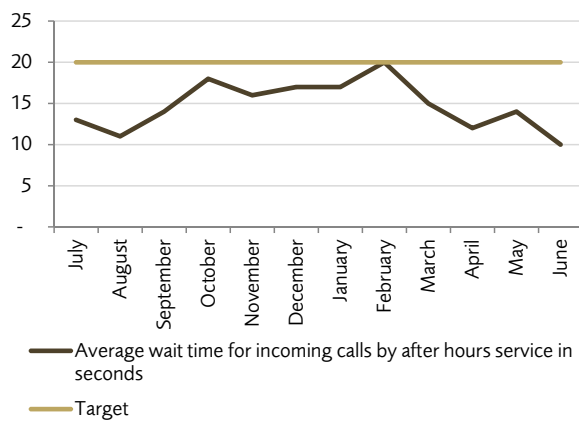


PERCENTAGE OF ABANDONED CALLS – COUNCIL

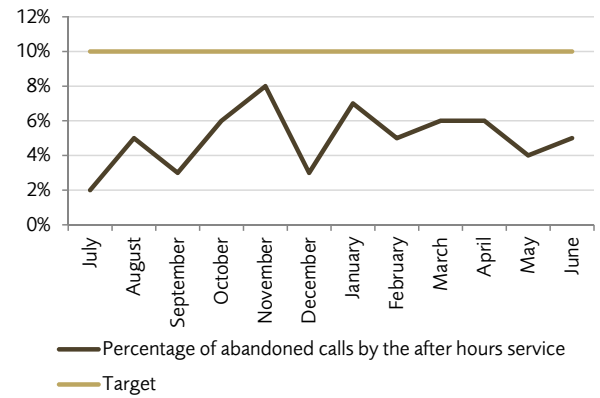




AVERAGE WAIT TIME IN SECONDS FOR INCOMING CALLS TAKEN BY AFTERHOURS SERVICE



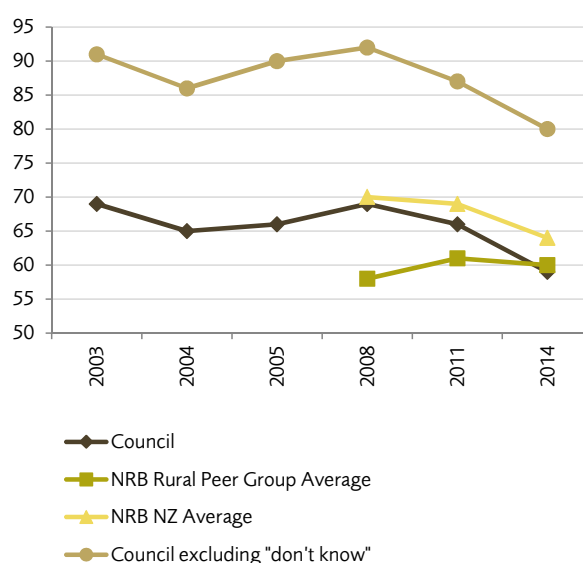
PERCENTAGE OF ABANDONED CALLS – AFTERHOURS SERVICE



Swimming Pools

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">Percentage of residents rating swimming pools as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>66</td><td>59</td></tr><tr><td>Not very satisfied</td><td>10</td><td>15</td></tr><tr><td>Don't know / Unable to say @</td><td>24</td><td>26</td></tr><tr><td>Percentage satisfied</td><td>66%</td><td>59%</td></tr><tr><td>Percentage satisfied excl @</td><td>87%</td><td>80%</td></tr></table>	Category	2011	2014	Very/Fairly Satisfied	66	59	Not very satisfied	10	15	Don't know / Unable to say @	24	26	Percentage satisfied	66%	59%	Percentage satisfied excl @	87%	80%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	66	59																				
Not very satisfied	10	15																				
Don't know / Unable to say @	24	26																				
Percentage satisfied	66%	59%																				
Percentage satisfied excl @	87%	80%																				
<ul style="list-style-type: none">The number of weeks each year Wai Splash is open for public use.	52 weeks	<p>ACHIEVED: 52 weeks.</p> <p>The Wai Splash pool remained open since 1 July 2015.</p>	●	●																		
<ul style="list-style-type: none">The number of weeks each year outdoor pools are open for public use.	> 10 weeks	<p>ACHIEVED: 12 weeks (average).</p> <p>Eketahuna was open 26 December 2015 to 14 March 2016 (11 weeks).</p> <p>Pahiatua was open 27 December 2015 to 19 March 2016 (12 weeks).</p> <p>Woodville was open 19 December 2015 to 15 March 2016 (12 weeks).</p>	●	●																		
<ul style="list-style-type: none">Percentage of rates spent funding public swimming pools (base – average household rate).	< 4%	ACHIEVED: 2.5%.	●	●																		

PUBLIC SWIMMING POOLS – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014





District Promotion and Economic Development

Activities in this Group

- 1 Commercial Investments**
Manage property assets to obtain the best return for ratepayers. To divest properties as the opportunities arise.
- 2 District Promotion and Development**
Promoting the district as a great place to live, visit, work, play and invest.

Group Level Funding Impact Statement

	2014/15 Actual \$000s	2014/15 LTP Budget \$000	2015/16 LTP Budget \$000s	2015/16 Actual \$000s
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	166	137	266	266
Targeted rates	288	365	425	425
Grants and subsidies operating	-	-	-	9
Fees and charges	96	96	103	63
Local authorities fuel tax, fines, infringement fees, and other receipts	1,989	1	363	2,055
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,539	598	1,157	2,818
Applications of Operating Funding				
Payment to staff and suppliers	2,434	449	682	2,713
Finance costs	2	-	3	2
Internal charges and overheads applied	100	92	199	190
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	2,536	541	884	2,905
Surplus/(Deficit) of Operating Funding (A - B)	3	56	273	(87)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2	1	30	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	2	1	30	-
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	129	53	40	48
- to replace existing assets	-	15	-	-
Increase (decrease) in reserves	(124)	(11)	263	(135)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	5	57	303	(87)
Surplus/(Deficit) of Capital Funding (C - D)	(3)	(56)	(273)	87
Funding Balance ((A - B) + (C - D))	-	-	-	-



What We Achieved

FORESTRY RESERVES

**\$1.2
million**

ATTENDANCE AT MAJOR EVENTS



OVER 10,000

MOTORHOME FRIENDLY



DANNEVIRKE • PAHIATUA
WOODVILLE

Commercial Investments

We continue to own the Rural Bus Depot to ensure the rural mail service delivery is retained.

Our old work depots in Dannevirke, Tahoraiti, and Woodville were vacant at year-end, following the liquidation of Infracon Limited. We have not been able to find suitable tenants but will be looking to actively market them for sale next year.

The Dannevirke aerodrome is actively used by commercial and private operators. It's continued operation ensures a local option with lower costs to patrons and commercial operators, compared to flying from Fielding aerodrome or similar.

The forestry activity continues to perform well. The total reserves balance, as at 30 June 2016, was \$1.2 million. A contribution from the sale of forestry logs was used to offset the 2016/17 general rate requirement.

District Promotion and Development

Enabling Businesses

Working to support local business growth and investment attraction, Taranua Business Network has worked alongside 53 businesses this year, providing support and enabling growth.

This included the growth of existing businesses, supporting the establishment of new businesses, agribusiness development, and linking local business to national and international growth opportunities.

Incubation Office

To date, four businesses have been incubated at the Taranua Business Network. Incubation entails linking, enabling and facilitating the growth and development of start-up businesses.

Training/Seminar Room and Board Room

The Business Network provides facilities and services that facilitate and support enhanced performance, employment growth and profitability in small and medium local business. This year, the Business Network hosted 152 events in the Training/Seminar Room and the Board Room was utilised for business meetings on 208 occasions.

Supporting

Twenty-two start-ups and 13 existing small-medium enterprises (SMEs) who contacted the Business Network for assistance received customised support and training. This involves a myriad of opportunities, which varied according to the requirements of the business.

Taranua Business Network provided learning opportunities for seven individuals through work placements via Work and Income and ACC agencies.

Of these seven placements, three were able to be placed into full-time work; two are currently situated in the Business Network undergoing 'Work Ready' training; and one is seeking training for a new career. Additionally, one has recently been short-listed for a position.

Linking

One of the key roles of the Taranaki Business Network involves utilising business networks in order to link local businesses to opportunities and support agencies. One example was a business named 'Wild Bush Cheese' that was linked to business capability assistance, support through Business Mentors New Zealand, and connected to Agri Investment Week 2016 where they hosted an open day at their property.

Facilitating

Following the success of the Taranaki Business Network office in Dannevirke, an additional business support office (or "satellite office") was established within the Pahiatua Service Centre.

This satellite office provides the same service (on a one-day-a-fortnight basis) with the objective being to create a centre that is more accessible to residents in the southern ward.

Vocational Pathways Community Partnership

Taranaki Business Network hosted the inaugural Vocational Pathways meeting in Dannevirke – developing relevant learning opportunities for students and connecting schools, tertiary institutes, and future employers – and will continue to support this.

Events Programme

Flow-on effects from local events and training support schemes are integral to district growth – developing a more stable economy and enhancing district opportunities.

Training Events

Taranaki Business Network hosted a number of popular technology training and entrepreneurial connection events that encouraged local businesses, youth, and entrepreneurs to share knowledge and ideas.

The following training events were held:

Training for Business

- Enhanced Customer Service
- Learn How to Earn
- Managing the Transitions of Youth into the Workforce
- Making Health and Safety in the Workplace Work for You
- Introduction to Business
- Introduction to GST
- 9 Steps to Ensure Business Success
- Innovate Market Validation Programme

Regional Collaboration

- Regional Growth Study
- Regional Economic Collaboration

Visitor Attraction

Over 10,000 people came to the district to attend major events, such as Woodville Motocross, Wheels with Attitude, and Dannevirke A & P Show.

This volume of visitors to the district has a positive flow-on effect to local business and reaffirms Council's sponsorship of these events. The events also provide lifestyle benefits for the residents of Taranaki.

Connecting Communities

The world of communications has changed – social media is driving a new wave of communications – where everyone can have their point of view heard, and where open consultation and transparency in decision-making is creating more engaged and empowered communities.

Taranaki District Council has recognised this change in the way people communicate and is leading the district to engage in the digital age with the introduction of an online community news service called 'Talking Taranaki – more than just words'.

Talking Taranaki showcases Council news and profiles the district's attractions and events, as well as providing opportunities in every issue for readers to engage with Council through polls and surveys, asking questions and making comments.

Talking Taranaki is a free service that is published bimonthly and available online at: talkingtaranaki.buzzit.co.nz

Destination Marketing

Visitor and resident attraction is critical to rural communities that are seeking the retention and enhancement of services and infrastructure.

Bridging the Gap

Working with Eastern Bridge to translate destination marketing to the Asian community provides a portal to highlight our district as a place of innovation and offering a great country lifestyle, in order to encourage investment and resident attraction.

Representation at the Eastern Bridge Migrant Business Expo 'Bridging the Gap between NZ and Asia' resulted in 90 individual groups being supplied information about Taranaki Country.

Securing a two-page spread in the UK's annual "Top Places to Live Down Under" supplement – which focuses on regions of Australia and New Zealand that are looking to attract skilled migrants – has meant that UK migrants can now look at selecting Taranaki as their new home.



Attracting People into Tararua

Mobilising our district promotion and economic development strategy has proved a valuable enterprise. Over 241,000 attendees at national trade shows provided the platform necessary to promote our district for those considering visiting or relocating here for lifestyle, business and/or investment.

There was strong interest in Tararua at these national events:

Event	Visitor Traffic	Key Areas of Interest (and results)
Central Districts Field Days	30,000	GO! Project; tracks and trails. (Represented at Accelerate25 as guest speaker on land utilisation.)
Mystery Creek Field Days	120,000	GO! Project; investment; tourism; and relocation.
Auckland Home Show	46,000	Relocation; investment. (Working with 38 families and an entrepreneur looking to invest.)
Auckland Covi Motorhome Show	45,000	Motorhome enquiries; visitor attraction; tourism; tracks and trails. (Winner of "Best Stand" of the show.)

Embracing "Motorhome Friendly" Opportunities

Tararua is recognised as embracing "motorhome friendly" opportunities and this year we have achieved accreditation for Pahiatua as "Motorhome Friendly". Enquiries were made regarding Eketahuna and the response received indicated that the town was too small to be eligible.

Achieving accreditation recognises that these towns (Dannevirke and Woodville achieved accreditation last year) provide a set of amenities and services that guarantee motorhome travellers a warm welcome and an enjoyable visit.

Motorhome travellers are self-contained and generally stay longer – making a significant economic contribution to our towns, which have a flow-on effect to our district.

Land Utilisation – Contributions to Sustainability

We continue to maximise land utilisation opportunities by building on the GO! Project – a cropping initiative for Tararua district.

Hazelnut – providing intellectual property for crop development

Work to enhance the capabilities for this crop and has enabled Council to deliver meaningful information for landowners looking to diversify. The workshop (30 May 2016) saw over 30 attendees and has resulted in landowners being provided with the intellectual property required to establish plantations.

Feijoa – developing scope in Tararua

The results to date are the establishment of a Feijoa Grower Led Group, which has seen two land owners develop plantations. A Feijoa Fieldday and Workshop took place on 11 July, encouraging additional growers to join the Feijoa Grower-Led Group.

Hemp – the comeback crop

The Industrial Hemp Workshop (20 July 2016) highlighted the opportunities inherent in commercial and industrial hemp. The workshop focused on options for farmers introducing hemp as a diverse crop to add to rotation.

Manuka – the driving force

The intellectual properties for the manuka crop are now available in the form of a booklet – 'Growing Manuka: Utilising Lifestyle Blocks and Marginal Land in the Tararua district' – produced by the Tararua Business Network.

To enable landowners to maximise income streams, Tararua Business Network has linked the Tararua district to a variety of manuka development opportunities and investors.

Performance Against Objectives

Commercial Investments

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results
• Occupancy of commercial buildings each year.	100%	NOT ACHIEVED: 0% The yards in Thyra Street, Dannevirke and Vogel Street, Woodville are currently not occupied. This is as a result of the liquidation of Infracon. The Dannevirke property is subject to a sale and purchase agreement. The Woodville property will be listed with an agent.	●	●
• Net operating surplus each year.	> 5%	NOT ACHIEVED: -3%. This activity made a loss this year of \$83,000 (includes the \$17,000 contribution to reduce rates). This is mainly due to the loss of rental income and significant replanting and silviculture programme for the forestry activity.	●	●

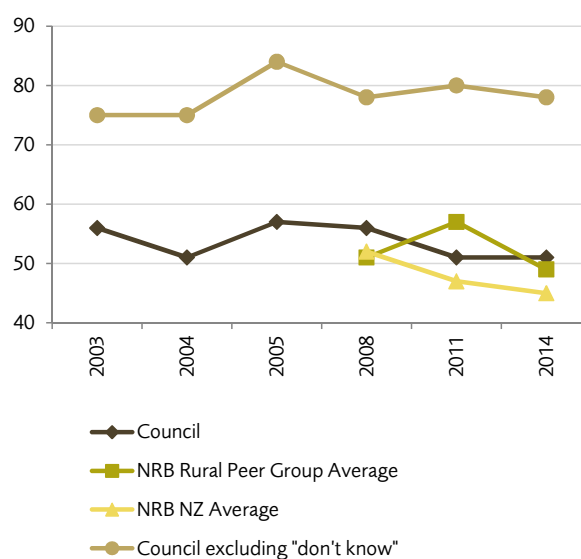
District Promotion and Development

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results
• Assist local businesses by referring to NZTE / Ministry of Science and Innovation.	Minimum 5 per annum	ACHIEVED: 13 business referrals.	●	●
• Number of major events that "Taranaki" is directly involved.	Minimum 5 events	ACHIEVED: A total of 9 events were attended: <ul style="list-style-type: none"> • Innovate 2015/16 • Woodville Motocross • Dannevirke A & P Show • Wheels with Attitude • Auckland Home Show • Motorhome Show • Central District Field Days • SOLGM Awards Marketplace • Mystery Creek Field Days 	●	●



Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results										
• Number of community events that are actively supported by Council.	Minimum 10 per annum	ACHIEVED: 29.	New measure	●										
• Percentage of customers surveyed are satisfied with the services received.	80%	ACHIEVED: 96%. <table><tr><th>Category</th><th>Responses</th></tr><tr><td>Very satisfied</td><td>83%</td></tr><tr><td>Satisfied</td><td>14%</td></tr><tr><td>Not satisfied</td><td>0%</td></tr></table> <p>115 participants responded with 96 participants very satisfied.</p>	Category	Responses	Very satisfied	83%	Satisfied	14%	Not satisfied	0%	New measure	●		
Category	Responses													
Very satisfied	83%													
Satisfied	14%													
Not satisfied	0%													
• Percentage of survey respondents that consider the Bush Telegraph Council page and website content useful or very useful (Public Voice Survey of over 600 residents).	60%	ACHIEVED: 87%. <table><tr><th>Category</th><th>Responses</th></tr><tr><td>Very useful</td><td>21%</td></tr><tr><td>Somewhat useful</td><td>66%</td></tr><tr><td>Not very useful</td><td>11%</td></tr><tr><td>Not useful</td><td>2%</td></tr></table> <p>106 participants responded to the survey with 92 participants indicating that they found the website content very useful and somewhat useful.</p>	Category	Responses	Very useful	21%	Somewhat useful	66%	Not very useful	11%	Not useful	2%	New measure	●
Category	Responses													
Very useful	21%													
Somewhat useful	66%													
Not very useful	11%													
Not useful	2%													

ECONOMIC DEVELOPMENT – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



Regulatory Services

Activities in this Group

- 1 Animal Control**
To prevent nuisance and threats to community safety from dogs and wandering stock.
- 2 Emergency Management**
Promoting individual and community resilience in emergencies to enhance the community's capability to respond to and recover from rural fire events or natural disasters.
- 3 Health and Safety**
To help provide a safe and healthy community, buildings and avoid behaviour causing a nuisance in the community.
- 4 Resource Management**
To help achieve a sustainable natural and built environment and a strong prosperous economy.

Group Level Funding Impact Statement

	2014/15 Actual \$000s	2014/15 LTP Budget \$000	2015/16 LTP Budget \$000s	2015/16 Actual \$000s
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	897	654	1,007	1,007
Targeted rates	302	541	220	220
Grants and subsidies operating	11	21	9	36
Fees and charges	655	724	756	774
Local authorities fuel tax, fines, infringement fees, and other receipts	29	2	26	31
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,894	1,943	2,018	2,068
Applications of Operating Funding				
Payment to staff and suppliers	1,392	1,479	1,527	1,470
Finance costs	5	20	6	6
Internal charges and overheads applied	380	323	382	358
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	1,777	1,822	1,915	1,835
Surplus/(Deficit) of Operating Funding (A - B)	117	121	103	233
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	3	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	20	(22)	59	134
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	20	(20)	59	134
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	22	5	65	138
- to replace existing assets	10	3	73	45
Increase (decrease) in reserves	106	93	24	183
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	138	101	162	367
Surplus/(Deficit) of Capital Funding (C - D)	(117)	(121)	(103)	(233)
Funding Balance ((A - B) + (C - D))	-	-	-	-

What We Achieved

3,066 KNOWN OWNERS WITH
6,615 REGISTERED DOGS



CIVIL DEFENCE RESPONSE
GROUPS ESTABLISHED

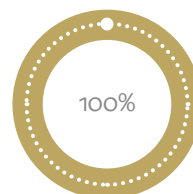


6 GROUPS

AVERAGE PROCESSING TIME
FOR BUILDING CONSENTS



HEALTH AND SAFETY
SERVICE PERFORMANCE
MEASURES MET



Animal Control

As at 30 June 2016 there were 3,066 known owners with 6,804 dogs, of which 189 were not re-registered. Of the known dogs, 5,407 are classified as rural dogs and 1,397 as urban dogs. Of the urban dogs, 350 have the "preferred dog" status. Preferred dog status is not compulsory, and can be applied for by any residents with dogs that meet specific conditions. These conditions include:

- owners properties are adequately fenced to confine their dogs;
- owners who provide good accommodation for their dogs; and
- owners who demonstrate good dog management practices.

There were 296 dogs impounded in this period compared to 280 in the last period. During the year, 292 dogs left the pound, with 82 of the impounded dogs destroyed, 36 rehomed, and 174 returned to their owners.

1,400 dog related complaints were lodged with the Council, the majority being for barking and roaming dogs. This is an increase of 216 complaints from the last year (1,184).

There were 74 reported complaints about people or animals being bitten or rushed by dogs during the year. Last year there were 89 complaints. On these occasions, the dogs are

either destroyed, owners given a warning letter, the dogs classified as menacing or dangerous or an infringement notice issued.

By 30 June 2016, a total of 137 dogs had been classified as menacing under Sections 33A and 33C of the Dog Control Act. This is an increase of 89 dogs from the last year (48). All of these dogs were classified because of observed or reported behaviour of the dog and or by breed. These breeds or types were mainly American Pit Bull Terriers. One appeal was received against a menacing dog classification. The classification was rescinded.

District Planning

The Resource Management Act 1991 and the Taranaki District Plan ensure the sustainable use, development, and subdivision of land. Council issued resource consents confirm a proposed land use or subdivision will achieve the type of environment determined by the community through the District Plan.

The number of resource consents processed during the year was 50, compared to 40 the previous year.

Forty-nine applications were processed within the statutory time frame. One application took an additional 16 working days.



The details and statistics for the resource consents processed for the year are:

	2014/15	2015/16
Resource Consent Processing Time Frames		
Average of days taken - non-notified	17	17
Resource Consent Processing by Notification		
Public notified	0	0
Limited notified	0	0
Non-notified	40	50
Total	40	50
Number processed within statutory limits*	40	49
Number in excess of statutory limits	0	1
Percentage processed within statutory limits	100%	98%
Resource Consent Decisions		
Number declined	0	0
Number approved	40	50
Percentage approved	100%	100%

* Statutory limits are:

20 working days for non-notified consents without a hearing.

100 working days for limited notified consents with a hearing.

130 working days for public notified consents with a hearing.

Emergency Management

Rural Fire

Fire Season

We had an excellent fire season, with no campaign fires due to constant liaison with the rural community.

We issued 137 fire permits February to mid March 2016, and had no wildfires from permitted burns.

This year we provided staff and equipment to assist the Wairarapa Rural Fire District with the significant Whareama Fire in the Wairarapa.

Rural Fire Volunteers

Rural Fire volunteer numbers remain static despite other areas struggling for numbers.

Five Rural Fire volunteers attended the Forest and Rural Fire Association of New Zealand conference in Blenheim, this year.

Fire and Emergency New Zealand (FENZ)

Following the Fire Service Review, the Government has decided to create a new organisation incorporating both urban fire and rural fire into one organisation. The new organisation will be called Fire and Emergency New Zealand (FENZ). To date, a Transition Board and Working Group have been formed and both the Chief Executive and District Resilience Manager have been involved in meetings, in Wellington and elsewhere, relating to the transition. The next step for the transition team is to set up sub-groups to provide input into the various streams of transition process.

We are in the early stages and do not fully know the extent of the impact on our Rural Fire volunteers. A new FENZ bill has had its first reading in Parliament, and it is expected that the bill will be passed sometime in March 2017. The new service will affect the District Resilience Manager's role and other issues such as equipment ownership, area boundaries, and community input.

Rural Fire Training

The District Resilience Manager has been certified as a National Rural Fire Authority Government Training Enterprise Trainer and Assessor and has been certified as a Skills NZ Assessor.

The following courses were completed this year as part of our commitment to remain equipped and ready:

- Basic Rural Fire Fighter course at Herbertville - 11 new trained fire fighters.
- Pump Operators course at Tiraumea.
- Aircraft Safety course at Tiraumea.

The district received a total subsidy of \$18,000 from the Rural Fire Training Emergency Management - Adult and Community Education (ACE) funding system for training credits assessed by the District Resilience Manager.

Rural Fire Plan

The Tararua Rural Fire Plan received its two-yearly review and reprint, as required by the Forest and Rural Fire Regulations.

Rural Fire Equipment

We received a five star rating from the NZ Transport Agency Operator Rating System for compliance of the Rural Fire heavy vehicle fleet. The rating ranges from "1 – Extremely unsatisfactory level of compliance" to a maximum of "5 – Very good level of compliance".

All rural fire equipment complied with monthly inspections, and a new pager system was purchased for Akitio and Tiraumea.

Civil Defence

Local Civil Defence Plan

A local Civil Defence Plan was produced and approved by Council, this year. The plan identifies local hazards in detail and outlines corrective actions required to be carried out by Council in order to comply with the findings of the Ministry of Civil Defence and Emergency Management Monitoring and Evaluation Report.

This report is the first of its kind within the region and was presented at the Manawatu-Wanganui Civil Defence Emergency Management Coordinating Executive Group (CEG) Meeting. It was confirmed by CEG that the Plan was innovative and should be copied by other councils within the Group. The Plan also received positive comments from MCDEM.

Community Engagement

The community engagement programme is working well. The following progress relates to Community Civil Defence Groups:

- **Norsewood Community Civil Defence Response Group**
The Civil Defence plan was reviewed and updated.
- **Woodville Community Civil Defence Response Group**
The Civil Defence Plan is almost complete. Seven hundred community pamphlets and 'Get Ready Get Through' booklets were delivered to Woodville urban and rural properties.
- **Pahiatua Community Civil Defence Response Group**
The Civil Defence Plan is completed and awaiting final printing and approval by committee, and localised pamphlets printed and ready for delivery.
- **Pongaroa Community Civil Defence Response Group**
The Committee is currently working on plan.
- **Akitio Community Civil Defence Response Group**
The Civil Defence Plan is completed.
- **Eketahuna Community Civil Defence Response Group**
The Civil Defence Plan has been reviewed and updated.

Tararua Civil Defence staff and volunteers were involved in the following public events to educate and promote awareness:

- Dannevirke A & P Show
- Akitio Community Day
- Woodville Woodfest
- Manawatu Field Days
- Palmerston North Home Show

Dannevirke Civil Defence Centres

Totara College Civil Defence Centre is working well with the committee and volunteers. Training for ITF Introductory Course and Emergency Management Information System (EMIS) was completed.

We will be using the The Hub in Gordon Street as a Central Civil Defence Centre and working with the Dannevirke Lions Club to discuss operation of the centre. In the meantime, the Dannevirke Sports Centre remains as the Central Civil Defence Centre.

We will be using the South School as the Southern Civil Defence Centre.

Tararua Emergency Management Committee (EMC)

Four committee meetings were held this year, and all were well attended. It is pleasing to note that there is a lot more local organisation attendance than regional. Most Community Civil Defence Response groups are represented at these meetings.

The Emergency Management Committee went to Wellington to visit the National Crisis Management Centre in the Beehive and the Wellington Regional Emergency Management Centre. Useful information was gained from both centres, and it was reassuring to see that Wellington has taken a similar approach to community engagement as we have.

Civil Defence Training

Two days of basic EMIS training was provided with a follow-up two days later in the year targeted at Emergency Operations Centre (EOC) roles during an emergency.

The Mayor and Emergency Management staff attended a military capability field day at Linton run by the New Zealand Army, and Civil Defence capability formed part of the displays.

An exercise called Floodex 2016 was carried out this year to test our call taking capability. Injects were phoned in by public volunteers at the rate of one per minute with all calls being logged into EMIS. This was carried out in conjunction with business as usual calls. It was pleasing to note that the system coped without any problems and feedback from the persons injecting was very positive, in particular the short time it took to be answered and the friendly efficient manner in which the calls were received. All calls were logged into EMIS without any issues arising. The injects were based on original calls received during the 2004 floods. It gave all who participated a better understanding of our normal Tararua flood hazard.

Communications Network

Further to last years radio network renewal, the Weber repeater link was replaced along with the Te Awaputahi repeater. The old Te Awaputahi repeater is still functional



and will be kept as a back up repeater in case any of the new ones fail.

Civil Defence radios have been installed in Pongaroa School, South School and Totara College.

Health and Safety

Building

The Building Act 2004 ensures that buildings are soundly built and meet an acceptable safety standard. Council issued building consents confirm that proposed building work will comply with the Building Code.

The number of building consents processed during the year was 344, compared to 363 last year.

The average processing timeframe for the building consents was 10.44 days. No building consents took longer than the 20 days statutory deadline.

The details and statistics for the building consents processed for the year are:

	2014/15	2015/16
Building Consent Processing Time Frames		
Total days*	3,011	3,812
Average of days taken (/365)	8.3	10.44
Building Consent Breakdown		
10 days or Less	260	153
11–15 Days	69	113
16–17 Days	20	39
18–19 Days	7	27
20 Days	6	12
> 20 Days	1	0
Total	363	344
Number processed within 20 day limit	362	344
Number in excess of 20 day limit	1	0
Percentage processed within 20 day limit	99.7%	100%
Building Consent Values		
Total Value	\$50,988,804	\$19,329,834
Average Value	\$140,465	\$56,191

* Excludes amendments to building consents.

Environmental Health

Due to the new legislation (The Food Act 2014), all VIP registered food control plans were automatically deemed to be food control plans from 1 March 2016 until 28 February 2019.

The food control plan is a risk-based measure that helps food operators effectively and systematically meet their food safety obligations. It concentrates on what people need to do to keep food safe. Depending on the type of food business it identifies potential food safety risks at each point from receiving and storing goods to preparing, cooking and serving food. Premises that are currently operating under a food safety programme will have until 28 February 2019 to transition their business to the new Act.

In the area of Environmental Health staff have built good stakeholder relationships with businesses in the Tararua district. At the present time 7% of food business in the district have registered under the Food Act 2014 and 29% are operating a deemed food control plan. Workshops are being held for invited businesses to get a better understanding of how the food control plans are designed to work, businesses completed the core templates in the booklets.

Alcohol Licensing

The District Licensing Committee (DLC), which is made up of a Chair and two members, hears and determines all applications that do not require enforcement action. These types of applications are heard by the Alcohol Regulatory Licensing Authority, which is part of the Ministry of Justice.

The District Licensing Committee meets once a month to consider and decide on each application. Once the decision has been received, the applicant is sent a request for payment of an annual fee, which must be paid before the licence is issued. It is a requirement of the Act that this occurs. In all cases where payment has made, Council will issue the licence within ten working days.

The District Licensing Committee met during the year and determined (approved) 162 applications for an alcohol licence. Five hearings were held to determine opposed or objected to applications, with two applications granted, two applications adjourned, and one application refused.

General Compliance

General compliance investigates and responds to complaints about excessive noise, rubbish dumping, overhanging vegetation and fire hazards. Notable achievements include:

- 112 complaints received in regards to illegal dumping around the district.
- 7.75 tonnes of illegal dumping material collected and removed to the transfer station.
- 100% of complaints responded to within 48 hours.

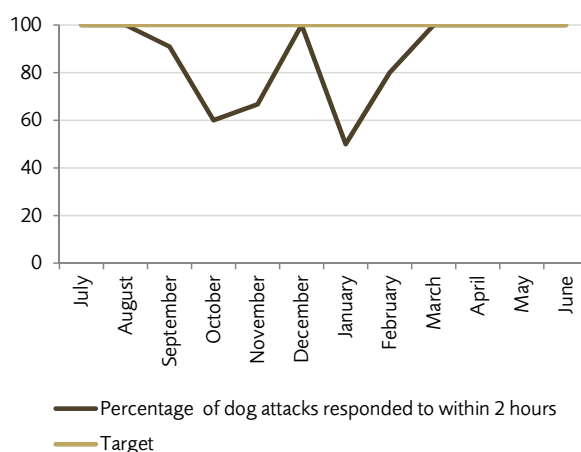
Performance Against Objectives

Animal Control

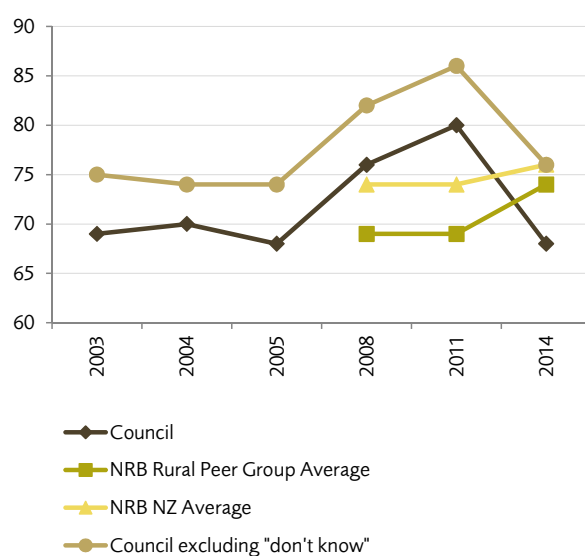
Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">Percentage of residents rate dog control as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>80</td><td>68</td></tr><tr><td>Not very satisfied</td><td>13</td><td>22</td></tr><tr><td>Don't know / Unable to say @</td><td>8</td><td>10</td></tr><tr><td>Percentage satisfied</td><td>80%</td><td>68%</td></tr><tr><td>Percentage satisfied excl @</td><td>86%</td><td>76%</td></tr></table> <p>Council has made the following changes to improve resident satisfaction:</p> <ol style="list-style-type: none">Constructing a new dog pound to increase Council's capacity to impound dogs.Improved our business processes to ensure we are responding promptly to service requests.Started recruiting for a third Animal Control Officer to manage the risk associated with dangerous, roaming, and unregistered dogs.	Category	2011	2014	Very/Fairly Satisfied	80	68	Not very satisfied	13	22	Don't know / Unable to say @	8	10	Percentage satisfied	80%	68%	Percentage satisfied excl @	86%	76%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	80	68																				
Not very satisfied	13	22																				
Don't know / Unable to say @	8	10																				
Percentage satisfied	80%	68%																				
Percentage satisfied excl @	86%	76%																				
<ul style="list-style-type: none">Percentage of calls that involve dog attacks responded to within 2 hours.	100%	<p>NOT ACHIEVED: 89%.</p> <p>A total of 50 dog complaints were recorded about people or animals being bitten or rushed by dogs during the year.</p> <p>Council was operating without full coverage in the first quarter of the financial year, due to staff resignations and recruitment. Reduced coverage had a short-term impact on service performance. Performance in relation to this indicator has improved significantly (achieved 100%) in the last four months of the year.</p>	●	●																		
<ul style="list-style-type: none">Educational publications and programmes are available to the community.	Minimum of 6 articles per year	<p>NOT ACHIEVED: 5.</p> <p>A sixth educational article was drafted and scheduled for publication to ensure this performance measure would be met. However, due to competing articles with statutory requirements, publication of this article was delayed. A publication programme is in place to ensure this measure is achieved in the next financial year.</p>	●	●																		

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results
<ul style="list-style-type: none"> Educational publications and programmes are available to the community. 	Minimum of 4 educational presentations per year	<p>NOT ACHIEVED: 2.</p> <p>A contract for educational services was procured in May 2016. Presentations were advertised to schools in early June 2016. Two presentations were provided in the financial year. Demand is expected to grow as schools become aware of the programme.</p>	●	●

PERCENTAGE OF DOG ATTACKS RESPONDED TO WITHIN 2 HOURS



ANIMAL CONTROL – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



District Planning

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results
<ul style="list-style-type: none"> Survey of customers rate advice received was helpful. 	85% agree	<p>NOT ACHIEVED: 83%.</p> <p>Six telephone interviews undertaken with applicants who had pre-application meetings.</p>	New measure	●
<ul style="list-style-type: none"> Percentage of customers that receive a decision on their application within the statutory timeframe. 	100%	<p>NOT ACHIEVED: 98%.</p> <p>49 resource consent applications processed to a decision were decided within the statutory timeframe. 1 resource consent application took an additional 16 working days.</p> <p>Statistics for applications by notification type, as follows:</p> <p>Non-notified – 50</p> <p>Limited notified – 0</p> <p>Publicly notified – 0</p>	●	●
<ul style="list-style-type: none"> Non-compliances are resolved within 3 months of customer complaint. 	95%	<p>ACHIEVED: 100%.</p> <p>All 145 complaints were resolved within 3 months.</p> <p>126 complaints were in relation to windfarm noise from one complainant.</p>	●	●

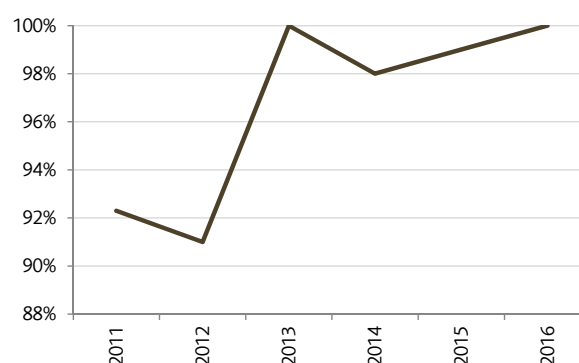
Emergency Management

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results
<ul style="list-style-type: none"> Communities are organised and have a current Community Civil Defence Response Group Plan. 	Herbertville, Pahiatua, Woodville, and Dannevirke plans completed	ACHIEVED. Akitio, Pahiatua, Woodville and Dannevirke completed. Pahiatua Community CD Group formed and plan completed. Woodville Community CD Group formed and plan completed awaiting final approval Totara College and the Tararua Business Network CD Centres formed and training has been planned. Negotiation to use South School as the third Dannevirke Civil Defence Centre completed. Plan for all three Civil Defence Centres completed but being revised. Akitio group formed and plan completed.	New measure	●
<ul style="list-style-type: none"> Assessment of residents' readiness and capability to respond to a civil defence emergency. 	80%	NOT APPLICABLE. Awaiting results of Manawatu-Wanganui CDEM Group two-yearly survey due late 2016. 2,030 copies of CDEM 'Get Ready Get Through' booklet along with a localised pamphlet sent out to households as part of the community engagement programme.	New measure	N/A
<ul style="list-style-type: none"> Volunteer Rural Fire Forces respond to all fires within the rural area in accordance with 'NRFA Standard – Achieving Timely Responses to Fires'. 	100%	ACHIEVED: 100%. All fires attended to within timeframes, as per the NRFA Standards, when crews were available.	New measure	●

Health and Safety

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results
• All swimming pool and/or spa fencing inspected once every 5 years.	100%	ACHIEVED: 100%. Of the 269 pools/spas on our register, we have inspected a total of 157 pools, which was 100% of all pools/spas due for inspection.	New measure	●
• Percentage of registered premises inspected for compliance.	90%	ACHIEVED: 93%. 135 premises inspected out of a total of 146 registered.	New measure	●
• Building consents issued within statutory timeframes.	100%	ACHIEVED: 100%. Council processed 344 building consents during the year. All building consents were processed within the statutory timeframe.	●	●
• Percentage of licensed premises inspected annually for compliance.	95%	ACHIEVED: 100%. All 63 licensed premises were inspected during the period.	●	●
• Percentage of noise complaints responded to within an hour.	95%	ACHIEVED: 96%. 236 complaints about excessive noise (stereo/drums/party) were received that required our attendance.	New measure	●
• Percentage of complaints responded to within 48 hours.	90%	ACHIEVED: 100%. 112 complaints were received for illicit dumping, 21 complaints were received for overhanging vegetation, and 23 complaints were received for fire hazards.	New measure	●

BUILDING CONSENTS APPROVED WITHIN STATUTORY DEADLINE





Roading and Footpaths

Activities in this Group

1

Footpaths

To provide safe access and walking opportunities for pedestrians in urban areas.

2

Roading

To provide a safe and efficient transport network that improves the movement of people and products, both within and through the district.

Group Level Funding Impact Statement

	2014/15 Actual \$000s	2014/15 LTP Budget \$000	2015/16 LTP Budget \$000s	2015/16 Actual \$000s
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	104	66	94	94
Targeted rates	7,077	7,608	6,793	6,793
Grants and subsidies operating	3,785	4,026	3,848	3,931
Fees and charges	158	160	160	163
Local authorities fuel tax, fines, infringement fees, and other receipts	397	-	283	319
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	11,522	11,860	11,178	11,300
Applications of Operating Funding				
Payment to staff and suppliers	7,480	6,873	6,604	6,124
Finance costs	127	131	121	104
Internal charges and overheads applied	1,357	1,232	1,270	1,355
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	8,964	8,236	7,995	7,584
Surplus/(Deficit) of Operating Funding (A - B)	2,558	3,624	3,183	3,717
Sources of Capital Funding				
Subsidies and grants for capital expenditure	5,030	6,285	4,296	6,335
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(252)	(80)	524	148
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	4,778	6,204	4,820	6,482
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,616	2,814	1,681	2,548
- to replace existing assets	5,066	6,115	5,378	6,058
Increase (decrease) in reserves	(347)	899	944	1,592
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	7,336	9,829	8,003	10,199
Surplus/(Deficit) of Capital Funding (C - D)	(2,558)	(3,624)	(3,183)	(3,717)
Funding Balance ((A - B) + (C - D))	-	-	-	-



What We Achieved

FOOTPATH CONDITION SURVEY



NEW APPROACH

- All Faults Programme
- New asset management tool
- Scarifying maintenance grading system
- Pre-reseal pavement repairs

TOTAL CAPITAL INVESTMENT

**\$8.6
million**

TOTAL SUBSIDIES RECEIVED

**\$10.2
million**

(OPERATIONAL AND CAPITAL)

AVERAGE CUSTOMER REQUEST RESPONSE



Footpaths

Eketahuna Town Centre Upgrade

Work on upgrading the footpaths in town centres for this financial year has centred on the Eketahuna town centre upgrade. The Tararua Alliance has worked in close consultation with the Eketahuna Community Board to develop the town centre upgrade. The focus has been on creating a "real kiwi country" theme to the town centre. Work included developing a new site for the town's iconic kiwi that will encourage more visitors to stop in town, pedestrian crossing upgrades, new entrance signs at either end of the township, reinvigorating the toilet block area and developing the War Memorial site to highlight the importance of this area to the community. In addition, work is also scheduled for the 2016/17 financial year on further developing the Bridge Street intersection.

Footpath Condition Survey

Council has moved to a strategy that uses a data driven approach to efficiently maintain the footpath assets. A complete footpath condition survey was completed in September 2015. The purpose of this assessment was to develop a detailed condition assessment of the district's

footpaths, which in turn is used to develop long term renewal programmes. This will result in more preventative maintenance and fewer poor and very poor condition footpaths.

The Footpath Condition Survey is rated on the following:

1. Acceptable
2. Acceptable – continue to monitor
3. Defect – medium, programme work
4. Poor – intervention required
5. Very poor – safety related intervention

The overall average footpath rating for 2015/16 is 2.086 for the district.

Footpath Construction and Renewals

New footpath construction, totalling 81m², was completed in Pollen Street in Woodville, and Smith Street in Dannevirke.

The footpath renewal programme, undertaken as a result of the footpath condition rating survey, saw 135m² of footpaths upgraded in Ross Street and Ormond Street in Woodville, Allardice Street and Trafalgar Street in Dannevirke, and a section in Newman Road, Eketahuna.

Roading

Approach to the Roading Programme

The key philosophy of the Tararua Alliance is to combine the right people, making the right decisions, and undertaking the right work at the right time of the year. The Tararua Alliance is now completing its second year of operation. The team have established a condition rating data driven approach to managing the Tararua road network.

This approach has been two-fold:

- Updating council's asset databases to ensure that the asset information is accurate and complete to allow for best network decisions.
- Generating foundation strategies, such as a 30 year Infrastructure Strategy and Activity Management Plans, to allow overall asset stewardship.

All Faults Programme

The Alliance has developed and implemented an "All Faults" programme in Tararua. This innovative approach gives the ability to identify network deterioration early and is a key indicator to the health of the network. An "All Faults" programme details all of the faults on the network at any given time and provides a near real-time view of the current state of the network.

By using this approach we detect faults or defects at an early stage and have the ability to monitor any deterioration and better schedule any required intervention in a more structured manner. Forward Works Programmes are developed annually for all activities, with the intention being to focus more on preventative maintenance and drastically reduce the number of immediate priority repairs required for safety intervention.

New Asset Management Tool

To further assist programme delivery and asset management, the Tararua Alliance has also implemented the new Downer asset management software, Fuse. This will provide the Tararua Alliance with a powerful visual asset management tool that will also be the front-end interface to manage the Customer Request Management (CRM) process. This software allows the team to visually track and manage all work, including CRMs, Forward Works Programmes, and Asset Registers.

Saddle Road Reconstruction

Tararua District Council has continued to manage the Saddle Road upgrade on behalf of NZ Transport Agency. This project is a joint initiative between Palmerston North City Council, Manawatu District Council and Tararua District Council. The Tararua Alliance has been working in collaboration with all stakeholders to give regional resilience and as an alternative route to the Manawatu Gorge.

Feedback and comments from motorists and regional groups have been very positive towards the improvements that have been completed to date.

One Network Road Classification

Over the past 12 months the Tararua Alliance has been working with the NZ Transport Agency and the Road Efficiency Group to implement the NZ Transport Agency's new One Network Road Classification (ONRC). The ONRC is a joint initiative of NZ Transport Agency and Local Government NZ. It has been developed to streamline the operation, maintenance, and management of New Zealand road networks.

Key outcomes include consistent, fit for purpose levels of service for the road network and a mechanism to allocate funding more effectively and efficiently based on the function of the road.

The One Network Road Classification project comprises three distinct elements:

- classifying roads into categories based on their main function in the national network;
- establish national customer levels of service, which define what the fit for purpose outcomes are for each category in terms of mobility, safety, accessibility and amenity; and
- develop performance measures and targets that will effectively determine how the categories and customer levels of service translate into specific maintenance, operational, and investment decisions.

Programmed Work

Financial Summary

Work Description	Quantity	Amount Spent
Manawatu/Hawkes Bay alternate route	46,240m ²	\$1,515,000
Resealing	69.88km	\$1,816,000
Pavement rehabilitation	3.75km (24,992m ²)	\$1,892,040
Minor safety programme	N/A	\$710,000
Unsealed road maintenance - grading	2,107km	\$516,000
Unsealed road maintenance - metalling	10,218m ³	\$510,000
Emergency reinstatement - retaining walls/formation retreats	9,581m ²	\$1,369,000
Drainage renewal - culverts 375mm-600mm diameter	582m	\$507,828
Drainage renewal - kerb and channel renewal	35m	\$6,322



Resealing

Under the Alliance model, Tararua District Council is able to take advantage of actual costs for materials. With the reduction in the cost of bitumen during the year, the Tararua Alliance was able to undertake an additional 12km of resealing and stay within the original budget set at the start of the year.

The majority of reseat work was completed before December 2015. This was achieved as a result of a new strategy put in place by the Tararua Alliance. Prior to resealing activities, work is required to undertake pre-reseat pavement repairs. Under the Tararua Alliance this work is now completed in the prior year, allowing the pre-reseat repairs to be undertaken at the right time of the year, improving overall quality and efficiency.

Decisions on reseals are now based on a combination of factors including condition, texture, traffic counts, and current and future demand. This has resulted in the estimated average life of the seal increasing to 16 years compared to 12 years previously.

Pavement Rehabilitation

Pavement Rehabilitation work involves upgrading high cost sections of deteriorated pavement. Work involves earthworks, drainage renewals, pavement rehabilitation, and surfacing. This year, the Tararua Alliance undertook pavement rehabilitation work in combination with minor safety improvement work to maximise the improvements to road users. In addition to pavement strengthening, earthworks were also undertaken to improve sight visibility and easing of corners to improve the safety of these sections of road.

Pavement rehabilitation work was also undertaken near the summit of the Pahiatua Track. The pavement was excavated and included new basecourse, kerb and channel, drainage, and the site was surfaced with asphaltic concrete to manage the stresses of the increased heavy vehicles that now use this route. New signage and pavement marking was also undertaken to improve the safety on this section of road.

Minor Safety Improvements

Minor safety improvement projects completed this year have been undertaken in conjunction with pavement rehabilitation projects on Weber Road and Ormondville-Te Uri Road. These projects have involved widening short sections of road to enable improved sight visibility.

Work was also undertaken in and around Fountaine Square, Woodville, to improve parking and drainage.

Work continues on upgrading the district's street lighting assets with new LED lighting. The purpose of the upgrade is to increase the operating life of the street lights, while reducing energy use. The Woodville street light programme is now 100% complete and Pahiatua is 99% complete. Work on replacing sodium lights with LED will continue in 2016/17 in Dannevirke.

Road Safety

Tararua District Council continues to host regular Road Safety Group meetings to discuss and identify safety needs for both local and state highway roads within the district. This forms the basis of the Tararua District Council's minor safety programme. Issues identified from discussions with Police and community groups are included in Forward Works Programmes.

Unsealed Road Maintenance

The focus on the unsealed road network has been on getting positive shape and drainage into the unsealed roads with the aim of reducing grading frequencies and metal application.

A total of 2,107km of grading was carried out in 2015/16, with higher volume roads receiving monthly grading and lower volume roads being graded less frequently.

In addition to regular maintenance grading, a total of 10,218m³ of maintenance metal has been applied to the unsealed road network. This is a significant reduction on previous years and is a result of improved drainage and a change in maintenance grading techniques. The Tararua Alliance has introduced new machinery (the scarifying maintenance grading system with walk behind rollers) to improve the grading methodology and reduce the amount of maintenance metal required.

This has resulted in a large reduction in heavy metal overlays and a 44% reduction on maintenance metal spend between 2014/15 and 2015/16 financial years.

Grader operators are given greater flexibility to grade and shape roads to keep the water off the surface. This has resulted in a 21% reduction in overall spend on unsealed road maintenance for the 2015/16 financial year.

Sealed Pavement Maintenance

In addition to the annual pre-reseat pavement repairs and general pavement maintenance, the Tararua Alliance continued to undertake pavement surface repairs on higher volume sealed roads, as well as lower volume roads where the repairs require intervention to avoid becoming a safety hazard. Increased heavy traffic volumes, due to logging operations on roads such as Route 52 and Pahiatua-Pongaroa Road, combined with challenging geology, have required additional intervention. The Tararua Alliance is currently developing a specific strategy and business case, for additional investment that reflects these ongoing issues, to present to the NZ Transport Agency for Route 52.

The majority of the sealed maintenance budget is centred on completing pre-reseat repairs for the reseat programme. The strategy is to complete pre-reseat repairs 12 months in advance of resealing to improve long term quality.

Carpark Renewals

A 10 year renewal programme has been developed to upgrade pavements and associated surfacing work in the district's carparks, including cemetery carparks. Work

commenced this year on renewing the surface of the Wai Splash carpark. Work has involved renewing the pavement, and upgrading stormwater and water connections prior to the asphalt and chip seal surfacing.

Work will also commence, this new financial year, to renew the surface of the Pahiatua Stadium carpark.

Customer Request Management (CRM)

Over the last year, Tararua Alliance field staff and management have encouraged the public to advise Council of service issues within the district to further improve the overall level of service on the network. This has resulted in an increase of rural customer requests during 2015/16, up from 552 to 713. Urban customer requests, however, have reduced slightly from 736 to 667, predominantly attributable to improvements that have been made to the stormwater network in pinch point areas. All customer requests were responded to within the required timeframe of five days.

An additional performance measure implemented by the Tararua Alliance, beginning in 2015/16, has been a monthly Customer Feedback Survey. This survey seeks a response to a standard set of questions from a random 10% sample of customers who have recently lodged an issue with Council. While initially revealing that additional effort was required, the management team are encouraged by the trend line of positivity that is emerging from this exercise.

Corridor Access Requests (CARs)

With the implementation of Corridor Access Request management software and the Before U Dig utilities notification system in April 2016, Tararua District Council is able to monitor and track the contractors that are working within the road corridor to achieve better compliance and safety for road users.

Having these two systems working alongside each other allows Tararua District Council to coordinate work being undertaken by utility contractors and owners to manage the risks when working within the road corridor.



Performance Against Objectives

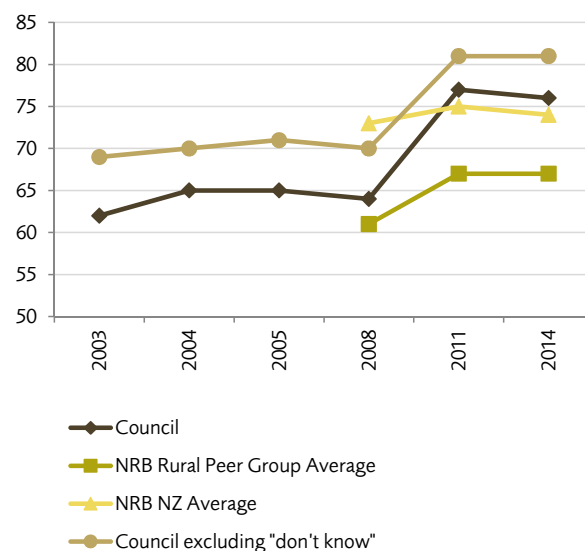
Footpaths

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">Percentage of residents rate footpaths as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>77</td><td>76</td></tr><tr><td>Not very satisfied</td><td>18</td><td>18</td></tr><tr><td>Don't know / Unable to say @</td><td>5</td><td>6</td></tr><tr><td>Percentage satisfied</td><td>77%</td><td>76%</td></tr><tr><td>Percentage satisfied excl @</td><td>81%</td><td>81%</td></tr></table>	Category	2011	2014	Very/Fairly Satisfied	77	76	Not very satisfied	18	18	Don't know / Unable to say @	5	6	Percentage satisfied	77%	76%	Percentage satisfied excl @	81%	81%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	77	76																				
Not very satisfied	18	18																				
Don't know / Unable to say @	5	6																				
Percentage satisfied	77%	76%																				
Percentage satisfied excl @	81%	81%																				
<ul style="list-style-type: none">The percentage of footpaths within the district fall within the footpath condition standards set out in the Asset Management Plan.	90%	<p>ACHIEVED: 99%.</p> <p>Footpath condition survey was undertaken September 2015.</p> <p>Condition survey rankings:</p> <ol style="list-style-type: none">1. Acceptable2. Acceptable – monitor3. Defect – medium4. Poor – intervention5. Very poor – safety <p>The Footpath Fault Severity Index for 2015/16 is 2.086.</p> <p>The values of this index will range from 2 to 5, similar to our fault severity/priority classification. At 2.086, it shows that the overall condition is quite close to the best we can get – only a small number of defects limiting a perfect 2.</p> <p>Total Estimated Defects being \$1,133,258.83 with only \$10,136.44 being classed as 4-5 giving overall condition rating of 99%.</p>	N/A	<div></div>																		
<ul style="list-style-type: none">Customer requests relating to footpaths are responded to within 5 working days.*	85%	<p>ACHIEVED: 97%.</p> <p>38 complaints regarding unsafe footpaths have been received for the year. Of these, one was responded to and completed outside the target timeframe.</p>	New measure	<div></div>																		









Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results												
<ul style="list-style-type: none">Percentage of residents rate town centre upgrades as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>77</td></tr><tr><td>Not very satisfied</td><td>8</td></tr><tr><td>Don't know / Unable to say @</td><td>15</td></tr><tr><td>Percentage satisfied</td><td>77%</td></tr><tr><td>Percentage satisfied excl @</td><td>91%</td></tr></table> <p>The results show that the community is satisfied with Council town centre programme. Highest satisfaction was in Woodville (89%) and the lowest was in Eketahuna (41%). The town centre upgrade for Eketahuna has commenced and will be completed by December 2016.</p>	Category	2014	Very/Fairly Satisfied	77	Not very satisfied	8	Don't know / Unable to say @	15	Percentage satisfied	77%	Percentage satisfied excl @	91%	No NRB survey	No NRB survey
Category	2014															
Very/Fairly Satisfied	77															
Not very satisfied	8															
Don't know / Unable to say @	15															
Percentage satisfied	77%															
Percentage satisfied excl @	91%															

* These performance measures are the mandatory performance measures introduced by Parliament.

FOOTPATHS – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014

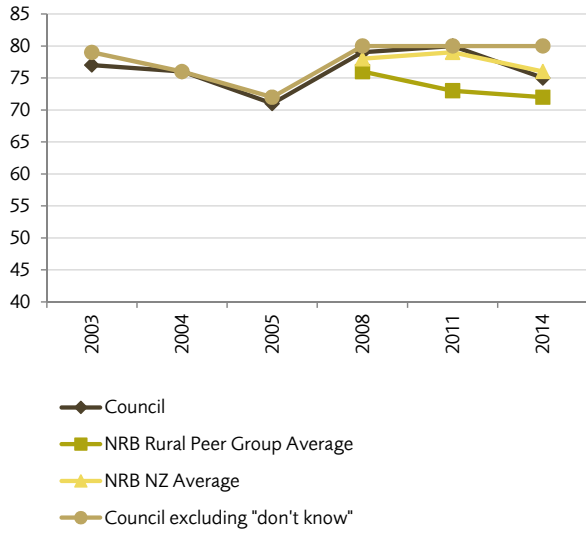


Roading

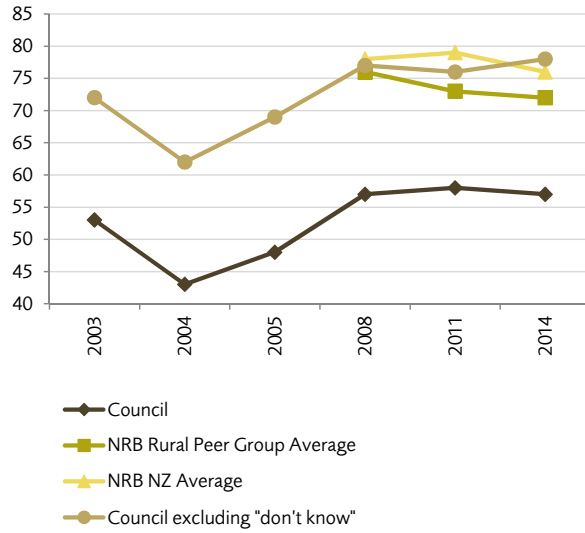
Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																																				
<ul style="list-style-type: none">The change (expressed as a number) from the previous financial year in the number of fatalities and serious injury crashes on the local road network.*	0 or less over a 3 year average	ACHIEVED: -3. The number of fatalities and serious injury crashes reduced from an average of 9 to 6.	New measure																																					
<ul style="list-style-type: none">Customer requests relating to roads are responded to within 5 working days.*	85%	ACHIEVED: 96%. 888 road surface issues were reported for the year to date, with 33 recorded complete outside of the required timeframes.																																						
<ul style="list-style-type: none">Percentage of residents rating urban and rural roading as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	NOT APPLICABLE: Next survey is in the 2016/17 year. Results from the last two surveys: Sealed Roads <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>80</td><td>75</td></tr><tr><td>Not very satisfied</td><td>19</td><td>24</td></tr><tr><td>Don't know / Unable to say @</td><td>1</td><td>1</td></tr><tr><td>Percentage satisfied</td><td>80%</td><td>75%</td></tr><tr><td>Percentage satisfied excl @</td><td>80%</td><td>76%</td></tr></table> Unsealed Roads <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>58</td><td>57</td></tr><tr><td>Not very satisfied</td><td>18</td><td>16</td></tr><tr><td>Don't know / Unable to say @</td><td>24</td><td>27</td></tr><tr><td>Percentage satisfied</td><td>58%</td><td>57%</td></tr><tr><td>Percentage satisfied excl @</td><td>76%</td><td>78%</td></tr></table>	Category	2011	2014	Very/Fairly Satisfied	80	75	Not very satisfied	19	24	Don't know / Unable to say @	1	1	Percentage satisfied	80%	75%	Percentage satisfied excl @	80%	76%	Category	2011	2014	Very/Fairly Satisfied	58	57	Not very satisfied	18	16	Don't know / Unable to say @	24	27	Percentage satisfied	58%	57%	Percentage satisfied excl @	76%	78%	No NRB survey	No NRB survey
Category	2011	2014																																						
Very/Fairly Satisfied	80	75																																						
Not very satisfied	19	24																																						
Don't know / Unable to say @	1	1																																						
Percentage satisfied	80%	75%																																						
Percentage satisfied excl @	80%	76%																																						
Category	2011	2014																																						
Very/Fairly Satisfied	58	57																																						
Not very satisfied	18	16																																						
Don't know / Unable to say @	24	27																																						
Percentage satisfied	58%	57%																																						
Percentage satisfied excl @	76%	78%																																						
<ul style="list-style-type: none">Initial response to impassable roads be undertaken within 24 hours.	99%	ACHIEVED: 99%. 176 customer requests were assigned to the Passable Roads workflow, with 2 being recorded as outside response timeframes.																																						
<ul style="list-style-type: none">The average quality of the ride on the sealed road network is measured by smooth travel exposure.*	95%	NOT ACHIEVED: 90%. Results from the latest roughness summary: on rural roads, 92% have an average NAASRA less than 120 and in the urban, 84% have a NAASRA less than 220.																																						
<ul style="list-style-type: none">The percentage of the sealed local network that is resurfaced.*	> 5%	ACHIEVED: 6%.	New measure																																					

* These performance measures are the mandatory performance measures introduced by Parliament.

SEALED ROADS – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



UNSEALED ROADS – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014





Solid Waste Management

Activities in this Group

1

Solid Waste Management

To protect people's health and our environment by minimising the production of waste and promoting recycling and reuse.

Funding Impact Statement Solid Waste

	2014/15 Actual \$000s	2014/15 LTP Budget \$000	2015/16 LTP Budget \$000s	2015/16 Actual \$000s
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	442	203	543	543
Targeted rates	731	786	864	864
Grants and subsidies operating	61	42	50	65
Fees and charges	463	546	567	506
Local authorities fuel tax, fines, infringement fees, and other receipts	15	-	29	12
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	1,712	1,577	2,053	1,990
Applications of Operating Funding				
Payment to staff and suppliers	1,472	1,327	1,690	1,560
Finance costs	112	58	98	25
Internal charges and overheads applied	83	107	150	139
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	1,667	1,492	1,938	1,723
Surplus/(Deficit) of Operating Funding (A - B)	45	85	115	267
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(9)	(23)	(95)	(114)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	69	-	-	234
Total Sources of Capital Funding (C)	60	(23)	(95)	120
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	129	-	30	12
- to replace existing assets	28	-	40	549
Increase (decrease) in reserves	(52)	62	(50)	(174)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	105	62	20	387
Surplus/(Deficit) of Capital Funding (C - D)	(45)	(85)	(115)	(267)
Funding Balance ((A - B) + (C - D))	-	-	-	-



What We Achieved

REBUILD OF PAHIATUA RECYCLING CENTRE



FEES AND CHARGES INCREASED



The solid waste activity has operated very smoothly throughout the year, with very few issues. The community has adapted very well to the use of prepaid refuse bags in towns where these are now offered for sale by Council's refuse contractors. This is the first step in Council withdrawing from the provision of refuse labels and a kerbside refuse collection service in 2017.





The rebuild of the Pahiatua recycling centre was completed with the manned facility officially opening in December 2015. The general feedback from the public has been very positive. Prior to the rebuild, the community was serviced by an unmanned drop-off centre. It has been noted that there is a lot less contaminated material coming from Pahiatua now that the recycling facility is staffed.

New recycling containers were placed in the Pongaroa and Weber communities, in November 2015, with the facilities being very well utilised. This replaces the wheelie bin setup, which was both difficult and costly to service.

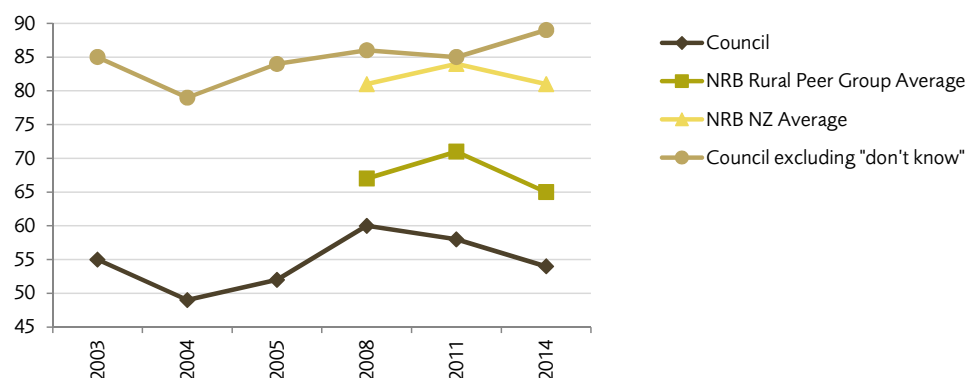
The roadway to the Dannevirke transfer station was sealed in December 2015, much to the delight of users who have skirted potholes, bumps and puddles for many years when visiting the facility.

Planning is underway for the closure of the Eketahuna landfill in 2018, and its replacement with a refuse transfer station. This has included calculating the capacity of landfill remaining and the development of the final cell.

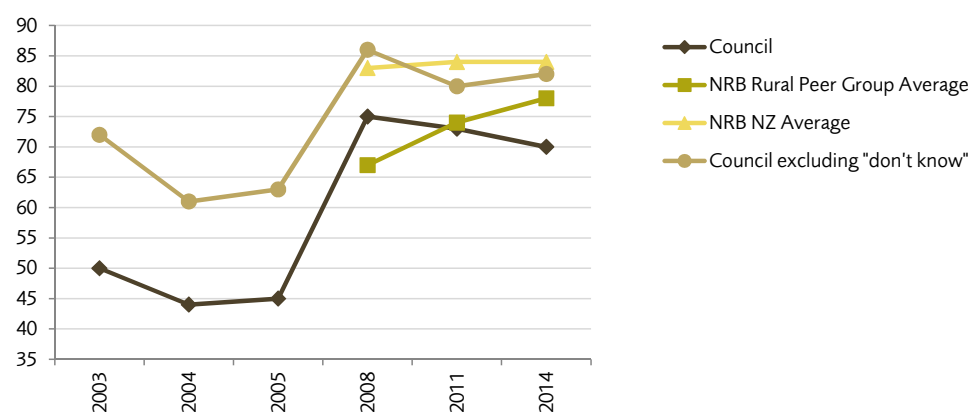
Performance Against Objectives

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																								
<ul style="list-style-type: none">Percentage of residents rating rubbish collection services as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>58</td><td>54</td></tr><tr><td>Not very satisfied</td><td>10</td><td>7</td></tr><tr><td>Don't know / Unable to say @</td><td>32</td><td>40</td></tr><tr><td>Percentage satisfied</td><td>58%</td><td>54%</td></tr><tr><td>Percentage satisfied excl @</td><td>85%</td><td>89%</td></tr></table>	Category	2011	2014	Very/Fairly Satisfied	58	54	Not very satisfied	10	7	Don't know / Unable to say @	32	40	Percentage satisfied	58%	54%	Percentage satisfied excl @	85%	89%	No NRB survey	No NRB survey						
Category	2011	2014																										
Very/Fairly Satisfied	58	54																										
Not very satisfied	10	7																										
Don't know / Unable to say @	32	40																										
Percentage satisfied	58%	54%																										
Percentage satisfied excl @	85%	89%																										
<ul style="list-style-type: none">Percentage of residents rating recycling as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>73</td><td>70</td></tr><tr><td>Not very satisfied</td><td>18</td><td>15</td></tr><tr><td>Don't know / Unable to say @</td><td>9</td><td>15</td></tr><tr><td>Percentage satisfied</td><td>73%</td><td>70%</td></tr><tr><td>Percentage satisfied excl @</td><td>80%</td><td>82%</td></tr></table>	Category	2011	2014	Very/Fairly Satisfied	73	70	Not very satisfied	18	15	Don't know / Unable to say @	9	15	Percentage satisfied	73%	70%	Percentage satisfied excl @	80%	82%	No NRB survey	No NRB survey						
Category	2011	2014																										
Very/Fairly Satisfied	73	70																										
Not very satisfied	18	15																										
Don't know / Unable to say @	9	15																										
Percentage satisfied	73%	70%																										
Percentage satisfied excl @	80%	82%																										
<ul style="list-style-type: none">Percentage of residents rating landfills/ transfer station management as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	<p>NOT APPLICABLE: Next survey is in the 2016/17 year.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>47</td><td>62</td></tr><tr><td>Not very satisfied</td><td>22</td><td>10</td></tr><tr><td>Don't know / Unable to say @</td><td>32</td><td>29</td></tr><tr><td>Percentage satisfied</td><td>47%</td><td>62%</td></tr><tr><td>Percentage satisfied excl @</td><td>68%</td><td>86%</td></tr></table>	Category	2011	2014	Very/Fairly Satisfied	47	62	Not very satisfied	22	10	Don't know / Unable to say @	32	29	Percentage satisfied	47%	62%	Percentage satisfied excl @	68%	86%	No NRB survey	No NRB survey						
Category	2011	2014																										
Very/Fairly Satisfied	47	62																										
Not very satisfied	22	10																										
Don't know / Unable to say @	32	29																										
Percentage satisfied	47%	62%																										
Percentage satisfied excl @	68%	86%																										
<ul style="list-style-type: none">Tonnage of waste sent to landfills by the district per annum.	< 4,400	<p>NOT ACHIEVED: 4,450.</p> <table><tr><th colspan="4">Tonnes</th></tr><tr><th></th><th>2013/14</th><th>2014/15</th><th>2015/16</th></tr><tr><td>Eketahuna Landfill</td><td>1,777</td><td>689</td><td>542</td></tr><tr><td>Pongaroa Landfill</td><td>37</td><td>39</td><td>21</td></tr><tr><td>Waipukurau Landfill</td><td>2,427</td><td>3,534</td><td>3,887</td></tr><tr><td>Total</td><td>4,241</td><td>4,262</td><td>4,450</td></tr></table>	Tonnes					2013/14	2014/15	2015/16	Eketahuna Landfill	1,777	689	542	Pongaroa Landfill	37	39	21	Waipukurau Landfill	2,427	3,534	3,887	Total	4,241	4,262	4,450		
Tonnes																												
	2013/14	2014/15	2015/16																									
Eketahuna Landfill	1,777	689	542																									
Pongaroa Landfill	37	39	21																									
Waipukurau Landfill	2,427	3,534	3,887																									
Total	4,241	4,262	4,450																									
<ul style="list-style-type: none">Percentage of landfills where all Horizons resource consent conditions are met.	100%	<p>NOT ACHIEVED: 50%.</p> <p>The volume of one of the landfill compartments at Eketahuna exceeds the allowances provided within the resource consent. We are working with Horizons to resolve this issue, through a variation to the consent conditions. This is the only condition that has not been met at Eketahuna landfill. The Pongaroa landfill is fully compliant.</p>																										

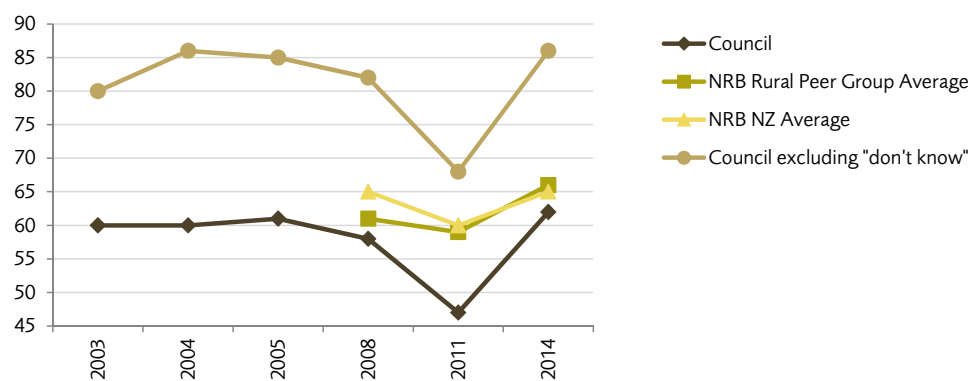
REFUSE COLLECTION – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



RECYCLING – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



LANDFILLS AND TRANSFER STATIONS – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



Stormwater

Activities in this Group

1**Stormwater**

To provide protection of the community's assets from flooding by providing systems that enable stormwater to dissipate as quickly as practicable.



Funding Impact Statement Stormwater

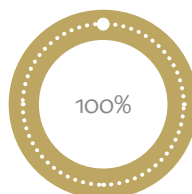
	2014/15 Actual \$000s	2014/15 LTP Budget \$000	2015/16 LTP Budget \$000s	2015/16 Actual \$000s
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	741	-	-
Targeted rates	755	-	657	657
Grants and subsidies operating	-	-	-	-
Fees and charges	1	-	-	0
Local authorities fuel tax, fines, infringement fees, and other receipts	15	-	16	15
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	771	741	673	673
Applications of Operating Funding				
Payment to staff and suppliers	62	160	84	133
Finance costs	71	83	63	50
Internal charges and overheads applied	232	297	284	257
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	365	540	431	440
Surplus/(Deficit) of Operating Funding (A - B)	406	201	242	232
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(15)	(22)	(20)	(126)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	(15)	(22)	(20)	(126)
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	20	65	60	28
- to replace existing assets	127	43	41	52
Increase (decrease) in reserves	244	71	121	25
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	391	179	222	106
Surplus/(Deficit) of Capital Funding (C - D)	(406)	(201)	(242)	(232)
Funding Balance ((A - B) + (C - D))	-	-	-	-

What We Achieved

FUNDING FROM RATES REDUCED BY



SERVICE PERFORMANCE MEASURES MET



OPERATIONAL MAINTENANCE INCREASED BY



Stormwater Maintenance

Operations completed this financial year have concentrated upon spraying of all open drains within the urban areas, and this was completed twice in the year. Work also involved the clearance of open drains of trees and built up constrictions, reshaping scallop drains, and water channels behind berms. These have achieved better flow levels through these drains resulting in less flooding of areas in all townships.

Tararua Alliance staff have cleared obstructions from road crossing culverts and installed grates at Allardice and Alma Streets to prevent this occurring again. This has also created a safer and more easily controlled point to remove rubbish that is constantly being thrown into the stream.

Maintenance work was carried out on the stormwater drains at Fountaine Square, including some new sumps and pipe work. Jetting of small stormwater pipes is ongoing, but does highlight the significant amount of undersized pipes in the network. Sump cleaning has been completed twice per year.

Maintenance work in Woodville has been undertaken in Normanby, Burgoyne, Station, and Weber Streets to clear drains. In Eketahuna, Drummond Street drain was cleared. Trees and vegetation were removed from 3km of the Mangapurupuru Stream, Dannevirke. In Pahiatua, grates were cleared and debris removed in the Huxley Street drain.

Stormwater Renewals

Work this financial year has concentrated upon open drains, however, small renewal works have been completed in Arthur Street Pahiatua, Bowen Street Woodville, and the replacement of sumps, grates, and pipes in Alma and Allardice Streets in Dannevirke.

Future Stormwater Maintenance and Renewals

The Tararua Alliance has identified areas where little or no maintenance has been completed for considerable time, and are now investigating the most appropriate corrective remedial work required. They are currently working on developing maintenance and renewal programmes for the larger piped stormwater network, open drains, kerb/channel, and smaller pipes.

Currently, Council is also working on developing a stormwater model of each urban stormwater network. This will give a greater understanding of water flows and peak rainfall intensities. The models will identify the key choke points in the network that require higher maintenance needs to reduce risks to properties and residents from flooding.

In addition to the maintenance needs, the Tararua Alliance will also be developing a data driven renewal programme offering design information for the optimal future pipe sizes. The stormwater modelling tool will also allow assessment of network performance following any renewals to gather information for further renewal requirements.

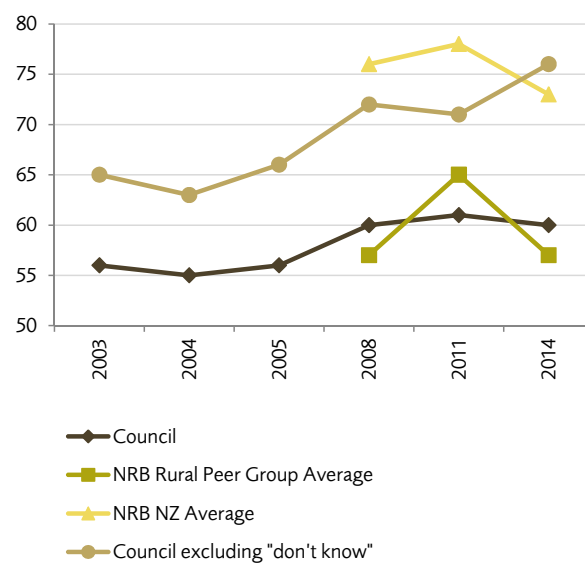
Performance Against Objectives

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">The number of flooding events.*	< 40	ACHIEVED: Nil. A flooding event is defined as an overflow of the stormwater system that enters a habitable floor. We received 30 customer requests for stormwater flooding events but none had an overflow of stormwater into a habitable floor. The majority of these instances occurred during a single extremely heavy rain event on 5 May 2016.	New measure	●																		
<ul style="list-style-type: none">For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system.*	< 5	ACHIEVED: Nil. A habitable floor is defined as a floor of a building but does not include ancillary structures. No habitable floors were affected by the flooding events. The flood event on 5 May 2016 caused flooding to one property's garage.	New measure	●																		
<ul style="list-style-type: none">Percentage of residents rating stormwater management as "fairly satisfactory " or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	NOT APPLICABLE: Next survey is in the 2016/17 year. Results from the last two surveys: <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>61</td><td>60</td></tr><tr><td>Not very satisfied</td><td>25</td><td>20</td></tr><tr><td>Don't know / Unable to say @</td><td>14</td><td>19</td></tr><tr><td>Percentage satisfied</td><td>61%</td><td>60%</td></tr><tr><td>Percentage satisfied excl @</td><td>71%</td><td>76%</td></tr></table>	Category	2011	2014	Very/Fairly Satisfied	61	60	Not very satisfied	25	20	Don't know / Unable to say @	14	19	Percentage satisfied	61%	60%	Percentage satisfied excl @	71%	76%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	61	60																				
Not very satisfied	25	20																				
Don't know / Unable to say @	14	19																				
Percentage satisfied	61%	60%																				
Percentage satisfied excl @	71%	76%																				
<ul style="list-style-type: none">Number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system.*	< 10	ACHIEVED: 8. We received a total of 39 customer requests related to performance of Council's stormwater.	New measure	●																		
<ul style="list-style-type: none">Number of enforcement actions against Council for not meeting resource consent conditions for discharge from the stormwater system relating to:<ul style="list-style-type: none">abatement notices*infringement notices*enforcement orders*convictions*																						
<ul style="list-style-type: none">abatement notices*	0	ACHIEVED: Nil.	New measure	●																		
<ul style="list-style-type: none">infringement notices*	0	ACHIEVED: Nil.	New measure	●																		
<ul style="list-style-type: none">enforcement orders*	0	ACHIEVED: Nil.	New measure	●																		
<ul style="list-style-type: none">convictions*	0	ACHIEVED: Nil.	New measure	●																		

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results
<ul style="list-style-type: none"> Median time (hours) to attend a flooding event, measured from the time that Council receives a notification to the time the service personnel reach the site.* 	2 hours	<p>ACHIEVED: 42 minutes.</p> <p>Council is providing a rapid response time through in-house staff and, latterly, the Tararua Alliance.</p>	New measure	

* These performance measures are the mandatory performance measures introduced by Parliament.

STORMWATER – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014





Wastewater

Activities in this Group

1

Wastewater

To provide the collection, treatment and disposal of urban wastewater to protect public and environmental health.

Funding Impact Statement Wastewater

	2014/15 Actual \$000s	2014/15 LTP Budget \$000	2015/16 LTP Budget \$000s	2015/16 Actual \$000s
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	64	107	107
Targeted rates	2,044	2,416	1,943	1,943
Grants and subsidies operating	-	-	-	-
Fees and charges	121	109	80	107
Local authorities fuel tax, fines, infringement fees, and other receipts	96	-	72	77
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,261	2,589	2,202	2,234
Applications of Operating Funding				
Payment to staff and suppliers	872	887	809	897
Finance costs	305	386	312	204
Internal charges and overheads applied	240	350	324	293
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	1,417	1,623	1,445	1,395
Surplus/(Deficit) of Operating Funding (A - B)	845	966	757	840
Sources of Capital Funding				
Subsidies and grants for capital expenditure	598	484	-	389
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	589	1,363	864	(3,214)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	760	-	-	588
Total Sources of Capital Funding (C)	1,947	1,846	864	(2,237)
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	2,671	2,243	1,145	2,743
- to replace existing assets	572	354	453	1,547
Increase (decrease) in reserves	(452)	215	23	(5,687)
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	2,792	2,813	1,621	(1,397)
Surplus/(Deficit) of Capital Funding (C - D)	(845)	(966)	(757)	(840)
Funding Balance ((A - B) + (C - D))	-	-	-	-



What We Achieved

CAPITAL INVESTMENT

**\$4.3
million**

SERVICE PERFORMANCE MEASURES MET

11 OUT OF **12**



MINISTRY FOR THE ENVIRONMENT FUNDING

**\$389,000
for the year**

(\$2.1 MILLION TO-DATE)

Ministry for the Environment Project

Good progress was made during the year on the joint project with the Ministry for the Environment. The No.2 pond in Dannevirke was de-sludged, deepened, and relined. This was major undertaking as the pond is both deep and large. New baffles and aerators were also installed.

The balance of the year has been spent on the No.1 pond. The removal of sludge from this pond was a major undertaking and took many months. Work is now centred on deepening the pond. The pond depth was found to be very shallow in places and this in turn would have affected the capacity and biological treatment process of the pond. This additional work has increased the overall costs of the project.

In order to avoid triggering the new provisions for earth dams, Council has formed two 20,000m³ sub-ponds within the No.1 pond. As a consequence, two internal walls will need to be formed and compacted to meet the required standards. Wet weather in the latter part of the year has put a hold on this work until the spring.

Resource Consents

A new resource consent for the Norsewood wastewater pond has been received. This is a short term consent which will expire 1 July 2018. This will allow the learnings from the Eketahuna upgrade process to be included in the Norsewood upgrade design and a subsequent process for a longer term consent.

Consent applications for Eketahuna and Pahiatua wastewater have been completed and lodged. To date, one prehearing

has been held with a second one scheduled for late August. The terms and conditions of the new consents will be more rigorous than previous consents due to increased environmental standards under the provisions of the new regional 'One Plan'. It is unclear at this time, what this will mean for the costs associated with operating the new plant in Pahiatua and the upgrade requirements for the Eketahuna site.

Infiltration










Council brought forward a significant amount of money to reline pipes in the Woodville reticulation network. This has fixed some initial cracked pipe problems. Flows still indicate some serious infiltration problems as flows are high at the wastewater plant while the water table is high and also when heavy rainfall occurs. This is a problem common across all wastewater networks.

Council continues to work with the Tararua Alliance to endeavour to identify where these significant inflows are occurring by lifting manholes, isolating areas and checking flows.

Woodville Pond Remediation

Despite several delays due to weather, drainage was completed to remove the groundwater that caused "whale" gas problems under the liner of the No.2 pond. The pond has now been relined. Strong winds during the installation of the liners caused further damage and further delays. Council was successful in securing a claim for the damage under its insurance policy. Staff are looking forward to seeing the pond full and operational again.

Performance Against Objectives

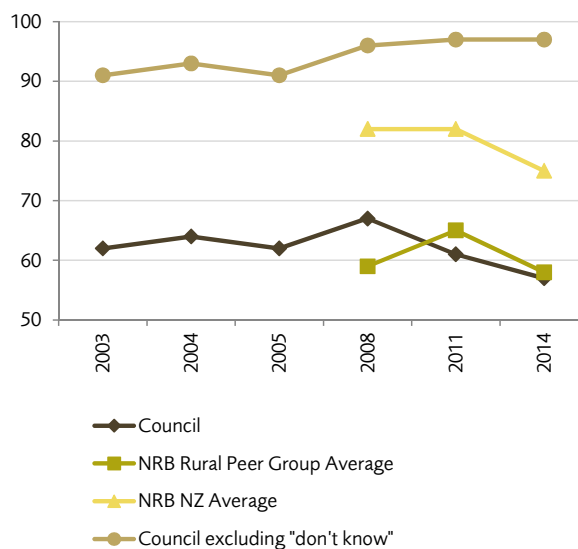
Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
<ul style="list-style-type: none">The number of dry weather sewage overflows from the wastewater system per 1,000 connections.*	< 5	ACHIEVED: 4 A total of 19 sewage overflows occurred in the district during dry weather.	New measure																			
<ul style="list-style-type: none">Percentage of residents rating wastewater management as "fairly satisfactory " or "very satisfactory in community survey to be conducted in 2017, 2020, and 2023.	N/A	NOT APPLICABLE: Next survey is in the 2016/17 year. Results from the last two surveys: <table><tr><th>Category</th><th>2011</th><th>2014</th></tr><tr><td>Very/Fairly Satisfied</td><td>61</td><td>57</td></tr><tr><td>Not very satisfied</td><td>2</td><td>2</td></tr><tr><td>Don't know / Unable to say @</td><td>37</td><td>41</td></tr><tr><td>Percentage satisfied</td><td>61%</td><td>57%</td></tr><tr><td>Percentage satisfied excl @</td><td>97%</td><td>97%</td></tr></table>	Category	2011	2014	Very/Fairly Satisfied	61	57	Not very satisfied	2	2	Don't know / Unable to say @	37	41	Percentage satisfied	61%	57%	Percentage satisfied excl @	97%	97%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	61	57																				
Not very satisfied	2	2																				
Don't know / Unable to say @	37	41																				
Percentage satisfied	61%	57%																				
Percentage satisfied excl @	97%	97%																				
<ul style="list-style-type: none">Number of schemes with consents that are current.	5	NOT ACHIEVED: 3. 4 out of the 7 schemes do not have renewed consents. They do however meet the conditions of the expired consents. The consent for Norsewood has been issued. Council has lodged a new consent application for Woodville, however, this is on hold due to the issues with the pond liner. Applications for Eketahuna and Pahiatua are being processed by Horizons.																				
<ul style="list-style-type: none">Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to:<ul style="list-style-type: none">abatement notices*infringement notices*enforcement orders*convictions*																						
	0	ACHIEVED: Nil.	New measure																			
	0	ACHIEVED: Nil.	New measure																			
	0	ACHIEVED: Nil.	New measure																			
	0	ACHIEVED: Nil.	New measure																			
<ul style="list-style-type: none">Median response time to attend a sewage fault, measured from the time Council receives notification to the time that service personnel reach the site.*	1 hour	ACHIEVED: 22 minutes. Council is providing a rapid response time through in-house staff and, latterly, the Tararua Alliance.	New measure																			
<ul style="list-style-type: none">Median response time to resolve a sewage fault, measured from the time Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.*	8 hours	ACHIEVED: 2 hours 22 minutes. Council is providing a rapid response time through in-house staff and, latterly, the Tararua Alliance.	New measure																			



Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results
<ul style="list-style-type: none"> Number of complaints received about wastewater per 1,000 connections for: <ul style="list-style-type: none"> sewerage odour* < 5 ACHIEVED: 1. There were five issues with odour during the year. sewerage system faults* < 5 ACHIEVED: 2. Nine faults were received during the year. sewerage system blockages* < 7 ACHIEVED: 9. There were a total of 42 complaints received during the year for system blockages. Council's response to the above issues* < 10 ACHIEVED: 0.2. Council only received one complaint regarding its wastewater response service. total number of recorded complaints < 27 ACHIEVED: 12. Council received 57 complaints relating to wastewater during the year. 				
			New measure	●
			New measure	●
			New measure	●
			New measure	●
			New measure	●

* These performance measures are the mandatory performance measures introduced by Parliament.

SEWERAGE SYSTEM – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



Water Supplies

Activities in this Group

1**Water Supplies**

To provide a reliable and cost-effective supply of safe, potable water in reticulated communities.

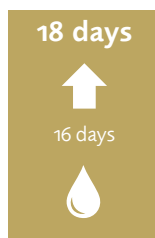


Funding Impact Statement Water Supplies

	2014/15 Actual \$000s	2014/15 LTP Budget \$000	2015/16 LTP Budget \$000s	2015/16 Actual \$000s
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	1,522	1,621	2,077	2,046
Grants and subsidies operating	-	-	-	-
Fees and charges	504	522	-	21
Local authorities fuel tax, fines, infringement fees, and other receipts	217	-	105	183
Internal charges and overheads recovered	-	-	-	-
Total Operating Funding (A)	2,243	2,143	2,182	2,250
Applications of Operating Funding				
Payment to staff and suppliers	906	955	785	964
Finance costs	207	257	257	166
Internal charges and overheads applied	183	181	283	260
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	1,295	1,393	1,325	1,389
Surplus/(Deficit) of Operating Funding (A - B)	948	750	857	861
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	532	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(181)	(242)	1,638	763
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	(181)	(242)	2,170	763
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	-	-	-
- to improve the level of service	73	32	2,405	1,072
- to replace existing assets	299	389	366	440
Increase (decrease) in reserves	395	86	256	112
Increase (decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	767	508	3,027	1,624
Surplus/(Deficit) of Capital Funding (C - D)	(948)	(750)	(857)	(861)
Funding Balance ((A - B) + (C - D))	-	-	-	-

What We Achieved

INCREASED CAPACITY OF DANNEVIRKE WATER SUPPLY



CAPITAL INVESTMENT

\$1.5 million

DESIGN COMPLETED TO INCREASE CAPACITY OF WATER SUPPLIES



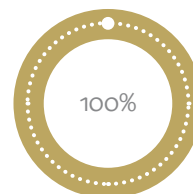
WOODVILLE

* usable water



PAHIATUA

RESOURCE CONDITIONS MET FOR URBAN WATER SUPPLIES



Hot weather during the latter part of the summer brought with it water quality issues in Pahiatua and Woodville, and a series of complaints from residents regarding taste and odour. These historical issues arise from the algae growth in both the open water sources and in the Woodville dam when the weather is hot. In these two towns there is an insufficient supply of alternate water to fully meet community needs during periods of low river levels. During 2015/16, Council confirmed its commitment to addressing these issues and commenced the following two projects.

Pahiatua Water Supply

Council decided to install more water storage in the township. This will allow the supply of all water for the town from the existing bore source, and eliminate the need for any further take from the Mangatainoka River. The new 6,000m³ reservoir has been ordered. Wet weather delayed the clearing of the site, but this work is now complete. A geotechnical report, obtained in July 2016, indicated that the soil structure at the site was not suitable to support the tank (investigation into a new site is in progress).






Woodville Impounded Supply

Council has made a decision to increase the dam size to 75,000m³ and install a floating cover. Construction is due to start early 2017. A 5,000m³ secondary lined impounded supply next to the treatment plant will also be constructed to ensure another three days of stored raw water is available for the town during the construction period.

Dannevirke

During the year, Council completed a project to lift the height of the water level in the impounded supply water by one metre. This has increased the total amount of water storage in the reservoir in a very cost-effective way. The installation of a new treatment plant is also well underway. The project involves a new shed, pipework and valves and a UV disinfection plant. This is stage one in a two-stage project that will see a filtration plant installed, in the future, to make the supply fully compliant with the NZ Drinking Water Standards.

Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results																		
Percentage of customers rating availability of water as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.	N/A	NOT APPLICABLE: Next survey is in the 2016/17 year. Results from the last two surveys: <table border="1"><thead><tr><th>Category</th><th>2011</th><th>2014</th></tr></thead><tbody><tr><td>Very/Fairly Satisfied</td><td>51</td><td>49</td></tr><tr><td>Not very satisfied</td><td>25</td><td>14</td></tr><tr><td>Don't know / Unable to say @</td><td>25</td><td>38</td></tr><tr><td>Percentage satisfied</td><td>51%</td><td>49%</td></tr><tr><td>Percentage satisfied excl @</td><td>67%</td><td>78%</td></tr></tbody></table>	Category	2011	2014	Very/Fairly Satisfied	51	49	Not very satisfied	25	14	Don't know / Unable to say @	25	38	Percentage satisfied	51%	49%	Percentage satisfied excl @	67%	78%	No NRB survey	No NRB survey
Category	2011	2014																				
Very/Fairly Satisfied	51	49																				
Not very satisfied	25	14																				
Don't know / Unable to say @	25	38																				
Percentage satisfied	51%	49%																				
Percentage satisfied excl @	67%	78%																				
Number of recorded complaints per 1,000 connections to Council's networked reticulation system for:																						
• drinking water pressure or flow*	< 5	ACHIEVED: 2. There were 9 complaints received during the year.	New measure	●																		
• drinking water taste*	< 5	NOT ACHIEVED: 7. There were 32 complaints received during the year.	New measure	●																		
• drinking water clarity*	< 5	ACHIEVED: 5. There were 22 complaints received during the year.	New measure	●																		
• drinking water odour*	< 5	ACHIEVED: 2. There were 11 complaints received during the year.	New measure	●																		
• continuity of supply*	< 5	ACHIEVED: 3. There were 17 supply disruptions during the year.	New measure	●																		
• Council's response to the issues above*	< 5	ACHIEVED: Nil. There were no complaints during the year about Council's response.	New measure	●																		
• total number of recorded complaints*	< 30	ACHIEVED: 19. Council received 91 complaints relating to water supply during the year.	New measure	●																		
Number of schemes with a Public Health Management Plan in place.	7	ACHIEVED: 8. Includes the Pongaroa Rural Water Town Supply Water Safety Plan (a scheme owned by Council and supplying a town supply) added to the scheme last year. The Public Health Management Plans are being updated to the Water Safety Plan under the new standards.	●	●																		

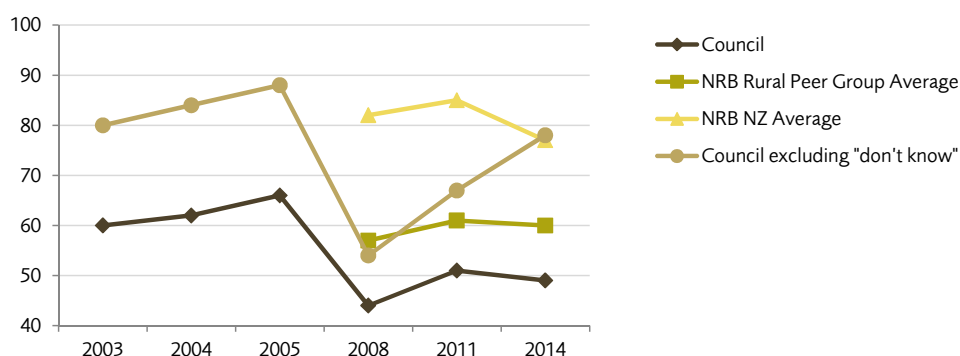
Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results														
<ul style="list-style-type: none">Number of schemes that comply with Part 4 (bacteria compliance criteria) of the NZ Drinking Water Standards.*	5	<p>NOT ACHIEVED: 3.</p> <table><thead><tr><th>Town Supply</th><th>Compliant?</th></tr></thead><tbody><tr><td>Akitio</td><td>No</td></tr><tr><td>Dannevirke</td><td>Yes</td></tr><tr><td>Eketahuna</td><td>Yes</td></tr><tr><td>Norsewood</td><td>No (plant) Yes (zone)</td></tr><tr><td>Pahiatua</td><td>No</td></tr><tr><td>Woodville</td><td>Yes</td></tr></tbody></table> <p>Council's sampling regime had not been updated to meet the new standards. This resulted in the time between samples being exceeded, and non-compliance even though no bacteria were found to be present in the supplies. The sampling regime has been compliant since Council was alerted to the issue.</p>	Town Supply	Compliant?	Akitio	No	Dannevirke	Yes	Eketahuna	Yes	Norsewood	No (plant) Yes (zone)	Pahiatua	No	Woodville	Yes	New measure	
Town Supply	Compliant?																	
Akitio	No																	
Dannevirke	Yes																	
Eketahuna	Yes																	
Norsewood	No (plant) Yes (zone)																	
Pahiatua	No																	
Woodville	Yes																	
<ul style="list-style-type: none">Number of schemes that comply with Part 5 (protozoal compliance criteria) of the NZ Drinking Water Standards.*	5	<p>NOT ACHIEVED: 1.</p> <table><thead><tr><th>Town Supply</th><th>Compliant?</th></tr></thead><tbody><tr><td>Akitio</td><td>No</td></tr><tr><td>Dannevirke</td><td>No</td></tr><tr><td>Eketahuna</td><td>No</td></tr><tr><td>Norsewood</td><td>Yes</td></tr><tr><td>Pahiatua</td><td>No</td></tr><tr><td>Woodville</td><td>No</td></tr></tbody></table> <p>The new drinking water standards require schemes to have sufficient barriers in place to provide full protection against protozoa. This is the main reason Council is progressively upgrading its water schemes to meet the new standards.</p>	Town Supply	Compliant?	Akitio	No	Dannevirke	No	Eketahuna	No	Norsewood	Yes	Pahiatua	No	Woodville	No	New measure	
Town Supply	Compliant?																	
Akitio	No																	
Dannevirke	No																	
Eketahuna	No																	
Norsewood	Yes																	
Pahiatua	No																	
Woodville	No																	
<ul style="list-style-type: none">Median response time to attend an urgent call-out, measured from the time Council receives notification to the time that service personnel reach the site.*	1 hour	ACHIEVED: 44 minutes.	New measure															
<ul style="list-style-type: none">Median time to resolve an urgent call-out, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption.*	8 hours	ACHIEVED: 2 hours and 45 minutes.	New measure															
<ul style="list-style-type: none">Median response time to attend a non-urgent call-out, measured from the time Council receives notification to the time that service personnel reach the site.*	24 hours	ACHIEVED: 2 hours and 9 minutes.	New measure															



Performance Measure and Target	Target	Achievement	2014/15 Results	2015/16 Results
<ul style="list-style-type: none"> Median time to resolve a non-urgent call-out, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption.* 	72 hours	ACHIEVED: 5 hours and 24 minutes.	New measure	●
<ul style="list-style-type: none"> The percentage of real water loss from the Council's networked reticulation schemes based on the minimum night flow (MNF) analysis.* 	7%	NOT ACHIEVED: 46%. The bulk meter results show higher than expected water flows into the towns in the early hours of the morning when usage should be minimal. This indicates unaccounted for water usage. This is being investigated further, and the reported result is expected to be much lower next year when this usage can be quantified and therefore legitimately deducted from the water loss equation.	New measure	●
<ul style="list-style-type: none"> Average consumption of drinking water per day per resident connected to a Council scheme.* 	300 litres	ACHIEVED: 213 litres. The daily average for each monitored household is calculated by dividing the actual usage between meter readings/ number of days in the period consumption/ number of residents in the household The average consumption for residents in the household is calculated by dividing the consumption for the year/number of days/number of residents living in the household. The average consumption per day per resident for each town is calculated as the average of the monitored households in each town. Census figures for 2013 – number of usually resident population (URP) for each of the monitored towns – as reported on page 28 of Part A of the Tararua District Council Asset Management Plan were used to calculate the proportionate use.	New measure	●

* These performance measures are the mandatory performance measures introduced by Parliament.

AVAILABILITY OF WATER – PUBLIC SATISFACTION SURVEY TRENDS 2003 TO 2014



Financial Statements





Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2016

	Note	2014/15 Council Actual \$000s	2015/16 Council Actual \$000s	2015/16 Council Plan \$000s
Revenue				
Rates	2	20,106	20,622	21,176
Grants and Subsidies		9,504	10,778	8,740
Fees and Charges	4	2,179	2,287	2,502
Finance Revenue	3	450	284	245
Other Revenue	5	1,029	1,283	460
Forestry Sales		1,949	1,979	-
Development and Financial Contribution		-	-	-
Total operating revenue		35,217	37,233	33,122
Expenditure				
Other Operating Expenses	9	17,528	17,538	16,596
Depreciation and amortisation	19 & 20	11,532	11,368	11,092
Personnel Costs	7	4,812	4,891	4,640
Finance Costs	3	923	935	596
Total operating expenditure before asset gains/losses		34,795	34,732	32,924
Operating surplus/(deficit) before asset gains/losses		423	2,501	198
Other asset gains/(losses)	6	(251)	640	45
Operating surplus/(deficit) before tax		172	3,141	243
Less Taxation Expense/Plus Refund	11	-	-	-
Surplus/(deficit) after tax		172	3,141	243
Surplus/(deficit) attributable to:				
Parent Interest (Taranua District Council)	24	172	3,141	243
Surplus/(deficit) for the period		172	3,141	243
Other Comprehensive Revenue and Expense				
Gains/(losses) on assets revaluation	25	73	(7,631)	12,918
Financial assets at fair value through other comprehensive revenue & expense	24	-	-	-
Other Comprehensive Revenue and Expense Subtotal		73	(7,631)	12,918
Total Comprehensive Revenue and Expense		244	(4,490)	13,161

Explanations of major variances against budget are provided in Note 37.

These Statements should be read in conjunction with the 'Notes to the Financial Statements'.

Statement of Changes in Equity for the Year Ended 30 June 2016

	Note	2014/15 Council Actual \$000s	2015/16 Council Actual \$000s	2015/16 Council Plan \$000s
Balance at 1 July		880,666	880,910	881,197
Total comprehensive revenue & expense previously reported		244	(4,490)	13,161
Total Balance at 30 June		880,910	876,419	894,358
Total Comprehensive Revenue and Expense attributable to:				
Taranaki District Council		244	(4,490)	13,161
Total Comprehensive Revenue and Expense		244	(4,490)	13,161
Detailed Changes				
Accumulated Funds				
Balance at 1 July		350,455	346,912	350,352
Net Surplus/(Deficit) after Tax for the Year		172	3,141	243
Fair value through equity		-	-	-
Net transfers between Equity and Reserves		(3,715)	251	(1,779)
Balance at 30 June		346,912	350,302	348,816
Asset Revaluation Reserves				
Balance at 1 July		504,901	504,973	504,895
Increase in Revaluation Reserves		73	(7,631)	12,918
Balance at 30 June		504,973	497,343	517,813
Special Funded Reserves				
Balance at 1 July		25,260	28,976	25,900
Increase in Special Reserves		3,715	(246)	1,779
Balance at 30 June		28,976	28,730	27,679
Trust Funds				
Balance at 1 July		50	49	50
Increase in Trust Funds		(1)	(5)	-
Balance at 30 June		49	44	50
Total Equity at 30 June		880,910	876,419	894,358

Explanations of major variances against budget are provided in Note 37.

These Statements should be read in conjunction with the 'Notes to the Financial Statements'.



Statement of Financial Position as at 30 June 2016

	Note	2014/15 Council Actual \$000s	2015/16 Council Actual \$000s	2015/16 Council Plan \$000s
Assets				
Current Assets				
Cash and cash equivalent	1	4,341	2,763	3,518
Debtors and other receivables	12	5,213	4,259	3,874
Other financial assets	15	5,523	6,144	7,013
Inventories	14	272	123	91
Asset held for sale	18	-	138	-
Total Current Assets		15,349	13,427	14,496
Non-Current Assets				
Other financial assets	15	158	145	257
Investment held in New Zealand Local Government Insurance Corporation Ltd	15	118	118	-
Debtors and other receivables	12	-	46	-
Investment Property	16	1,737	1,808	2,102
Forestry assets	13	1,414	1,137	1,269
Intangible assets	20	875	1,176	779
Property, plant & equipment – operational	19	33,641	32,670	40,414
Property, plant & equipment – infrastructure	19	839,419	836,808	849,462
Property, plant & equipment – restricted	19	4,769	4,770	4,170
Total Non-Current Assets		882,132	878,679	898,453
Total Assets		897,481	892,106	912,949
Liabilities				
Current Liabilities				
Payables and deferred revenues	21	4,286	4,189	3,466
Borrowings – current	23	1,000	-	-
Employee entitlements	8	407	429	549
Total Current Liabilities		5,694	4,618	4,015

	Note	2014/15 Council Actual \$000s	2015/16 Council Actual \$000s	2015/16 Council Plan \$000s
Non-Current Liabilities				
Borrowings – non-current	23	9,482	9,924	13,142
Employee entitlements	8	29	27	73
Tenant contributions	17	675	477	675
Provision for landfill aftercare	22	692	639	686
Total Non-Current Liabilities		10,878	11,067	14,576
Total Liabilities		16,572	15,685	18,591
Equity				
Accumulated Funds	24	346,912	350,302	348,816
Asset Revaluation Reserves	25	504,973	497,343	517,813
Special Funded Reserves	26	28,976	28,730	27,679
Trust Funds	27	49	44	50
Total Equity		880,910	876,419	894,358
Total Liabilities and Equity		897,481	892,106	912,949

Explanations of major variances against budget are provided in Note 37.

These Statements should be read in conjunction with the 'Notes to the Financial Statements'.



Statement of Cash Flows for the Year Ended 30 June 2016

	Note	2014/15 Council Actual \$000s	2015/16 Council Actual \$000s	2015/16 Council Plan \$000s
Cash Flows from Operating Activities				
Cash was provided from:				
Rates		20,178	20,397	21,176
Grants and subsidies		8,278	12,423	8,740
Fees, charges and other receipts (including Donations)		2,230	1,705	2,501
Interest received		435	340	245
Dividends & subvention payment received		-	-	-
Income tax refunds		-	-	-
Other revenue		2,997	3,354	460
GST refunds		-	-	-
		34,118	38,219	33,122
Cash was applied to:				
Payments staff and suppliers		(21,974)	(21,531)	(21,236)
Interest paid		(509)	(504)	(596)
Income tax payments		-	-	-
GST payments		-	-	-
		(22,483)	(22,035)	21,832
Net cash inflow (outflow) from operating activities	28	11,635	16,185	11,290
Cash Flows from Investing Activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment		39	550	-
Proceeds from investment property		-	-	-
Proceeds from investments realised		3,146	5,536	1,000
		3,185	6,086	1,000
Cash was applied to:				
Purchase of property, plant and equipment		(13,135)	(16,288)	(13,984)
Purchase of Intangible assets		(308)	(219)	-
Purchase of investments		(5,555)	(6,144)	(1,889)
		(18,997)	(22,651)	(15,873)
Net cash inflow (outflow) from investing activities		(15,812)	(16,565)	(14,873)



	Note	2014/15 Council Actual \$000s	2015/16 Council Actual \$000s	2015/16 Council Plan \$000s
Cash Flows from Financing Activities				
Cash was provided from:				
Proceeds from borrowings		5,000	-	3,583
Tenant contributions received		-	-	-
		5,000	-	3,583
Cash was applied to:				
Dividend paid		-	-	-
Tenant contributions repaid		-	(198)	-
Repayment of borrowings		(6,000)	(1,000)	-
		(6,000)	(1,198)	-
Net cash inflow (outflow) from financing activities		(1,000)	(1,198)	3,583
Net increase (decrease) in cash held		(5,177)	(1,578)	-
Total cash resources at start of the year		9,518	4,341	3,518
Total cash resources at end of the year	1	4,341	2,763	3,518

Explanations of major variances against budget are provided in Note 37.

These Statements should be read in conjunction with the 'Notes to the Financial Statements'.



Whole of Council Funding Impact Statement

	2014/15 Actual	2014/15 Budget	2015/16 Actual	2015/16 Budget
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	5,978	5,960	6,615	6,617
Targeted rates	14,105	14,110	14,528	14,559
Subsidies and grants for operating purposes	3,876	3,915	4,054	3,912
Fees and charges	2,956	4,180	2,580	2,501
Interest and dividends from investments	450	353	284	245
Local authorities fuel tax, fines, infringement fees, and other receipts	2,149	715	2,440	460
Total Operating Funding	29,514	29,233	30,501	28,294
Applications of Operating Funding				
Payment to staff and suppliers	23,092	21,704	23,243	21,235
Finance costs	923	626	935	596
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	24,015	22,330	24,178	21,831
Surplus/(Deficit) of Operating Funding	5,499	6,903	6,323	6,463
Sources of Capital Funding				
Subsidies and grants for capital expenditure	5,628	6,642	6,724	4,828
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(605)	972	(558)	3,583
Gross proceeds from sale of assets	-	30	550	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	829	-	822	-
Total Sources of Capital Funding	5,852	7,644	7,538	8,411
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	14	16	23
- to improve the level of service	6,232	6,742	6,598	6,117
- to replace existing assets	7,329	8,638	10,158	7,845
Increase (decrease) in reserves	(2,210)	2,152	(2,912)	889
Increase (decrease) of investments	-	(3,000)	-	-
Total Applications of Capital Funding	11,351	14,546	13,860	14,874
Surplus/(Deficit) of Capital Funding	(5,499)	(6,903)	(6,323)	(6,463)
Funding Balance	-	-	-	-

Reconciliation Whole of Council Funding Impact Statement to Comprehensive Revenue and Expense

	2014/15 Actual	2014/15 Budget	2015/16 Actual	2015/16 Budget
Revenue				
Statement of Comprehensive Revenue and Expense	35,217	35,874	37,233	33,122
Summary Funding Impact Statement				
Sources of Operating Funding				
Total operating funding	29,514	29,233	30,501	28,294
Add sources of capital funding:				
- Subsidies and grants for capital expenditure	5,628	6,642	6,724	4,828
- Investment (gains/losses)	-	-	-	-
Other dedicated capital funding	829	-	822	-
Less rates remission and discount	(464)	-	(483)	-
Less internal rates revenue eliminated	(289)	-	(331)	-
Total Revenue	35,217	35,874	37,233	33,122
Expenditure				
Statement of Comprehensive Revenue and Expense				
Operating expenditure	34,795	34,050	34,732	32,924
Total application of operating funding	24,015	22,330	24,178	21,832
Add depreciation and amortisation expense	11,532	11,720	11,370	11,092
Less rates remission and discount	(464)	-	(483)	-
Less internal rates revenue eliminated	(289)	-	(331)	-
Total Expenditure	34,795	34,050	34,732	32,924



Statement of Accounting Policies

For the year ended 30 June 2016

Reporting Entity

Tararua District Council (Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return. The Council has designated itself as a public benefit entity (PBEs) for financial reporting purposes.

The group consists of Tararua District Council and its associate, Manawatu-Wanganui LASS Limited, a 14% owned associate – public benefit entity. They are domiciled and incorporated in New Zealand.

The financial statements of Council are for the year ended 30 June 2016. The financial statements were authorised for issue by Council on 26 October 2016.

Basis of Preparation

Statement of Compliance

The financial statements of Tararua District Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements in the full Annual Report have been prepared in accordance with NZ GAAP. They comply with NZ Public Benefit Entity International Public Sector Accounting Standards, and are prepared in accordance with Tier 1 PBE Standards.

Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets, financial instruments (including derivative instruments), and carbon credits.

Functional and Presentation Currency

The financial statements are presented in the functional currency, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$'000).

Changes in Accounting Policies

There has been no changes in accounting policies for the year.

Associates

Associates are entities over which Council has significant influence but not control and are neither subsidiaries nor joint venture interests.

Investments in associates are recorded in the financial statements using the equity method and are initially recognised at cost in the parent financial statements. The carrying amount is increased or decreased to recognise Council's share of the surplus or deficit in the associate after the date of acquisition. Council's share of the surplus or deficit in the associate is recognised in surplus or deficit. Distributions from associates are recognised in the financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, Council discontinues recognising its share of further deficits. After Council's interest is reduced to zero, additional deficits are provided for, and liability is recognised, only to the extent that the Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where Council transacts with an associate, surplus or deficits are eliminated to the extent of Council's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

Revenue

Revenue is measured at fair value.

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

Exchange and Non-exchange Transactions

An exchange transaction is one in which the Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Non-exchange transactions are where the Council receives value from another entity without giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Rates Revenue

The following policies of rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised on as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received on application that satisfies its rates remission policy.

Contribution Revenue

Development contributions and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Government Subsidies

Government grants, for example from NZ Transport Agency, Ministry of Health and Ministry of Environment, are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

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.

Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue, unless there is a return condition attached to the asset. Assets vested in Council are recognised as revenue when control over the asset is obtained.

The fair value of vested assets is determined by reference to the cost of constructing the asset.

Sales of Goods

Revenue from sale of goods is recognised when a product is sold to the customer.

Commission

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Dividends

Dividends are recognised when the right to receive payment has been established.

Interest Revenue

Interest revenue is recognised using the effective interest method.



Borrowing Costs

Borrowing costs are recognised as an expense in the period that they are incurred.

Grant Expenditure

Nondiscretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Foreign Currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Council expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the

transaction, affects neither accounting profit nor taxable surplus.

Current tax and deferred tax is recognised against the surplus or deficit for the period except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Leases

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council will recognise finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

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

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 90 days or less, and bank overdrafts.

Bank overdrafts where applicable are shown within borrowings in current liabilities in the statement of financial position.

Debtors and Other Receivables

Debtors and other receivables are measured at face value less any provision for impairment.

Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that

are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the surplus or deficit.

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which Council 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 the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories: fair value through surplus or deficit, held-to-maturity investments, loans and receivables and fair value through other comprehensive revenue and expense. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its investments at initial recognition.

Financial Assets at Fair Value Through Surplus or Deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking.

Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses recognised in the surplus or deficit.

Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each balance date. The resulting gain or loss is recognised in the surplus or deficit as part of finance costs.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits, community and related party loans.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Held to Maturity Investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial Assets at Fair Value Through Other Comprehensive Revenue and Expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated as fair value through equity or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. Council's financial assets at fair value through other comprehensive revenue and expense comprise local authority stock and investments in quoted and unquoted shares.



Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. On derecognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Fair Value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market 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. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Impairment of Financial Assets

At each balance sheet date Council 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 surplus or deficit.

Loans and Other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council 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.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance 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 of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the Council 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.

Fair Value Through Other Comprehensive Revenue and Expense

For equity investments classified as fair value through other comprehensive revenue and expense, 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 for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) is removed from equity and recognised in the surplus or deficit.

Impairment losses recognised in the surplus or deficit on equity investments are not reversed through the surplus or deficit.

Non-Current Assets Held for Sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, Plant and Equipment

Property, plant and equipment consists of:

Operational assets – These include land, buildings, library books, plant and equipment, motor vehicles, fibre cabling and conduits, furniture and fittings, and swimming pools.

Infrastructure assets – Infrastructure assets includes the roading corridor network, footpaths and fixed utility systems owned by Council. 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.

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

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its 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 disposals are determined by comparing the proceeds with the carrying amount of the asset.

Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council 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 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.

Land, land under roads, restricted assets, assets under construction, investment properties, and biological assets are not depreciated.

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

Asset Category	Useful Life	Depreciation Rate
Operational & Restricted Assets		
Buildings	9–80	(1.3%–11.1%)
Computer equipment	2–45	(2.2%–50%)
Fibre cabling and conduits	20–30	(3%–5%)
Furniture and fittings	2–45	(2.2%–50%)
Library collections	1–10	(10%–100%)
Motor vehicles	5–20	(5%–20%)
Plant and equipment	2–33	(3%–50%)
Swimming pools	15–50	(2%–6.7%)
Infrastructural Assets		
Roading		
Top surface (seal)	15–18	(5.6%–6.7%)
Top Surface (Unsealed)	1	(100%)
Pavement (seal base course)	30–90	(1.1%–3.33%)
Pavement (unsealed base course)	Not depreciated	
Sub-base (Rural)	Not depreciated	
Sub-base (Urban)	40	(2.5%)
Formation	Not depreciated	
Culverts	50–80	(1%–1.37%)
Kerbing	25–100	(1%–4%)
Footpaths	10–100	(1%–10%)
Signs	8	(12.5%)
Streetlights	12–30	(3.3%–8.3%)
Bridges	50–140	(0.7%–2%)
Stormwater		
Pipes	80	(1.3%)
Manholes	100	(1%)
Wastewater Network		
Pipes & Manholes	60–120	(0.8%–1.7%)
Treatment Ponds	80	(1.3%)
Pumps	10	(10%)
Flow Monitoring Equipment	10	(10%)



Asset Category	Useful Life	Depreciation Rate
Water Network		
Monitoring Equipment (hardware)	5–20	(5%–20%)
Pipes, Hydrants, Valves	50–120	(0.8%–2%)
Treatment Plants	10–100	(1%–10%)
Pumps	15–25	(4%–6.7%)
Tanks	40–200	(0.5%–2.5%)
Waste Management	2–17	(5.9%–50%)
Items under construction	Non-depreciable	

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

Revaluation

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

Revaluations	Frequency
Infrastructural Assets	Annually
Roads (except land under roads)	Annually
Bridges	Annually
Sewerage	Annually
Stormwater	Annually
Water	Annually
Land	Every 3 years
Restricted Assets	Every 3 years
Buildings	Every 3 years

Land, buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost.

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The results of revaluing are credited or debited to other comprehensive revenue and expense and held in an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to other

comprehensive revenue and expense and held in the revaluation reserve for that class of asset.

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

Infrastructure assets are revalued at fair value determined on a depreciated replacement cost basis and reviewed by an independent valuer. These assets are revalued annually as at 1 July.

Operational and Restricted Land and Buildings

These are revalued at fair value as determined from market based evidence by an independent valuer on a three yearly cycle at 1 July.

Land Under Roads

Land under roads, was valued based on fair value of adjacent land as determined by reference to the Council rating data. Subsequently, this has not been revalued.

Unformed or Paper Roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with Council.

Council does not recognise land under unformed paper roads in the statement of financial position because there is no service potential from the majority of paper roads. The public good of having access routes is very difficult to value. In addition there is a very limited market for sale to the surrounding or adjacent property owner, and cannot be measured reliably because of the small individual area of many paper roads to those adjacent or surrounding properties, and the high cost of sale.

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 that are directly associated with the development of software for internal use by Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Carbon Credits

Carbon credits are initially recognised at cost, or fair value on free carbon credits. After initial recognition, all carbon credits are revalued, annually, at fair value.

The net revaluation result is credited or debited to other comprehensive revenue and expense and is accumulated through revaluation reserve. Where this results in a debit balance in the reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase in revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Carbon credits are not amortised.

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 surplus or deficit.

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

	Useful life	Depreciation Rate
Computer software	3-5 years	20-33%

Forestry Assets

Forestry assets are revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on 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 surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit.

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, Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit. Investment properties are not depreciated.

Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

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 assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

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

Livestock

A small number of deer are kept for recreational purposes, hence are not revalued but recognised at cost. These are held as inventory.

Payables and Deferred Revenue

Payables and deferred revenue are initially measured at face value.



Employee Benefits

Short-Term Entitlements

Employee benefits that expect 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 to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave, when material, to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-Term Entitlements

Long Service Leave and Retirement Leave

These are long-term employee benefits that are assessed on an accrued entitlement basis at current rates of pay.

Superannuation Schemes

- **Defined Contribution Schemes**

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

- **Defined Benefit Schemes**

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

Council 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 expenditures will be required to

settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the obligation. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value even if payment under guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a liability is recognised based on the probability that Council will be required to reimburse a holder for a loss incurred and is disclosed as a contingent liability.

Borrowing

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

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

Equity

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

The components of equity are:

- Accumulated funds
- Asset revaluation reserves
- Special funded reserves
- Trust funds

Asset Revaluation Reserve

This reserve relates to the revaluation of infrastructure assets, carbon credits, land, and buildings to fair value.

Special Funded and Council Created Reserves

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

Council's Treasury Policies and Long Term Plan allow internal borrowing against these reserves on the basis they will be reimbursed over time or at time of need.

Trust Funds

Trust funds are those subject to specific conditions accepted as binding by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as 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 an 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 most current of the annual plan or the Long Term Plan.

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

Cost Allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system 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 significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant on the following cost drivers: expenditure, floor area, employees and assets.

Statement of Cash Flows

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. They include cash received from all revenue sources (such as rates, taxes and government grants) and record the cash payments made for the supply of goods and services (including payments to other public benefit entities to finance their operations, but not loans). Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows as they do not represent transactions that Council can control.

Investing activities are those activities relating to the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities comprise activities that change the equity and debt capital structure of the Council.

Rounding

There will be rounding of numbers in the Annual Report as the financial reporting model used calculates to the dollar but the Annual Report is rounded to the nearest thousand.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

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

Landfill Aftercare Provision

Note 22 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural 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; and
- 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 Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the 'New Zealand 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 the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers are used in performing or reviewing the Council's infrastructural asset revaluations.

Council to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by Council, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of revenue and expense, and carrying amount of the asset in the statement of financial position. Council minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

Council has made changes to past assumptions concerning useful lives and residual values. Council has increased the life range on bridges from 100 years to 140 years, and has also increased the life range on water monitoring equipment from five years to 20 years. The carrying amounts of property, plant and equipment are disclosed in Note 18.

Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying Council's accounting policies for the period ended 30 June 2016.

Classification of Property

Council owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's housing policy. These properties are accounted for as property, plant and equipment.

Property, plant and equipment useful lives and residual values

At each balance date the Council reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires

Council to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by Council, and expected disposal proceeds from the future sale of the asset.

Notes to Financial Statements

For the year ended 30 June 2016

1. Cash and Cash Equivalents

The average interest rate received on the Bank Deposit for the 2015/16 year was 3.16%. In 2014/15 this was 4.1%.

	2014/15 Council \$000s	2015/16 Council \$000s
Cash at bank and in hand	841	2,734
Term deposits maturing 3 months or less from date of acquisition	3,500	29
Total Cash and Cash Equivalents	4,341	2,763

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

Financial assets recognised in a non-exchange transaction that are subject to restrictions

The Council holds unspent funds, included in cash a bank and investments, of \$44,000 (2015: \$49,000). These unspent funds relate to trusts received (Note 26). The restrictions generally specify how the funds are required to be spent.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	2014/15 Council \$000s	2015/16 Council \$000s
Cash and cash equivalent current asset	841	2,734
Short term deposits maturing 3 months or less from date of acquisition	3,500	29
Cash and cash equivalent current liability – bank overdraft	-	-
Total Cash Resources	4,341	2,763

2. Rates Revenue

	2014/15 Council \$000s	2015/16 Council \$000s
General Rates		
Uniform Annual General Charge	3,797	4,104
General Land Rates	2,180	2,507
Targeted Rates Attributable to Group of Activities		
Community and Recreation Facilities	1,386	1,580
District Promotion and Economic Development	288	425
Regulatory Services	302	220
Roading and Footpaths	7,077	6,790
Solid Waste Management	731	865
Stormwater	755	657
Wastewater	2,044	1,945
Water Supplies	1,522	1,574
Rates Revenue before Discount	20,082	20,666
Less 3% discount for full payment at time of first instalment	(77)	(77)
Rates Revenue after Discount	20,005	20,589
Plus metered water charges	476	476
Less Rates Remissions	(388)	(406)
Less Rates internally charged to Council	(290)	(331)
Plus Net Rates Penalties	301	294
Total revenue from rates	20,106	20,622

Rates Remissions

	2014/15 Council \$000s	2015/16 Council \$000s
Rates Remissions		
Footpath Development Loans (Dannevirke Town Centre)	8	8
Sewerage – educational establishments	84	81
General Rates	259	284
General Rates – not for profit sports and cultural	37	33
Total	388	406

Council had 10,595 rateable assessments as at 30 June 2015. The total capital and land value of these assessments was \$4,877,027,130 and \$3,041,336,750 respectively.

3. Finance Revenue and Finance Costs

	2014/15 Council \$000s	2015/16 Council \$000s
Finance Revenue		
Interest on bank deposits	450	284
Total Finance Revenue	450	284
Finance Costs		
Interest on bank overdraft	-	-
Landfill interest expense	5	(15)
Fair value movement of derivative	395	443
Interest on secured loans	523	507
Total Finance Costs	923	935
Net Finance (Costs)/Gain	(473)	(651)

4. Fees and Charges

	2014/15 Council \$000s	2015/16 Council \$000s
Building and planning consent charges	346	388
Dog registration fees	194	231
Landfill and transfer station charges	461	506
Pensioner housing rent	352	353
Trade waste charges	101	90
Petroleum tax	158	163
Rendering of services	44	33
Other fees and charges	524	522
Total	2,179	2,287



5. Other Revenue

	2014/15 Council \$000s	2015/16 Council \$000s
Revenue from the various domain boards	135	116
Bequests and other donations	-	-
Insurance recoveries:		
- motor vehicles	-	-
- wastewater pipes	760	588
- buildings	69	244
Other	64	335
Total Miscellaneous Revenue	1,029	1,283

6. Other Gains and Losses

	2014/15 Council \$000s	2015/16 Council \$000s
Gain/(Loss) on disposal of property, plant & equipment	(282)	(219)
Gain (Loss) on Investment properties	(319)	71
Gain (Loss) on change in forestry value	311	108
Gain on over provision of liability	39	-
Infracon proceeds	-	680
Total Gains/(Losses)	(251)	640

7. Personnel Costs

Salaries and wages includes movements in employee benefit liabilities.

	2014/15 Council \$000s	2015/16 Council \$000s
Salaries and wages	4,714	4,581
Defined contribution plan employer contributions	123	124
Termination benefits	-	-
Other benefits	-	-
Training costs	159	166
Increase/(decrease) in employee entitlements/liabilities	(184)	20
Total Employee Benefit Costs	4,812	4,891

Employer contributions to defined contribution plans include contributions to Kiwisaver and the DBP Contributors Scheme.

8. Employee Entitlements

	2014/15 Council \$000s	2015/16 Council \$000s
Accrued pay	84	79
Annual leave	322	346
Long service leave	3	3
Retirement leave	26	27
Sick leave	-	-
Total Employee Provisions	436	456
Made up of:		
Current portion of employee provisions	407	429
Non-current portion of employee provisions	29	27
Total Employee Provisions	436	456

Employee Provisions – Movements

	2014/15 Council \$000s	2015/16 Council \$000s
Opening Balance	620	436
Additional provision	211	394
Amount used	(395)	(374)
Net Movement for the Year	(184)	20
Closing Balance	436	456



9. Other Operating Expenses

	2014/15 Council \$000s	2015/16 Council \$000s
Audit fees for financial statement audit – current year	108	110
Audit fees for debenture trust deed	-	4
Audit fees for financial statement audit – prior year	-	10
Audit fees for Long Term Plan	78	-
Audit fees for other services*	17	-
Impairment of receivables movement (see note 12)	16	239
Impairment of property plant & equipment	-	-
Donations	-	-
Inventory consumption	49	149
Rental and operating lease expenses	27	47
Other operating expenses	17,232	16,978
Total Other Operating Expenses	17,528	17,538

* The fees to Audit New Zealand for other services in the year ending 30 June 2015 was in relation to a probity review for the roading corridor.

10. Depreciation & Amortisation Expense by Group of Activities

	2014/15 Council \$000s	2015/16 Council \$000s
Building Communities and Leadership	4	4
Community and Recreation Facilities	2,015	1,928
District Promotion and Economic Development	9	5
Regulatory Services	87	84
Roading and Footpaths	7,332	7,260
Solid Waste Management	90	96
Stormwater	226	226
Wastewater	775	763
Water Supplies	995	1,001
Total	11,532	11,368

This note is disclosed to be compliant with Schedule 10 of the Local Government Act 2010.

11. Taxation

	2014/15 Council \$000s	2015/16 Council \$000s
Relationship between Tax and Accounting Profit		
Operating surplus/(deficit) before income tax	172	3,141
Prima facie tax @ 28%	48	879
Tax effect of permanent differences:		
Non-deductible expenditure	(48)	(879)
Deferred tax adjustment	-	-
Total Income Tax Expense	-	-



12. Debtors and Other Receivables

(Amounts include GST)	2014/15 Council \$000s	2015/16 Council \$000s
Rates receivables	1,658	1,823
Sundry debtors	465	1,204
Sundry debtors - NZ Transport Agency: roading subsidies	2,368	723
Interest accrued	63	7
Prepayments	176	171
Contract work in progress	-	-
Other receivables	657	743
	5,386	4,670
Less provision for impairment of receivables	(173)	(412)
Current Portion	5,213	4,259
Non-Current Portion		
Prepayments	-	46
Non-Current Portion	-	46
Total Trade And Other Receivables	5,213	4,305
Total receivables comprise:		
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	4,754	3,995
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	459	310

The rates receivable are as follows for assessed impairment, net collectable and debtor aging:

(Amounts include GST)	2014/15 Council \$000s	2015/16 Council \$000s
Total rates receivable	1,658	1,823
Less assessed impairment	(86)	(301)
Net assessed as collectible after rating sales & expected collection	1,572	1,522
Collectible split for rating years as:		
>12 months	709	615
<12 months	863	907
Carrying amount	1,572	1,522

The trade and receivables excluding rates receivable are as follows for assessed impairment, net collectable and debtor aging:

(Amounts include GST)	2014/15 Council \$000s	2015/16 Council \$000s
Current	2,252	921
1 month	1,316	729
2 months	20	1,021
Over 2 months	52	111
	3,641	2,782

Fair Value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value. The carrying amount of receivables that are past due, but not impaired, whose terms have been renegotiated is \$NIL (2015: \$NIL).

Impairment

Council provides for impairment on some rates receivable for properties undergoing rating sales and a portion unlikely to be collected. However, it also has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances.

These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$86,000 (2015: \$86,000).

The status of receivables as at 30 June 2016 are detailed below:

- There is only one concentration of credit risk with respect to receivables. Council has one large debtor in respect of NZ Transport Authority providing government subsidy for Rooding. This concentration of risk and reliance on Government is not considered to be a matter of concern because of the New Zealand Government's strong credit rating.
- The face value of loans to related parties is \$NIL (2015: \$NIL).
- The carrying value of trade and other receivables (excluding loans to related parties) approximates their fair value. As of 30 June 2016, all overdue receivables have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for Council pool of debtors. Expected losses have been determined based on an analysis of Council losses in previous periods, and review of specific debtors.

Impairment of Receivables

Movements in the provision for impairment of receivables for Council is as follows:

	2014/15 Council \$000s	2015/16 Council \$000s
At 1 July	158	173
Additional/(reduction in) provisions made during the year	15	239
Less receivables written off during period	-	-
At 30 June	173	412



13. Forestry Assets

	2014/15 Council \$000s	2015/16 Council \$000s
Balance at 1 July	1,269	1,414
Increases due to purchases	-	-
Gains/Losses arising from changes in fair value - less estimated sale costs	310	109
Decreases due to sales	-	-
Decrease due to harvest	(165)	(386)
Balance at 30 June	1,414	1,137

Council

Council owns 346.8 hectares of pinus radiata forest at year end (2015: 406.9 hectares). The trees are at varying stages of maturity ranging from 0–30 years. Council owns an additional 64.8 hectares of stands that are uneconomical to harvest at current log prices.

During the 2015/16 year, Council harvested 101.1 hectares of forest at Birch North (2014/15: 51.3 hectares).

Registered valuer, P F Olsen, has valued forestry assets as at 30 June 2016. A post-tax discount rate of 6.5% was used to discount the present value of expected cash flows.

Financial Risk Management Strategies

Council is exposed to financial risks arising from changes in timber prices. Council manages this risk by:

- delaying or bringing forward the harvest;
- choosing the right markets – e.g. domestic or export;
- choosing the log type with the higher returns.

14. Inventory and Livestock

	2014/15 Council \$000s	2015/16 Council \$000s
Held for distribution inventory		
Rural fire consumables	26	16
Paper stock	23	69
i-SITE stock	3	3
Commercial inventory		
Livestock	3	4
Forestry	167	-
Material stocks	50	31
Total Inventory and Livestock	272	123

No inventories were pledged as security for liabilities nor are any inventories subject to retention of title clause.

15. Other Financial Assets

	2014/15 Council \$000s	2015/16 Council \$000s
Current Portion		
Short term deposits greater than 3 months but less than 12 months	5,523	6,144
Total Current Portion	5,523	6,144
Non-current Portion		
Term deposits greater than 12 months	-	-
Local Government Funding Agency borrower notes	144	144
Tararua Aquatic Community Trust settled by Council (Initial \$500 capital)	1	1
Loan to Bush Multisport Trust	12	-
New Zealand Local Government Insurance Corporation Limited	118	118
MW LASS shares	1	1
Total Non-Current Portion	276	263
Total Investments	5,799	6,407

Term Deposits

The carrying amount of term deposits approximates their fair value.

Loan to Bush Multisport Trust

This is a loan to Bush Multisport Trust, from April 2011, with an interest rate of 6%. Fair value of the loan equals the face value. This was fully repaid in 2016.

Impairment

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

16. Investment Property

	2014/15 Council \$000s	2015/16 Council \$000s
Balance at 1 July	1,696	1,737
Additions from reclassification	360	-
Disposals	-	-
Fair value gains/(losses) on valuation	(319)	71
Balance at 30 June	1,737	1,808
Rental revenue	47	26
Direct operating expenses*	(20)	(104)
Surplus/(Deficit)	27	(78)

* High one off expenditure was incurred due to clean-up of site contamination.

Council investment properties are valued annually at fair value effective 30 June. All investment properties are valued based on open market evidence. The valuation was performed by independent registered valuer Alex Robson (MPINZ) of Aon New Zealand.

17. Tenant Contributions

Council owns 12 self-contained flats styled "Tenant Contribution Flats". The tenants of these flats make an interest-free loan to Council on signing a lease, and Council repays the loan upon the tenant vacating the flat. The amount of the loan varies from flat to flat but generally is set at 75% of the current market value of the unit at the time the lease is signed.

At 30 June 2016 the loans repayable to tenants totalled \$477,075 (2015: \$675,075).

18. Assets Held for Sale

Non-current assets held for sale	2014/15	2015/16
Buildings	-	109,000
Land	-	29,000
Total Non-Current Assets Held for Sale	-	138,000

Following the earlier sale of 10 pensioner flat units at Hovding Court, Dannevirke, on 29 June Council approved to sell the remaining land and buildings, comprising three units, for \$138,000.

19. Property, Plant & Equipment

Valuation

Council Valuations

Infrastructure Assets – Roding Network, Water Network, Sewerage Network and Stormwater Network

These assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the 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 from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected 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 the Council could be over-or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, 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 asset management planning activities, which provides further assurance over useful life estimates.

The most recent valuation was performed in-house, and reviewed by independent registered valuer, Roger Khoo at Aon New Zealand, using optimised depreciated replacement cost. The valuation was effective as at 1 July 2015.

The total fair value valued by Council and reviewed by Aon New Zealand was \$821,584,270. There are no amounts of property, plant and equipment pledged as security for liabilities.

Land (operational, restricted, and infrastructural)

The most recent valuation of land and buildings was performed by an independent registered valuer, Simon O'Brien of Aon New Zealand. The valuation was effective as at 30 June 2014.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

The total fair value of land valued by Aon New Zealand was \$9,271,800.

Buildings (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- For Council's earthquake prone buildings that are expected to be strengthened, the estimated earthquake strengthening costs have been deducted off the depreciated replacement cost.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. These valuations include adjustments for estimated building strengthening costs for earthquake prone buildings and the associated lost rental during the time to undertake the strengthening work.



The most recent valuation was performed by an independent registered valuer, Simon O'Brien of Aon New Zealand. The valuation was effective as at 30 June 2014.

The total fair value of buildings (including improvements) valued by Aon New Zealand was \$25,576,620.

Disposal

The net loss on disposal of property, plant and equipment of \$219,000 has been recognised in the statement of comprehensive revenue and expense in the line item "Other asset gains/losses" and disclosed in Note 6.

Additions

Additions for the year totalled \$21,559,000. These consisted of constructed assets.

Council 2016

	Cost or Valuation Opening Bal 1 July 2015 \$000s	Accumulated Depreciation Opening Bal 1 July 2015 \$000s	Carrying Amount Opening Bal 1 July 2015 \$000s	Current Year Additions \$000s	Current Year Disposals \$000s
Operational Assets					
At Valuation					
Buildings	21,333	(1,358)	19,975	1,171	(394)
Land	9,274	-	9,274	137	(230)
At Cost					
Computer Equipment	1,559	(1,140)	419	146	-
Fibre Cabling and Conduits	1,064	(250)	814	7	-
Furniture and Fittings	758	(601)	157	16	-
Library Collections	1,465	(1,177)	288	88	-
Motor Vehicles	1,671	(757)	914	228	(189)
Plant and Machinery	2,429	(1,417)	1,012	156	(4)
Swimming Pools	478	(189)	289	42	-
Work in Progress	502	-	502	298	-
Total Operational Assets	40,533	(6,889)	33,644	2,289	(817)



Current Year Impairment Changes	Current Year Depreciation	Reverse Accum. Depn on Sales or Revaluation	Revaluation Movements	Adjustments* (Allocate WIP) (Re-Class Assets)	Cost or Valuation 30 June 2016	Accum. Depn & Impairment Closing Bal 30 June 2016	Carrying Amount Closing Bal 30 June 2016
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
-	(1,359)	-	(41) [†]	(109) [†]	21,960	(2,717)	19,243
-	-	-	-	(29) [†]	9,152		9,152
-	(144)	-	-	-	1,705	(1,284)	422
-	(38)	-	-	-	1,071	(288)	782
-	(17)	-	-	-	774	(618)	156
-	(49)	-	-	-	1,553	(1,226)	327
-	(198)	133	-	-	1,710	(822)	889
-	(195)	4	-	-	2,581	(1,608)	973
-	(18)	-	-	-	520	(207)	313
-	-	-	-	(385)	414		414
-	(2,018)	137	(41)	(523)	41,440	(8,770)	32,670



	Cost or Valuation Opening Bal 1 July 2015	Accumulated Depreciation Opening Bal 1 July 2015	Carrying Amount Opening Bal 1 July 2015	Current Year Additions	Current Year Disposals
	\$000s	\$000s	\$000s	\$000s	\$000s

Infrastructure Assets

At Valuation

Road Network	676,581	(5,702)	670,879	5,987	-
Road Bridges and Culverts	57,637	(1,482)	56,155	950	(35)
Road Land	24,395	-	24,395	-	-
Road and Forestry Roads	315	-	315	-	-
Wastewater Treatment Plants and Facilities	8,219	(318)	7,901	6,361	-
Wastewater Network and Other Assets	15,249	(420)	14,829	1,000	(104)
Stormwater Systems	11,829	(226)	11,603	42	-
Street-lighting	1,307	(63)	1,244	138	-
Waste Management	1,088	(943)	145	-	-
Water Supply Treatment Plants and Facilities	10,016	(455)	9,561	184	-
Water Supply Network and Other Assets	33,402	(531)	32,871	60	-

At Cost

Work in Progress	9,520	-	9,520	4,548	-
Total Infrastructure Assets	849,558	(10,140)	839,418	19,270	(139)

Restricted Assets

At Valuation

Cemetery Reserves	1,551	-	1,551	-	-
Parks and Reserves	1,973	-	1,973	-	-
Road Reserves	646	-	646	-	-
Sundry Reserves	365	-	365	-	-
War Memorials	235	-	235	-	-
Total Restricted Assets	4,770	-	4,770	-	-
Total Council Assets	894,861	(17,029)	877,832	21,559	(956)

Plus Intangible Amortisation

Total Parent Depreciation and Amortisation

* The adjustments column refers to the reversal of the work in progress balances from the previous year.

† See Note 18 – Assets Held for Sale.



Current Year Impairment Changes	Current Year Depreciation	Reverse Accum. Depn on Sales or Revaluation	Revaluation Movements	Adjustments* (Allocate WIP) (Re-Class Assets)	Cost or Valuation 30 June 2016	Accum. Depn & Impairment Closing Bal 30 June 2016	Carrying Amount Closing Bal 30 June 2016
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
-	(5,632)	5,702	(30,638)	-	651,930	(5,632)	646,298
-	(1,489)	1,482	16,707	-	75,259	(1,489)	73,770
-	-	-	-	-	24,395	-	24,395
-	-	-	-	-	315	-	315
-	(318)	318	(907)	-	13,673	(318)	13,355
-	(421)	420	204	-	16,349	(421)	15,928
-	(226)	226	(440)	-	11,431	(226)	11,205
-	(62)	63	188	-	1,633	(62)	1,571
-	(33)	-	-	-	1,088	(976)	111
-	(455)	455	(1,031)	-	9,169	(455)	8,714
-	(530)	531	(1,135)	-	32,327	(530)	31,797
-	-	-	-	(4,719)	9,349	-	9,349
-	(9,166)	9,197	(17,052)	(4,719)	846,918	(10,109)	836,808
-	-	-	-	-	1,551	-	1,551
-	-	-	-	-	1,973	-	1,973
-	-	-	-	-	646	-	646
-	-	-	-	-	365	-	365
-	-	-	-	-	235	-	235
-	-	-	-	-	4,770	-	4,770
-	(11,184)	9,334	(17,093)	(5,242)	893,128	(18,879)	874,248
(185)							
(11,368)							



Council 2015

	Cost or Valuation Opening Bal 1 July 2014 \$000s	Accumulated Depreciation Opening Bal 1 July 2014 \$000s	Carrying Amount Opening Bal 1 July 2014 \$000s	Current Year Additions \$000s	Current Year Disposals \$000s
Operational Assets					
At Valuation					
Buildings	19,763	-	19,763	526	-
Land	9,274	-	9,274	-	-
Heritage	1,817	-	1,817	-	-
At Cost					
Computer Equipment	1,705	(1,452)	253	338	(484)
Fibre Cabling & Conduits	1,051	(211)	840	13	-
Furniture and Fittings	702	(587)	115	56	-
Library Collections†	1,379	(1,089)	290	86	-
Motor Vehicles	1,700	(764)	936	164	(193)
Plant and Machinery	2,170	(1,213)	957	259	-
Swimming Pools	473	(170)	303	5	-
Work in Progress	139	-	139	411	-
Total Operational Assets	40,174	(5,487)	34,687	1,858	(677)
Infrastructure Assets					
At Valuation					
Road Network	670,482	-	670,482	6,100	-
Road Bridges and Culverts	56,550	-	56,550	433	(65)
Road Land	24,395	-	24,395	-	-
Road and Forestry Roads	252	-	252	63	-
Wastewater Treatment Plants and Facilities	8,206	-	8,206	13	-
Wastewater Network and Other Assets	14,719	-	14,719	733	(203)
Stormwater Systems	11,568	-	11,568	261	-
Street-lighting	1,061	-	1,061	278	(32)
Waste Management	1,088	(909)	178	-	-
Water Supply Treatment Plants and Facilities	10,001	-	10,001	15	-
Water Supply Network and Other Assets	33,251	-	33,251	174	(23)
At Cost					
Work in Progress	6,150	-	6,150	3,483	-
Total Infrastructure Assets	837,723	(909)	836,813	11,552	(323)



Current Year Impairment Changes	Current Year Depreciation	Reverse Accum. Depn on Sales or Revaluation	Revaluation Movements	Adjustments* (Allocate WIP) (Re-Class Assets)	Cost or Valuation 30 June 2015	Accum. Depn & Impairment Closing Bal 30 June 2015	Carrying Amount Closing Bal 30 June 2015
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
-	(1,358)	-	-	1,044	21,333	(1,358)	19,975
-	-	-	-	-	9,274	-	9,274
-	-	-	-	(1,817)	-	-	-
-	-	-	-	-	-	-	-
-	(169)	481	-	-	1,559	(1,140)	419
-	(39)	-	-	-	1,064	(250)	814
-	(14)	-	-	-	758	(601)	157
-	(88)	-	-	-	1,465	(1,177)	288
-	(185)	192	-	-	1,671	(757)	914
-	(204)	-	-	-	2,429	(1,417)	1,012
-	(19)	-	-	-	478	(189)	289
-	-	-	-	(48)	502	-	502
-	(2,076)	673	-	(821)	40,533	(6,891)	33,641
-	(5,702)	-	-	-	676,581	(5,702)	670,879
-	(1,489)	7	-	719	57,637	(1,482)	56,155
-	-	-	-	-	24,395	-	24,395
-	-	-	-	-	315	-	315
-	(318)	-	-	-	8,219	(318)	7,901
-	(425)	5	-	-	15,249	(420)	14,829
-	(226)	-	-	-	11,829	(226)	11,603
-	(63)	-	-	-	1,307	(63)	1,244
-	(33)	-	-	-	1,088	(943)	145
-	(455)	-	-	-	10,016	(455)	9,561
-	(531)	1	-	-	33,402	(531)	32,871
-	-	-	-	(113)	9,520	-	9,520
-	(9,242)	13	-	606	849,558	(10,139)	839,419



	Cost or Valuation Opening Bal 1 July 2014 \$000s	Accumulated Depreciation Opening Bal 1 July 2014 \$000s	Carrying Amount Opening Bal 1 July 2014 \$000s	Current Year Additions \$000s	Current Year Disposals \$000s
Restricted Assets					
At Valuation					
Cemetery Reserves	1,551	-	1,551	-	-
Parks and Reserves	1,973	-	1,973	-	-
Roading Reserves	646	-	646	-	-
Sundry Reserves	365	-	365	-	-
War Memorials	181	-	181	-	-
Total Restricted Assets	4,715	-	4,715	-	-
Total Council Assets	882,611	(6,396)	876,215	13,410	(1,000)
Plus Intangible Amortisation					
Total Parent Depreciation and Amortisation					

* The adjustments column refers to the reversal of the work in progress balances from the previous year and the reclassification of heritage assets.

† Library collections was previously categorised as an operational asset at valuation. This is incorrect as we do not revalue the library collections. Council has therefore reclassified these as "at cost".

Insurance of Assets

Asset Type	Note	Total Book Value of Council Assets	Total Gross Replacement Value of Council Assets	Total Value of Assets Covered by Insurance Contracts	Total Value of Assets Covered by Financial Risk Sharing Arrangements	Total Value of Assets Self-Insured	Reserve Fund Total
Motor Vehicles	3	890	1,712	1,458	-	-	93
Buildings and Other Operational Assets		31,543	45,018	95,400	-	-	-
Road and Footpath Assets	1	746,348	947,195	-	587,261	357,662	2,272
Wastewater Network	2	29,284	47,328	17,914	28,397	932	85
Stormwater Network	2	11,205	18,005	7,071	10,803	109	22
Water Supply Network	2	40,512	73,734	27,502	44,240	1,968	24
Total		859,782	1,132,992	149,345	670,701	360,671	2,496

Council has disclosed the gross replacement cost above for infrastructure assets as this is the maximum loss that could occur in a disaster.

1. Council received 71% subsidy from NZ Transport Agency for flood damage work and average 62% for operational and renewal expenditure in 2015/16. These percentages have been used for calculating the financial risk sharing portion. Council also maintains a special fund for the sole purpose of funding emergency roading works from a natural disaster.
2. Council fully insured its utility assets.
3. The gross replacement cost of motor vehicles is the total cost of new vehicles. Insurance will only cover the market value of our current motor vehicle fleet. In the event of total loss, Council will fund the difference from depreciation reserves.



Current Year Impairment Changes	Current Year Depreciation	Reverse Accum. Depn on Sales or Revaluation	Revaluation Movements	Adjustments* (Allocate WIP) (Re-Class Assets)	Cost or Valuation 30 June 2015	Accum. Depn & Impairment Closing Bal 30 June 2015	Carrying Amount Closing Bal 30 June 2015
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
-	-	-	-	-	1,551	-	1,551
-	-	-	-	-	1,973	-	1,973
-	-	-	-	-	646	-	646
-	-	-	-	-	365	-	365
-	-	-	-	54	235	-	235
-	-	-	-	54	4,769	-	4,769
-	(11,318)	686	-	(161)	894,860	(17,030)	877,827
	(215)						
	(11,532)						

Work in Progress

	Year ended 2014/15	Year ended 2015/16
Operational Assets		
Balance	503	414
Made up of:		
Buildings	503	400
Fibre Cabling & Conduits	-	-
Plant & Machinery	-	14
Infrastructure Assets		
Balance	9,520	9,349
Made up of:		
Roading Network	2,034	3,632
Roading - Forestry Roads	372	350
Wastewater Treatment Plants & Facilities	6,615	2,658
Wastewater Network and Other Assets	219	1,116
Stormwater Systems	3	42
Waste Management	12	12
Water Supply Treatment Plants & Facilities	94	1,003
Water Supply Network and Other Assets	170	536



20. Intangible Assets

	Cost \$000	Accumulated amortisation impairment expense closing balance 1 July 2015 \$000	Opening carrying amount \$000	Additions \$000	Disposals/ transfers \$000
2015/16					
Computer software	1,744	(1,160)	584	189	-
Intangible WIP	103	-	103	42	(12)
Library e-books	7	(2)	5	-	-
Easement rights	12	-	12	-	-
Carbon credits	171	-	171	-	-
Total	2,037	(1,162)	875	231	(12)
2014/15					
Computer software	1,606	(947)	659	138	-
Intangible WIP	15	-	15	88	-
Library e-books	7	-	7	-	-
Easement rights	12	-	12	-	-
Carbon credits	99	-	99	-	-
Total	1,740	(947)	793	226	-



Revaluation movement	Amortisation impairment expense \$000	Accumulated amortisation & impairment expense closing balance 30 June 2016 \$000	Closing balance \$000
-	(183)	(1,344)	589
-	-	-	133
-	(2)	(4)	4
-	-	-	12
267	-	-	438
267	(185)	(1,347)	1,176
-	(213)	(1,160)	584
-	-	-	103
-	(2)	(2)	5
-	-	-	12
73	-	-	172
73	(215)	(1,162)	875

21. Payables and Deferred Revenue

	2014/15 Council \$000s	2015/16 Council \$000s
Payables and deferred revenue under exchange transactions		
Trade payables	3,347	3,487
Amounts payable to related parties including their retentions	28	-
Interest accrued	46	50
Revenue in advance	136	13
Amounts payable to contractors as retentions	355	365
Total	3,913	3,915
Payables and deferred revenue under non-exchange transactions		
Other taxes payable (e.g. GST and PAYE)	129	104
Grants payable	20	5
Rates revenue in advance	224	164
Total	374	274
Total Payables and Deferred Revenue	4,286	4,189

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

22. Provision for Landfill Aftercare

The Council has six landfills. Only the Eketahuna and Pongaroa landfills are currently operational. These are due for closure in 2018 and 2021 respectively. The other four landfills have been closed and capped. Council has a legal obligation under the various resource consents to provide ongoing maintenance and monitoring services at the landfill sites after closure.

A provision for post-closure costs is recognised as a liability when the obligation for post-closure cash flows arise.

The closure date of the landfills is the lesser of estimated life or the end of current resource consents to operate the landfill.

The cash outflows for landfill post-closure costs are expected to occur over the next 40 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 known future technology. Council has discounted the provision using a discount rate of 5.33% (2015: 4.86%).

	2014/15 Council \$000s	2015/16 Council \$000s
Non-Current		
Landfill Aftercare Provision		
Opening balance	686	692
Additional provisions during the year	150	-
Amounts used during the year	(18)	(24)
Unused amounts reversed during the year	(109)	(14)
Discount unwinding	(17)	(15)
Closing Balance	692	639

23. Borrowings

	2014/15 Council \$000s	2015/16 Council \$000s
Current		
Bank Overdraft	-	-
Secured Loans	1,000	-
Total Current Borrowings	1,000	-
Non-Current		
Derivative Financial Instruments	482	924
Secured Loans	9,000	9,000
Total Non-Current Borrowings	9,482	9,924
Total Borrowings	10,482	9,924

Fixed-Rate Borrowings

	Maturity Date	Interest Rate 2014/15	Interest Rate 2015/16	Actual 2014/15	Actual 2015/16
Current					
Multi-Option Credit Facility	31 July 2015	4.60%		1,000	-
Total Current Borrowings				1,000	-
Non-Current					
LGFA Bond Issue	15 December 2017	4.24%	3.27%	2,000	2,000
LGFA Bond Issue	15 March 2019	4.00%	3.04%	1,000	1,000
LGFA Bond Issue	15 May 2021	4.53%	3.35%	2,000	2,000
LGFA Bond Issue	15 March 2019	3.88%	2.92%	1,000	1,000
LGFA Bond Issue	15 April 2020	4.36%	3.01%	2,000	2,000
LGFA Bond Issue	15 April 2023	4.59%	3.24%	1,000	1,000
Total Non-Current Borrowings				9,000	9,000
Total Borrowings				10,000	9,000

Secured Loans

The Council's secured debt of \$9 million (2015: \$10 million) is mostly issued at floating rates of interest.

For multi-option credit facility, rates are reset on a quarterly basis as per the agreement with the bank.



Security

Any overdraft is secured against rates. The maximum amount that can be drawn down against the overdraft facility is \$500,000 (2015: \$500,000), however, it is "loaded" at \$200,000 to trigger review if this amount is exceeded. There are no restrictions on the use of this facility. As at year end, the amount drawn down was \$NIL (2015: \$NIL)

Council term loans are secured by rates over the rateable land value of the Tararua district.

	2014/15	2015/16
	\$000s	\$000s
Other borrowing facilities and amount drawn down as at 30 June		
Multi-Option Credit Line Facility		
- Limit	5,000	5,000
- Drawn down	1,000	-
Overdraft facility (\$500,000 approved but only \$200,000 limited loaded)		
- Limit	500	500
- Drawn down	-	-
BNZ Business Visa		
- Limit	50	140
- Drawn down	3	6
Liabilities outstanding under Letter of Credit		
None	-	-
Outstanding commitments on forward exchange contracts		
None	-	-

Refinancing

Council manages its borrowings in accordance with its Treasury and Risk Management Policy, which includes the Liability Management Policy adopted as part of Council's Long Term Plan.

Maturity Analysis and Effective Interest Rates

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

	Overdraft Council	Secured Loans
Expense Interest Rates 2016		
Less than one year	-	-
weighted average effective interest rate	-	-
Later than one year but not more than five years	-	8,000
weighted average effective interest rate	-	3.15%
Later than five years	-	1,000
weighted average effective interest rate	-	3.24%
Expense Interest Rates 2015		
Less than one year	-	1,000
weighted average effective interest rate	-	4.60%
Later than one year but not more than five years	-	6,000
weighted average effective interest rate	-	4.18%
Later than five years	-	3,000
weighted average effective interest rate	-	4.55%

Internal Borrowing

Group of Activities	Opening balance 1 July 2015	Adjustments*	New loans	Loans Repaid	Closing balance 30 June 2016	Interest Paid
Community and Recreation Facilities	1,086	41	20	(108)	1,039	36
District	996	14	237	(69)	1,177	36
District Promotion	73	(5)	3	(3)	68	2
Regulatory Services	127	-	146	(12)	261	6
Roading	3,017	56	466	(318)	3,221	104
Solid Waste	2,433	-	12	(125)	2,321	77
Stormwater	1,570	-	28	(155)	1,443	50
Wastewater	7,780	(4,493)	1,840	(557)	4,570	204
Water Supplies	4,696	-	1,082	(316)	5,462	166
Total	21,778	(4,387)	3,834	(1,663)	19,561	681

* The Wastewater adjustment relates to identifying renewal funding in the Ministry for the Environment projects. The remaining adjustments are due to corrections in the opening balances.

Council manages its borrowing through the Treasury function within the Finance department. The Treasury function, in accordance with the Treasury and Risk Management Policy, determines the level of borrowing required and how the amount required should be funded, that is, external or internal borrowing. The 'Internal Borrowing' note above is the total borrowing by the Treasury function that includes both internal borrowing (using depreciation reserves) and external borrowing (using LGFA and banks).



24. Equity

Summary of Equity Movements – a supplementary explanation to the Statement of Movements in Equity.

	Council Accum Funds 000s	Council Asset Rev. Res 000s	Council Special Funded Reserves 000s	Council Trusts 000s	Council Total Equity 000s
2016					
Balance at 1 July	346,912	504,973	28,976	49	880,910
Net surplus/(deficit) for the year	3,141	-	-	-	3,141
Less dividend declared	-	-	-	-	-
Fair value through equity, valuation gains	-	-	-	-	-
Increases/(decreases) from revaluation	-	(7,631)	-	-	(7,631)
Tax on equity items	-	-	-	-	-
Change in Equity for the year before transfers of equity reserves	3,141	(7,631)	-	-	(4,490)
Transfers between equity reserves:					
Net Appropriation from Accum. Funds to Special Funds	245	-	(245)	-	-
Net Appropriation to Accum. Funds from Trust Funds	5	-	-	(5)	-
Net Transfers from Revaluation Reserves to Accum. Funds	-	-	-	-	-
Total Change in Equity for the Period	3,391	(7,631)	(245)	(5)	(4,490)
Balance at 30 June	350,302	497,342	28,731	44	876,419
2015					
Balance at 1 July	350,455	504,901	25,260	50	880,666
Net surplus/(deficit) for the year	172	-	-	-	172
Less dividend declared	-	-	-	-	-
Fair value through equity, valuation gains	-	-	-	-	-
Increases/(decreases) from revaluation	-	73	-	-	73
Tax on equity items	-	-	-	-	-
Change in Equity for the year before transfers of equity reserves	172	73	-	-	244
Transfers between equity reserves:					
Net Appropriation from Accum. Funds to Special Funds	(3,715)	-	3,715	-	-
Net Appropriation to Accum. Funds from Trust Funds	1	-	-	(1)	-
Net Transfers from Revaluation Reserves to Accum. Funds	-	-	-	-	-
Total Change in Equity for the Period	(3,542)	73	3,715	(1)	244
Closing Equity at 30 June 2015					
Parent Financial Interest	346,912	504,973	28,976	49	880,910
Minority Interest	-	-	-	-	-
Balance at 30 June	346,912	504,973	28,976	49	880,910

25. Revaluation Reserves

2016

	Balance 30 June 2015	Revaluation Assets Changes	Disposals/ Value Adjust.	Balance 30 June 2016
	\$000s	\$000s	\$000s	\$000s
Council Revaluation Reserves				
Fixed Assets Revaluation Reserves				
Operational: Land	6,247	-	-	6,247
Operational: Buildings	15,484	-	69	15,553
Intangible: Carbon Credits	79	265	-	344
Heritage Assets	80	-	(72)	8
Reserves: Cemetery	1,158	-	-	1,158
Reserves: Parks and Reserves	1,525	-	-	1,525
Reserves: Roading	524	-	-	524
Reserves: Sundry	294	-	-	294
Reserves: War Memorials	115	-	-	115
Roading Network	384,851	(24,685)	-	360,166
Roading Land	4,527	-	-	4,527
Bridges and Culverts	32,651	18,190	(38)	50,803
Stormwater	8,522	(214)	-	8,308
Water Network	34,625	(1,181)	-	33,444
Wastewater	14,287	36	-	14,323
Total Fixed Assets Revaluation Reserves	504,973	(7,590)	(41)	497,342



2015

	Balance 30 June 2014	Revaluation Assets Changes	Disposals/ Value Adjust.	Balance 30 June 2015
	\$000s	\$000s	\$000s	\$000s
Council Revaluation Reserves				
Fixed Assets Revaluation Reserves				
Operational: Land	6,247	-	-	6,247
Operational: Buildings	15,484	-	-	15,484
Intangible: Carbon Credits	6	73	-	79
Heritage Assets	80	-	-	80
Reserves: Cemetery	1,158	-	-	1,158
Reserves: Parks and Reserves	1,525	-	-	1,525
Reserves: Roding	524	-	-	524
Reserves: Sundry	294	-	-	294
Reserves: War Memorials	115	-	-	115
Roding Network	384,851	-	-	384,851
Roding Land	4,527	-	-	4,527
Bridges and Culverts	32,651	-	-	32,651
Stormwater	8,522	-	-	8,522
Water Network	34,625	-	-	34,625
Wastewater	14,287	-	-	14,287
Total Fixed Assets Revaluation Reserves	504,901	73	-	504,973

26. Special Funded Reserves

2016

	Balance 1-Jul-15	Transfers In	Transfers Out	Transfer Interest In	Balance 30-Jun-16
	\$000s	\$000s	\$000s	\$000s	\$000s
Tararua General Purpose	745	953	(11)	13	1,700
Council Depreciation	21,859	3,251	(5,345)	711	20,476
Tararua Emergency Roothing	2,174	31	-	67	2,272
Tararua Gratuity	84	-	-	-	84
Infrastructure Protection Reserve	177	-	(48)	4	133
Tararua Housing	790	324	(60)	42	1,096
Dannevirke Airport Authority	4	-	-	-	4
District Cemeteries	21	-	-	1	22
Makuri Water Scheme	12	-	-	-	12
Recreation Grant	88	20	(55)	3	56
Tenant Contribution	687	-	(198)	-	489
Pongaroa Water Supply Depreciation	185	8	-	5	198
Heritage Reserve	61	10	-	2	73
Consultancy General	251	-	(251)	-	-
Biodiversity Protection	1	10	-	1	12
Election	-	20	(32)	-	(12)
Water Development	53	-	(53)	-	-
Waste Management	199	75	(10)	5	269
TACT Wai Splash Depreciation	150	40	(12)	5	182
Sewerage Op Surplus Reserve	83	-	(83)	-	-
Forestry Reserve	836	408	(104)	31	1,171
Bush Multisport Depreciation	118	-	-	3	121
Domain Boards Bank Balances	396	116	(138)	-	374
Total Council	28,976	5,266	(6,401)	891	28,731

Summary of Special Fund Movements

	Balance 1-Jul-15	Net transfer (to)/from Accumulated Funds	Balance 30-Jun-16
	\$000s	\$000s	\$000s
Total Council	28,976	(245)	28,731



2015

	Balance 1-Jul-14	Transfers In	Transfers Out	Transfer Interest In	Balance 30-Jun-15
	\$000s	\$000s	\$000s	\$000s	\$000s
Tararua General Purpose	739	-	(10)	16	745
Tararua Land Sub-division and Development	-	-	-	-	-
Council Depreciation	18,266	7,274	(4,477)	797	21,859
Tararua Emergency Roading	2,094	-	-	81	2,174
Tararua Gratuity	217	-	(133)	-	84
Infrastructure Protection Reserve	113	58	-	6	177
Tararua Housing	777	39	(87)	61	790
Dannevirke Airport Authority	4	-	-	-	4
District Cemeteries	21	-	-	1	21
Makuri Water Scheme	12	-	-	-	12
Recreation Grant	85	20	(25)	8	88
Tenant Contribution	687	-	-	-	687
Pongaroa Water Supply Depreciation	188	10	(13)	-	185
Heritage Reserve	45	10	-	6	61
Consultancy Depreciation	194	-	(194)	-	-
Consultancy General	241	-	-	10	251
Biodiversity Protection	(3)	10	(5)	-	1
Election	(20)	20	-	-	-
Water Development	50	-	-	3	53
Waste Management	159	67	(34)	7	199
TACT Wai Splash Depreciation	137	40	(32)	5	150
Sewerage Op Surplus Reserve	80	-	-	3	83
Forestry Reserve	669	428	(289)	28	836
Bush Multisport Depreciation	112	-	-	6	118
Domain Boards Bank Balances	394	135	(133)	-	396
Total Council	25,260	8,111	(5,432)	1,037	28,976

Reserves

The Council has an obligation 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; and to act in the best interest of its ratepayer.

The management of reserves forms an integral component of meeting these obligations. Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest.

Council has 23 reserves of which 22 are Council created discretionary reserves which the council has established for the fair and transparent use of monies. Reserves are not separately held in cash and the funds are managed as part of the Council's treasury management.

These reserves are disaggregated into the following categories:

Depreciation Reserves

These reserves are used to fund renewal capital works and used to fund internal borrowing.

The Council's assets are depreciated as they are consumed. As such, the cost of this depreciation is passed on to the consumer through either rates or fees and charges. There will normally be a timing difference between the collection of this depreciation charge and the utilisation of it to fund renewal capital works

Description	Purpose of Fund
Council Depreciation	To receive depreciation funded each financial year, less any outgoings to pay for capital renewal of assets or debt prepayment for amount borrowed to fund capital development. This is the only reserve that can be used to fund internal borrowing.
Makuri Water Scheme	To establish a depreciation reserve to fund the renewal of assets for this scheme.
Pongaroa Water Supply Depreciation	To establish a depreciation reserve to fund the renewal of assets for this scheme.
Taranua Aquatic Community Trust Wai Splash Depreciation	To establish a depreciation reserve to fund the renewal of major assets.
Bush Multisport Depreciation	To establish a depreciation reserve to fund the renewal of major assets.

Special Reserves

The value of these reserves funds is that they allow projects to precede without distortion in the revenue patterns particularly rates. The reserve also provide a useful source of funds for an unforeseen requirement.

Council authorises the establishment of special funds and process for accumulating and utilising special funds. Approvals of specific uses are set out in the Long Term Plan, or in Council decisions.

Description	Activity to Which Fund Relates	Purpose of Fund
Taranua General Purpose	All activities	Created for financing specific projects which shall be determined at Council's discretion. This reserve is also to receive: <ul style="list-style-type: none"> • Proceeds from sale or disposal of assets where a particular function is discontinued, and for property sales. • Insurance monies received when buildings or property are damaged and not reinstated. • Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest. • Residual of all existing reserves which have outlived their original purpose and could therefore be usefully merged as a general purpose fund and so classified.
Taranua Emergency Roothing	Roothing and Footpaths	To provide funds to re-establish the district's infrastructural assets following a disaster, together with funds received from Central Government. There is no plan to use this reserve other than if a disaster occurs.
Taranua Gratuity	All activities	This reserve is for staff who have qualified or qualify for gratuities.



Description	Activity to Which Fund Relates	Purpose of Fund
Tararua Housing	Pensioner Housing	To account for any surplus from the housing activity and proceeds from sales/disposal of housing assets. These reserves will be used solely for the Housing activity.
Dannevirke Airport Authority	Commercial Investment	To account for any surplus from Dannevirke Aerodrome and proceeds from sales/disposal of Dannevirke Aerodrome assets. This reserve will be used solely for operation and capital expenditure for Dannevirke Aerodrome.
District-Wide Cemetery	Cemeteries	To accumulate funds from the purchase of cemetery plots in the district. This reserve will be used solely for operation and capital expenditure for the Cemeteries activity.
Recreation Grant	Community Support	To accumulate funds to support recreational projects in the district.
Tenant Contribution (Debt Repayment)	Pensioner Housing	To account for and refund tenant contributions for leasing of Council's housing properties.
Heritage Reserve	Community Support	To accumulate funds to be used to further the district land use outcomes. The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 2: Schedule of Heritage Resources.
Engineering Services (Consultancy) General	Roading	To account for surplus or deficit for Engineering Services operations and consultancy work. Balance of this reserve may be used to assist in funding this activity's operations cost, if required.
Biodiversity Protection	Parks and Reserves	To support: <ul style="list-style-type: none"> • Sustainable management of the district's natural and physical environment • Protection and enhancement of the community's environment values The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 3: Schedule of Natural Features (significant trees, vegetation and habitats landscapes).
Election	Representation	To account for elections funds rate funded each year to spread out election cost in each election year.
LAPP Disaster Fund	Water Supplies, Wastewater, Stormwater	This reserve is created to accumulate funds to pay for Council's share of the mutual insurance liability under LAPP in the event of a major event experienced by LAPP member councils.
Waste Management Fund	Solid Waste	To account for the waste management levies received. This reserve will be solely used to fund specific projects for this activity.
Domain Boards Bank Balances	Parks and Reserves	To account for the bank balances of the Domain Board in trust.
Forestry Reserve	Commercial Investments	To account for any surpluses from the forestry activity.

27. Trust Accounts

These special reserves are set up to receive bequest from communities in the district for specific purpose. These funds are held in trust for these specific purposes.

	Balance 1 July 2015	Funds Received	Expenses Paid	Interest Earned	Balance 30 June 2016
	\$000s	\$000s	\$000s	\$000s	\$000s
Dannevirke Fairbrother	10	-	-	-	10
Dannevirke Urban Campsite	1	-	-	-	1
Ormondville Play Group	1	-	-	-	1
Pahiatua Heritage	21	-	-	1	22
Arts Council of NZ	7	18	(24)	-	1
Mayoral Storm Relief Fund	8	-	-	1	9
Total Council	49	18	(24)	2	44

Summary of Trust Fund Movements

	Balance 1 July 2015	Net transfer to/(from) Accumulated Funds	Balance 30 June 2016
	\$000s	\$000s	\$000s
Total Council	49	(5)	44



28. Reconciliation of Net Surplus to Net Cash Inflow from Operating Activities

	2014/15 Council \$000s	2015/16 Council \$000s
Reported Surplus/(Deficit) from Statement of Comprehensive Revenue and Expense	172	3,141
Add (Less) Non-Cash Items		
Depreciation & amortisation	11,532	11,368
Impairment losses/(recoveries)	-	-
Effect of change in discount rate on provisions and discount unwind	-	(53)
Value of forests sold	-	385
Changes in fair value	395	442
Other (gains)/losses & revaluation (increases)/decreases	311	(179)
Bad debts written off or bad debt provision	15	239
Total Non-Cash Items	12,254	12,202
Add/(Less) Movements in Working Capital Items		
(Increase)/decrease in inventory and livestock	(179)	149
(Increase)/decrease in accounts receivable & prepayments	(1,339)	904
Increase/(decrease) in accounts payable & accruals	821	(98)
Increase/(decrease) in employee provisions	(186)	20
(Increase)/decrease in net GST	94	(139)
Total Movements in Working Capital	(789)	836
Add/(less) items classified as investing activities	-	-
Total Items Classified as Investing Activities	-	-
Net Cash Surplus from Operating Activities	11,635	16,185

29. Related Party Disclosures

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Key Management Personnel Compensation

	2014/15	2015/16
	\$000	\$000
Councillors		
Remuneration	291	295
Full-Time Equivalent Members	9	9
Senior Management Team, including the Chief Executive		
Remuneration	735	776
Full-Time Equivalent Members	4.7	4.7
Total Key Management Personnel Remuneration	1,026	1,071
Total full-time equivalent personnel	13.7	13.7

During the reporting period, total remuneration and compensation of \$11,938 (2015: \$16,184) was provided by the Council to employees who are close family members of key management personnel.



30. Capital Commitments and Operating Leases

2016

	< 1 Year	1-5 Years	> 5 Years	2015/16 Total
	\$000s	\$000s	\$000s	\$000s
Capital Commitments				
Road network	2,149	-	-	2,149
Water supply	1,445	-	-	1,445
Buildings	130	-	-	130
Total Capital Commitments	3,724	-	-	3,724

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Alliance Roadway Corridor Collaborative Agreement

In October 2014, the Tararua District Council formed an alliance with Downer New Zealand to undertake road corridor maintenance activities on its road, footpath and stormwater network. This collaborative agreement (The Tararua Alliance) replaced the road maintenance contract the Council previously had with Infracon Limited (in liquidation). The Tararua Alliance brought together members of the Council's Engineering Services Team and Downer New Zealand Ltd to form a single delivery team to undertake all facets of the transportation infrastructure – including asset management, regulatory functions, design, physical works, and performance management.

The Tararua Alliance agreement is for a term of 5 years and the budgets for each year will be determined as part of Council's planning process. The budgets for 2016/17 are as follows:

- Operational expenditure (including overheads and finance cost) - \$8,426,000
- Capital expenditure \$7,160,000

2015

	< 1 Year	1-5 Years	> 5 Years	2014/15 Total
	\$000s	\$000s	\$000s	\$000s
Capital Commitments				
Road network	1,892	-	-	1,892
Wastewater network	-	-	-	-
Total Capital Commitments	1,892	-	-	1,892

Operating Leases as Lessee

The Council lease two buildings in the normal course of its business.

These leases have a non-cancellable term of 5 years and 10 years.

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	2014/15 \$000s	2015/16 \$000s
Not later than one year	137	154
Later than one year and not later than five years	563	484
Later than five years	475	397
Total non-cancellable operating leases	1,175	1,035

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$NIL (2015: \$NIL).

Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on the Council by any of the leasing arrangements.

Operating leases as Lessor

Investment property and reserve lands are leased under operating leases. The majority of the leases have a non-cancellable term of 5 years.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2014/15 \$000s	2015/16 \$000s
Not later than one year	31	28
Later than one year and not later than five years	69	48
Later than five years	-	-
Total non-cancellable operating leases	100	76

No contingent rents have been recognised during the period.

31. Financial Instruments

Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

	2014/15 Council \$000s	2015/16 Council \$000s
Financial Assets		
Fair value through the surplus or deficit - held for trading	-	-
Loans and Receivables		
Cash and cash equivalents	4,341	2,763
Debtors and other receivables	5,213	4,305
Other financial assets		
- term deposits	5,523	6,144
- community loans	13	-
- loans to related parties	-	-
Total Loans and Receivables	15,090	13,211
Fair Value Through Other Comprehensive Revenue and Expense		
Other financial assets		
- Local Government Funding Agency borrower notes	144	144
- local authority and government stock	118	118
Total Fair Value Through Other Comprehensive Revenue and Expense	262	262
Total Financial Assets	15,352	13,473
Financial Liabilities		
Fair Value Through the Surplus or Deficit		
Borrowings		
- interest rate swaps	482	925
Financial Liabilities at Amortised Cost		
Creditors and other payables	4,286	4,189
Borrowings		
- bank overdraft	-	-
- secured loans	10,000	9,000
- debentures	-	-
Total Financial Liabilities at Amortised Cost	14,768	14,114

Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.

- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Valuation Technique			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
Council - 30 June 2016				
Financial Assets				
Unlisted shares				
- New Zealand Local Government Insurance Corporation Limited	118	-	-	118
- Unlisted shares (MW LASS)	1	-	-	1
- Local Government Funding Agency borrower notes	144	-	-	144
Financial Liabilities				
Derivative financial instruments	925	-	925	-
Council - 30 June 2015				
Financial Assets				
Unlisted shares				
- New Zealand Local Government Insurance Corporation Limited	118	-	-	118
- Unlisted shares (MW LASS)	1	-	-	1
- Local Government Funding Agency borrower notes	144	-	-	144
Financial Liabilities				
Derivative financial instruments	482	-	482	-

There were no transfers between the different levels of the fair value hierarchy

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	Council	
	2014/15	2015/16
	\$000	\$000
Balance at 1 July	230	262
Gain and losses recognised in the surplus or deficit	-	-
Gain and losses recognised in other comprehensive revenue and expense	-	-
Purchases	32	-
Balance at 30 June	262	262



32. Financial Instrument Risks

Council have a series of policies to manage the risks associated with financial instruments. Council are risk averse and seeks to minimise exposure from its treasury activities. Council has established Treasury and Risk Management Policy. This policy does not allow any transactions that are speculative in nature to be entered into.

Market Risk

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

Council

Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through other comprehensive revenue and expense. This relates to shares in Civic Assurance which are held at net asset backing value as impairment of a New Zealand Government owned company is not deemed necessary.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Council

Council has purchased plant and equipment associated with the construction of certain infrastructural assets from overseas which required it to enter into transactions denominated in foreign currencies. All such purchases have now been completed so there is no exposure to this risk.

It is Council's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above specified amounts by entering into forward foreign exchange contracts to hedge the foreign currency risk exposure. This means Council is able to fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas.

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.

Council

Council actively manages interest rate risk through fixing of funding costs using swaps, therefore reducing the uncertainty related to interest rate movements. Council's Treasury and Risk Management Policy is to maintain fixed rate debt between the range of 55%–90% compared to floating debt.

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.

Council

Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk. Council manages the variability of interest rates by using fixed rate swaps for external borrowing and term deposits for cash investments.

Credit Risk

In the normal course of its activities, the Council incurs credit risk from debtors and financial institutions. Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss.

Council

Due to the timing of its cash inflows and outflows, the Council invests surplus cash into term deposits, which gives rise to credit risk. There are no significant concentrations of credit risks except that Council's cash resources are mainly held by two trading banks.

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

Maximum Exposure to Credit Risks

Council's maximum credit risk exposure for each class of financial instrument is as follows:

	2014/15 Council \$000s	2015/16 Council \$000s
Cash at bank and term deposits	9,864	8,907
Debtors and other receivables	5,213	4,305
Community and related party loans	13	-
Local Government Funding Agency borrower notes	144	144
Local authority and government stock	118	118
Total credit risk	15,352	13,473

Credit Quality of Financial Assets

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

	2014/15 Council \$000s	2015/16 Council \$000s
Counterparties with Credit Ratings		
Local Government Funding Agency		
AA+ / AA-1+	144	144
Cash at Bank and Term Deposits		
AA-	9,864	8,907
Counterparties without Credit Ratings		
Community and related party loans		
Existing counterparty with no defaults in the past	13	-
Existing counterparty with defaults in the past	-	-
Total community and related party loans	13	-

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has only one significant concentration of credit risk in relation to debtors (NZ Transport Agency). This concentration of risk and reliance on Government is not considered to be a matter of concern because of the New Zealand Government's strong credit rating.

Council has a large number of other credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers, there is no other significant risk.

Liquidity Risk

Management of Liquidity Risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due.

Council

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.



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

Council has a maximum amount that can be drawn down against its overdraft facility of \$200,000 (2015: \$500,000). There are no restrictions on the use of this facility. Council has a pre-approved multi-option facility of another \$5,000,000 to be used in the event of a natural disaster.

Contractual Maturity Analysis of Financial Liabilities

The table below analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt is based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying Amount \$000s	Contractual Cash \$000s	Less than 1 Year \$000s	1–2 Years \$000s	2–5 Years \$000s	More than 5 Years \$000s
Council 2015/16						
Creditors and other payables	4,189	4,189	4,189	-	-	-
Net settled derivative liabilities	925	925	925			
Bank overdraft	-	-	-	-	-	-
Secured Loans	9,000	10,033	284	2,252	6,431	1,065
Total	14,114	15,147	5,398	2,252	6,431	1,065
Council 2014/15						
Creditors and other payables	4,286	4,286	4,286	-	-	-
Net settled derivative liabilities	482	482	482	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured Loans	10,000	11,773	1,391	2,345	4,809	3,228
Total	14,768	16,541	6,159	2,345	4,809	3,228

Contractual Maturity Analysis of Financial Assets

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

	Carrying Amount \$000s	Contractual Cash \$000s	Less than 1 Year \$000s	1–2 Years \$000s	2–5 Years \$000s	More than 5 Years \$000s
Council 2015/16						
Cash and Cash Equivalents	2,763	2,763	2,763	-	-	-
Debtors and other receivables	4,305	4,305	4,259	46	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- term deposits	6,144	6,223	6,223	-	-	-
- community and related party loans	-	-	-	-	-	-
- Local Government Funding Agency borrower notes	144	144	-	-	-	144
- local authority and government stock	118	118	-	-	-	118
Total	13,473	13,554	13,245	46	-	262
Council 2014/15						
Cash and Cash Equivalents	4,341	4,372	4,372	-	-	-
Debtors and other receivables	5,213	5,213	5,213	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- term deposits	5,523	5,613	5,613	-	-	-
- community and related party loans	13	13	13	-	-	-
- Local Government Funding Agency borrower notes	144	144	-	-	-	144
- local authority and government stock	118	118	-	-	-	118
Total	15,352	15,473	15,211	-	-	262

Sensitivity Analysis

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

	Note	2015/16 (000s)				2014/15 (000s)			
		-100bps	-100bps	+100bps	+100bps	-100bps	-100bps	+100bps	+100bps
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
Interest Rate Risk									
Financial Assets									
Cash and Cash Equivalents	1	(28)	-	28	-	(43)	-	43	-
Financial Liabilities									
Nett settled derivatives	2	(1,392)	-	(488)	-	(892)	-	(100)	-
Borrowings:									
- bank overdraft		-	-	-	-	-	-	-	-
- LGFA loans		(5)	-	5	-	-	-	-	-
- multi-option credit facility	3	-	-	-	-	(10)	-	10	-
Total sensitivity to interest rate risk		(1,425)	-	(455)	-	(945)	-	(47)	-

Explanation of Sensitivity Analysis – Council

- 1 Cash and cash equivalents include deposits at call totalling \$2,763,000 (2015: \$4,341,000).
A movement in interest rates of plus or minus 1% has an effect on interest revenue of \$27,630 (2015: \$43,100).
- 2 Council has in place interest rate swaps with Westpac as at year end to hedge the rise of interest rates in the future.
- 3 The value of loans under swap arrangements totalled \$8,500,000 (2015: \$9,000,000), with \$500,000 unhedged.

33. Capital Management

Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds 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, assets, liabilities, investments, and general financial dealings.

The objective 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 costs 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 and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And 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 Revenue and Financial Policies in the Council's Long Term Plan.

The Council has the following Council-created reserves:

- Asset Revaluation Reserves
- Special funded reserves
- Trust funds

Any gain or loss on infrastructure asset revaluation is applied to the specific asset reserve.

Special funded reserves are reserves restricted by Council decision. Transfers to and from these reserves are at the discretion of the Council. Interest is added to these funds where applicable.

Trust Funds are set up where the Council has been donated funds that are restricted for a particular purpose. Interest is added to trust funds where applicable, and deductions are made where funds have been used for the purpose they were donated.

34. Contingent Assets and Liabilities

Council is aware of the following contingent liabilities existing at year end.

	2014/15 Council \$000s	2015/16 Council \$000s
Contingent Liabilities		
Risk Pool call	-	-
Weathertight claim	50	50
Total Contingent Liabilities	50	50

Contingent Liability

Risk Pool Calls

Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability RiskPool (Riskpool). Riskpool operates as a mutual fund where each member makes an annual contribution to obtain cover.

However, should claims exceed contributions then calls can be made on the members of that fund year, for the shortfall amount.

Council ceased to be a member of risk pool from financial year 2009/10 onwards because of the concern Council had for being jointly and severally liable for any claims. However, in November 2009 Council was advised that Riskpool would make three calls in each financial year beginning 2009/10 due to insufficient funds for weather tightness claims for the Fund Year 2009/10.

For the year 2014/15, Riskpool made no call. Risk pool has also advised that additional funds are not required and therefore no call will be made for the 2016 and 2017 years. We have not recognised any contingent liability this year.

Weathertight Claims

Council has a contingent liability for a claim relating to Weathertightness under the Funding Assistance Package. Under this programme, Council agrees to fund 25% of the cost to remedy the weathertightness defect.

Council has one claim for a potential cost initially estimated at \$125,000. Council is working with the Ministry of Business, Innovation and Employment and the owners to confirm the final design and cost to remedy the weathertightness defect. As Council is not able to reliably quantify the potential liability given the complexity of the claims, a contingent liability has been estimated for the value of \$50,000 to also account for any further increases in cost.

35. Post Balance Date Events

There are no post balance date events.

36. Remuneration

During the year to 30 June 2016, the total remuneration and value of other non-financial benefits received by, or payable to the Mayor, Councillors, the Chief Executive, and senior managers of the Council were as follows:

	2014/15 \$000s	2015/16 \$000s
Mayor		
Roly Ellis	81	84
Councillors		
Tracey Collis	26	26
James Crispin	26	27
Warren Davidson	25	3
Keith Fenemor	26	27
Shirley Hull	24	25
Carole Isaacson	24	25
Bill Keltie	33	34
Peter Johns	-	16
David Roberts	26	27
Total Mayor & Councillors	291	295
Community Boards		
Ernie Christison	5	5
Charlie Death	7	7
Timothy Delaney	5	5
Robert Dresser	9	11
Diana Eagle	3	4
Trudi Hull	3	4
Ross Macdonald	5	5
Sharon Shannon	3	4
Total Community Boards	40	45
Chief Executive		
Blair King, employee benefit costs	210	215
Blair King, motor vehicle	15	15
Total Chief Executive	225	230
Key Management Personnel (includes mayor, councillors, chief executive, and senior managers)		
Employee benefit costs	993	1,035
Post employee benefit costs (including Superannuation)	33	35
Other long term benefits	-	-
Termination benefits	-	-
Total Key Management Personnel	1,026	1,070
Severance Payments		
All employees (2 in 2016)*	8	25

* The value of each of the severance payments was \$15,000 and \$10,000.

Total Employee Annual Remuneration by Band

Remuneration Band	2015/16	Remuneration Band	2014/15
less than \$60,000	60	less than \$60,000	57
\$60,000–\$79,999	17	\$60,000–\$79,999	19
\$80,000–\$99,999	6	\$80,000–\$99,999	6
\$100,000–\$239,999	5	\$100,000–\$239,999	4
Total	88	Total	86

Total remuneration includes non-financial benefits provided to employees.

At balance date, Council employed 56 (2015: 53) full-time employees, with balance of staff representing 17.3 (2015: 14.6) full-time equivalent employees. At balance date, Council employed five casual staff (2015: 5).

A full-time equivalent (FTE) employee is determined on the basis of a 40-hour working week.

37. Major Budget Variations

Explanations for major variances from Council's budget figures in the 2015/16 Long Term Plan are detailed below.

Statement of Comprehensive Revenue and Expense

Revenue

- Rates revenue is showing as \$554,000 less than budgeted, as the budget figure is the gross rates strike. The actuals are presented less rates remissions, internal rates, and inclusive of rates penalties.
- Fees and charges are under budget by \$215,000. This is due to the reclassification of rates penalties to rates.
- Subsidies are over budget by \$2.04 million. Subsidies Council has received from NZ Transport Agency are higher than budget by \$2.16 million. This is due to higher subsidies from flood damage (\$900,000) and the Saddle Road project carried forward from last financial year with \$1.1 million additional subsidy received.
- Council also received unbudgeted subsidy of \$430,000 from the Ministry for the Environment for wastewater projects carried forward.
- Council has yet to commence the Pahiatua new bore and treatment project, therefore, Council has not received any of the \$530,000 budgeted subsidy. The scope and timelines have significantly changed, as the second bore option was not viable.
- Other revenue is higher than budget due to receipt of \$243,000 for insurance proceeds for the Pahiatua Recycling Centre fire, accrual of \$588,000 for a claim to Central Government for repair of earthquake damaged pipes from the 2014 Eketahuna earthquake, \$87,000 unsecured creditor distribution from Infracore. Note, \$325,000 of the budget relates to forestry sales with actuals reported on a separate line.
- Council received gross forestry sales of \$1.98 million. This was budgeted for as the \$325,000 above, nett of harvesting expenses. The operating result of a \$19,000 loss for forestry was significantly under the budgeted surplus of \$237,000 due to increased costs for harvesting and recognising the cost of logs harvested.

Expenses

- Depreciation and amortisation is higher than budget as a result of the infrastructure valuation on 1 July 2015.
- Finance costs are over budget by \$339,000. Lower interest expense on loans of \$89,000 is due to lower interest expense during the year, mainly due to lower external debt than planned. The items exceeding budget are due to unbudgeted non-cash adjustments of fair value of derivatives (swaps), which has decreased in value by \$443,000, and landfill discount unwinding of negative \$15,000.

- Personnel costs are showing higher than budget due to reclassifying \$305,000 of seconded Alliance staff budgeted as operating expenditure to personnel costs.
- Other expenses is higher than budget by \$942,000. The table below highlights the major variances:

Add back reclassified items	
Rates debits	483,000
Rates internal	331,000
Alliance salary reclassification	305,000
Less major unfavourable variance	
Additional provision for doubtful debts	(239,000)
Grossing up of forestry expense as explained under revenue	(1,910,000)
Write-off of historical debtor balance error	(221,000)
Add favourable budget variance	
Roading, mainly due to the reclassification of emergency works from operational cost to renewal	160,000
Solid Waste. This was mainly due to lower refuse tonnage, resulting in lower disposal and transport costs and lower kerbside recycling costs	144,000

Other Gains/(Losses)

- The main reason for the favourable variance is due to receiving an unexpected cash distribution of \$680,000 from the liquidation of Infracon. Other items in other gains/(losses) are made up of gains/(losses) on disposal of fixed assets, investment property valuation movements, and the forestry valuation.

Gain / (loss) on Asset Revaluations

- Council had an infrastructure revaluation completed as at 1 July 2015. The result of the valuation was a decrease of \$7.6 million, whereas an increase of \$12.9 million had been budgeted. Valuation adjustments are non-cash.

Statement of Financial Position

Assets

- Cash and cash equivalents is lower than budget due to utilising cash to keep external borrowings minimised.
- Other financial assets (current) are lower than budgeted due to holding less term deposits as cash has been utilised to keep external debt minimised.
- Investment property is lower than budget but higher than previous year. This is due to revaluation.
- Property, plant and equipment is lower than budget, mainly due to the infrastructure revaluation resulting in a decrease, rather than the budgeted increase.

Liabilities

- Borrowings are under budget by \$3.2 million due to delay in completion of capital projects. Also, Council received cash proceeds from the liquidation of Infracon and sale of Hovding Court, which has resulted in lower external debt and due to actively managing cash reserves to keep borrowings lower.

Equity

- Asset revaluation reserves are lower than budget due to the budgeted infrastructure valuation increase of \$12.9 million, actually resulted in being a \$7.6 million decrease.
- Accumulated funds are higher than budgeted due to a higher surplus than budgeted.
- Special funded reserves are \$1.3 million above budget due to a higher opening balance than budgeted.



Statement of Cash Flows

Overall net increase in cash balances held were lower than budget by \$755,000.

Significant variances are:

Operating Activities

- Overall cash flow was \$4.9 million higher than budget due to higher grants and subsidies received than budget. This is due to mainly to the Saddle Road project.

Investing Activities

- Overall cash flow is \$1.7 million over budget.
- This is mainly due to a higher capital expenditure than budgeted. This is due a larger capital programme than budgeted due to previous year carry forwards.

Financing Activity

- Overall cash flow is \$4.8 million under budget.
- This is due to lower net borrowing. Through better cash management, we have been able to better utilise cash to keep debt low. Also, we received more subsidies for the Saddle Road. We also received unbudgeted funds from the proceeds from Infracon, and sale of Hovding Court.

Council's Interests in Other Entities

The Local Government Act 2002, Schedule 10 (28) requires Council to provide information regarding its involvement in Trading Organisations (CCTOs), companies and other organisations under the control of Council or in which Council has a significant interest.

Manawatu-Wanganui LASS Limited

This company was set up in 2008 by seven local councils to investigate the possibilities of economies of scale by joint procurement.

Tararua District Council owns 1/7th equal share or 14% of this company and has a liability for \$1,000 share capital.

General Information



Council

His Worship the Mayor



R A (Roly) Ellis

PO Box 115
Dannevirke
06 374 4080
info@tararuadc.govt.nz

North Ward Councillors



Cr J E (Jim) Crispin

8 Stairs Street
Dannevirke
06 374 6768
027 717 8862
jim.crispin@tararua.govt.nz



Cr K R (Keith) Fenemor

92A Adelaide Road
Dannevirke
06 374 5450
027 374 2011
keith.fenemor@tararua.govt.nz



Cr C J (Carole) Isaacson

63 Umutaoroa Road
RD 8
Dannevirke
06 374 5577
027 307 5013
carole.isaacson@tararua.govt.nz



Cr D A (David) Roberts

PO Box 69
Dannevirke
06 374 6405
027 644 9459
david.roberts@tararua.govt.nz

South Ward Councillors



Cr T H (Tracey) Collis

674 Kakariki Road
RD 6
Eketahuna
06 376 6756
027 630 4057
tracey.collis@tararua.govt.nz



Cr S (Shirley) Hull

Pahiatua-Mangahao Road
RD 3
Pahiatua
06 376 7283
201 417 044
shirley.hull@tararua.govt.nz



Cr P (Peter) Johns

44 McLean Street
Woodville
06 376 5048
027 442 7115
peter.johns@tararua.govt.nz



**Deputy Mayor
Cr W H (Bill) Keltie**

217 Hinemoa Valley Road
RD 1
Pahiatua
06 376 8996
027 463 5384
bill.keltie@tararua.govt.nz



Community Boards & Council Committees

Community Boards

Dannevirke Community Board

Generally meets on the first Monday of the month at 3:00pm.

- **Chairperson**
Mr R A (Bob) Dresser
22 Ries Street, Dannevirke 4930
06 374 6270
dresser234@msn.com
- **Deputy Chairperson**
Mr W R (Ross) MacDonald
91 Piri Piri Road, RD 7, Dannevirke 4977
06 374 7996
gloriarossmacdonald@gmail.com
- Mr E (Ernie) Christison
677 Laws Road, Dannevirke 4978
027 442 8099
ernie.contracting@xtra.co.nz
- Mr T (Tim) Delaney
41 Riverdale Road, Dannevirke 4930
06 374 5200
woollybuttskennel@gmail.com
- **Councillor**
Mrs C (Carole) Isaacson
RD 8, Umutaoroa, Dannevirke 4978
06 374 5577
carole.isaacson@tararuaadc.govt.nz

Eketahuna Community Board

Generally meets on the first Friday of the month at 10:00am.

- **Chairperson**
Mr C C (Charlie) Death
Nireaha Road, RD 2, Eketahuna 4994
06 375 8503
deaths@inspire.net.nz
- **Deputy Chairperson**
Mrs D F (Diana) Eagle
1775 Mangaone Valley Road, RD 4,
Eketahuna 4993
06 376 8256 or 027 323 3570
eagleeketahuna@xtra.co.nz
- Ms T (Trudi) Hull
120 Priest Road, RD 2, Eketahuna 4994
06 375 8220
chris.trud@xtra.co.nz
- Ms S (Sharon) Shannon
125 Larsens Road, Eketahuna
06 375 8130
bevansharon@hotmail.com
- **Councillor**
Mrs T H (Tracey) Collis
674 Kakariki Road, RD 6, Eketahuna 4995
06 376 6756 or 027 630 4057
tracey.collis@tararuaadc.govt.nz

Community Committees

Woodville operates its own autonomous community committee, Woodville Districts' Vision (Inc).

Pahiatua operates its own autonomous community committee, Pahiatua on Track (Inc).

Council Committees

Chief Executive's Performance Appraisal Committee

His Worship the Mayor, Mr R A (Roly) Ellis (Chairperson)

Cr S A (Shirley) Hull

Deputy Mayor, Mr W H (Bill) Keltie

Cr D A Roberts

Tribunal and Hearings Committee

His Worship the Mayor, Mr R A (Roly) Ellis

Cr T H (Tracey) Collis

Cr S A (Shirley) Hull

Audit and Risk Committee

Mr K (Kevin) Ross (Chairperson)

His Worship the Mayor – Mr R A (Roly) Ellis

Cr T H (Tracey) Collis

Cr S A (Shirley) Hull

Forestry Committee

His Worship the Mayor, Mr R A (Roly) Ellis (Chairperson)

Cr K R (Keith) Fenemor

Deputy Mayor, Mr W H (Bill) Keltie

Taranua District Licensing Committee

Mr David Lea (Chairperson)

Mr Nick Perry

Mrs Maureen Reynolds

Mr Kerry Sutherland



Management Team & Directory

Management Team

Executive Staff

Blair King *ME (Civil) MIPENZ*
Chief Executive

Peter Wimsett *CA, BBS*
Manager Strategy & District Development

Raj Suppiah *CA*
Chief Financial Officer

Kathy Dever-Tod
Manager Assets Group

Chris Edsall
Tararua Alliance Manager

Craig Lunn *BRPC (Hons), MNZPI*
Manager Planning and Regulatory

Directory

Main Office and Council Chambers

PO Box 115 Dannevirke 4942	26 Gordon Street Dannevirke
Telephone:	(06) 374 4080
Fax:	(06) 374 4137
General email:	info@tararua.govt.nz
Council website:	www.tararua.govt.nz
District website:	www.tararua.com
Facebook:	Tararua-District-Council

Service Centre Locations

Dannevirke 26 Gordon Street, Dannevirke (06) 374 4080	Pahiatua 136 Main Street, Pahiatua (06) 376 0110
Woodville 42 Vogel Street, Woodville (06) 376 0200	Eketahuna 31 Main Street, Eketahuna (06) 376 0219

Other

Bankers

Westpac New Zealand Limited
Dannevirke

Bank of New Zealand
Dannevirke

Auditors

Audit New Zealand
PO Box 149
Palmerston North
On behalf of the Auditor-General

Insurance Brokers

Aon New Zealand Ltd
Wellington

Glossary of Terms

Activity The operation of a facility or the provision of a service.

Asset Management Plan A plan, which identifies the current status of an asset, future renewal programme and options to meet growth due to demand/expansion.

Capital Development The creation of new assets or the addition of new components to existing assets that extend any asset's service potential.

Capital Renewal The replacement of existing assets when they have reached the end of their useful life.

Community Outcomes The community's priorities for the future of the district, identified through a community consultation process.

Cost of Service The true cost of performing an activity. Calculated as the total of direct costs, support costs, depreciation, interest and debt servicing.

Depreciation The cost or value of the economic benefit of an asset used during a financial year.

Groups of Activities The Council's services are divided into nine groups of activities based on their relationship and the rationale for providing them.

Indicator Flag or signal that represent an issue of concern or which measure change or progress toward a desired outcome.

Infrastructural Assets Systems and networks that provide a continued service to the community that are not generally regarded as tradeable. These assets include roads, footpaths, water and sewerage services, and stormwater systems.

Long Term Plan (LTP) A plan which outlines the Council's programme for the next 10 years and how it will contribute to achieving the community outcomes.

Measure The actual piece of information or data used to gauge an indicator.

Operational Expenditure All funding for providing services on a day to day basis, excluding renewal and capital expenditure.

Operating Revenue Revenue received as part of day-to-day activities. Includes user charges and rates but not capital revenue (such as new loans).

Performance Measure Measure by which organisational performance may be judged in relation to objectives.

Policy A course of action or set of parameters adopted by the Council or by management within which decisions can be made and action can be taken.

Revenue and Financing Policy The Revenue and Financing Policy sets out who should pay for Council's activity and how they should pay for the activity.

Service Delivery Plan Outlines each of the Council's activities including service levels, performance measures, issues and future demand.

Targeted Rate A rate levied over a particular group of properties that receive or are capable of receiving a specific service or benefit additional to that provided by general rate funding.

Toby A valve situated at the property boundary for the purpose of controlling the flow of water to the property.

User fees and charges Fees charged to the community for use of specific services and facilities provided by the Council.

Vision Council's view of the future state of its community. It is used to inspire people into action, define future direction and implies that what we do now can influence and change the future for the better.