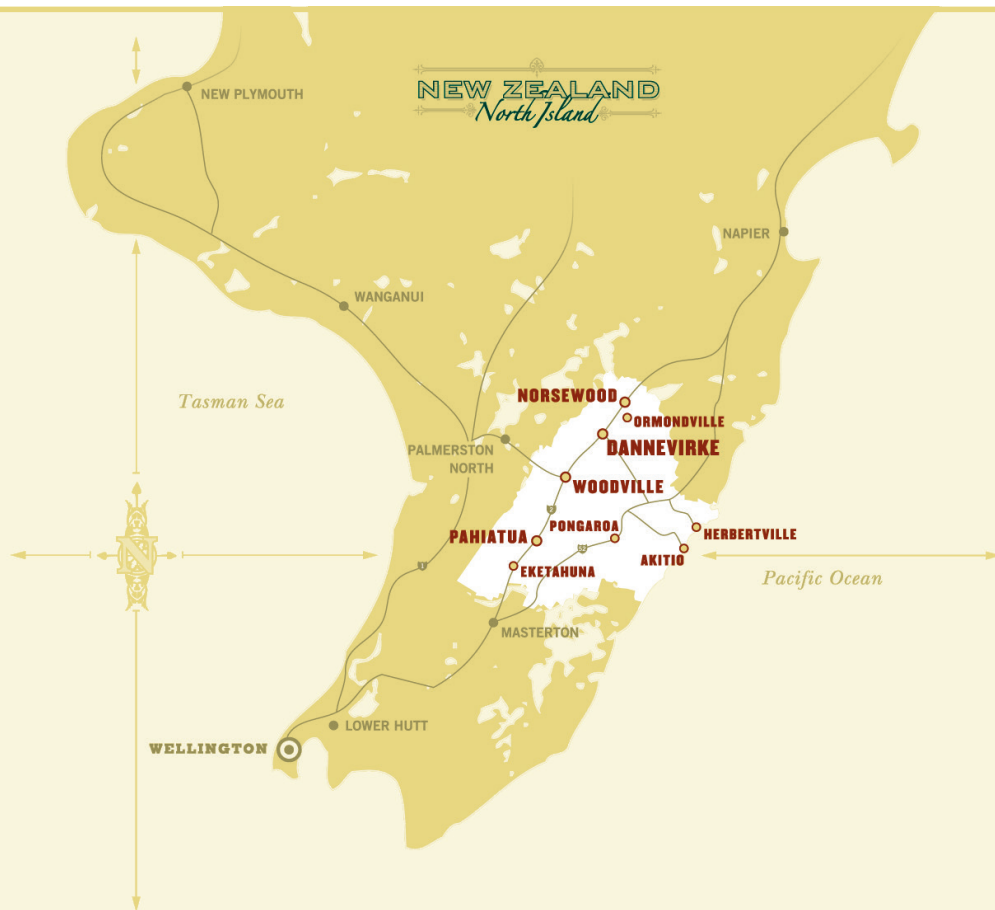


# ANNUAL REPORT 2016/17



## 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 2016/2017**

**① ARARUA DISTRICT COUNCIL**



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# Introduction

1





# 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 2016 to 30 June 2017 against what was forecast in the Annual 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 messages.
- Our Year at a Glance.
- Our Progress Towards the Strategies in Our Long Term Plan – a review of our progress towards our strategies.

### Reports

This section includes:

- 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.



# From your Mayor

This report sets out our performance for year two of our 2015–2025 Long Term Plan. The challenges have been many but our overall results are positive.

Our 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.

instead of "somewhat satisfied". This has meant some of the survey results show a decline in customer satisfaction when compared to the 2014 survey results.

## Engaging and supporting our community

Council has been engaging with Rangitane o Tamaki nui-a-Rua, "Rangitane" and Ngati Kahungunu ki Tamaki nui-a-Rua, "Kahungunu", on a number of matters including Resource Management Act consenting issues and projects. We are pleased to note that we are working positively and constructively on matters of common interest with both Iwi.

We also introduced a public forum at the commencement of each Council monthly meeting to directly hear any concerns the community wanted to raise with the Councillors.

This year we completed the community survey but used a different service provider. Two surveys were completed – September/October 2016 and June/July 2017. Total residents surveyed for the first survey was 450 and the second was 277. The reason for doing the survey at different times in the year is to see trends and seasonal impacts on resident satisfaction.

We achieved 13 out of the 22 community satisfaction measures. A change from the 2014 survey is that we have chosen (after advice from the new survey company) that a score of 5 out of 10 is treated as "somewhat dissatisfied"

“  
*What was encouraging to note was that 74% of the respondents were satisfied with the Vision and leadership...*  
”

What the results show is that the residents are generally satisfied with the various services, infrastructure and facilities that are provided and maintained by Council. Satisfaction is highest in relation to parks and reserves, community facilities and waste management. However, residents are less satisfied with aspects of the water management and roading infrastructure. The unusual number of storm weather events we had this year was a contributing factor.

We also took the opportunity to seek feedback on other aspects of Council. What was encouraging to note was that 74% of the respondents were satisfied with the Vision and leadership, 79% overall were satisfied with the Councillors performance and 90% were satisfied with the



overall performance of Council staff. This is a significant improvement from the 2014 survey and shows we have lifted our performance.

## Rates affordability

Affordability is at the heart of our Long Term Plan. Council must balance the intergenerational equity issues with current rates affordability – in essence how much should current ratepayers pay compared to future generations.

“

*We continue to see the positive change to migration trends, with families coming to live in Tararua...*

”

Against a backdrop of slow but steady economic growth, our rating base has increased slightly, yet the issue of affordability continues to remain critical. External challenges such as the closure of the Manawatu Gorge and the One Plan impacts on farm sustainability are resulting in additional concerns for Council.

Delivery of water and wastewater activities to meet ever increasing standards and renewing piped networks were the main drivers for this year's rate increase. The need to significantly improve the quality of the wastewater and water networks driven by community expectations and higher standards set through renewing discharge resource consents, is resulting in major new investments in new infrastructure. Funding both the operating and capital requirements is presenting particular challenges for us to maintain affordability. Council must also set aside funding for the eventual replacement of these new assets.

Within these challenges, Council kept the rate increase to 1.71%, with a rural sector rate increase of 0.96%. The urban and industrial/commercial sector rates increases were higher due to the continued investment in our urban infrastructure to meet community expectations and required standards/legislation.

## Economic development and growth

A growing population is critical to rural communities in order to provide affordable services and infrastructure that meet increasing standards. We continue to see the positive change to migration trends, with families coming to live in Tararua from Australia and elsewhere. This is a welcome sign and gives us confidence in the future of Tararua.

We continue to invest in our economic development team to have a strong business support focus and sufficient resources to support local events, businesses and the wider community. For the last two years the team continues to exceed our targets.

As part of the Manawatu River Leaders Accord, the first whare (information kiosk) was installed in the Te Apiti Reserve and a further seven will be erected at culturally significant sites along both sides of the Manawatu River over the next two years.

Each whare will contain historical narratives, together with scientific facts that connect community to the stories, history and culture of the Manawatu River.

Plans for more work in the Te Apiti Reserve include new information boards and the ongoing planting of native trees. We were also successful in our bid for the Regional Mid-sized Tourism Facilities Grant Fund and received \$105,800 to help replace single pan Permalooos with larger toilet blocks at both ends of the Te Apiti – Manawatu Gorge, a very popular visitor destination.

## Infrastructure and partnerships

This year we took great strides toward delivering a transport network that will keep us moving. The Tararua Alliance is delivering better information on our roading network and focusing our limited resources to gain maximum benefits from our investment. The frequent rain and storm events over the year resulted in a challenging year to maintain service levels. Council funds these services in partnership with the NZ Transport Agency (NZTA) who provided 63% of the maintenance costs of our network. Council was pleased to learn that this funding rate will increase by 1% in each year and eventually set at 66%.

The closure of the Manawatu Gorge is a major concern for the district, with particular impacts on Woodville. This is a State Highway regional link so is the responsibility of the NZ Transport Agency. Council is working hard with the NZ Transport Agency to ensure our local communities have a reliable and efficient long term roading link between Hawkes Bay and Manawatu-Whanganui Regions in the shortest time possible.

We are nearing completion of our goal to meet the urban water supplies compliance, quality and supply issues in our district. Our progress has been hampered by weather events and resources being diverted to deal with other pressing issues. We have made progress this year but it is next year when we will have a major push to complete the Woodville, Pahiatua and Pongaroa water upgrade projects.

We also made significant progress towards achieving the new higher standards for urban wastewater treatment. The majority of approved wastewater upgrades are complete and almost all of the water upgrades are either complete or underway. We still have a few major wastewater network

upgrades to go with the focus now on Eketahuna and Pahiatua. This will be a focus for the next year.

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 negative impact on the affordability of rates would have been significant.

In the 2015–2025 Long Term Plan, Council based the decision to sell its pensioner housing portfolio to a reputable social housing provider on a series of assumptions that were current in 2014/15.

Since then a number of these funding assumptions are no longer relevant, while the rental market in Tararua (and across New Zealand) has experienced very strong demand. The availability of housing in general, and affordable community housing in particular, is now a key national issue. Hence, it is likely that a higher proportion of the community would now favour retaining ownership of the pensioner units.

As a result, Council considered future options for pensioner housing as part of this 2017/18 planning process. Council resolved to defer selling the pensioner housing units and signal further consultation on this matter in the 2018–2028 Long Term Plan. Council's preferred option is to continue to retain the flats as a self-funding activity.

“  
*Difficult situations inspire ingenious solutions, so I believe we need to look at the whole Manawatu Gorge closure as an absolute inconvenience.*  
”

In addition, Council also decided to invest in improving the standard of units through the installation of heat pumps and minor upgrades. Council has also approved a part time staff resource to administer the housing units and ensure that our tenants are supported.

## The challenges

The year had not been short of challenges – from two significant weather events, closure of the Manawatu Gorge, to the Havelock North drinking water safety issues and the impact of the environment court decision on the One Plan.

We all know what it's like to have plans inconveniently changed. It can stir up different emotions for different people. Difficult situations inspire ingenious solutions, so

I believe we need to look at the whole Manawatu Gorge closure as an absolute inconvenience. This is not to negate the impact it is having on our communities. It is about striving for innovation – as the proverb goes, "necessity is the mother of invention".

The announcement of a new eastern-western link (the alternate route for the Manawatu Gorge) by NZ Transport Agency and the Government's decision to list it as a Road of National Significance, brings recognition that priority for consenting and funding is required.

We will continue to work closely with NZ Transport Agency and the other Councils in the region to arrive at a long term solution that benefits the regions affected.

## Looking ahead

I believe with continued sound planning and prudent financial management, and a Council of committed and passionate people, we will continue to make significant progress towards achieving our vision and goals we have agreed with the community.

We will continue our investment to maintain the \$0.9 billion of assets we own and strengthen partnerships with Iwi, our communities, and stakeholders. We will continue to seek efficiencies to keep rates as affordable as possible, and will ensure our district's interests are represented at both a regional and national level.

Looking forward, our focus now turns to delivering on our promises for year three of our 2015–2025 Long Term Plan and, together with the community and stakeholders, develop the 2018–2028 Long Term Plan.

But most importantly, we will continue to ensure "Living Well in Tararua – it's more than just a promise".



Tracey Collis  
Mayor



# From your Chief Executive

This year, the Council continued to improve its operational capability and efficiency from process and structural changes.

The focus continues to be on delivering services in the most affordable and efficient way, considering both the replacement of assets in the future and current operational costs.

## Our performance

We have performed well, with a favourable net operating result of \$1.02 million compared to a budget of \$220,000.

Completing \$16.9 million of capital programmes against a total capital budget of \$21.8 million has delivered further improvements in water, wastewater, roading, and properties. Although the 2016/17 annual plan budget was \$13.9 million for projects, as a result of carry forward budgets from previous years and additional budget variations, the target programme grew to \$21.8 million. This means we achieved a completion rate of 78%, which is similar to the 2015/16 year when we completed \$16.8 million of capital investment with similar resourcing.

Despite these large investments in infrastructure, Council is in a very strong financial position overall, with low debt and low rate increases. External debt is at a low level of \$11.6 million while Council holds \$5.6 million of cash investments.

Operationally we performed well overall achieving 76% of our service performance measures, consistent with last year. It should be noted that 22 measures were not applicable last year as we did not carry out a community survey. We are now conducting community surveys every year so we can monitor our performance on a continual basis.

In the survey results, it was pleasing to note that the community had confidence in the staff in delivering the outcomes in our Long Term Plan.

All of this has been possible on the back of the lowest rates increase to-date of 1.71%.

## Infrastructure investments

Our capital programme was largely geared towards legislative compliance and, where we could, we worked in partnership with our communities and stakeholders to prioritise and co-fund the projects we carried out.

“  
*Despite these large  
investments in infrastructure,  
Council is in a very strong  
financial position overall...*

The \$16.9 million of capital investment included 82 projects that have been completed, 20 that are in commissioning phase and 32 still under construction. We received \$9.4 million of subsidies this year from the NZ Transport Agency and \$885,000 relates to the two major storm events in April 2017.

A full footpath condition survey was completed during February 2017, with a view to better understand Council footpath deterioration and to focus maintenance and renewals expenditure where most needed. The survey confirmed 99.7% of footpaths meet the required level of service.

We have developed a plan to address the problem of stormwater draining into our urban wastewater systems from private homes, which has a significant impact on our wastewater treatment systems and discharges into rivers during heavy rain events.

Our partnership with Downer NZ in the Tararua Alliance continues to pay dividends. The Tararua Alliance is now approaching three years since implementation and there is still a large focus on continuous improvement and Best for Network decisions. Improved asset inventory and condition information is enabling better decision-making with regards to investment. An ongoing priority is to improve this information to enable more accurate long term replacement plans and budget forecasting.

The NZ Transport Agency completed their Audit of the Tararua Alliance and noted that Council has strong contract management processes in place through its role in the Tararua Alliance, and representation on the strategic governance group of the Tararua Alliance. The detailed information provided to the auditor confirmed they were happy Council was receiving value for money from the NZ Transport Agency Land Transport co-investment.

Focus for the roading activity continued to be on completing the Manawatu/Hawkes Bay alternate route (Saddle Road), safety improvements, including rehabilitation and resealing. This year, due to the two weather events in April 2017, we incurred \$1.4 million in emergency reinstatement.

For wastewater capital investment, we spent \$7.5 million over the last two years and spent another \$2.3 million this year. We have budgeted to spend another \$2.1 million next year. For water capital investment, we spent \$1.9 million over the last two years and spent another \$3.4 million this year. We have budgeted to spend another \$4.3 million next year. This will bring our eight urban water schemes up to a storage and treatment level compliant with the mandatory drinking water standards set by government.

During 2016/17, Council restructured the Assets Team with more maintenance work being placed into the Tararua Alliance and additional project management resource brought in.

We have not just been focused on renewing core infrastructure. We have continued to make good progress in upgrading our community assets namely:

- Community buildings and facilities (92% satisfaction in our community survey),
- Playgrounds, sports fields, parks and reserves (93% satisfaction in our community survey),
- Camping grounds with visitor numbers up a further 5% after a 17% increase last year,
- Installed heat pumps in 65 pensioner flats to provide a more efficient heating option to tenants.

## Challenges

The ongoing closure of the Manawatu Gorge is presenting challenges, with completion of the \$8 million Saddle Road project made difficult due to the increased traffic volumes. We are aware that the road is under immense pressure and are working with the NZ Transport Agency to progress options for a new east-west inter-region transport link.

The wet 2016/17 year has highlighted the importance of good drainage. The storms in April 2017 highlighted that we have improved water tables on our roads, but snow and tree fall damage has undone some of that work. For 2017/18, we will double the water tabling maintenance budget and also do more localised upgrades for the urban stormwater networks.

Water and especially water treatment were the highest risks for Council based on presentations to the Rural and Provincial meeting in Wellington. Similar to Worksafe responsibilities, Council must ensure we have suitable controls and risk management systems in place continuously from intake source through to final point of supply for all supplies. Staff are implementing multiple recommendations from the Havelock North inquiry, such as increasing and documenting the technical skills of staff, reviewing the Water Safety Plans, and developing agreed response plans.

“  
*Improved asset inventory  
and condition information is  
enabling better decision-making  
with regards to investment.*  
”

A similar high profile risk relates to the renewal of wastewater consents. Public expectations are preferring land based disposal, yet the viability of that due to high land costs, and uncertain long term impacts, mean greater central government support is needed to implement this option and keep costs affordable.

## Looking ahead

Council continues to face 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 operations and staff. We will continue to provide advice to elected Councillors on how to deliver services in a manner that provides optimal benefits to residents.

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 Tararua district home.



Blair King  
Chief Executive



# Our Year at a Glance

This is a quick summary of our results for the year.

## What We Said We Would Do



### ACHIEVED

- **Progress against our Vision and Strategy**  
Refer to page 16 – 'Our Progress Towards the Strategies in the Long Term Plan'– for details of our achievements.
- **Rates increases affordable**  
Rates increases have gradually decreased from 4.04% in 2012/13 to 1.71% this year.
- **Improve relationships and collaborate with other organisations**  
Relationships with Iwi, NZ Transport Agency, Horizons and Ministry of the Health continue to remain strong.
- **Operating expenses do not exceed budget**  
Total operating expenditure was \$1.4 million under budget.



### ALMOST ACHIEVED

- **Continue to address the water compliance, supply and quality issues**  
Significant progress was made, however we could not complete all projects. At year end, all of our seven schemes did not comply with the Drinking Water Standards.



### NOT ACHIEVED

- **Continued investment in our core infrastructure**  
We completed \$16.9 million of capital work, but had to carry over \$5.9 million to be completed in the next year.
- **Reduce environmental impact from our waste management practices**  
Three of our seven schemes are operating under temporary consents (current consents have expired).
- **Delivery of service level performance targets**  
We achieved 76% of service level measures. We achieved 34 out of 40 of the mandatory measures legislated by Parliament.



## Financial Overview

### Financial Results Compared Against Budgets

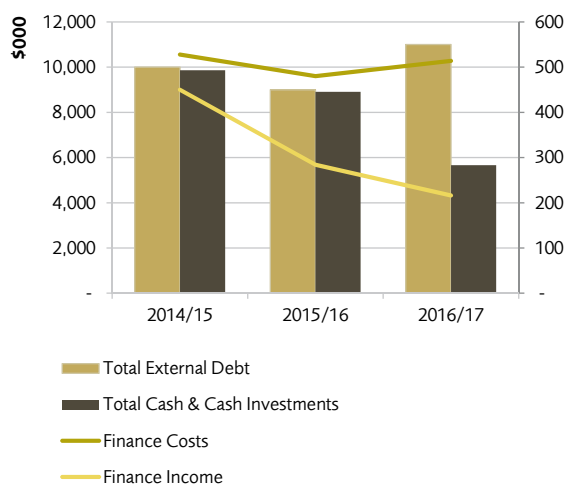
	This year	Compared to last year
<b>Overall Operating Result</b> \$800,000 – favourable	✓	↓
<b>Operating Revenue</b> \$1.1 million – unfavourable	✗	↓
<b>Operating cost</b> \$1.4 million – favourable	✓	↑
<b>Total External Debt</b> \$230,000 – favourable	✓	↓
<b>Capital Expenditure</b> \$4.9 million – unfavourable	✗	↑
<b>Net Debt</b> ( <i>borrowings less cash and other financial assets</i> ) \$6.3 million – unfavourable	✗	↓
<b>Net Interest</b> ( <i>excluding derivative valuation</i> ) \$46,000 – unfavourable	✗	↓

## Service Performance

	Council	Survey	Mandatory
<b>2016/17 measures</b>			
Achieved	36	13	34
Not achieved	12	9	5
Not applicable	-	-	1
	<b>48</b>	<b>22</b>	<b>40</b>
<b>2015/16 measures</b>			
Achieved	37	-	32
Not achieved	12	-	6
Not applicable	21	-	-
	<b>71</b>	<b>-</b>	<b>39</b>

## Treasury Management

### DEBT AND CASH INVESTMENT POSITION





# 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 2014/15	Progress 2015/16	Progress 2016/17	Comments
<i>To build resilience in water, wastewater, stormwater, and roading networks.</i>	●	●	●	<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>We continue with our investment strategy and invested \$14.1 million this year in our core infrastructure to ensure we continue to have the capability to deliver the agreed service levels.</li> <li>However, we had to defer and carry forward 58 capital projects totalling \$5.86 million to 2017/18.</li> <li>The Tararua Alliance has formed a strong relationship with our funding provider, NZ Transport Agency. This is a critical relationship as we are reliant on funding to maintain the agreed level of service on our local roads. This resulted in securing an additional 1%, bringing total NZ Transport Agency funding to 66% from 2018/19 onwards.</li> <li>Our roading network was severely impacted by recent weather events, which resulted in over \$2 million of additional work. Whilst we have been successful in funding applications that resulted in a 19% increase in Financial Assistance rate, this additional work created challenges with resourcing. Post-event reviews have highlighted opportunities to improve around communications and making slip sites safe.</li> </ul>



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

Strategy	Progress 2014/15	Progress 2015/16	Progress 2016/17	Comments
				<ul style="list-style-type: none"> <li>A major area of focus for the Tararua Alliance has been on improving the asset inventory data, and condition assessing the entire network to ensure we achieve the most benefit for our investment.</li> <li>Six of our seven water schemes now have a current Water Safety Plan, although ongoing work is required to address a number of safety risks identified.</li> <li>The Pahiatua and Woodville treatment and storage upgrades were delayed and will be completed in the 2017/18 year.</li> <li>The stormwater capital development projects have been deferred so Council can complete stormwater modelling. This will allow Council to model the anticipated outcome of the stormwater infrastructure concepts and designs to ensure we are making the right decisions that produce the most benefit for the community and provide value for money solutions.</li> </ul> <p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>In 2014/15, we invested \$14.4 million in our core infrastructure to ensure we continue to maintain and, in some areas, increase our service levels.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>



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

Strategy	Progress 2014/15	Progress 2015/16	Progress 2016/17	Comments
<i>To improve our environment and meet our commitments to the Manawatu River Accord.</i>	●	●	●	<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>The Ministry for Environment funded treatment plant upgrade at Eketahuna has been deferred to 2017/18, as we are waiting on obtaining the new resource consent (conditions regards to treatment) to determine the design of the treatment plant. The terms and conditions of new consents will be more rigorous than previous consents due to increased environmental standards under the provisions of the new regional 'One Plan'.</li> <li>The lining of the Dannevirke Treatment plant was delayed due to poor weather conditions. The relining was completed in July 2017.</li> </ul> <p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>Three oxidation ponds in Dannevirke are relined and fully operational.</li> <li>Completion of Dannevirke No.1 and Woodville oxidation ponds was delayed. These projects will be completed next year.</li> </ul>
<i>To increase public safety in Council roads, footpaths, recreation facilities and public buildings.</i>	●	●	●	<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>No fatal accidents on roads due to road factors.</li> <li>The overall condition of our footpath network is close to the best we can get – only a small number of defects noted. The results show that of the 301,638m<sup>2</sup> of footpaths in the database for the district, only 760m<sup>2</sup> (0.3%) have a defect severity grading of 4 or 5 (5 being the highest).</li> <li>We continue to maintain our parks, reserves, playground equipment and sports facilities to relevant safety standards.</li> <li>58 safety audits on work sites were completed. The Alliance had no lost time injuries or medically treated injuries for the year. Three contractors' sites were reported as dangerous when audited, and were required to either close down or rectify immediately.</li> <li>Council invested \$222,000 in minor safety projects during 2016/17, compared to \$630,000 invested in 2015/16 where a significant portion was on converting streetlights to LED.</li> <li>Council also invested another \$1.3 million in the Saddle Road to mainly improve safety. This brings Council's portion to \$5 million to date.</li> <li>Council gained tertiary accreditation under the Health and Safety Act.</li> </ul>



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

Strategy	Progress 2014/15	Progress 2015/16	Progress 2016/17	Comments
<p><i>To meet legally required performance standards.</i></p>	●	●	●	<p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>No fatal accidents on roads due to road factors.</li> <li>Parks, reserves, playground equipment and sports facilities continue to be maintained to relevant safety standards.</li> <li>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.</li> </ul>
				<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>Wastewater consent application hearings for Eketahuna and Pahiatua have been adjourned and delayed due to the commissioners requiring Council to include land/over land based discharge options in the application.</li> <li>Three of our seven schemes are operating under temporary consents (current consents have expired). We are currently renewing our Pahiatua and Eketahuna wastewater consents. We have submitted to Horizons the renewal for the Woodville wastewater consent.</li> <li>We continue to meet all resource consents for urban water supplies.</li> </ul>
				<p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>A new resource consent for the Norsewood wastewater pond and discharge was received.</li> <li>Consent renewal applications for Eketahuna and Pahiatua wastewater discharges were completed and lodged.</li> <li>We continued to meet all existing resource consents for urban water supplies.</li> </ul>

## Strategy 2: economic development

### Promoting and facilitating economic development

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

Strategy	Progress 2014/15	Progress 2015/16	Progress 2016/17	Comments
Supporting and facilitating growth in local business.	●	●	●	<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>Visitors to the camping grounds in the district continue to show an increase – 12,246 in 2014/15; 14,322 in 2015/16; 15,046 in 2016/17.</li> <li>Two businesses have been incubated at the Tararua Business Network and have established in the district.</li> <li>The Tararua Business Network has worked alongside 47 businesses, providing support and enabling growth, and hosted 133 events in the Training/Seminar Room.</li> <li>A total of 47 businesses who contacted the Business Network for assistance received support and training, and were also presented with opportunities that varied according to the requirements of their business. Of these, 14 were existing small-medium enterprises (SMEs), 13 were new start-ups, and 20 were new ideas.</li> <li>Tararua Business Network hosted 26 workshops, 133 events in the Training/Seminar Room and the Board Room was utilised for business meetings on 164 occasions. Training covered a range of topics including marketing and social media, legal and financial, employment relationships, customer service, health and safety, strategic business planning, and more.</li> <li>A website for the GO! Project has been developed and was launched on 19 December 2016. As a result of our new digital presence, profiling at national events and continued maximisation of land-utilisation opportunities, the GO! Project is now receiving support, enquiries and interest from all over New Zealand.</li> </ul> <p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>
Provide business friendly and welcoming support for new residents.	●	●	●	<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>432 welcome packs were sent to new residents.</li> </ul> <p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>Welcome packs sent out to 363 new residents.</li> </ul>



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

Strategy	Progress 2014/15	Progress 2015/16	Progress 2016/17	Comments
<i>Build district identity; promote the district by telling our story.</i>	●	●	●	<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>Over 10,000 people came to the district to attend major events, such as the Woodville Motocross, Wheels with Attitude, and Dannevirke A &amp; P Show.</li> <li>A major outcome for the year was the successful application to the Regional Mid-sized Tourism Facilities Grant Fund, which is administered by the Ministry for Business, Innovation and Employment. The region was able to successfully secure \$105,880 of funding for works to construct toilet facilities in the Te Apiti-Manawatu Gorge to increase capacity for growing numbers of visitors attracted to the popular walking area.</li> <li>Council continued to participate 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 123,000 people attended these trade shows.</li> <li>Based on Paymark and BNZ MarketView, the total value of spending in the district has increased by 4.3% compared to last year.</li> <li>The Tararua Business Network was also heavily involved in assisting the Ormondville Rail Preservation Group (ORPG) to organise and co-ordinate the Ormondville Five Viaducts Tour and Street Festival. The team worked closely with ORPG and local community volunteers to develop an event of national appeal. The new tourism website for the Tararua district launched in December 2016 (<a href="http://www.tararua.com">www.tararua.com</a>). The new site has been designed to be a user-friendly and interactive tool for visitors and locals.</li> </ul> <p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>Over 10,000 people came to the district to attend major events, such as Woodville Motocross, Wheels with Attitude, and Dannevirke A &amp; P Show.</li> <li>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.</li> <li>Tararua is recognised as embracing motorhome friendly opportunities and we have achieved accreditation to Pahiatua as "Motorhome Friendly".</li> </ul>



## Strategy 3: financial viability

### Continued financial viability through sustainable growth and investment

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

Strategy	Progress 2014/15	Progress 2015/16	Progress 2016/17	Comments
<i>Cost control</i>	●	●	●	<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>Operating expenditure excluding depreciation and fair value movement of derivatives was \$21.8 million (\$23 million last year). This shows that Council has through efficiencies, better cost management and changes to delivery of services been able to contain cost increases.</li> </ul> <p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>
<i>Affordability</i>	●	●	●	<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>Rates increases have declined from 4.04% in Year 2012/13 to 1.71% in 2016/17. The rates struck for the 2017/18 year is 2.23%.</li> </ul> <p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>Rates increases have reduced from 4.26% in 2011/12 to 1.71% in 2016/17.</li> </ul>
<i>Reducing financial and business risk</i>	●	●	●	<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>Council continues to have capacity to more than double its current borrowings of \$11 million.</li> <li>Forestry operations and has accumulated net cash returns of \$888,000 from this activity.</li> <li>Adequate insurance policies are in place to mitigate risk of unplanned asset replacements due to natural disasters.</li> </ul> <p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>Council continues to have capacity to more than double its current external borrowing of \$9 million.</li> <li>Brought in-house the management of the forestry operations and has accumulated net cash returns from this activity.</li> </ul>



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

Strategy	Progress 2014/15	Progress 2015/16	Progress 2016/17	Comments
<i>Financial sustainability (long-term financial health).</i>	●	●	●	<p><b>This Year</b></p> <ul style="list-style-type: none"> <li>• Total debt levels (external and internal) continue to be within the limits in the Long Term Plan.</li> <li>• Core external debt is \$11 million.</li> <li>• Depreciation reserves for future asset replacements are \$22 million, increased by \$3.8 million in the last three years.</li> </ul> <p><b>Previous Years</b></p> <ul style="list-style-type: none"> <li>• Total debt levels (external and internal) continue to be within the limits in the Long Term Plan.</li> <li>• Depreciation reserves for future asset replacements are \$20.8 million, increased by \$7 million in the last three years.</li> </ul>

# Innovation and a Fresh Approach

## Data driven, better decision-making

The Tararua Alliance is now approaching three years since implementation and there continues to be a large focus on continuous improvement and Best for Network decisions.

Council has commenced the work to improve the asset inventory database (especially with regards to drainage assets improving), our ability to inspect, maintain, value and plan for these assets, and the wastewater networks improving the connectivity and delineation of assets between manholes within the network. This is to improve our confidence in our data for our 2018–2028 Long Term Plan.

Improved asset inventory and condition information is enabling better decision-making with regards to investment. An ongoing priority is to enhance this information, to enable more robust long term condition and budget forecasting.

## Stormwater

In 2016, the Tararua Alliance started a project to create a digital stormwater model of the network, allowing Council to model the anticipated effects of infrastructure concepts and designs taking into consideration changing weather patterns.

This will help ensure we make the right decisions that produce the most benefit for the community and provide value for money solutions. The findings from this project will help Council prioritise our capital and renewal spending, ensuring we address the highest risk areas throughout the district.

## New asset management tool

To further assist programme delivery and asset management, Council is working with the Tararua Alliance to implement a new asset management tool for the water, wastewater, and stormwater networks.

The new software, by applying advanced analytics to dynamic life-cycle and maintenance data, enables visualisation of strategy and service level scenarios to manage and maintain assets. This will enable Council to improve service levels, and optimise capital investment with an aim to reduce maintenance spending.

## Deterioration modelling

The Tararua Alliance carried out the pavement deterioration modelling (dTIMS) to inform the pavement and surfacing renewals forward works programme, the Transportation Activity Management Plan, and budgets for the Long Term Plan.

The model uses all of the available asset information and level of services targets to recommend a maintenance or renewal strategy for every section of road (called a treatment length), whilst minimising the overall network maintenance costs in delivery of the level of service.

The resurfacing and pavement rehabilitation work will be carried out where it will generate the most cost savings, by reducing the quantity of maintenance required on the network, enabling investment in other areas. This lets us forecast long term network condition and budget needs, and improves our decision-making, resulting in more effective and efficient maintenance and renewals strategies.

## LED lighting

Council is continuing with upgrading the district's street lighting assets with new LED lighting is. A major push is next year, where we have budgeted \$405,000 to complete the LED upgrade project.

The purpose of the upgrade is to increase the operating life of the street lights, while reducing energy use.

## Pavement rehabilitation designs

Under the Tararua Alliance, pavement designs are completed for each site, ensuring the new pavement has the strength required to accommodate predicted vehicle movements, and there is a shift to reuse or recycle existing materials where possible through stabilisation. This was not done before the Tararua Alliance and can result in reduced costs and improved environmental sustainability through a reduction in aggregate being applied.

As part of the pavement rehabilitation, opportunities to improve width, sight distances and alignment (through minor improvements), and drainage (through drainage renewals) are assessed and taken where beneficial. Combining the activities results in significant efficiencies and cost savings, meaning we can complete more work for the same budget.



# Saddle Road Reconstruction

Tararua District Council has continued to manage the Saddle Road upgrade on behalf of the 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 an alternative route to the Manawatu Gorge.

Whilst the project was put on hold in April 2017 due to an ongoing closure of the Manawatu Gorge, delaying completion of the project, significant upgrade works were completed totalling \$1.3 million. These resulted in improved motorist safety and travel times when the gorge was closed, through the provision of passing opportunities and the smoothing of curves.

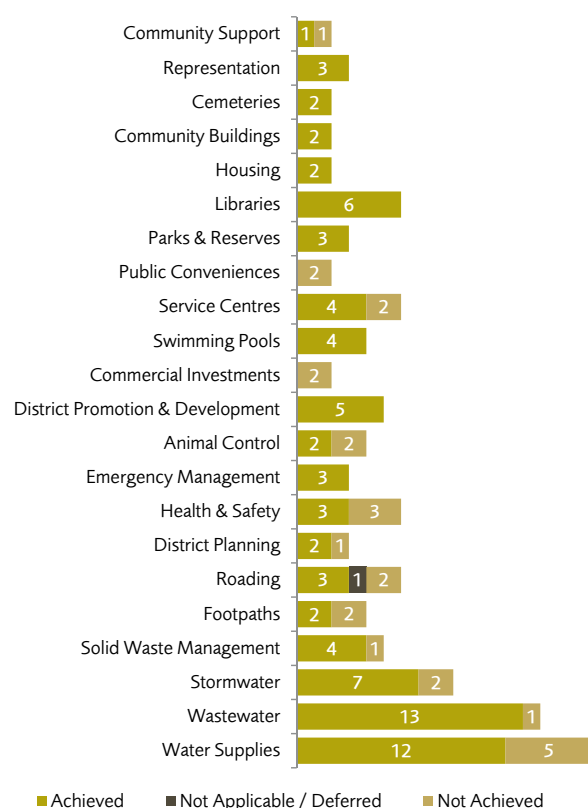
Feedback from motorists and stakeholders has been very positive towards the improvements that have been completed to date. There are ongoing concerns regarding the maintenance standard of the route, due to significant deterioration caused by increased traffic volumes during the gorge closure, which is being managed by the NZ Transport Agency for the duration of the gorge closure, minimising additional costs to Tararua ratepayers.

# Service Performance Measures

We use a range of service performance measures to monitor the service levels we deliver to our customers.

The following graph summarises the service performance results for the year by Council Activities. For details on Council performance for the service performance measures, refer to the 'Activities and Service Performance' section of this report.

## SERVICE PERFORMANCE MEASURES FOR THE YEAR BY COUNCIL ACTIVITIES



## Achievements

- The community's satisfaction with the Councillors and Community Boards exceeded our target and are the highest to-date.
- We met 23 out of the 27 measures for the Community and Recreation facilities Group of Activity.
- The total number of hours community and recreational facilities were booked increased another 35% this year.

- We exceeded all targets for the District Promotion and Development activity.
- The response times for wastewater and water faults continue to be well within our targets.
- 99% of Council's footpath met the required conditions standards.

## Areas for improvements

- Due to high level of vandalism to our public toilets we did not meet the targets for public satisfaction and number of customer service request.
- The targets for occupancy and net operating surplus for our commercial investments were not met. This is mainly due to the inability to find suitable tenants and significant log harvesting for the forestry activity was delayed due to poor weather conditions.
- The Regulatory department did not achieve 6 out of 16 targets, mainly due to staff resources and an increase in customer service request/applications.
- Four out of the seven wastewater schemes do have renewed consents. Two of the schemes are currently in the consent hearing process.
- All of the six water schemes did not comply with the drinking water standards as the required number of samples were not collected and tested.
- 37% and 36% residents indicated through the community survey that they were not satisfied with footpath and roads respectively in the district.
- We did not meet our targets for water loss. We achieved 29% compared to a target of less than 7%.
- Due to the severe weather events we exceeded our targets for the number of customer request for issues with our stormwater water network and water clarity issues with our water network.
- The weather events also impacted our ability to make roads passable within 24 hours. We achieved 97% compared to our target of 99%.



# Community Survey

This year we completed the community survey but used a different service provider. Two surveys were completed – September/October 2016 and June/July 2017. Total residents surveyed for the first survey was 450 and the second was 277. The reason for doing the survey at different times in the year is to see trends and seasonal impact on resident satisfaction. Council intends to complete the survey quarterly but sample 113 residents for each survey making it a total of 452 residents for the year.

What the results aim to show is the ratepayers' general satisfaction with the various services, infrastructure, and facilities that are provided and maintained by Council.

## COMMUNITY SURVEY RESULTS

2014

21 questions



2017

22 questions



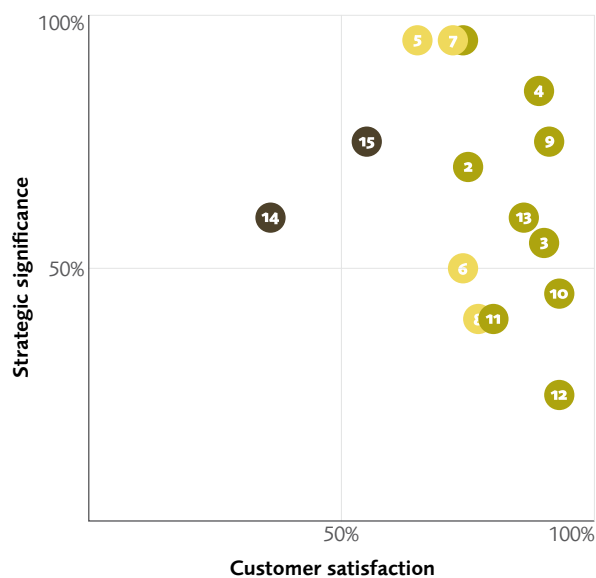
A change from the 2014 survey is that we have chosen (after advice from the new survey company) that a score of 5 is treated as "somewhat dissatisfied" instead of "somewhat satisfied". This has meant some of the survey results show a worsening of customer satisfaction when compared to the 2014 survey results.

The results of the surveys are included in the service performance measures detailed in the 'Activities and Service Performance' section of this report. We also took the opportunity to seek feedback on other aspects of Council.

The notable results are (by percentage satisfied):

- 1 Vision and leadership – 74%
- 2 Overall Council performance – 75%
- 3 Satisfied with staff – 90%
- 4 Availability of water – 89%

- 5 Financial management – 65%
- 6 Ability to protect property from flooding – 74%
- 7 Quality of water – 72%
- 8 Feel safe from dogs – 77%
- 9 Satisfied with Council recreational facilities – 91%
- 10 Satisfied with Council community facilities – 93%
- 11 Percentage that have used Council recreational facilities in the last year – 80%
- 12 Library opening hours and range of books/other materials – 93%
- 13 Managing and issuing building consents – 86%
- 14 Provision of dedicated walkways/cycleways – 36%
- 15 Satisfied with rural roads – 55%



■ Very dissatisfied    ■ Somewhat dissatisfied    ■ Satisfied

We will incorporate the feedback from the results of the survey into our long term planning to ensure we continue to address and/or manage the community expectations.

# Reports

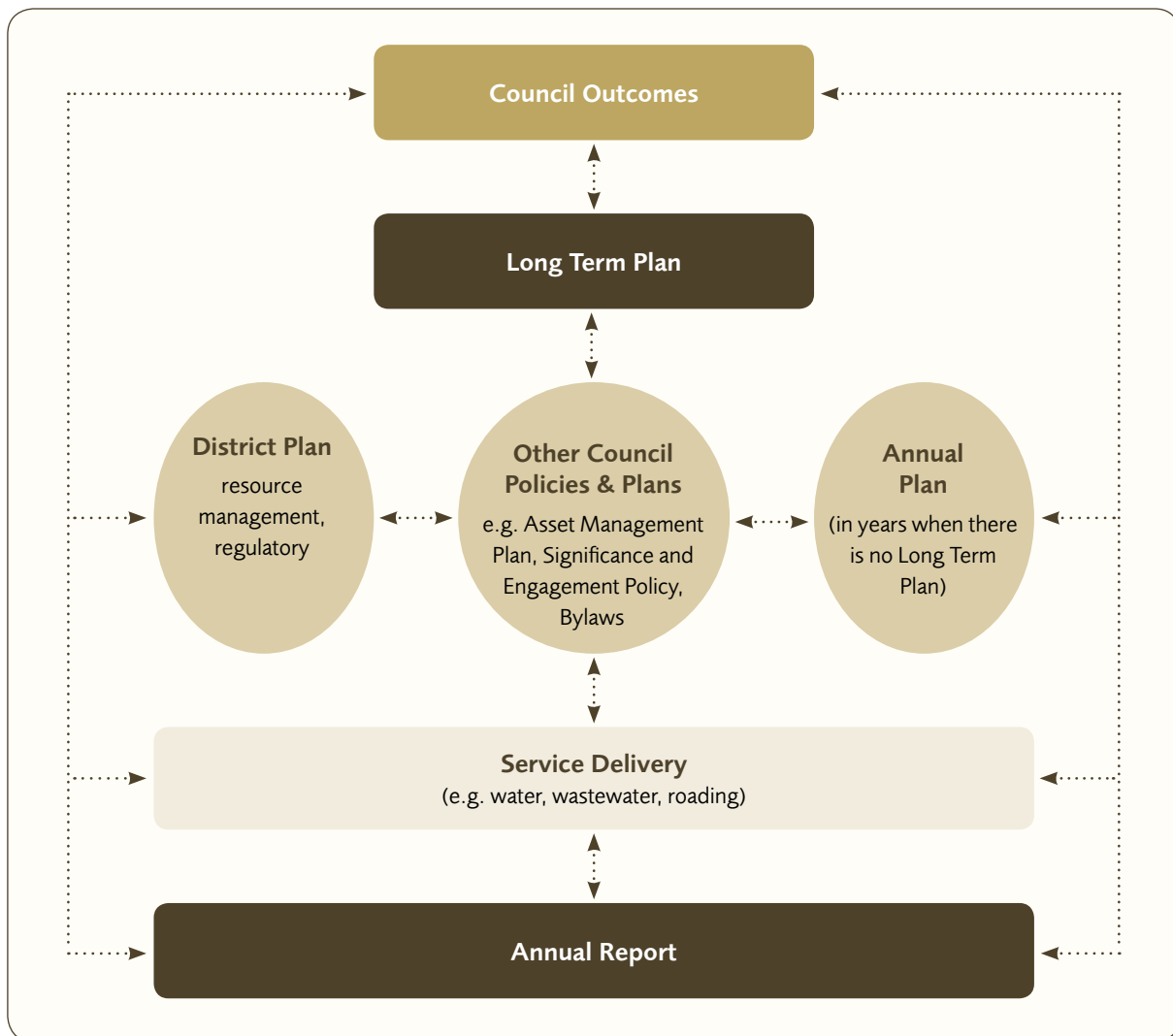
2





# Linkage Between Council Policies and Plans

This Annual Report gives outcomes for the 2016/17 financial year. These actions were shaped by the directions outlined in our Long Term Plan and in our other Policies and Plans. The linkages between these are shown in the diagram below:





# Annual Report Disclosure Statement

For the year ended 30 June 2017.

## 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:

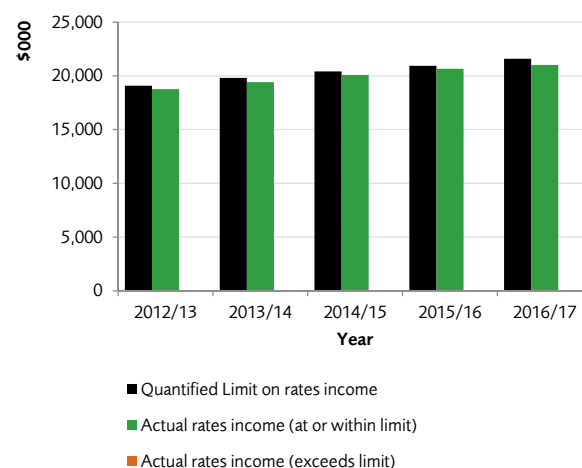
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

## 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

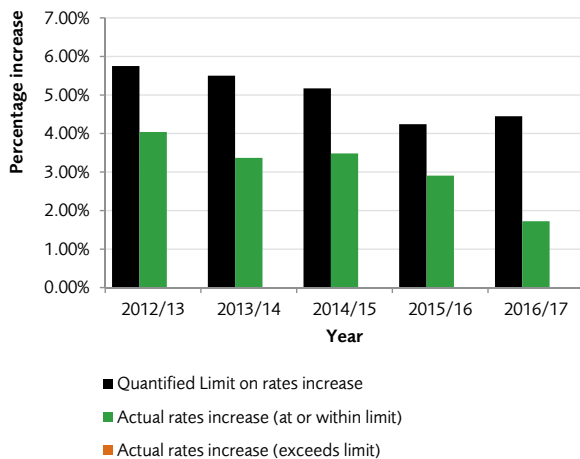


## Rates (increases) affordability

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 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17
Quantified limits	5.75%	5.50%	5.17%	4.24%	4.45%
Rates increase	4.04%	3.37%	3.48%	2.91%	1.71%
Available headroom*	\$309,000	\$401,000	\$327,000	\$267,000	\$564,000

\* 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.

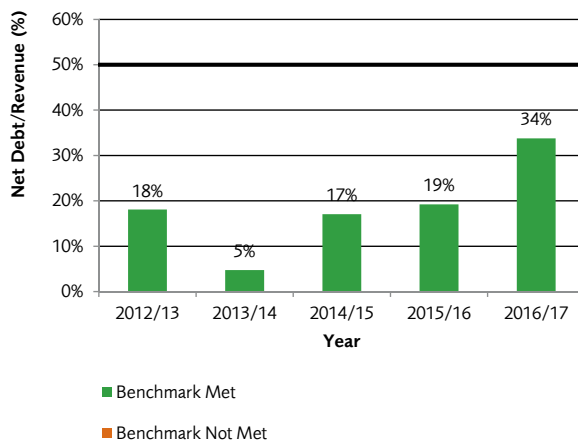
The following four graphs compare Council's actual borrowing with the quantified limits on borrowing stated in the Financial Strategy included in the 2015–2025 Long Term Plan. The first three measures below had the limits reduced in the 2015–2025 Long Term Plan. As this has not affected the results of previous years, the previous limits are not presented below.

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:

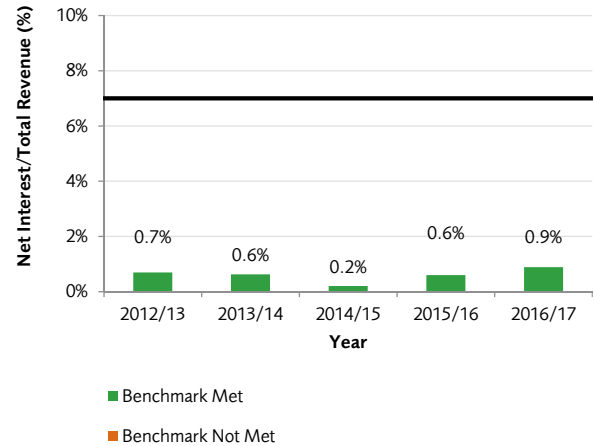
1. Net external debt as a percentage of total revenue will not exceed 50%.

### DEBT AFFORDABILITY (NET DEBT AGAINST TOTAL REVENUE)



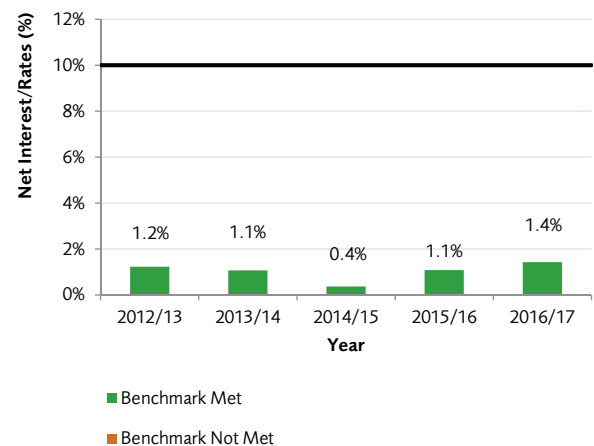
2. Net interest on external debt as a percentage of total revenue will not exceed 7%.

### DEBT AFFORDABILITY (NET INTEREST AGAINST TOTAL REVENUE)



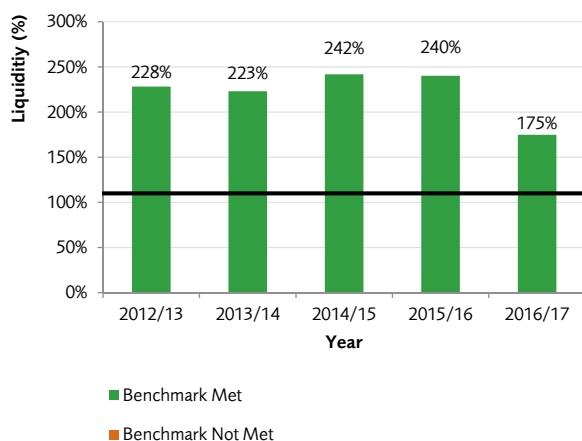
3. Net interest on external debt as a percentage of annual rates income will not exceed 10%.

### DEBT AFFORDABILITY (NET INTEREST AGAINST RATES REVENUE)



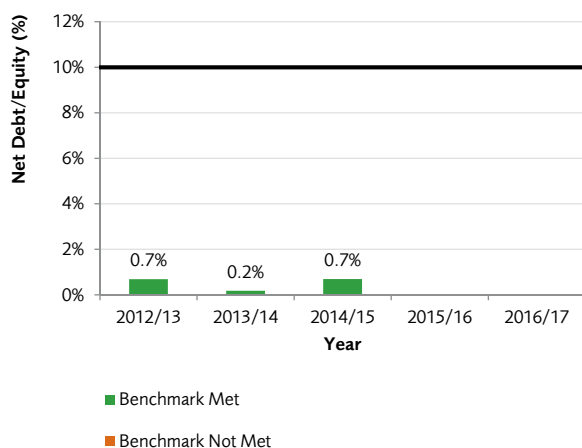
4. Liquidity (external, term debt + committed loan facilities + cash and cash equivalents to existing external debt) is greater than 110%.

#### DEBT AFFORDABILITY (LIQUIDITY)



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

#### DEBT AFFORDABILITY (NET DEBT AGAINST RATEPAYERS EQUITY)



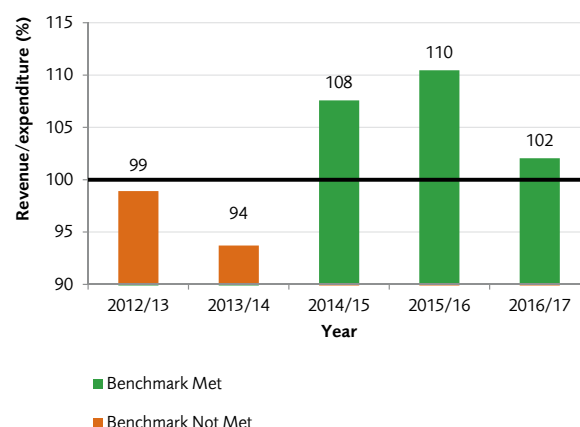
Note, this measure was removed from the Financial Strategy in the 2015–2025 Long Term Plan. Therefore, this is not measured from the 2015/16 financial year.

## 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



### 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 the 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 from the liquidation of Infracon.

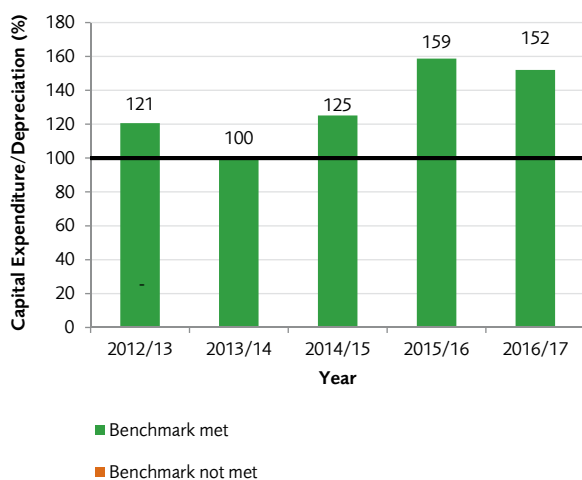
## Essential services benchmark

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



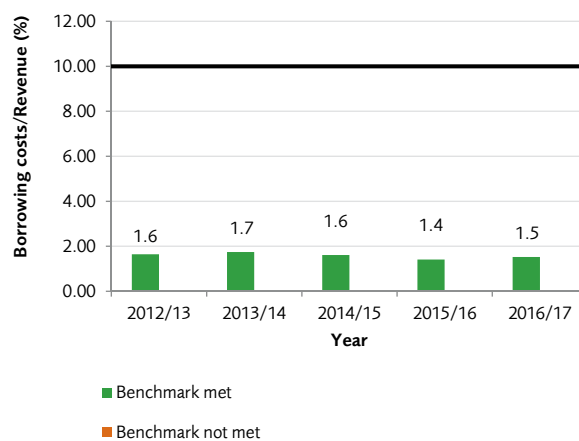
## Debt servicing benchmark

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 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 if borrowing costs equal or are less than 10% of its revenue.

### DEBT SERVICING

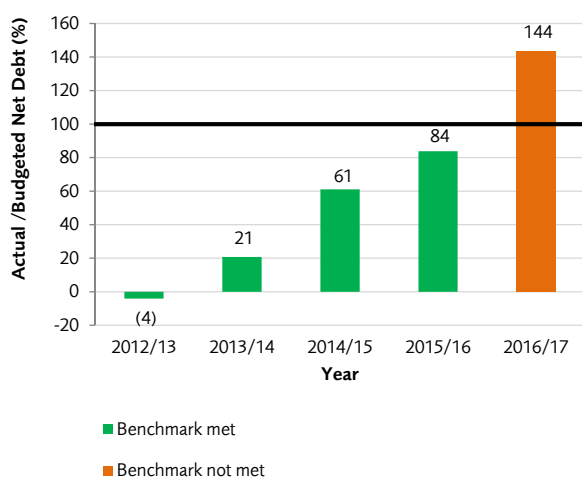


## Debt control benchmark

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 rates and other receivables.)

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

### 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.

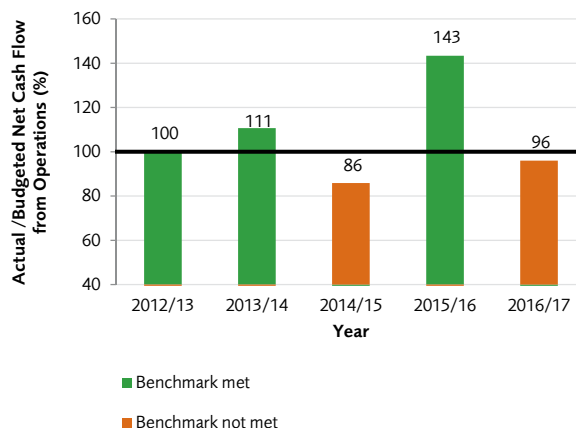
The reason for not meeting the measure in 2016/17 is due to Council having less cash and cash equivalents than planned. Council approved the use of the Forestry and Housing special reserves for internal borrowing, resulting in lower cash but also lower external borrowings than planned.

## 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:

### 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 due to bringing 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.

### 2016/17

Overall shortfall in cash flow from operations was \$480,000 and was due to:

- Finance income cash received lower by \$100,000 due to receiving a lower effective interest rate of 3.16% compared to 3.6% as planned. Cash held for term investments was also lower than planned. \$30,000 of recorded interest revenue is a non-cash accrual.
- Forestry harvesting was delayed this year due to adverse weather conditions. Therefore, this resulted in lower net cash received than budget of \$345,000.
- NZ Transport Agency subsidy for May and June of \$1.8 million received in July 2017.



# Capital Expenditure Report

For the year ended 30 June 2017.

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

	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual	Variations Budget
<b>Roading Development</b>	<b>601</b>	<b>277</b>	<b>(86)</b>	<b>-</b>	<b>-</b>
Minor improvements					
<b>Saddle Road Development</b>	<b>1,455</b>	<b>-</b>	<b>1,360</b>	<b>1,288</b>	<b>-</b>
Manawatu/Hawkes Bay alternate route					
<b>Roading Renewals</b>	<b>5,353</b>	<b>5,914</b>	<b>-</b>	<b>-</b>	<b>-</b>
Sealed road resurfacing					
Pavement rehabilitation					
Emergency reinstatements					
Drainage renewals					
Traffic services renewal					
Unsealed road metalling					
Structures component replacement					
<b>Eketahuna Main Street Upgrade</b>	<b>120</b>	<b>105</b>	<b>143</b>	<b>143</b>	<b>100</b>
Eketahuna business centre upgrade - phase 1					
Eketahuna business centre upgrade - phase 2 Bridge Street					
<b>Pahiataua Main Street Upgrade</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>
Pahiataua footpath renewal - kerb and channel					
<b>Footpath Development</b>	<b>30</b>	<b>-</b>	<b>81</b>	<b>-</b>	<b>-</b>
District-wide footpath development					
<b>Footpath Renewals</b>	<b>150</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>
Footpath renewals					





Variations Actual	Total Budget	Total Actual	Comments
-	515	277	
			Underway. Delay due to closure of Manawatu Gorge.
-	2,815	1,288	
			Underway. Delay due to closure of Manawatu Gorge.
-	5,353	5,914	
			Completed 2016/17 planned works, continuing with three year rolling plan.
			Completed 2016/17 planned works, continuing with three year rolling plan.
			Unplanned response to weather events in second half of 2016/17. Major portion funded from NZ Transport Agency.
			Completed 2016/17 planned works, continuing with three year rolling plan.
			Completed 2016/17 planned works, continuing with three year rolling plan.
			Completed 2016/17 planned works, continuing with three year rolling plan.
			Completed 2016/17 planned works, continuing with three year rolling plan.
100	363	348	
			Completed.
			Near completion.
-	-	26	
			In planning phase. Initial design and scoping work ahead of schedule.
-	111	-	
			In planning phase. Work based on data gathered from footpath inspection programme.
-	150	67	
			Underway.



	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual	Variations Budget
<b>Woodville Water Supply</b>	-	-	(30)	-	2,100
Woodville water storage	-		(30)		2,100
<b>Dannevirke Water Supply</b>	10	5	(70)	2	175
Dannevirke treatment plant					
Dannevirke treatment plant - water supplies					
Dannevirke impounded supply					
Dannevirke water storage - lift level					
Chlorinator replacement - Dannevirke No.1 Reservoir					
Dannevirke soda ash conversion					
<b>Pahiatua Water Supply</b>	-	-	1,235	558	440
Pahiatua new bore and treatment - 4.5 day storage					
Purchase of 67 Wakeman Street					
Pahiatua new bore and treatment - UV and Kiptank					
<b>Pongaroa Town Water Supply</b>	500	75	-	-	-
Pongaroa town water supply					
<b>Water Supply Development</b>	25	-	106	25	-
Leak detection - Pahiatua and Norsewood					
Demand management and zone metering					
Water and wastewater operator equipment					
Large users, metering and management					
<b>Akitio Water Supply</b>	150	-	-	-	-
Akitio upgrade					
<b>Water Renewals</b>	58	69	71	63	-
Preventative renewal					
District-wide treatment plant renewal					
Meter reading devices renewal					
Telemetry renewal					
Water pump replacement					
<b>Water Reticulation Renewals</b>	315	315	-	-	130
District-wide mains replacement - water supplies					



Variations Actual	Total Budget	Total Actual	Comments
<b>1,495</b>	<b>2,070</b>	<b>1,495</b>	
1,495	2,070	1,495	Underway. Delay due to weather and obtaining consents.
<b>122</b>	<b>115</b>	<b>129</b>	
			Completed.
			Completed.
			Completed.
			Completed.
			Completed.
			In planning phase. Assessing design options.
<b>493</b>	<b>1,675</b>	<b>1,051</b>	
			Underway. Additional land purchased. Subdivision and preparing land for installation in progress.
			Underway. Purchased for access to site, will sell once project complete.
			Near completion.
<b>-</b>	<b>500</b>	<b>75</b>	
			Procurement complete, construction starting early 2017/18. Delayed with design process.
<b>-</b>	<b>131</b>	<b>25</b>	
			Underway.
			In planning phase. Developing zones and placement of meters.
			Earmarked to equip additional plant operator.
			In planning phase.
<b>-</b>	<b>150</b>	<b>-</b>	
			In procurement phase. Project delayed as focus has been on upgrading Pahiatua and Woodville water schemes.
<b>-</b>	<b>129</b>	<b>132</b>	
			Completed.
			Completed.
			Near completion. Final bug fixing underway.
			Completed.
			Completed.
<b>122</b>	<b>445</b>	<b>437</b>	
			Completed.



	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual	Variations Budget
<b>Dannevirke Sewerage Treatment Plant</b>	<b>500</b>	<b>837</b>	<b>807</b>	<b>1,093</b>	<b>-</b>
Ministry for the Environment project - Dannevirke Pond 1					
Sewerage treatment plant membrane cassettes					
Dannevirke sewerage treatment plant renewals					
Septic tank treatment/dewatering					
Aerators renewal					
<b>Woodville Sewerage Treatment Plant</b>	<b>-</b>	<b>-</b>	<b>190</b>	<b>156</b>	<b>-</b>
Ministry for the Environment project - Woodville sewerage treatment plant					
<b>Eketahuna Sewerage Treatment Plant</b>	<b>810</b>	<b>2</b>	<b>(71)</b>	<b>-</b>	<b>(739)</b>
Eketahuna treatment plant					
<b>Pahiatua Sewerage Treatment Plant</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
Ministry for the Environment project - Pahiatua sewerage treatment plant					
<b>Norsewood Sewerage Treatment Plant</b>	<b>50</b>	<b>3</b>	<b>(36)</b>	<b>-</b>	<b>-</b>
Norsewood treatment plant					
<b>Pongaroa Sewerage Treatment Plant</b>	<b>159</b>	<b>-</b>	<b>155</b>	<b>-</b>	<b>-</b>
Pongaroa treatment plant					
<b>Wastewater Consent Renewal</b>	<b>-</b>	<b>405</b>	<b>-</b>	<b>-</b>	<b>-</b>
District-wide consent upgrades					
<b>Wastewater Development</b>	<b>35</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>
Dannevirke Adelaide Road investigation					
Telemetry sewerage development					
Akitio sewer option report					
Heavy mains cleaning					
<b>Eketahuna Wastewater Reticulation Renewals</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>6</b>	<b>-</b>
Eketahuna earthquake sewer replacements			400	6	
<b>Wastewater Renewals</b>	<b>70</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>
District-wide preventative maintenance					
<b>Wastewater Reticulation Renewals</b>	<b>293</b>	<b>324</b>	<b>21</b>	<b>-</b>	<b>-</b>
District-wide mains replacements					
District-wide manhole replacements					
District-wide pump replacements					
Infiltration renewals - Pahiatua & Eketahuna					



Variations Actual	Total Budget	Total Actual	Comments
-	1,307	1,623	
			Near completion.
			Underway. Implementing alternative design to increase capacity.
			Underway. Part of Dannevirke Pond 1.
			Completed. Part of Dannevirke Pond 1.
			Underway. Part of Dannevirke Pond 1.
-	190	156	
			Near completion.
-	-	2	
			Rebudgeted to 2017/18, due to funding discussion with the Ministry for the Environment.
-	-	3	
			Completed.
-	14	3	
			Near completion.
-	314	-	
			In procurement phase.
-	-	405	
			Underway.
-	55	-	
			Project postponed due to prioritisation.
			Minor upgrades as required.
			Project postponed due to prioritisation.
			Completed. Work performed by new jetting unit.
-	400	6	
	400	6	Underway with manhole and lateral renewals to limit infiltration.
-	70	56	
			Completed.
-	314	324	
			Completed.
			Completed.
			Completed.
			In planning phase. Investigating testing options.



	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual	Variations Budget
<b>District-wide Generators</b>	<b>150</b>	<b>20</b>	<b>150</b>	<b>6</b>	<b>-</b>
District generators - wastewater					
District generators - water supply					
<b>Stormwater Management</b>	<b>800</b>	<b>2</b>	<b>128</b>	<b>64</b>	<b>-</b>
District stormwater management					
Woodville stormwater development - Victoria Street					
Woodville stormwater development					
Dannevirke stormwater development					
Pahiatua stormwater development					
<b>Stormwater Renewals</b>	<b>43</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>
District-wide mains replacement - stormwater					
<b>Eketahuna Landfill Closure</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>
Eketahuna landfill closure					
Eketahuna new transfer station					
<b>Solid Waste Capping</b>	<b>20</b>	<b>-</b>	<b>73</b>	<b>2</b>	<b>-</b>
Eketahuna capping					
Pongaroa capping					
<b>Solid Waste Upgrades</b>	<b>30</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dannevirke transfer station					
<b>Solid Waste Renewals</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Recycling centres - minor capital					
<b>Woodville Library / Service Centre</b>	<b>317</b>	<b>501</b>	<b>200</b>	<b>180</b>	<b>-</b>
Woodville Alliance building conversion					
Woodville new toilets					
Furniture and fittings					
Woodville service centre					
Business continuity - generator and UPS					
Building development					
Woodville toilets - Fountaine Square					
Engineering Services kitchen and bathroom					
Woodville Fountaine Square - furniture replacement					
Woodville library renewal					
<b>Upgrade Earthquake Prone Buildings</b>	<b>384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(413)</b>
Pahiatua service centre earthquake work					
Woodville service centre earthquake work					



Variations Actual	Total Budget	Total Actual	Comments
-	300	26	
			Underway. Installation subject to treatment plants completion. Mobile generator purchased in interim.
			Underway. Installation subject to treatment plants completion.
-	928	66	
			In planning phase. Designing solution based on stormwater modelling.
			Completed.
			In planning phase. Designing solution based on stormwater modelling.
			Completed. Funded from District Stormwater Management.
			In planning phase. Designing solution based on stormwater modelling.
-	43	28	
			Underway.
-	-	56	
			Underway. Initial work for project budgeted in 2017/18.
			Underway. Initial work for project budgeted in 2017/18.
-	93	2	
			Ongoing as required.
			On hold. Landfill capacity sufficient until 2021/22.
-	30	1	
			Completed.
-	10	-	
			Spent as required.
-	517	681	
			Completed. Overspend due to purchase of land at 43 Vogel Street.
			Completed.
			Completed.
			Completed.
			Completed.
			Completed.
			Completed.
			Completed.
			Completed.
3	(29)	3	
			Project deferred as waiting on new building earthquake standards.
			Project deferred as waiting on new building earthquake standards.



	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual	Variations Budget
<b>Community Buildings upgrade</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Woodville Sport Stadium - install heating					
<b>Community Buildings Renewal</b>	<b>55</b>	<b>39</b>	<b>63</b>	<b>13</b>	<b>-</b>
Pahiatua Town Hall					
Dannevirke Sport Centre Stadium - general					
Eketahuna Medical Centre					
Dannevirke Town Hall renewal - general					
Pongaroa Community Hall					
District renewals - seating					
Pahiatua Stadium					
Woodville Community Centre					
<b>Eketahuna Camping Ground upgrade</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>
Eketahuna camping ground - 2 new cabins					
<b>Campground Upgrades</b>	<b>15</b>	<b>6</b>	<b>116</b>	<b>90</b>	<b>-</b>
Woodville camping ground upgrade					
Dannevirke footpath and security gate					
District-wide walkway development					
District-wide drainage					
<b>Parks Upgrades</b>	<b>60</b>	<b>23</b>	<b>68</b>	<b>68</b>	<b>20</b>
Woodville play equipment					
Norsewood Waterwheel Park					
<b>Parks Renewal</b>	<b>2</b>	<b>-</b>	<b>55</b>	<b>13</b>	<b>(9)</b>
Eketahuna Domain					
Eketahuna playground matting					
Dannevirke Domain footpath					
Pahiatua new flagpole					
Dannevirke Domain shed					
Dannevirke Domain playground					
Dannevirke Domain grandstand					
<b>Campground Renewal</b>	<b>4</b>	<b>20</b>	<b>34</b>	<b>29</b>	<b>-</b>
Pahiatua Camping Ground					
Dannevirke Camping Ground power boxes					
Dannevirke Camping Ground					
Woodville Camping Ground					
Eketahuna Camping Ground					





Variations Actual	Total Budget	Total Actual	Comments
-	20	-	
			In procurement phase.
-	118	52	
			Completed.
			Underway.
			Underway.
			Completed.
			Near completion.
			Minor renewals as required.
			Minor renewals as required.
			In procurement phase for additional ablution facility at camping ground.
-	-	25	
			Underway. Brought forward from 2017/18.
-	131	96	
			Original scope completed. Proceeding with additional ablution facility.
			Completed.
			Underway.
			In procurement phase.
6	148	97	
			Original scope completed. Continuing with additional play equipment and matting.
			Original scope completed. Continuing with additional play equipment and matting.
-	48	13	
			Completed.
			Near completion.
			Spent as required.
			Postponed to 2018/19 to coincide with Pahiatua Main Street upgrade.
			Minor renewals as required.
			Minor renewals as required.
			Minor renewals as required.
-	38	49	
			Completed. Overspend funded from external contribution.
			Proceeding ahead of schedule.
			Minor renewals as required.
			Near completion.
			Minor renewals as required.



	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual	Variations Budget
<b>Public Conveniences Renewal</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dannevirke Barraud Street					
Resurface toilet floors - Woodville					
District-wide general renewals					
<b>Service Centres Renewals</b>	<b>5</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
Pahiatua service centre					
<b>Pensioner Housing Upgrade</b>	<b>-</b>	<b>112</b>	<b>-</b>	<b>-</b>	<b>-</b>
District heat pump renewal					
Mobility garaging					
<b>Pensioner Housing Renewal</b>	<b>-</b>	<b>20</b>	<b>15</b>	<b>15</b>	<b>-</b>
Aften Court refurbishment					
Dannevirke refurbishment					
District electrical renewal					
Pahiatua refurbishment					
Woodville refurbishment					
<b>Library RFID system</b>	<b>83</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>-</b>
RFID system					
<b>Library Collection Renewal</b>	<b>100</b>	<b>77</b>	<b>32</b>	<b>32</b>	<b>-</b>
Books					
<b>Library Renewals</b>	<b>36</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>
Eketahuna Library refurbishment					
Dannevirke Library refurbishment					
<b>District Building Renewals</b>	<b>10</b>	<b>15</b>	<b>96</b>	<b>27</b>	<b>-</b>
Dannevirke administration buildings					
Miscellaneous renewals					
Dannevirke Civic Centre					
<b>Cemeteries Development</b>	<b>99</b>	<b>74</b>	<b>30</b>	<b>20</b>	<b>-</b>
Mangatera new area					
Settlers Cemetery fencing					
Mangatera new berms					
Pahiatua stillborn area					
Pahiatua new berms					
<b>Carpark Renewals</b>	<b>170</b>	<b>78</b>	<b>150</b>	<b>150</b>	<b>-</b>
Carpark renewals					
District off-road carpark sealing					



Variations Actual	Total Budget	Total Actual	Comments
-	14	-	
			Minor renewals as required.
			Completed. Contractor remedied floor at no cost.
			Minor renewals as required.
-	6	-	
			Minor renewals as required.
-	-	112	
			Completed. Brought forward to upgrade units in light of rent increase.
			Completed.
-	15	35	
			Completed. Unplanned waterline replacement.
			Completed. Unplanned bathroom renewal.
			Completed.
			Completed.
			In procurement phase.
-	83	71	
			Completed.
-	132	109	
			Underway.
-	36	8	
			Underway.
			Underway.
-	106	42	
			Underway. Delay due to prioritisation of projects.
			Completed.
			Completed.
-	129	94	
			Completed.
			Completed. Overspend due to the low-maintenance design.
			New area complete, berms currently on hold. Work will resume when existing berms are allocated.
			Near completion.
			Near completion. Part of Pahiatua stillborn area.
-	320	228	
			Underway. Funded from District Off-Road Carpark Sealing.
			Underway.



	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual	Variations Budget
<b>Economic Development and Promotion</b>	<b>10</b>	<b>6</b>	-	-	-
Promotional equipment					
Computer hardware					
<b>Civil Defence Equipment Renewal</b>	<b>6</b>	<b>5</b>	-	-	-
Civil Defence - radio renewals					
<b>Commercial Property Development</b>	-	<b>23</b>	-	-	-
Forestry roads development					
<b>Swimming Pool Upgrades</b>	-	<b>8</b>	<b>(1)</b>	<b>4</b>	-
Eketahuna outdoor pool					
Pahiatua outdoor pool development					
<b>Swimming Pool Renewal</b>	<b>7</b>	<b>43</b>	-	-	-
Pahiatua pool renewal					
Eketahuna outdoor pool renewal					
Woodville pool - new filter					
Woodville pool renewal					
<b>Dannevirke Pound</b>	-	<b>184</b>	<b>104</b>	<b>69</b>	-
Dannevirke pound					
Dannevirke pound upgrade/renewal					
<b>Animal Control Equipment</b>	-	<b>2</b>	-	-	-
Animal control equipment renewals					
<b>Fibre Development</b>	<b>10</b>	<b>3</b>	<b>10</b>	<b>10</b>	-
District-wide fibre project					
<b>Fibre Renewals</b>	<b>3</b>	<b>10</b>	-	-	-
Fibre cabling renewals					
<b>Health &amp; Safety Equipment Renewal</b>	-	<b>1</b>	<b>7</b>	-	-
Inspection equipment renewal					
Sound level meter					
<b>Information Services Development</b>	-	<b>51</b>	<b>109</b>	<b>30</b>	-
Information services developments hardware					
Information services - building fit out					
Information services - plant and equipment					
Financial planning software					



Variations Actual	Total Budget	Total Actual	Comments
-	10	6	
			Completed.
			Underway.
-	6	5	
			Completed.
-	-	23	
			Completed. Built for harvesting operations in Kaiparoro. Funded from harvest proceeds.
-	(1)	12	
			Minor upgrades as required.
			Underway. Feasibility and planning proceeding ahead of schedule.
-	7	43	
			Repair cracking from earthquake events.
			Repair cracking from earthquake events.
			Completed.
			Completed.
-	104	253	
			Completed. Operational with minor works being completed.
			Completed.
-	-	2	
			Completed.
-	20	13	
			Near completion.
-	3	10	
			Completed.
-	7	1	
			Completed.
			Investigating alternatives.
-	109	81	
			Underway.
			Completed. Funded from Hardware Developments.
			Completed. Funded from Hardware Developments.
			Underway. Unbudgeted investigation for new long term planning software.



	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual	Variations Budget
<b>Information Services Renewals</b>	<b>523</b>	<b>124</b>	<b>339</b>	<b>286</b>	<b>-</b>
Information services hardware renewals					
IBIS financial suite					
Information services software renewals					
Photocopier replacement					
Telephone replacement					
District administration information services renewals					
District administration equipment renewals					
<b>Asset Management Information</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>63</b>
Asset data quality improvement					
GPS unit renewal					
Asset management system					
<b>Vehicle Renewals</b>	<b>239</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>
Vehicle renewals					
<b>Total</b>	<b>13,909</b>	<b>10,693</b>	<b>6,075</b>	<b>3,879</b>	<b>1,867</b>

## Summary of capital projects

Group of Activity	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual
Communities and Recreational Facilities	1,296	809	722	574
District Promotion and Economic Development	20	32	10	10
Regulatory Services	6	192	111	69
Roading and Footpath	7,729	6,614	1,498	1,431
Solid Waste Management	60	58	73	2
Stormwater Drainage	843	30	128	64
Support	830	588	585	383
Wastewater	2,067	1,906	1,486	692
Water Supplies	1,058	465	1,462	654
<b>Grand Total</b>	<b>13,909</b>	<b>10,693</b>	<b>6,075</b>	<b>3,879</b>

Type	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual
Growth	82	48	15	15
Level of Service	6,315	2,644	4,518	3,129
Renewals	7,512	8,000	1,542	735
<b>Grand Total</b>	<b>13,909</b>	<b>10,693</b>	<b>6,075</b>	<b>3,879</b>



Variations Actual	Total Budget	Total Actual	Comments
-	862	410	
			Underway. Procuring second phase of server renewal.
			Underway. Unbudgeted investigation for new annual reporting software.
			Underway. Investigating Enterprise Management System replacement.
			Underway.
			Underway. Investigating options for mobile telephone system.
			Underway with refurbishing 45 Vogel Street, Woodville.
			Completed.
51	63	66	
			Underway.
			Completed.
			Completed with Water, Wastewater, and Stormwater modules. Continuing with Buildings module.
-	239	300	
			Completed. Overspend offset by revenue from vehicle sales.
2,392	21,851	16,965	

Variations Budget	Variations Actual	Total Budget	Total Actual
(402)	9	1,616	1,392
-		30	42
-		117	261
100	100	9,327	8,145
-		133	60
-		971	94
63	51	1,478	1,022
(739)		2,814	2,598
2,845	2,232	5,365	3,351
1,867	2,392	21,851	16,965

Variations Budget	Variations Actual	Total Budget	Total Actual
-		97	63
1,683	2,219	12,516	7,992
184	173	9,238	8,908
1,867	2,392	21,851	16,965



# 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
- Works Liaison 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.

## Works Liaison Committee

The committee acts in an advisory role on Council's infrastructure. It does so by monitoring strategy, policy and action plans relating to capital works projects. It also reviews and influences business cases for proposed capital projects prior to Council adoption.



## 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.

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.

Applications for wastewater treatment plant consent renewals for Eketahuna and Pahiatua proceeded to the hearings stage. This process involves the completion of cultural values assessments from each iwi and liaison with their representatives on the proposed option to finalise the design and operation of wetlands.

Amendments to the Resource Management Act are intended by Government, and these include new provisions requiring the Council to have in place iwi participation agreements relative to processing and decision-making regarding resource consent applications.

The Iwi Liaison Advisory Working Party was formed to provide for the special relationship between Maori and recognise its obligations under the principles of the Treaty of Waitangi. Its terms of reference are:

1. Work with Ngati Kahungunu iwi to prepare a new memorandum agreement for consideration by the Council. (As noted the Council already has an existing memorandum of partnership agreement with Rangitane iwi).
2. Facilitate an understanding of issues affecting Maori in the district.
3. Review the existing and expected capacity of Maori to contribute to the Council's decision-making processes as required by the Local Government Act 2002.
4. Develop appropriate communication protocols.

Acknowledging the Council's commitment to the above, the following initiatives occurred:

- As part of the induction process for the new Mayor and Councillors following the election a visit was made to Makirikiri Marae to meet with representatives of Rangitane o Tamaki nui a Rua to provide an understanding of their iwi background and issues.
- The Mayor and Councillors also visited Herbertville, Akitio and Owahanga to meet with representatives of Ngati Kahungunu ki Tamaki nui a Rua iwi to understand their aspirations and issues.
- A half-day workshop on the Treaty of Waitangi facilitated by Sir Mason Durie was held in Pahiatua for the Council, Community Boards and Community Committee members.

## 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 2017

The Auditor General is the auditor of Tararua District Council (the District Council). The Auditor General has appointed me, John Whittall, using the staff and resources of Audit New Zealand, to report on 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).

We are also required to report on:

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

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

We completed our work on 31 October 2017. This is the date on which we give our report.

#### Opinion on the audited information

In our opinion:

- the financial statements on pages 154 to 223:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2017;

- 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 in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 160, 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 63 to 151:
  - 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; and



- the statement about capital expenditure for each group of activities on pages 38 to 53, 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 66 to 145, 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.

## Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 32 to 37 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's Long Term and Annual plans.

## Basis for opinion on the audited information

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

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

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

## Responsibilities of the Council for the audited information

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

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

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

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

## Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- We determine the appropriateness of the reported intended levels of service in the activities and service performance as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

## Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 31, 54 to 60 and 226 to

231, but does not include the audited information and the disclosure requirements.

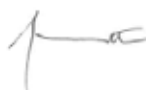
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

## Independence

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

In addition to 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.



John Whittal  
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 complied 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 Report and the judgements used.

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 and non-financial reporting.

In the opinion of the Council and management of Tararua District Council, the Annual Report for the year ended 30 June 2017 fairly reflect the financial and non-financial position, and operations of the Council.

Tracey Collis  
**Mayor**

31 October 2017

Blair King  
**Chief Executive**

31 October 2017

# 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.

Some measures use information provided by external service providers as part of their contracted responsibilities. Council relies on this information when reporting service performance measures.

### Groups of Activities








Building Communities & Leadership ..	65
Community & Recreation Facilities.....	73
District Promotion & Economic Development .....	94
Regulatory Services.....	101
Roading & Footpaths .....	112
Solid Waste Management .....	124
Stormwater .....	132
Wastewater .....	137
Water Supplies .....	144



## 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

	2015/16 LTP Year 1 \$000s	2015/16 Actual \$000s	2016/17 LTP Year 2 \$000s	2016/17 Plan \$000s	2016/17 Actual \$000s
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charges, rates penalties	1,622	1,622	1,689	1,758	1,758
Targeted rates	-	-	-	-	-
Grants and subsidies for operating purposes	-	8	-	-	-
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	33	20	35	75	75
Internal charges and overheads recovered	-	-	-	-	-
<b>Total Operating Funding</b>	<b>1,655</b>	<b>1,650</b>	<b>1,724</b>	<b>1,833</b>	<b>1,833</b>
<b>Applications of Operating Funding</b>					
Payment to staff and suppliers	1,160	1,234	1,189	1,326	1,312
Finance costs	-	-	-	-	-
Internal charges and overheads applied	458	453	496	519	473
Other operating funding applications	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>1,618</b>	<b>1,687</b>	<b>1,685</b>	<b>1,845</b>	<b>1,785</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>37</b>	<b>(36)</b>	<b>39</b>	<b>(12)</b>	<b>48</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	-	-	10	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>
<b>Applications of Capital Funding</b>					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	1	-	-	-
- to replace existing assets	10	-	-	-	-
Increase (decrease) in reserves	27	(37)	39	(2)	48
Increase (decrease) of investments	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>37</b>	<b>(36)</b>	<b>39</b>	<b>(2)</b>	<b>48</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(37)</b>	<b>36</b>	<b>(39)</b>	<b>12</b>	<b>(48)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

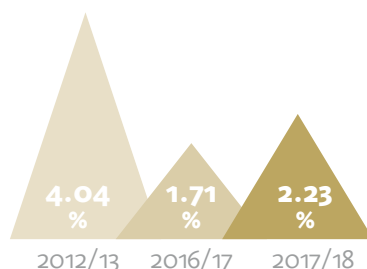
# What we achieved

## TOTAL GRANTS PAID OUT

**\$173,000**

1% OF  
OPERATING EXPENDITURE

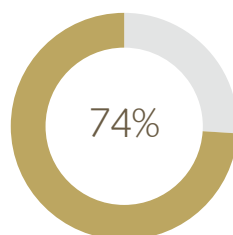
## MAINTAINED LOW RATES INCREASE



## INTRODUCED PUBLIC FORUM AT THE BEGINNING OF EACH COUNCIL MEETING



## COMMUNITY SATISFACTION WITH VISION AND LEADERSHIP



## 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.

### Sport Tararua

April 2017 saw the first of a new two-yearly event named "The Meridian Te Apiti Whanau Challenge". The intention is to create a family friendly event that will also cater to the needs of more competitive participants.

A review of the 2015 Sportsman of the Year Awards by Council and Sport Manawatu saw the event move to a biennial cycle; with the next awards in 2018. This realignment and strategic shift is to enable the two organisations to reallocate funding and resources to the new community participation event, planned to run in the years between the awards with the first event already scheduled.

### Pahiatua under veranda lighting

A major project to upgrade the Pahiatua central town retail lighting is required following continual faults with the under veranda lights. Both cabling and lights will be considered in the review in 2017/18.

### Closed circuit TV systems

Community CCTV systems in the district continue to be maintained by Council. Twenty cameras were purchased to convert 17 cameras for low light areas, with three replacing damaged cameras. The New Zealand Police actively use the cameras for both investigations and co-ordinating field responses to crimes as they occur. This has assisted with determining facts and the successful arrest and conviction for criminal activity. Planning to expand the camera network is underway. Ducting was installed across Bridge Street in Eketahuna to future-proof access to a new area of town during other construction works. In Woodville, the new i-SITE/library/customer service building has allowed two new public street cameras to be installed. An extension programme into new areas of Dannevirke was underway with funding received for the Dannevirke Community Hospital by Dannevirke Promotion and Development Inc.



## Grants

The following significant grants were provided by Council:

- Pukaha Mount Bruce: forest restoration and predator control – \$10,000.
- Horizons Regional Council: Gorge biodiversity project – \$5,000.
- Tu Te Manawa: towards construction of a whare by the Manawatu River at Ferry Reserve, Woodville – \$10,000.
- A commitment of \$60,000 was made by Council towards Pongaroa Fuel Stop Inc, which was well underway at 30 June 2017 for the installation of a new fuel stop in Pongaroa.

## 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. 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 sad passing of North Tararua Ward District Councillor Keith Fenemor occurred in July 2016. Keith served on the Council from October 2007, and his contribution to the district is acknowledged particularly in the areas of water supplies and forestry.

Mayor Roly Ellis retired from office at the 2016 triennial election after two terms in that position, along with Deputy Mayor Bill Keltie and North Tararua Ward District Councillor David Roberts (who both gave 15 years service to the district).

The following was completed and achieved:

- The triennial election was held in October 2016, with an extraordinary vacancy occurring for a position of South Tararua Ward District Councillor as a result of Tracey Collis successfully being elected as Mayor.
- A by-election was held in February 2017 to fill that position, with Alison Franklin being the successful candidate, commencing office in March 2017.
- The Council introduced a public forum at the commencement of each monthly meeting, and established the Works Liaison Committee as an addition to the standing committees' structure to act in an advisory role on the Council's infrastructure.
- The Audit and Risk Committee continued to provide oversight of the Council's approach to risk and compliance, with external appointee Kevin Ross retained as the appointed independent chair.

- The District Licensing Committee continued to deal with licensing matters for the district under the Sale of Alcohol Act 2012, with David Lea appointed as a commissioner to chair the committee and Maureen Reynolds, Kerry Sutherland, and Nick Perry as the committee list members.
- The decision to exit from the pensioner housing activity determined through the Long Term Plan was reviewed, with it being decided to invest in improving the standard of units through the installation of heat pumps and to signal in the next Long Term Plan the intention to retain the flats as a self-funding activity.
- Maintained an awareness of local government reforms to ensure compliance with their requirements.
- Endorsed the Horizons Regional Council Triennial Agreement, including the provisions to facilitate the Regional Growth Strategy and implementing Accelerate25 Regional Growth Action Plan.
- Pursued and advocate for the district on the Horizons Regional Council One Plan, particularly in respect of the economic ramifications arising from the Environment Court decision regarding its implementation.
- Adopted the 2015/16 Annual Report.
- Provided a grant of up to \$60,000 to Pongaroa Fuel Stop Incorporated Society to construct a fuel supply station in Pongaroa.
- Advocated in the interests of the district through submitting to the Fire and Emergency New Zealand bill and raising concerns regarding the increase to the Fire Service levy to fund the costs of the new national structure responsible for delivering this activity.
- Appointed an advisory liaison working party to review and strengthen iwi relationships and consider establishing a memorandum with Ngati Kahungunu ki Tamaki nui a Rua iwi.
- Adopted the 2017/18 Annual Plan.
- Progressed the Section 17A service review process through workshop discussion on this matter.
- Progressed the process to undertake the bylaws review.
- Commenced discussion on developing the 2018–2028 Long Term Plan.
- Adopted and consulted on Proposed Change No.1 to the Operative District Plan, and appoint commissioners to consider the submissions received.
- Awarded civic honours to acknowledge the community service of Betty Goldsworthy and Bob Dresser.

- Advocated for the community and particularly the Woodville business sector regarding the economic impact of the ongoing closure of the Manawatu Gorge, and seek long-term solutions to resolve this situation.




The most significant effects and measures that contribute to this activity include:

- Advocated with relevant agencies in the interests of the district – e.g. WINZ, Tararua Community Youth Services, Police, Public Health Organisation, MidCentral Health, and the NZ Transport Agency.
- Upgrade of the Saddle Road as an alternative state highway route for use while the Manawatu Gorge is closed, and the deterioration of the Pahiatua Track and other supporting local roads.
- Established project management reporting each month on projects and key contracts.
- Agreed on the amended basis of the Woodville impounded water supply project.
- The Eketahuna Community Board continued to oversee the implementation of the community plan for the upgrade of the Eketahuna town centre, including the second stage at the Bridge Street intersection by the Eketahuna Service Centre/Library building. The Board received recognition of its contribution to this project through winning the New Zealand Community Boards Supreme Award.
- The Eketahuna Community Board facilitated community consultation on the Chorus building project and the Eketahuna swimming baths upgrade.
- The adoption of the District Plan provides environmental standards and policies for the district, with proposed changes under consideration to revise and update the plan.
- Maintained a good relationship with the Horizons Regional Council through the Memorandum of Understanding and working collaboratively on protecting the environment of the district.
- Worked constructively with iwi through regular meetings with their representatives and consultation on significant issues as provided in the Memorandum of Understanding with Rangitane, and to develop a relationship with Ngati Kahungunu.
- Supported sports and recreational groups through participating in the Sport New Zealand rural travel assistance fund and the Creative New Zealand fund for arts and culture.
- Supported communities through the International Representatives Scheme, the Community Development Recreation Reserve, the Heritage Protection Reserve, the Biodiversity Reserve, and discretionary funding for the community boards and community committees.

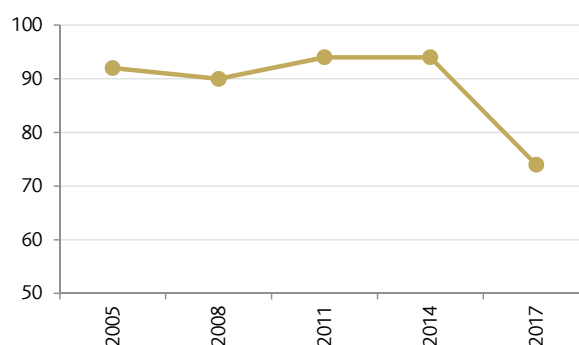
- Recognised the contribution of community volunteers through the Council's district civic honours, the Trustpower Tararua District Community Awards, the Alf Rowden Humanitarian Award presented by the Eketahuna Community Board, and the Wackrow Memorial Youth Award presented by the Dannevirke Community Board.

# Performance against objectives

## Community Support


Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																				
<ul style="list-style-type: none"><li>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.</li></ul>	75%	NOT ACHIEVED: 74%.	No NRB survey																					
		Results from the last two surveys:																						
		<table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/fairly satisfied</td><td>65%</td><td>74%</td></tr><tr><td>Not very satisfied</td><td>4%</td><td>26%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>32%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>65%</td><td>74%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>94%</td><td>74%</td></tr></table>			Category	2014	2017	Very/fairly satisfied	65%	74%	Not very satisfied	4%	26%	Don't know / Unable to say ☒	32%	-	Percentage satisfied	65%	74%	Percentage satisfied excl ☒	94%	74%		
		Category			2014	2017																		
		Very/fairly satisfied			65%	74%																		
		Not very satisfied			4%	26%																		
		Don't know / Unable to say ☒			32%	-																		
		Percentage satisfied			65%	74%																		
		Percentage satisfied excl ☒			94%	74%																		
		The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.																						
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Change in methodology – score of 5 is accounted as "not very satisfactory" – has resulted in a lower score this year.																								
<ul style="list-style-type: none"><li>All organisations receiving grants meet accountability requirements of Council.</li></ul>	100%	ACHIEVED: No issues identified with grants and their use for the purpose intended.																						

REPRESENTATION PERFORMANCE – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017





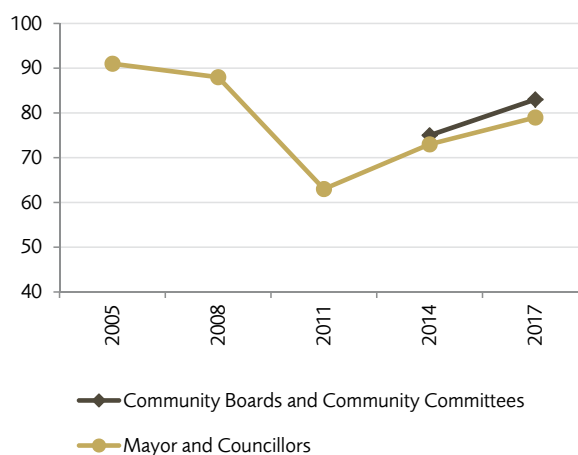
## Representation

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																																																																								
<ul style="list-style-type: none"><li>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.</li></ul>	75%	ACHIEVED: 79%.	No NRB survey																																																																									
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73% of respondents had scored 7-10, indicating that they were fairly satisfied to very satisfied. This is a significant improvement from the 2014 survey.																									
<ul style="list-style-type: none"><li>Percentage of Council committee meetings that meet the requirements the Local Government Official Information and Meetings Act.</li></ul>	100%	ACHIEVED: Meetings were publicly notified by newspaper, generally through the Bush Telegraph.	<div></div>	<div></div>																					

### REPRESENTATION PERFORMANCE – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017



# Community and Recreation Facilities

## Activities in this group

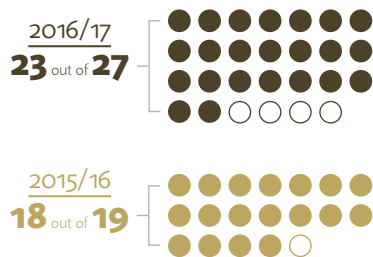
- 1 Cemeteries**  
*To provide attractive burial places where the community can remember loved ones and celebrate our district's heritage.*
- 2 Community Buildings**  
*To provide community buildings for social, cultural, recreational and educational activities.*
- 3 Housing**  
*To provide access to affordable and suitable long-term housing for older people with limited income and assets.*
- 4 Libraries**  
*To provide access to information, and to support life-long learning and literacy.*
- 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 an effective point of contact for the community to connect with Council.*
- 8 Swimming Pools**  
*To provide funding support for community pools, which will promote community wellbeing.*

## Group level funding impact statement

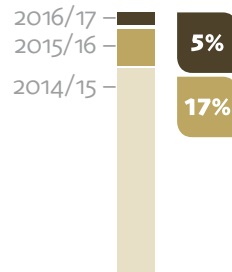
	2015/16 LTP Year 1 \$000s	2015/16 Actual \$000s	2016/17 LTP Year 2 \$000s	2016/17 Plan \$000s	2016/17 Actual \$000s
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charges, rates penalties	2,991	2,991	3,068	3,101	3,101
Targeted rates	1,580	1,580	1,665	1,627	1,627
Grants and subsidies for operating purposes	5	5	5	5	5
Fees and charges	567	583	581	539	601
Local authorities fuel tax, fines, infringement fees, and other receipts	394	247	407	373	330
Internal charges and overheads recovered	-	-	-	-	-
<b>Total Operating Funding</b>	<b>5,537</b>	<b>5,407</b>	<b>5,726</b>	<b>5,645</b>	<b>5,664</b>
<b>Applications of Operating Funding</b>					
Payment to staff and suppliers	3,285	3,183	3,432	3,394	3,330
Finance costs	53	36	77	62	43
Internal charges and overheads applied	1,181	1,099	1,222	1,203	1,191
Other operating funding applications	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>4,519</b>	<b>4,318</b>	<b>4,731</b>	<b>4,659</b>	<b>4,564</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>1,018</b>	<b>1,089</b>	<b>995</b>	<b>986</b>	<b>1,100</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	20
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	603	(88)	575	738	(88)
Gross proceeds from sale of assets	-	550	212	-	137
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>603</b>	<b>462</b>	<b>787</b>	<b>738</b>	<b>69</b>
<b>Applications of Capital Funding</b>					
Capital Expenditure:					
- to meet additional demand	23	-	84	82	-
- to improve the level of service	691	205	1,166	962	958
- to replace existing assets	712	612	381	372	437
Increase (decrease) in reserves	195	734	151	308	(226)
Increase (decrease) of investments	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>1,621</b>	<b>1,551</b>	<b>1,782</b>	<b>1,724</b>	<b>1,169</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(1,018)</b>	<b>(1,089)</b>	<b>(995)</b>	<b>(986)</b>	<b>(1,100)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# What we achieved

## PERFORMANCE MEASURES ACHIEVED



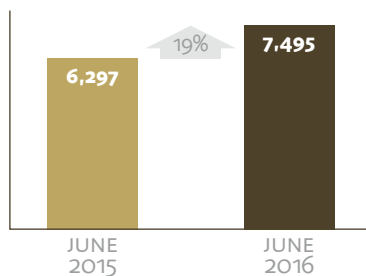
## CAMPING GROUND VISITOR NUMBERS INCREASED



## PENSIONER HOUSING – HEAT PUMPS INSTALLED



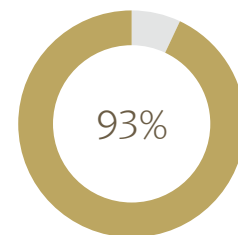
## CUSTOMER REQUESTS



## CAPITAL INVESTMENT

**\$1.36 million**

## COMMUNITY SATISFACTION WITH FACILITIES



## 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:

- Ashes berms were installed in the Mangatera Lawn Cemetery and the Mangatera Returned Servicepersons' area.
- The stillborn section in the Mangatainoka Cemetery has been completed with a monument installed, a new fence behind the area, and new drainage installed. The pathways around the memorial have been resealed.
- At the Dannevirke Settlers Cemetery, the trees were removed, and a new fence was erected fitting the character of the historic cemetery.

## Community Buildings

Council has completed the following projects to improve the conditions for the users of the community buildings:

- Dannevirke Sports Centre – The stadium floor has been refurbished and two of the outdoor courts have been resurfaced.
- Eketahuna Medical Centre – Two heat pumps have been installed in the back of the building. Power has been installed in the garage, which is used as a MenzShed. The section is also used as a community garden.
- Pahiatua Town Hall and Library – The rest of the windows in the library have been converted to aluminium windows.
- Akitio County War Memorial Hall in Pongaroa – The floor in the main hall and supper room have been refurbished.



- Woodville Sports Stadium – Heat pumps have been installed in the supper room, which is used as a meeting room. Options for heating the main stadium are still ongoing.

## Housing

Demand for pensioner housing has increased from 2015/16. As of 30 June 2017, only one out of 79 units was unoccupied, compared with seven unoccupied units at 30 June 2016.

As part of the adoption of the 2017/18 Annual Plan, Council decided to defer the sale of the pensioner housing portfolio as planned in the Long Term Plan. Due to fundamental changes to the district housing rental market and the increased demand for pensioner housing, assumptions that were made in the original decision will need to be revisited as part of the 2018–2028 Long Term Plan.

In addition to the 10 older units at Hovding Court being sold in 2015/16, the remaining three units at the complex were sold in August 2016.

As a result of Council deferring the sale of the pensioner housing and significantly increasing the rental, Council fitted heat pumps to all of the units that did not have one. This has resulted in greater resident satisfaction and a more efficient form of heating.

## Libraries

### Woodville library building

In June, the Woodville Service Centre and Library moved to its new premises across the road from the old library. The newly renovated building provides more space and a much more welcoming environment than previously. The new layout also provides toilets for customers. The community has been very positive about the new location, which better represents the dual nature of this facility.

### Traditional library use

Use of physical items has risen slightly on the previous year (up 1% or 1,548 items) – this rise has fluctuated across the whole district. E-book use dropped, this year, by 250 loans – this follows a global trend of e-book use.

On average, 1,496 residents borrowed items from their library each month. Overall foot traffic at the libraries is slightly above last year. Again, this is not consistent across the district.

### Digital services

Use of the APNK (Aotearoa People's Network Kaharoa) continues its increase – up 6% across the district. Trends for this service show more people using their own devices, with use of Wi-Fi growing to 54% of total use of the network. Since the Wi-Fi was installed in May 2012, use of this aspect

of the service has grown, and use of the library computers has declined (in 2011/12 use of the library computers was 35,639 sessions, compared to 27,216 sessions in 2016/17). Library team members have been required to improve their proficiency in the use of mobile devices in order to assist users to access library resources via this medium.

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

The new library management system, Kotui – installed last year – has enabled users to access the library's digital services in a much more seamless manner than in the past. Customers no longer have to visit the library in person to access these resources. The system offers more flexibility than was previously available and many customers are enjoying the added features. Not all feedback has been positive with the move to printed receipts replacing the stamping of books with the date due proving contentious with some.

Radio Frequency ID (RFID) was implemented at the end of the year. RFID will allow staff to spend less time on transactional matters. This will free time up for staff to add programmes at their sites. This will include book clubs, computer skills classes and the like.

### Community hubs

Libraries in the district offer a meeting place for individuals and groups. Distance students use their library as a study space, utilising the APNK network to access online lectures and services. They even sit their exams at the library with staff providing the overseer role. Groups such as Justice of the Peace, home school support groups, and health support groups utilise the library as a meeting place across the district.

This can be challenging for libraries to provide space for these groups alongside other users' needs. However, it is an acknowledgement of the role libraries play providing a safe community space for these groups.

### Literacy programmes

The library continues to support literacy in all its forms.

We to offer the EC 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. In the past year, 1,441 children took part in these programmes.

Our preschool programme Little Ears aims to encourage literacy in preschool children in the Tararua district. This programme is run at Dannevirke, Woodville, and Pahiatua libraries. More than 900 children attended the sessions over the year.

The Maths is Fun programme has been running at all four branches since 2015. Approximately 100 children across the district take part in this annual programme. This programme 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.

Digital Literacy is an area of the library that continues to grow, with 78 people undertaking this program in 2016/17, compared to 57 in 2015/16. Programmes run at the libraries have been well supported.

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) continues to be run at the Eketahuna and Pahiatua branches. The tutors are provided by Wairarapa REAP and the Library provides the venue and Wi-Fi connection via the APN. Throughout the year, 400 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. These classes will be available at Dannevirke and Woodville in the 2017/18 year.

## Parks and Reserves

The upgrade of facilities, started in 2012, has continued in 2016/17. This has led to an improved standard of amenities in a number of recreation facilities across the district, resulting in continued high resident satisfaction.

Visitor numbers to the district have been increasing, with large numbers using the Ferry Reserve and other reserves throughout the district.

Visitor numbers to our camping grounds decreased slightly in Eketahuna, Pahiatua, and Woodville. However, the Dannevirke camping ground continues to have visitor growth, with 6,250 staying at the facility in 2016/17 compared to 4,484 in 2015/16.

Camping ground	2014/15	2015/16	2016/17
Dannevirke	2,821	4,484	6,250
Eketahuna	3,898	5,054	4,502
Pahiatua	4,911	3,775	3,547
Woodville	*616	1,007	†747
<b>Total</b>	<b>12,246</b>	<b>14,322</b>	<b>15,046</b>
<b>% increase</b>		<b>17%</b>	<b>5%</b>

\* 7 months † 9 months

We continue to invest in and promote our camping grounds through the district. The Woodville camping ground was fully upgraded with the total area levelled, new hardstand areas and new power boxes installed. New power supplies and hardstand area were also installed in Dannevirke. We

installed a new sewerage line at the Eketahuna camping ground, connecting it to the Council reticulation network.

The programme to upgrade and improve the safety of our district's playgrounds continues. New matting and drainage have been installed under the playground at Eketahuna, and the first stage of the playground redevelopment at the Woodville Fountaine Square has been completed.

Council has assumed responsibility for the preparation and issuing of lease documentation for all the domain boards to ensure Council meets its legal requirements.

## 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.

New cleaning contracts were let in November. This resulted in an increased contract cost due to increasing the cleaning frequencies of some complexes. The impact of this has been a reduction in contract variations for additional cleaning, resulting in only a minimal increase in cost.

A new toilet complex has been completed beside the newly upgraded i-SITE/library/service centre in Woodville. This is to encourage visitors to stop in the centre of town and explore the township.

## Service Centres

Our customer service centres handled close to 31,000 calls (an average of about 125 calls a day), with callers waiting only an average of 15 seconds to have their call answered – an improvement of two seconds from 2015/16. Our afterhours call centre handled over 3,600 calls (an average of 30 calls per day), with callers having an average wait of 18 seconds to have their calls answered. The afterhours call centre also dealt with the increase in calls in November 2016 due to the Kaikoura earthquake, plus Cyclones Cook and Debbie in April 2017.

We met our targets for both waiting time and abandoned calls. The longest average wait time was 33 seconds, in April 2017, due to cyclone events. The percentage of abandoned calls reduced to 2.6%, compared with 4% at the end of the 2015/16 year.

A total of 7,495 (last year 6,297) customer requests were entered into our system. This is an increase of 19%. Council continues to encourage the community to phone the Council with customer requests, as the information from these calls is important. They help Council with works programmes and analysing trends/patterns so we can be more proactive.

A key achievement was the completion of the new Woodville combined i-SITE/library/service centre building. This was completed on 29 June, creating a spacious and welcoming



community facility for both visitors and residents of Woodville.

## Swimming Pools

The new Health and Safety at Work Act 2015 has meant Council has to be confident that the committees running the community pools are given the correct information and backup to ensure the safe operation of the facilities. To meet this requirement, the three outdoor pools were independently audited and an operating manual produced by the Community Leisure Management Company who are specialists in running and operating pools. To mitigate the risk with chlorination of the outdoor pools, we will install auto dosing equipment. This will be linked to our SCADA (supervisory control and data acquisition) equipment that is used by our water treatment operators. This will give an alarm if the chlorine or pH levels of the pool fall outside acceptable limits.

Minor repairs were undertaken on the Eketahuna and Pahiatua swimming pools. The main pool at Pahiatua was repaired to stop leakage, and then painted. The junior pool at Eketahuna was cracked by the 2015 earthquake and has been repaired.

In Woodville, we experienced issues that resulted in the outdoor pool not opening this summer. However, we were able to ensure public access to swimming facilities by working with the Woodville School who allowed the public use of their outdoor pool. The pool committee has been proactive to ensure that the pool is ready for the coming season.




The Eketahuna Community Board are looking to replace their existing pool in the 2018/19 financial year. They are looking to maintain the same site and replace the pool and some of the buildings.

The Pahiatua On Track committee are still considering their options, and do not know whether they will rebuild on the same site or move to a different site. They have delayed the replacement of the pool until the feasibility and option analysis is completed.



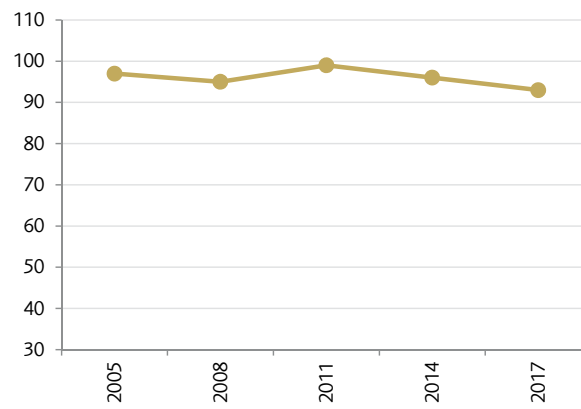
# Performance against objectives

## Cemeteries

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																				
<ul style="list-style-type: none"><li>Percentage of residents rating cemeteries as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	75%	ACHIEVED: 93%.	No NRB survey																					
		Results from the last two surveys:																						
		<table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>77%</td><td>93%</td></tr><tr><td>Not very satisfied</td><td>3%</td><td>7%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>20%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>77%</td><td>93%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>96%</td><td>93%</td></tr></table>			Category	2014	2017	Very/Fairly Satisfied	77%	93%	Not very satisfied	3%	7%	Don't know / Unable to say ☒	20%	-	Percentage satisfied	77%	93%	Percentage satisfied excl ☒	96%	93%		
		Category			2014	2017																		
		Very/Fairly Satisfied			77%	93%																		
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		The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.																						
<table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>38%</td><td>50%</td><td>42%</td></tr><tr><td>Score 7–8</td><td>45%</td><td>41%</td><td>44%</td></tr><tr><td>Score 6</td><td>8%</td><td>5%</td><td>7%</td></tr><tr><td>Score 5</td><td>6%</td><td>4%</td><td>4%</td></tr><tr><td>Score 1–4</td><td>5%</td><td>0%</td><td>3%</td></tr></table>	Score	Sep 2016	Jun 2017	Combined	Score 9–10	38%	50%	42%	Score 7–8	45%	41%	44%	Score 6	8%	5%	7%	Score 5	6%	4%	4%	Score 1–4	5%	0%	3%
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Council continues to commit funding in each Annual Plan to progressively upgrade the cemeteries in the district.																								
This year, Council spent \$94,000 of capital expenditure to enhance and maintain the service levels.																								
<ul style="list-style-type: none"><li>Percentage of cemeteries in district with plots available for next 12 months – based on historical burial data.</li></ul>	100%	ACHIEVED: 100%.																						
All cemeteries have more than adequate number of plots available.																								



### CEMETERIES – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017



## Community Buildings

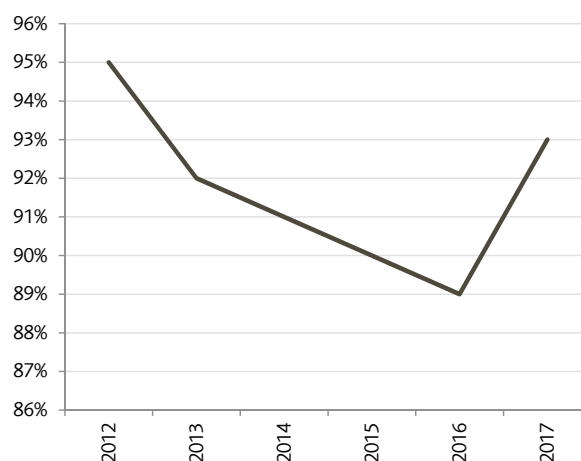
Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																				
<ul style="list-style-type: none"><li>Percentage of residents “fairly satisfactory” or “very satisfactory” with community buildings in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	90%	ACHIEVED: 92%.	No NRB survey	<div></div>																				
		Results from the last two surveys:																						
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<table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>17%</td><td>38%</td><td>25%</td></tr><tr><td>Score 7–8</td><td>66%</td><td>50%</td><td>59%</td></tr><tr><td>Score 6</td><td>8%</td><td>6%</td><td>8%</td></tr><tr><td>Score 5</td><td>6%</td><td>4%</td><td>6%</td></tr><tr><td>Score 1–4</td><td>2%</td><td>2%</td><td>2%</td></tr></table>	Score	Sep 2016	Jun 2017	Combined	Score 9–10	17%	38%	25%	Score 7–8	66%	50%	59%	Score 6	8%	6%	8%	Score 5	6%	4%	6%	Score 1–4	2%	2%	2%
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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 met.																								
Significant work completed for the year include:																								
<div><div>1. Woodville combined services (i-SITE, Library and Service Centre) building.</div><div>2. Pahiatua Town Hall.</div><div>3. District wide library refurbishments.</div></div>																								
<ul style="list-style-type: none"><li>The total number of hours per annum facilities are booked through Council.</li></ul>	> 3,100 hrs	ACHIEVED: 5,078 hours.	<div></div>	<div></div>																				
The increase in rental is mainly due to the hire of the Dannevirke Town Hall by the Dannevirke Theatre Company, and the Pahiatua Town Hall by Work Force Development.																								








## Housing

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
<ul style="list-style-type: none"> <li>Percentage of housing units which, when inspected, are found to have maintenance issues that are more than minor.</li> </ul>	< 10%	<p>ACHIEVED: 0%.</p> <p>Buildings were inspected in May 2017, and no major maintenance issues were noted.</p> <p>To address the heating issues and also support the increase in rent, heat pumps and new ten year life smoke alarms were installed in all flats.</p> <p>Drainage work at the Ruahine Flats in Woodville has commenced and will be completed early next year.</p>	●	●
<ul style="list-style-type: none"> <li>Tenants' satisfaction with the landlord service received from Council.</li> </ul>	90%	<p>ACHIEVED: 94%.</p> <p>The tenant satisfaction survey is undertaken in March each year.</p>	●	●

### RENTAL HOUSING OCCUPANCY RATE



## Libraries

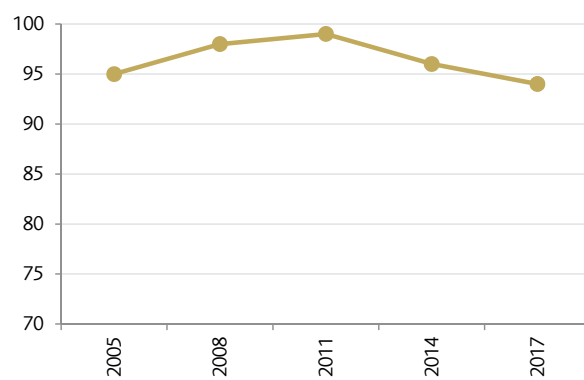
Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																																										
<ul style="list-style-type: none"><li>Library services are clean, welcoming and open at times suited to their community based on the annual survey carried out internally by the library.</li></ul>	90%	<p>ACHIEVED: 95%.</p> <p>Survey results:</p> <table><thead><tr><th>Category</th><th>2015/16</th><th>2016/17</th></tr></thead><tbody><tr><td>Completely Satisfied</td><td>101</td><td>255</td></tr><tr><td>Very Satisfied</td><td>28</td><td>46</td></tr><tr><td>Moderately Satisfied</td><td>5</td><td>5</td></tr><tr><td>Not Very Satisfied</td><td>0</td><td>3</td></tr><tr><td>Not at all Satisfied</td><td>0</td><td>6</td></tr><tr><td>Not Applicable</td><td>2</td><td>0</td></tr><tr><td><b>Total Respondents</b></td><td><b>136</b></td><td><b>315</b></td></tr></tbody></table> <p>A total of 315 users responded to the survey with 301 completely or very satisfied and five moderately satisfied.</p>	Category	2015/16	2016/17	Completely Satisfied	101	255	Very Satisfied	28	46	Moderately Satisfied	5	5	Not Very Satisfied	0	3	Not at all Satisfied	0	6	Not Applicable	2	0	<b>Total Respondents</b>	<b>136</b>	<b>315</b>																				
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<ul style="list-style-type: none"><li>Percentage of residents rating libraries as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	90%	<p>ACHIEVED: 94%.</p> <p>Results from the last two surveys:</p> <table><thead><tr><th>Category</th><th>2014</th><th>2017</th></tr></thead><tbody><tr><td>Very/Fairly Satisfied</td><td>80%</td><td>94%</td></tr><tr><td>Not very satisfied</td><td>4%</td><td>6%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>16%</td><td>-</td></tr><tr><td><b>Percentage satisfied</b></td><td><b>80%</b></td><td><b>94%</b></td></tr><tr><td><b>Percentage satisfied excl ☒</b></td><td><b>96%</b></td><td><b>94%</b></td></tr></tbody></table> <p>The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table><thead><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr></thead><tbody><tr><td>Score 9–10</td><td>40%</td><td>48%</td><td><b>43%</b></td></tr><tr><td>Score 7–8</td><td>50%</td><td>45%</td><td><b>48%</b></td></tr><tr><td>Score 6</td><td>3%</td><td>4%</td><td><b>3%</b></td></tr><tr><td>Score 5</td><td>6%</td><td>2%</td><td><b>5%</b></td></tr><tr><td>Score 1–4</td><td>1%</td><td>1%</td><td><b>1%</b></td></tr></tbody></table>	Category	2014	2017	Very/Fairly Satisfied	80%	94%	Not very satisfied	4%	6%	Don't know / Unable to say ☒	16%	-	<b>Percentage satisfied</b>	<b>80%</b>	<b>94%</b>	<b>Percentage satisfied excl ☒</b>	<b>96%</b>	<b>94%</b>	Score	Sep 2016	Jun 2017	Combined	Score 9–10	40%	48%	<b>43%</b>	Score 7–8	50%	45%	<b>48%</b>	Score 6	3%	4%	<b>3%</b>	Score 5	6%	2%	<b>5%</b>	Score 1–4	1%	1%	<b>1%</b>	No NRB survey	
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<ul style="list-style-type: none"><li>Library collections are current and accessible based on a weighted average of:<ul style="list-style-type: none"><li>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); and</li></ul></li></ul>	85%	<p>ACHIEVED: 100%.</p> <p>The carry-over of funding for new items last year has impacted on the measure for this year. With more funding available, more items were able to be purchased.</p> <p>5,420 items added.</p>																																												



Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																											
<ul style="list-style-type: none"><li>percentage 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).</li></ul>		No downtime.																													
<ul style="list-style-type: none"><li>Number of programmes run annually.</li></ul>	> 6	ACHIEVED: 7.	<div></div>	<div></div>																											
<table><tr><th>Programme</th><th>2015/16</th><th>2016/17</th></tr><tr><td>Winter Warmers (literacy)</td><td>1,244</td><td>1,077</td></tr><tr><td>Summer Reading Programme</td><td>294</td><td>298</td></tr><tr><td>iRead</td><td>70</td><td>66</td></tr><tr><td>Maths is Fun (numeracy)</td><td>140</td><td>113</td></tr><tr><td>GIF Making (digital literacy)</td><td>57</td><td>78</td></tr><tr><td>Book Club</td><td>-</td><td>96</td></tr><tr><td>Little Ears (preschool programme)</td><td>970</td><td>917</td></tr><tr><td>Total</td><td>2,775</td><td>2,645</td></tr></table>					Programme	2015/16	2016/17	Winter Warmers (literacy)	1,244	1,077	Summer Reading Programme	294	298	iRead	70	66	Maths is Fun (numeracy)	140	113	GIF Making (digital literacy)	57	78	Book Club	-	96	Little Ears (preschool programme)	970	917	Total	2,775	2,645
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<ul style="list-style-type: none"><li>Library customers are satisfied with the programmes offered.</li></ul>	90%	ACHIEVED: 97%.	<div></div>	<div></div>																											
<table><tr><th>Category</th><th>2015/16</th><th>2016/17</th></tr><tr><td>Completely satisfied</td><td>27</td><td>100</td></tr><tr><td>Very satisfied</td><td>7</td><td>27</td></tr><tr><td>Moderately satisfied</td><td>2</td><td>8</td></tr><tr><td>Not very satisfied</td><td>1</td><td>2</td></tr><tr><td>Not at all satisfied</td><td>1</td><td>2</td></tr><tr><td>Not applicable</td><td>32</td><td>*171</td></tr><tr><td>Total Respondents</td><td>70</td><td>310</td></tr></table> <p><i>*Relates to customers who did not participate in library programmes.</i></p>					Category	2015/16	2016/17	Completely satisfied	27	100	Very satisfied	7	27	Moderately satisfied	2	8	Not very satisfied	1	2	Not at all satisfied	1	2	Not applicable	32	*171	Total Respondents	70	310			
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Total Respondents	70	310																													
<ul style="list-style-type: none"><li>Library customers are satisfied with staff service (annual survey).</li></ul>	90%	ACHIEVED: 96%  Of the 315 respondents, 303 were completely or very satisfied, 3 moderately satisfied, and 1 not very or not at all satisfied.	<div></div>	<div></div>																											
<table><tr><th>Category</th><th>2015/16</th><th>2016/17</th></tr><tr><td>Completely satisfied</td><td>121</td><td>121</td></tr><tr><td>Very satisfied</td><td>11</td><td>11</td></tr><tr><td>Moderately satisfied</td><td>3</td><td>3</td></tr><tr><td>Not very satisfied</td><td>0</td><td>0</td></tr><tr><td>Not at all satisfied</td><td>1</td><td>1</td></tr><tr><td>Not applicable</td><td>0</td><td>0</td></tr><tr><td>Total Respondents</td><td>136</td><td>315</td></tr></table>					Category	2015/16	2016/17	Completely satisfied	121	121	Very satisfied	11	11	Moderately satisfied	3	3	Not very satisfied	0	0	Not at all satisfied	1	1	Not applicable	0	0	Total Respondents	136	315			
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### LIBRARIES – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017





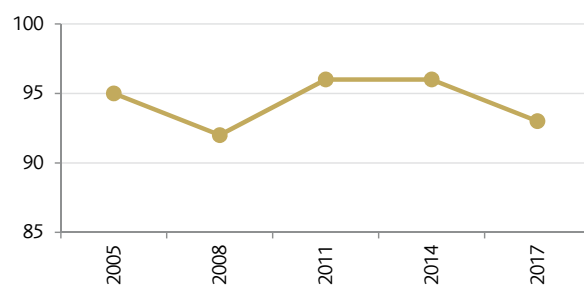
## Parks and Reserves

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																																										
<ul style="list-style-type: none"><li>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.</li></ul>	90%	<p>ACHIEVED: 93%.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>92%</td><td>93%</td></tr><tr><td>Not very satisfied</td><td>4%</td><td>7%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>5%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>92%</td><td>93%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>96%</td><td>93%</td></tr></table> <p>The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>26%</td><td>34%</td><td>29%</td></tr><tr><td>Score 7–8</td><td>57%</td><td>55%</td><td>57%</td></tr><tr><td>Score 6</td><td>8%</td><td>5%</td><td>7%</td></tr><tr><td>Score 5</td><td>6%</td><td>4%</td><td>5%</td></tr><tr><td>Score 1–4</td><td>2%</td><td>1%</td><td>2%</td></tr></table> <p>We continue to progressively upgrade our playgrounds and camping grounds, and have spent \$284,000 on camping grounds, playground equipment, park furniture, and footpath/walkway upgrades.</p>	Category	2014	2017	Very/Fairly Satisfied	92%	93%	Not very satisfied	4%	7%	Don't know / Unable to say ☒	5%	-	Percentage satisfied	92%	93%	Percentage satisfied excl ☒	96%	93%	Score	Sep 2016	Jun 2017	Combined	Score 9–10	26%	34%	29%	Score 7–8	57%	55%	57%	Score 6	8%	5%	7%	Score 5	6%	4%	5%	Score 1–4	2%	1%	2%	No NRB survey	
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<ul style="list-style-type: none"><li>Number of recorded incidences where parks and reserves are found to be below the agreed maintenance standard.</li></ul>	< 5	<p>ACHIEVED: 1.</p> <p>One incident has been recorded based on the maintenance standards of playing fields around the district.</p> <p>The issue was more to do with the appearance of the field rather than the inability to play on the field. Council's contractors rectified the issue promptly and were reminded of the specifications that each sports field is to be maintained at.</p>																																												
<ul style="list-style-type: none"><li>Percentage of playgrounds in the district with all equipment meeting the AUS/NZ playground safety standard.</li></ul>	90%	<p>ACHIEVED: 100%.</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>New playground equipment is being installed in the Woodville playground, and matting has been installed at Eketahuna.</p> <p>There are six playgrounds in the district and these are inspected by Council's contractors on a monthly basis. No playgrounds have failed in meeting the safety standards, however, there is currently some minor maintenance being done. For example, the double rocker at the Dannevirke playground has been sent back to the manufacturer for modification as it was continually breaking the springs.</p>																																												





### PARKS AND RESERVES – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017



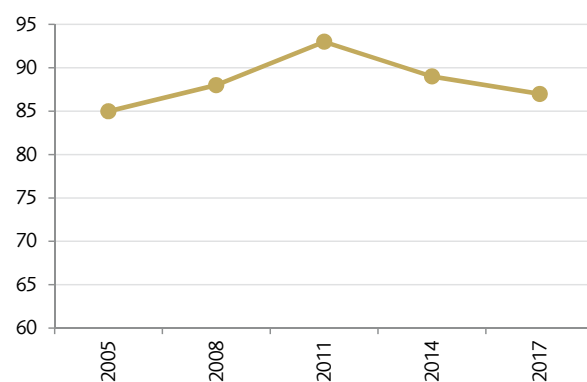


## Public Conveniences

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																																										
<ul style="list-style-type: none"><li>Percentage of residents rating public conveniences as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	90%	<p>NOT ACHIEVED: 87%.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>71%</td><td>87%</td></tr><tr><td>Not very satisfied</td><td>9%</td><td>13%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>20%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>71%</td><td>87%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>89%</td><td>87%</td></tr></table> <p>The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>22%</td><td>29%</td><td>24%</td></tr><tr><td>Score 7–8</td><td>53%</td><td>47%</td><td>51%</td></tr><tr><td>Score 6</td><td>11%</td><td>15%</td><td>12%</td></tr><tr><td>Score 5</td><td>7%</td><td>6%</td><td>7%</td></tr><tr><td>Score 1–4</td><td>7%</td><td>3%</td><td>6%</td></tr></table> <p>Council has entered into a new cleaning contract (signed in October 2016) where the frequency of cleaning has been increased to cater for the increase of complaints in regards to cleanliness and damage to the facilities. However, the number of service requests (as noted below) has increased significantly impacting the survey results.</p>	Category	2014	2017	Very/Fairly Satisfied	71%	87%	Not very satisfied	9%	13%	Don't know / Unable to say ☒	20%	-	Percentage satisfied	71%	87%	Percentage satisfied excl ☒	89%	87%	Score	Sep 2016	Jun 2017	Combined	Score 9–10	22%	29%	24%	Score 7–8	53%	47%	51%	Score 6	11%	15%	12%	Score 5	7%	6%	7%	Score 1–4	7%	3%	6%	No NRB survey	<div></div>
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Score 1–4	7%	3%	6%																																											
<ul style="list-style-type: none"><li>The number of complaints received per annum about the condition of public toilets.</li></ul>	< 50	<p>NOT ACHIEVED: 102.</p> <p>The number of customer service requests received relating to public toilets:</p> <table><tr><th>2016/17</th><th>2015/16</th><th>2014/15</th><th>2013/14</th><th>2012/13</th></tr><tr><td>102</td><td>73</td><td>67</td><td>47</td><td>44</td></tr></table> <p>Of the 102 customer service requests, 13 related to the cleanliness of the toilets, 67 to maintenance, and 21 to vandalism.</p> <p>It is assumed that the number of maintenance issues has increased due to the higher number of people that are using the public conveniences. The most common maintenance issues are blockages, which are normally vandalism related but are recorded as maintenance. We have and are continuing to look at options to deter vandalism. For example, alternative sources/products for toilet paper distributors, however, these come at a cost and there is no guarantee this will fix the issues. We will explore these options as part of the Long Term Plan.</p> <p>We will continue to monitor the maintenance issues and focus on responding promptly.</p>	2016/17	2015/16	2014/15	2013/14	2012/13	102	73	67	47	44	<div></div>	<div></div>																																
2016/17	2015/16	2014/15	2013/14	2012/13																																										
102	73	67	47	44																																										



### PUBLIC CONVENIENCES – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017

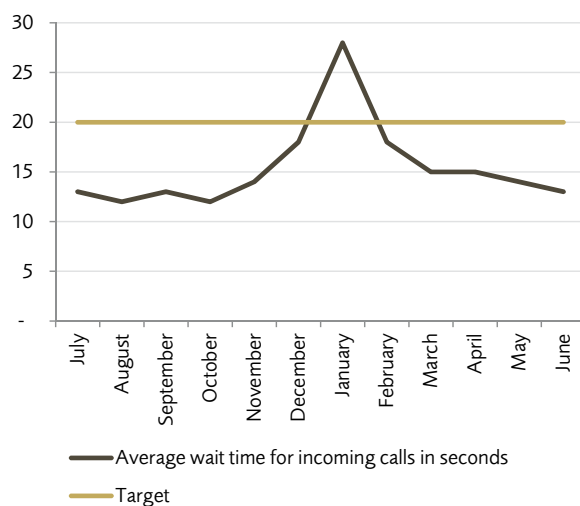




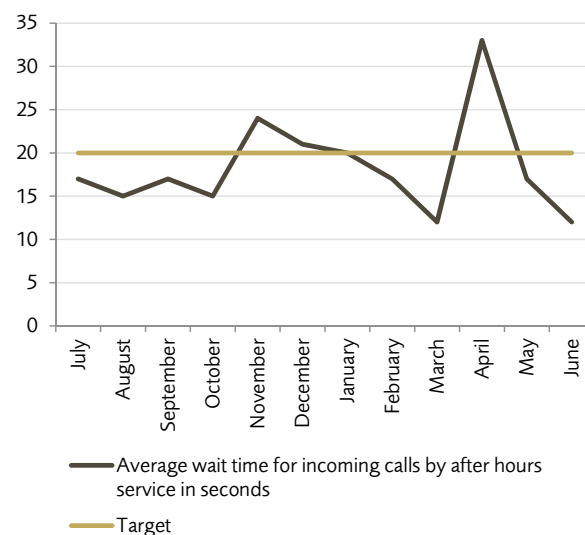
## Service Centres






Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																																										
<ul style="list-style-type: none"><li>Percentage of customers who lodge faults/requests are satisfied with the service provided.</li></ul>	95%	<p>NOT ACHIEVED: 75%.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>94%</td><td>75%</td></tr><tr><td>Not very satisfied</td><td>6%</td><td>25%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>-</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>94%</td><td>75%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>94%</td><td>75%</td></tr></table> <p>The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>36%</td><td>39%</td><td>37%</td></tr><tr><td>Score 7–8</td><td>36%</td><td>29%</td><td>34%</td></tr><tr><td>Score 6</td><td>4%</td><td>4%</td><td>4%</td></tr><tr><td>Score 5</td><td>5%</td><td>7%</td><td>6%</td></tr><tr><td>Score 1–4</td><td>19%</td><td>21%</td><td>19%</td></tr></table>	Category	2014	2017	Very/Fairly Satisfied	94%	75%	Not very satisfied	6%	25%	Don't know / Unable to say ☒	-	-	Percentage satisfied	94%	75%	Percentage satisfied excl ☒	94%	75%	Score	Sep 2016	Jun 2017	Combined	Score 9–10	36%	39%	37%	Score 7–8	36%	29%	34%	Score 6	4%	4%	4%	Score 5	5%	7%	6%	Score 1–4	19%	21%	19%	No NRB survey	<div></div>
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Score 1–4	19%	21%	19%																																											
<ul style="list-style-type: none"><li>Average wait time for incoming calls by customer services.</li></ul>	20 seconds	ACHIEVED: 15.4 seconds.	<div></div>	<div></div>																																										
<ul style="list-style-type: none"><li>Percentage of abandoned calls by customer services.</li></ul>	< 10%	<p>ACHIEVED: 2.6%.</p> <p>Total calls received for the year was 30,911 which is an average of 125 calls per day.</p> <p>Total calls abandoned was 707, an average of 3.3 per day.</p>	<div></div>	<div></div>																																										

AVERAGE WAIT TIME IN SECONDS FOR INCOMING CALLS TAKEN BY COUNCIL



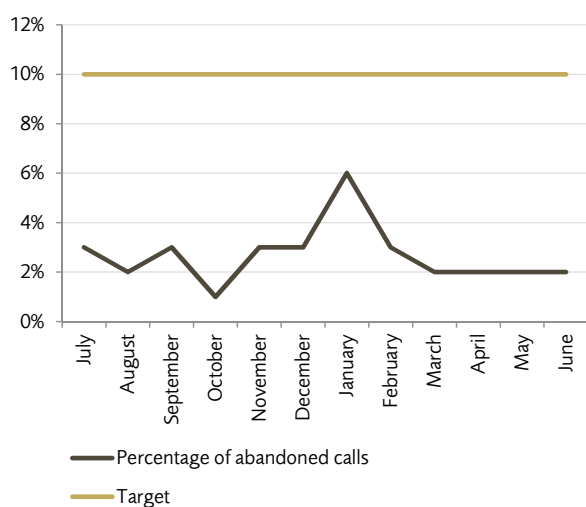
AVERAGE WAIT TIME IN SECONDS FOR INCOMING CALLS TAKEN BY AFTERHOURS SERVICE



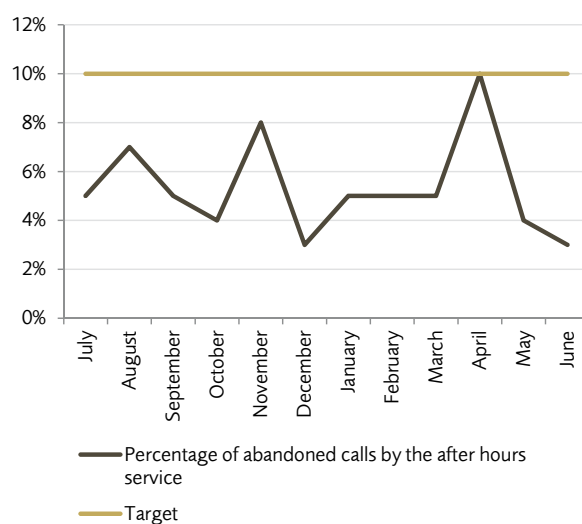
Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																								
<ul style="list-style-type: none"><li>Percentage of customers who lodge faults/request are satisfied with the after hours service received.</li></ul>	90%	<p>NOT ACHIEVED: 85%.</p> <p>The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table><thead><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr></thead><tbody><tr><td>Score 9–10</td><td>36%</td><td>18%</td><td><b>26%</b></td></tr><tr><td>Score 7–8</td><td>36%</td><td>46%</td><td><b>41%</b></td></tr><tr><td>Score 6</td><td>4%</td><td>18%</td><td><b>18%</b></td></tr><tr><td>Score 5</td><td>6%</td><td>9%</td><td><b>8%</b></td></tr><tr><td>Score 1–4</td><td>6%</td><td>9%</td><td><b>7%</b></td></tr></tbody></table> <p>The sample size was very small for this question as it only included respondents who had lodged a customer request. Four out of a total of 54 respondents scored 5 and below.</p>	Score	Sep 2016	Jun 2017	Combined	Score 9–10	36%	18%	<b>26%</b>	Score 7–8	36%	46%	<b>41%</b>	Score 6	4%	18%	<b>18%</b>	Score 5	6%	9%	<b>8%</b>	Score 1–4	6%	9%	<b>7%</b>	N/A	
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<ul style="list-style-type: none"><li>Percentage of abandoned calls by the after hours service.<sup>†</sup></li></ul>	< 10%	<p>ACHIEVED: 5.3%.</p> <p>Total calls received for the year was 3,629 which is an average of 30 calls per day. Total calls abandoned were, on average, 1.6 per day.</p>																										
<ul style="list-style-type: none"><li>Average wait time for incoming calls by the afterhours service.<sup>†</sup></li></ul>	20 seconds	<p>ACHIEVED: 18.3 seconds.</p>																										

<sup>†</sup> Includes information provided by external service providers.

PERCENTAGE OF ABANDONED CALLS – COUNCIL










PERCENTAGE OF ABANDONED CALLS – AFTERHOURS SERVICE



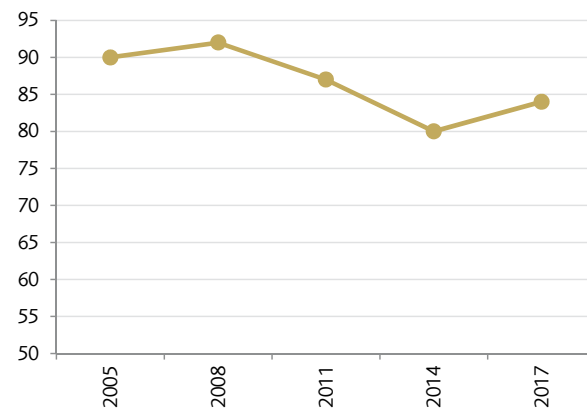


## Swimming Pools

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																				
<ul style="list-style-type: none"><li>Percentage of residents rating swimming pools as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	80%	ACHIEVED: 84%.	No NRB survey																					
		Results from the last two surveys:																						
		<table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>59%</td><td>84%</td></tr><tr><td>Not very satisfied</td><td>15%</td><td>16%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>26%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>59%</td><td>84%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>80%</td><td>84%</td></tr></table>			Category	2014	2017	Very/Fairly Satisfied	59%	84%	Not very satisfied	15%	16%	Don't know / Unable to say ☒	26%	-	Percentage satisfied	59%	84%	Percentage satisfied excl ☒	80%	84%		
		Category			2014	2017																		
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		Don't know / Unable to say ☒			26%	-																		
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<ul style="list-style-type: none"><li>The number of weeks each year Wai Splash is open for public use.</li></ul>	52 weeks	ACHIEVED: 52 weeks.																						
		The pool was closed for half a day for maintenance.																						
<ul style="list-style-type: none"><li>The number of weeks each year outdoor pools are open for public use.</li></ul>	> 10 weeks	ACHIEVED: 10 weeks.																						
		<p>Due to operational issues at the Woodville pool, this facility was only open for one day. To ensure the public of Woodville have access to swimming facilities, we were able to operate out of the Woodville School swimming pool.</p> <p>Woodville pool was open 25 February 2017 to 26 February 2017.</p> <p>Woodville School pool was open 27 December 2016 to 24 February 2017 (9 weeks).</p> <p>Pahiatua was open 27 December 2016 to 19 March 2017 (12 weeks).</p> <p>Eketahuna was open 6 December 2016 to 10 March 2017 (9 weeks).</p>																						
<ul style="list-style-type: none"><li>Percentage of rates spent funding public swimming pools (base – average household rate).</li></ul>	< 4%	ACHIEVED: 1%.																						



PUBLIC SWIMMING POOLS – PUBLIC  
SATISFACTION SURVEY TRENDS 2005 TO 2017





# District Promotion and Economic Development

## Activities in this group

1

### **Commercial Investments**

*Property and forestry assets are managed to obtain the best return for ratepayers and divested as the opportunities arise.*

2

### **District Promotion and Development**

*Proactively support a sustainable social and economic environment.*



## Group level funding impact statement

	2015/16 LTP Year 1 \$000s	2015/16 Actual \$000s	2016/17 LTP Year 2 \$000s	2016/17 Plan \$000s	2016/17 Actual \$000s
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charges, rates penalties	266	266	274	262	262
Targeted rates	425	425	437	448	448
Grants and subsidies for operating purposes	-	9	-	-	17
Fees and charges	103	63	106	63	55
Local authorities fuel tax, fines, infringement fees, and other receipts	363	2,055	181	594	203
Internal charges and overheads recovered	-	-	-	-	-
<b>Total Operating Funding</b>	<b>1,157</b>	<b>2,818</b>	<b>998</b>	<b>1,367</b>	<b>985</b>
<b>Applications of Operating Funding</b>					
Payment to staff and suppliers	682	2,713	698	1,125	912
Finance costs	3	2	4	3	2
Internal charges and overheads applied	199	190	203	206	203
Other operating funding applications	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>884</b>	<b>2,905</b>	<b>905</b>	<b>1,334</b>	<b>1,117</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>273</b>	<b>(87)</b>	<b>93</b>	<b>33</b>	<b>(132)</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	30	-	(17)	(106)	-
Gross proceeds from sale of assets	-	-	313	173	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>30</b>	<b>-</b>	<b>296</b>	<b>67</b>	<b>-</b>
<b>Applications of Capital Funding</b>					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	40	48	15	20	42
- to replace existing assets	-	-	-	-	18
Increase (decrease) in reserves	263	(135)	374	80	(192)
Increase (decrease) of investments	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>303</b>	<b>(87)</b>	<b>389</b>	<b>100</b>	<b>(132)</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(273)</b>	<b>87</b>	<b>(93)</b>	<b>(33)</b>	<b>132</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

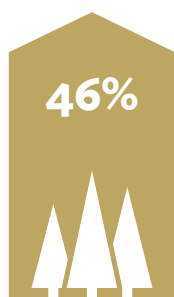


# What we achieved

## BUSINESS SUPPORT PROVIDED IN 2016/17



## BUSINESSES WORKING WITH CEDA IN 2016/17



## FORESTRY VALUATION

## VISITORS ATTENDING MAJOR LOCAL EVENTS



## Commercial Investments

During the year, we sold the Thyra Street depot in Dannevirke. Our remaining depots, Tahoraiti and Woodville, have been vacant for the full year. A break-in at the Woodville depot resulted in significant internal damage to the building, which has since been repaired with improved security at this site. We are planning on marketing the Woodville site for sale in the next year.

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

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

Due to the high rainfall in the Eketahuna area, the planned harvesting at Kaiparoro forest block was not completed. This is now planned for the 2017/18 year.

## District Promotion and Development

### Business development

In 2014, Tararua District Council established the Tararua Business Network, a facility for all business owners in the Tararua district, operating with a special emphasis on working alongside those with small to medium sized enterprises (SMEs), to encourage their growth and support their development. The facility also houses the Economic Development, Communications and Marketing Team for the Council.

The focus of the Tararua Business Network is facilitating, enabling and linking small to medium sized enterprises to specialist expertise, business workshops and seminars, Regional Business Partners, and to Council's regulatory services. This is a unique and free service.

## Regional business partners

By linking businesses and budding entrepreneurs to support networks, the Business Network enables businesses to receive structured support, mentorship and funding to facilitate the acceleration of their ventures.

The Regional Business Partnership is a nationwide network of organisations, delivered by New Zealand Trade and Enterprise (NZTE), to support business growth and innovation in New Zealand.

The Business Network works closely with Business Partners, such as the Central Economic Development Agency (CEDA), who provide information, mentoring, marketing and economic leadership to businesses.

## Business training

Getting the right training is essential and the Business Network is dedicated to providing accessible training that meets the needs of the business community.

Tararua Business Network hosted, created and arranged a number of training opportunities during 2016/17. Training covered a range of topics including marketing and social media, legal and financial, employment relationships, customer service, health and safety, strategic business planning, and more.

A total of 26 workshops were held, with 160+ attendees in total.

## Facilities

A key function of the Business Network is to provide facilities and services that will facilitate appropriate support to enhance performance, employment growth and profitability in small and medium local businesses.

## Incubation office

The fully serviced incubation office allows a budding new business to establish within or locate to the area and link to the total systems available by way of the Business Network and their regional partners.

The business occupies the Incubation Office for either a three or six month period, after which they have the necessary links to vacate the office to establish and develop new business and opportunities for employment in Tararua.

For the 2015/16 and 2016/17 years, four and three businesses, respectively, occupied the Incubation Office.

## Training/Seminar Room and Board Room

This year, the Business Network hosted 133 events in the Training/Seminar Room and the Board Room was utilised for business meetings on 164 occasions.

## Connecting communities

Aware that the world of communications has changed and that social media is driving a new wave of communications,

Tararua District Council introduced an online digital newsletter called 'Talking Tararua – more than just words'.

Talking Tararua showcased Council news and profiled the district's attractions and events – as well as providing opportunities in every issue for readers to engage with Council.

The digital newsletter was produced for the months of March, April, May, July, September and December 2016, and February and June 2017.

The newsletter is due to be reviewed at the end of the 2016/17 financial year.

## Destination marketing

The new tourism website for the Tararua district launched in December 2016 ([www.tararua.com](http://www.tararua.com)). The new site has been designed to be a user-friendly and interactive tool for visitors and locals. The tourism website is a reflection of our brand in every way and this was a crucial link to develop tourism and visitor spend in our district.

Track and trail development has been an important strategy for the 2016/2017 year and support continues to be provided to community projects, including a walkway from the wind turbines to Toi Toi Point, planning for restorative works at the Carnival Park Bush Walk and Pond and upgrades to Ferry Reserve.

A major outcome for the year was the successful application to the Regional Mid-sized Tourism Facilities Grant Fund, which is administered by the Ministry for Business, Innovation and Employment. The region was able to successfully secure \$105,880 of funding for works to construct toilet facilities in the Te Apiti-Manawatu Gorge to increase capacity for growing numbers of visitors attracted to the popular walking area.

## Major local events

Over 10,000 visitors attended major local events in the Tararua District in 2016/17; events including the Woodville Motocross, Wheels with Attitude, the Dannevirke A & P Show, and a new event called the Ormondville Five Viaducts Tour and Street Festival. This volume of visitors to the district reaffirms Council's sponsorship of these events, and has a positive flow-on effect to local businesses.

The Tararua Business Network was heavily involved in assisting the Ormondville Rail Preservation Group (ORPG) to organise and co-ordinate the Ormondville Five Viaducts Tour and Street Festival, held on Saturday 4 March. The team worked closely with the group and local community volunteers to develop an event of national appeal.

The Festival was a major success in its first year, attracting over 1,000 visitors to the district and feeding into the Motorhome Friendly strategy with a huge portion of those visitors being motor caravanners.



## Major national events

Over 123,000 attendees at national trade shows provided the platform necessary to promote our district for those considering visiting or relocating here for lifestyle/business or investment.

There was strong interest in Tararua at these national events:

Event	Visitor traffic	Key areas of interest
Central Districts Field Days	28,000	Tracks and trails, hunting and fishing
Auckland Home Show	50,000	Relocation and investment
Auckland Covi Motorhome Show	45,000	Motorhome enquiries, visitor attraction, tourism, tracks and trails

## GO! Project

The GO! Project is a Tararua District Council initiative that has identified several crop options that are highly suitable for the Tararua district. The aim of the project is to provide meaningful information for people wanting to diversify their cropping and broaden their potential revenue base.

The information is intended for smallholders, lifestyle block owners and farmers looking for alternatives to traditional crop options. The GO! Project offers the Tararua district community increased opportunities for job creation, biodiversity, sustainable farming systems and increased family business incomes.

A website for the GO! Project has been developed and was launched on 19 December 2016. This was a significant project and has seen all information relating to land utilisation brought into one accessible location.

As a result of our new digital presence, profiling at national events and continued maximisation of land-utilisation opportunities, the GO! Project is now receiving support, enquiries and interest from all over New Zealand.

Major outcomes for the year include new local growers of the various crops, existing local growers developing local markets and some existing local growers exploring downstream product development and international opportunities.

# Performance against objectives

## Commercial Investments

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
<ul style="list-style-type: none"> <li>Occupancy of commercial buildings each year.</li> </ul>	100%	<p>NOT ACHIEVED: 0%</p> <p>During the year, the Dannevirke depot was sold. The yard at Vogel Street in Woodville has had no tenants for the year as Council was yet to decide on options for the property.</p> <p>As part of the Long Term Plan workshops, Council has decided that the Woodville property will be listed with an agent for sale. This will occur in the next financial year.</p>	●	●
<ul style="list-style-type: none"> <li>Net operating surplus each year.</li> </ul>	> 5%	<p>NOT ACHIEVED: -41%.</p> <p>Net operating loss was \$160,000 due to lower than budgeted revenue from harvesting for the year.</p>	●	●

## District Promotion and Development

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
<ul style="list-style-type: none"> <li>Assist local businesses by referring to NZTE / Ministry of Science and Innovation.</li> </ul>	Minimum 5 per annum	<p>ACHIEVED: 11 business referrals.</p> <p>These grants support the development of innovative products by entrepreneurs in the district.</p>	●	●
<ul style="list-style-type: none"> <li>Number of major events that "Taranaki" is directly involved.</li> </ul>	Minimum 5 events	<p>ACHIEVED: A total of 8 events were attended:</p> <ul style="list-style-type: none"> <li>Auckland Home Show</li> <li>Southern Taranaki Business Expo</li> <li>International Woodville Grand Prix Motocross</li> <li>Dannevirke A &amp; P Show</li> <li>Wheels with Attitude</li> <li>Five Viaducts Tour and Street Festival – Ormondville</li> <li>Central District Field Days</li> <li>COVI Motorhome Show</li> </ul>	●	●



Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																																										
• Number of community events that are actively supported by Council.	Minimum 10 per annum	ACHIEVED: 38.  Community events receive a variety of support including design assistance and Tararua Country merchandise for prizes.	●	●																																										
• Percentage of customers surveyed are satisfied with the services received.	85%	ACHIEVED: 100%.  115 participants responded with 96 participants very satisfied.	●	●																																										
• 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: 67%.  The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied. <table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>7%</td><td>13%</td><td>8%</td></tr><tr><td>Score 7–8</td><td>39%</td><td>42%</td><td>40%</td></tr><tr><td>Score 6</td><td>20%</td><td>17%</td><td>19%</td></tr><tr><td>Score 5</td><td>15%</td><td>14%</td><td>15%</td></tr><tr><td>Score 1–4</td><td>19%</td><td>14%</td><td>18%</td></tr></table>  80% of respondents stated that the Bush Telegraph was useful and informative. Of the 677 residents surveyed 57% indicated the Bush Telegraph is their "mostly used" newspaper/news website.  Regards to information sources most relied on, the 677 respondents indicated as follows: <table><tr><th>Score</th><th>%</th></tr><tr><td>Newspaper</td><td>56%</td></tr><tr><td>Council publications</td><td>5%</td></tr><tr><td>Facebook</td><td>7%</td></tr><tr><td>Twitter</td><td>0%</td></tr><tr><td>Council's website</td><td>16%</td></tr><tr><td>Radio</td><td>3%</td></tr><tr><td>Other (please specify)</td><td>11%</td></tr><tr><td>Don't know</td><td>2%</td></tr></table>  The media that Council uses are highlighted, which account for 87% of the sources that residents find useful. Council is reviewing the use of these sources to ensure effectiveness and reach.	Score	Sep 2016	Jun 2017	Combined	Score 9–10	7%	13%	8%	Score 7–8	39%	42%	40%	Score 6	20%	17%	19%	Score 5	15%	14%	15%	Score 1–4	19%	14%	18%	Score	%	Newspaper	56%	Council publications	5%	Facebook	7%	Twitter	0%	Council's website	16%	Radio	3%	Other (please specify)	11%	Don't know	2%	●	●
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# Regulatory Services

## Activities in this group

- 1 Animal Control**  
*To prevent nuisance and threats to community safety from dogs and wandering stock.*
- 2 District Planning**  
*To provide for the continued sustainable management of the Tararua district's land resources and a strong prosperous economy.*
- 3 Emergency Management**  
*To build resilient communities, ready and able to provide a reliable and timely response to emergencies.*
- 4 Health and Safety**  
*To provide a safe and healthy community environment, by reducing nuisance and health and safety risk, through education.*

## Group level funding impact statement

	2015/16 LTP Year 1 \$000s	2015/16 Actual \$000s	2016/17 LTP Year 2 \$000s	2016/17 Plan \$000s	2016/17 Actual \$000s
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charges, rates penalties	1,007	1,007	977	932	932
Targeted rates	220	220	224	239	239
Grants and subsidies for operating purposes	9	36	9	9	4
Fees and charges	756	774	777	840	843
Local authorities fuel tax, fines, infringement fees, and other receipts	26	31	28	23	27
Internal charges and overheads recovered	-	-	-	-	-
<b>Total Operating Funding</b>	<b>2,018</b>	<b>2,068</b>	<b>2,015</b>	<b>2,043</b>	<b>2,045</b>
<b>Applications of Operating Funding</b>					
Payment to staff and suppliers	1,527	1,470	1,506	1,466	1,541
Finance costs	6	6	10	6	11
Internal charges and overheads applied	382	358	391	450	394
Other operating funding applications	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>1,915</b>	<b>1,835</b>	<b>1,907</b>	<b>1,922</b>	<b>1,946</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>103</b>	<b>233</b>	<b>108</b>	<b>121</b>	<b>99</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	59	134	145	(9)	134
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>59</b>	<b>134</b>	<b>145</b>	<b>(9)</b>	<b>134</b>
<b>Applications of Capital Funding</b>					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	65	138	154	-	250
- to replace existing assets	73	45	3	6	12
Increase (decrease) in reserves	24	183	96	106	(29)
Increase (decrease) of investments	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>162</b>	<b>367</b>	<b>253</b>	<b>112</b>	<b>233</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(103)</b>	<b>(233)</b>	<b>(108)</b>	<b>(121)</b>	<b>(99)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# What we achieved

3,074 KNOWN OWNERS WITH  
6,768 DOGS



PEOPLE TRAINED IN BASIC  
CIVIL DEFENCE



AVERAGE PROCESSING TIME  
FOR BUILDING CONSENTS



## Animal Control

A significant achievement this year saw the completion of the new Dannevirke dog pound facility. The new facility improves the welfare of dogs in Council's care and the capacity has increased from eight dogs at the old pound to 17 dogs. The extra capacity has resulted in Council being able to improve the level of service to the community by improving enforcement on roaming and unregistered dogs.

As a result of the new dog pound and the addition of a third animal control officer, there were 347 dogs impounded this year, an increase of 51 dogs impounded from last year. During the year, 53 of the impounded dogs were destroyed, 82 rehomed, and 212 returned to their owners.

As at 30 June 2017 there were 3,074 known owners with 6,768 dogs. Of the known dogs, 5,728 are classified as rural dogs and 1,040 as urban dogs. Of the urban dogs, 383 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.

1,642 dog related complaints were lodged with the Council, the majority being for barking and roaming dogs. This is an increase of 242 complaints from the last year (1,400).

There were 74 reported complaints about people or animals being bitten or rushed by dogs during the year (2015/16: 74). 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 2017, a total of 120 dogs had been classified as menacing under Sections 33a and 33c of the Dog Control Act. This is a decrease of 17 dogs from the last year (137). All of these dogs were classified because of observed or reported behaviour of the dog 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 upheld.

## District Planning

During the year, Council publicly notified its Proposed Plan Change No.1 to the Taranaki District Plan. The primary matters proposed for change included small scale electricity generation, hazardous substances, indigenous vegetation

and habitats, outdoor living courts and community 'eyesores' (e.g. derelict properties and vehicles). Eight submissions were received and a hearing is expected to be held in October 2017 for submitters to speak to the proposed changes.

The Resource Management Act 1991 and the Tararua 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 45, compared to 50 the previous year. Two applications exceeded the statutory timeframe by one day.

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

	2015/16	2016/17
<b>Resource Consent Processing Time Frames</b>		
Average of days taken - non-notified	17	16.6
<b>Resource Consent Processing by Notification</b>		
Public notified	0	0
Limited notified	0	0
Non-notified	50	45
<b>Total</b>	<b>50</b>	<b>45</b>
Number processed within statutory limits*	49	43
Number in excess of statutory limits	1	2
Percentage processed within statutory limits	98%	96%
<b>Resource Consent Decisions</b>		
Number declined	0	0
Number approved	50	45
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

### Civil Defence

#### Community Civil Defence Centre Guide

A Tararua Community Civil Defence Centre Guide has been produced to provide guidance for our Civil Defence volunteers when setting up a Community Civil Defence

Centre during an emergency. Copies have been issued to all Community Civil Defence Centres within the district. The guide was adapted from the Wellington Regional Emergency Management Organisation Hub Guide. It provides simplified instructions on how to set up a Community Civil Defence Centre and how to run it during an emergency event. The guide has received excellent comments from our community volunteers to date, and is used as the basis for the Community Civil Defence Centre Course.

### Community engagement

Community Civil Defence Response Groups within the district continue to run well. The Pahiatua and Woodville groups set up a Civil Defence information tent at their respective Christmas parade gala days. They have also organised the delivery of the new Civil Defence preparedness booklet, 'Never Happens, Happens' to every household within their area of responsibility. Over the past year, the only Community Civil Defence Centre to be opened during an event was at Pahiatua during two flood events.

Tsunami awareness presentations were presented to the Herbertville and Akitio communities during the summer holiday period, and two large tsunami interpretation signs were installed at both villages to raise awareness of the risk.

The school radio programme continues to operate, with the District Resilience Manager providing radio training to students. This training was also provided to the members of the Cactus programme along with some rural fire training.

Agreement was reached to use South School and The Hub as Community Civil Defence Centres.

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

- Dannevirke A & P Show
- Palmerston North Home Show
- Manawatu Field Days

A 5,000 litre emergency water tank was installed at the Woodville Community Civil Defence Centre as part of a joint community/Horizons/Tararua District Council project. This system was independent of the mains supply and provides an emergency three day supply of potable water for persons homed in the centre during an emergency.

The Tararua District Council is represented on the following committees:

- Joint Standing Committee (Mayor)
- Coordinating Executive Group (Chief Executive)
- Welfare Coordination Group
- Lifelines Coordination Group
- Rural Coordination Group
- Group Emergency Management Officers Committee
- East Coast LAB (Life at the Boundary)

## Tararua Emergency Management Committee

Four local Emergency Management Committee meetings were held in Dannevirke this year with a wide range of interesting guest speakers. The Committee consists of mostly local emergency service representatives and various rural organisations and is working collaboratively on many Civil Defence issues. A local Welfare Committee inaugural meeting was held to discuss the possibility of having a permanent local Welfare Committee. This is still under action.

## Civil defence training

A training programme for our Civil Defence volunteers was produced and the first series of courses were conducted. A further 46 volunteers and staff have attended the Basic Coordination Centre course, which is the equivalent of the Coordinated Incident Management Course Level 2 (CIMS Level 2). We have a total of 68 staff and 47 volunteers trained in basic Civil Defence awareness.

A Civil Defence Volunteer Skills course was run, and paid for, by the Ministry of Civil Defence and Emergency Management, which included Health and Safety, use of radios, and basic first aid. This course was a two-day course and was New Zealand Qualifications Authority unit standards based. Fourteen volunteers attended and passed.

A Community Civil Defence Centre course was designed based on the new Tararua Community Civil Defence Centre Guide, with the first course being held at Pahiatua. Fourteen volunteers from both Pahiatua and Eketahuna attended and are now competent to set up and run a Community Civil Defence Centre.

The three courses formed the volunteer training programme and will continue to be rolled out in the 2017/2018 year. The next step is the ITF (Integrated Training Framework) Intermediate Course, which is the equivalent of CIMS Level 4, however, this is limited to personnel holding positions in the Emergency Operations Centre (EOC). Four staff members have completed this course to date.

Blair King completed the Controllers course. This was a two year course with in house and extramural course work. We currently have one qualified controller and two controllers under training. Because of the previous complexity of managing the Christchurch earthquake and subsequent large scale events, the Ministry of Civil Defence and Emergency Management now require controllers to complete this course to be effective in that role.

The district participated in Exercise Tangaroa, a national tsunami based exercise. We trialled various options in relation to the Emergency Management Information System (EMIS) and followed up with a training day for Emergency Operations Centre staff. Staff also participated in a regional exercise, Rauora, which involved a mass casualty scenario – i.e. a cruise liner wrecked off the Manawatu coast.

Staff attended psychosocial first aid training for civil defence, and lessons learnt have been incorporated into our Community Civil Defence Centre Course.

## Civil defence emergencies

The Emergency Operations Centre has been opened three times this year. It was mainly in a monitoring capacity during potential flood events. Damage to roads due to significant weather events continues to be a problem.

Tararua District Council has sent staff to assist with the Kaikoura Earthquake and the Edgecombe Flood events. We also provided crews, incident management staff and equipment to the Waimarama Road fire in the Hawkes Bay.

## Rural Fire

We had a very quiet and wet fire season this year, particularly in the southern part of the district. A restricted fire season was imposed from 18 January 2017, and was lifted on 8 February 2017. A total of 127 fire permits were issued, all within eight hours of receipt of the application. We responded to two significant uncontrolled fires this year.

## Fire and Emergency New Zealand (FENZ)

Council will hand over its responsibility for Rural Fire to Fire and Emergency New Zealand, effective 1 July 2017. In preparation for the handover, the Principal Rural Fire Officer, newly appointed Deputy Principal Fire Officer, Chief Executive, records and finance staff have been working with the various branches of Fire and Emergency New Zealand providing and transferring information required for the handover. This was an extremely busy period and in many cases Tararua District Council was the first Council to complete requests for information. At this stage all of our equipment is on loan to Fire and Emergency New Zealand and negotiations are under way for lease of buildings and the transferring of equipment etc.

A farewell function and medals presentation evening was held at the Dannevirke Town Hall to commemorate the move to Fire and Emergency New Zealand. This was attended by the Minister of Internal Affairs, the Honourable Peter Dunne, the Mayor, Tracey Collis and many other dignitaries including our volunteer fire personnel. Three 30-year medals were presented along with many other awards. The outgoing Principal Rural Fire Officer received an award from the National Rural Fire Authority for his contribution to Rural Fire.

The handover to Fire and Emergency New Zealand went according to plan. The previous Principal Rural Fire Officer (Paddy Driver) is now concentrating on Civil Defence projects with the Deputy Principal Rural Fire Officer (Clayton Locke) transferring full-time into Fire and Emergency New Zealand. The district now comes under the Wairarapa Tararua Rural Fire District.

## 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 422. An increase of 78 compared to last year (344). The average processing timeframe for the building consents was 11.85 days. Three building consents took longer than the 20 days statutory deadline. Timeframes have been exceeded as a result of capacity challenges to manage a 22.6% increase in the volume of building consents. Council is investigating external contracting to ensure processing deadlines are met.

Despite the volumes of building consents being higher than last year, consent fees are lower than budgeted because the fees relate to the safety risks associated with various types of building works, not the value of the works.

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

	2015/16	2016/17
<b>Building consent processing timeframes</b>		
Total days*	3,812	4,326
Average of days taken (/365)	10.44	11.85
<b>Building consent breakdown</b>		
10 days or Less	153	237
11–15 Days	113	122
16–17 Days	39	37
18–19 Days	27	16
20 Days	12	7
> 20 Days	0	3
<b>Total</b>	<b>344</b>	<b>422</b>
Number processed within 20 day limit	344	419
Number in excess of 20 day limit	0	3
Percentage processed within 20 day limit	100%	99%
<b>Building consent values</b>		
Total Value	\$19,329,834	\$18,270,830
Average Value	\$56,191	\$43,295

\* 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 Taranaki district. At the present time 40% of food business in the district have registered under the Food Act 2014 and 30% are operating a deemed food control plan. Council continues to work with business to help them with the transition to the new requirements.

## 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.

The District Licensing Committee met during the year and determined 165 applications for an alcohol licence, manager certificate or authority. No hearings were held to determine opposed or objections to applications.




## General Compliance

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

- 155 complaints received in regards to illicit dumping around the district. This is an increase of 43 complaints compared to last year (112).
- 7.75 tonnes of illegal dumping material collected and removed to the transfer station. This is an increase in 0.4 tonnes compared to last year (7.35).
- 96.2% of illicit dumping complaints were responded to within 48 hours.
- 97% of fire hazard complaints were responded to within 48 hours.
- 98.1% of abandoned vehicle complaints were responded to within 48 hours.
- 100% of overhanging vegetation complaints were responded to within 48 hours.

# Performance against objectives

## Animal Control

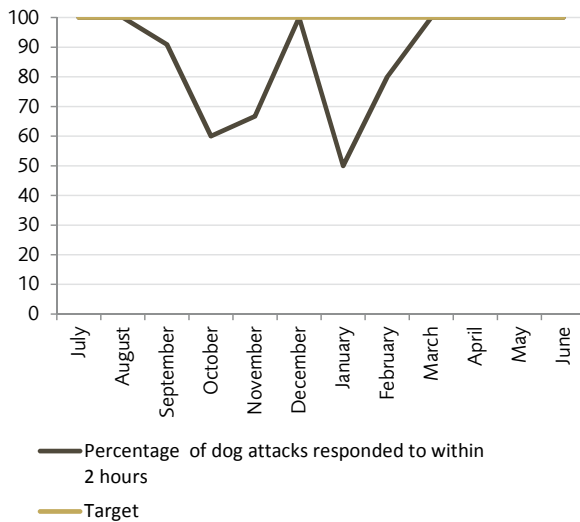
Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																				
<ul style="list-style-type: none"><li>Percentage of residents rate dog control as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	75%	NOT ACHIEVED: 63%.	No NRB survey																					
		Results from the last two surveys:																						
		<table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>68%</td><td>63%</td></tr><tr><td>Not very satisfied</td><td>22%</td><td>37%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>10%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>68%</td><td>63%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>76%</td><td>63%</td></tr></table>			Category	2014	2017	Very/Fairly Satisfied	68%	63%	Not very satisfied	22%	37%	Don't know / Unable to say ☒	10%	-	Percentage satisfied	68%	63%	Percentage satisfied excl ☒	76%	63%		
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Score 1–4	25%	29%	26%																					
Council has made the following changes to improve resident satisfaction:																								
<ol style="list-style-type: none"><li>Completed the construction a new dog pound to increase Council's capacity to impound dogs.</li><li>Improved our business processes to ensure we are responding promptly to service requests.</li><li>Recruited a third Animal Control Officer to manage the risk associated with dangerous, roaming, and unregistered dogs.</li></ol>																								
<ul style="list-style-type: none"><li>Percentage of calls that involve dog attacks responded to within 2 hours. †</li></ul>	100%	ACHIEVED: 100%.																						
		There have been 43 reported dog attacks in the year, from 1,826 customer service requests, which is 2.35% of requests.																						



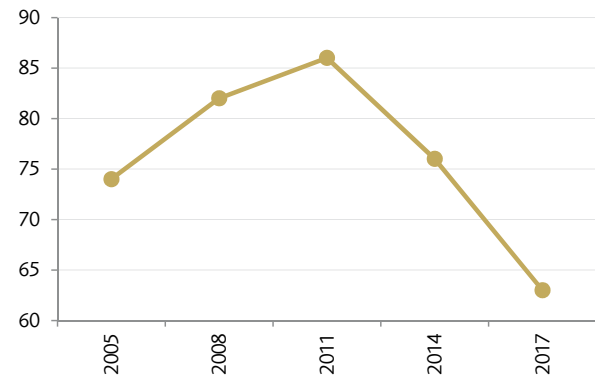
Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
• Educational publications and programmes are available to the community.	Minimum of 6 articles per year	ACHIEVED: 8.	<span style="color: red;">●</span>	<span style="color: green;">●</span>
• Educational publications and programmes are available to the community.	Minimum of 4 educational presentations per year	NOT ACHIEVED: 2. We have extended invitations to a number of education providers to run education programmes, however, due to timing pressures on schools delivering the prescribed curriculum the uptake to date has only been two. We will continue to promote uptake of this offer.	<span style="color: red;">●</span>	<span style="color: red;">●</span>

<sup>†</sup> Includes information provided by external service providers.







#### PERCENTAGE OF DOG ATTACKS RESPONDED TO WITHIN 2 HOURS








#### ANIMAL CONTROL – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017

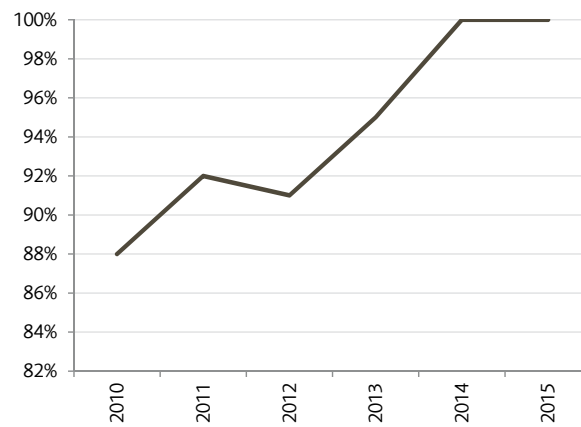


## District Planning

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
• Survey of customers rate advice received as helpful.	85% agree	ACHIEVED: 100%.		
• Percentage of customers that receive a decision on their application within the statutory timeframe.	100%	NOT ACHIEVED: 96%. Two resource consent applications, from a total of 45, exceeded the statutory timeframe by one day.		
• Non-compliances are resolved within 3 months of customer complaint.	95%	ACHIEVED: 100%.		

## Emergency Management

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																
<ul style="list-style-type: none"><li>Communities are organised and have a current Community Civil Defence Response Group Plan.</li></ul>	Pongaroa, Ormondville, combined smaller communities plan completed	ACHIEVED: 100%.  Council is focused on rolling out appropriate Civil Defence training for volunteers.																		
<ul style="list-style-type: none"><li>Assessment of residents' readiness and capability to respond to a civil defence emergency.</li></ul>	80%	ACHIEVED: 86%.  Results from the last two surveys: <table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Yes</td><td>87%</td><td>83%</td><td>86%</td></tr><tr><td>No</td><td>11%</td><td>13%</td><td>12%</td></tr><tr><td>Don't know</td><td>2%</td><td>4%</td><td>2%</td></tr></table>	Score	Sep 2016	Jun 2017	Combined	Yes	87%	83%	86%	No	11%	13%	12%	Don't know	2%	4%	2%	N/A	
Score	Sep 2016	Jun 2017	Combined																	
Yes	87%	83%	86%																	
No	11%	13%	12%																	
Don't know	2%	4%	2%																	
<ul style="list-style-type: none"><li>Volunteer Rural Fire Forces respond to all fires within the rural area in accordance with 'NRFA Standard – Achieving Timely Responses to Fires'.</li></ul>	100%	ACHIEVED: 100%.  All responses to date have been within stated timeframes.																		

RESOURCE CONSENT APPLICATIONS PROCESSED  
WITHIN STATUTORY LIMITS

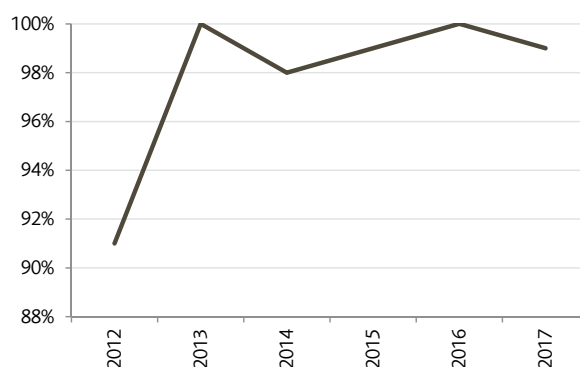


## Health and Safety

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
• All swimming pool and/or spa fencing inspected once every 5 years.	100%	ACHIEVED: 100%.  All pools due for inspection were inspected in the year.	●	●
• Percentage of registered premises inspected for compliance.	90%	ACHIEVED: 93%.  The 2016/17 year included transitioning businesses to the Food Act 2014 and meeting statutory timeframes for verification of new and existing businesses under the Food Act 2014.	●	●
• Building consents issued within statutory timeframes.	100%	NOT ACHIEVED: 99%.  Three building consent applications, from a total of 422, exceeded the 20 days statutory timeframe. Timeframes have been exceeded as a result of capacity challenges to manage a 22.6% increase in the volume of building consents. Council is investigating external contracting to ensure processing deadlines are met.	●	●
• Percentage of licensed premises inspected annually for compliance.	95%	NOT ACHIEVED: 92%.  Council had temporarily reduced capacity due to changes to the inspector role.	●	●
• Percentage of noise complaints responded to within an hour. †	95%	NOT ACHIEVED: 90%.  A number of noise complaints responded to outside of the one hour timeframe relate to the availability of the afterhours contractor to respond. The majority of these were responded to within two hours.	●	●
• Percentage of complaints responded to within 48 hours.	95%	ACHIEVED: 98%.	●	●

† Includes information provided by external service providers.

### 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

	2015/16 LTP Year 1 \$000s	2015/16 Actual \$000s	2016/17 LTP Year 2 \$000s	2016/17 Plan \$000s	2016/17 Actual \$000s
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charges, rates penalties	94	94	98	123	123
Targeted rates	6,793	6,793	6,692	6,858	6,858
Grants and subsidies for operating purposes	3,848	3,931	3,965	3,942	4,990
Fees and charges	160	163	162	160	166
Local authorities fuel tax, fines, infringement fees, and other receipts	283	319	321	289	312
Internal charges and overheads recovered	-	-	-	-	-
<b>Total Operating Funding</b>	<b>11,178</b>	<b>11,300</b>	<b>11,238</b>	<b>11,372</b>	<b>12,449</b>
<b>Applications of Operating Funding</b>					
Payment to staff and suppliers	6,604	6,124	6,696	6,601	6,394
Finance costs	121	104	133	102	95
Internal charges and overheads applied	1,270	1,355	1,299	1,396	1,588
Other operating funding applications	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>7,995</b>	<b>7,583</b>	<b>8,128</b>	<b>8,099</b>	<b>8,077</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>3,183</b>	<b>3,717</b>	<b>3,110</b>	<b>3,273</b>	<b>4,372</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	4,296	6,335	3,803	5,206	4,334
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	524	148	66	61	148
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>4,820</b>	<b>6,482</b>	<b>3,869</b>	<b>5,267</b>	<b>4,482</b>
<b>Applications of Capital Funding</b>					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,681	2,548	640	2,086	1,940
- to replace existing assets	5,378	6,058	5,600	5,523	6,205
Increase (decrease) in reserves	944	1,592	739	931	709
Increase (decrease) of investments	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>8,003</b>	<b>10,199</b>	<b>6,979</b>	<b>8,540</b>	<b>8,854</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(3,183)</b>	<b>(3,717)</b>	<b>(3,110)</b>	<b>(3,273)</b>	<b>(4,372)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

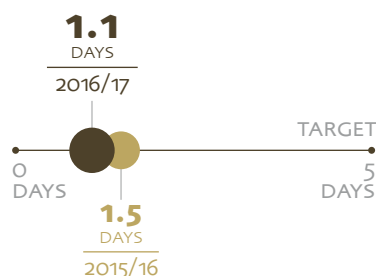


# What We Achieved

## FOOTPATH CONDITION SURVEY



## ROADING: AVERAGE CUSTOMER REQUEST RESPONSE



## TOTAL SUBSIDIES RECEIVED

**\$9.3  
million**

## TOTAL CAPITAL INVESTMENT

**\$8.1  
million**

## 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.

The Eketahuna town centre upgrade was completed across the 2015/16 and 2016/17 years, which included developing a new site for the town's iconic kiwi that will encourage more visitors to stop in town, pedestrian crossing upgrades, and 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. Most recently, work is nearing completion at the Bridge Street intersection with State Highway 2.

### Footpath Construction and renewals

The footpath renewal programme, undertaken as a result of the footpath condition rating survey, saw 550m<sup>2</sup> of footpaths renewed in Dawson Street, McLean Street, Seddon Street,

High Street (Eketahuna), Sedcole Street, Albert Street (Pahiatua), Cambridge Street, Fergusson Street, Fraser-Collins Crescent, and Burns Street (Dannevirke).

Investigation, survey and design has been completed for the construction of a new footpath in Huxley Street, Pahiatua, alongside the new skate park area. Construction is planned for early 2017/18.

### Footpath condition survey

A full footpath condition survey was completed during February 2017, with a view to better understand Council footpath deterioration and to focus maintenance and renewals expenditure where most needed. The survey confirmed 99.7% of footpaths meet the required level of service. Maintenance or renewal work was completed on much of the remaining 0.3% of footpaths.

## 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 approaching three years since implementation and there is still a large focus on continuous improvement and Best for Network decisions. Improved asset inventory and condition information is enabling better decision-making with regards to investment. An ongoing priority is to enhance this information, to enable more robust long term condition and budget forecasting. Council has commenced the work to improve the asset inventory database, especially with regards to drainage assets, improving our ability to inspect, maintain, value, and plan for these assets.

## Deterioration modelling

Pavement deterioration modelling (dTIMS) was carried out in 2016/17, to inform the pavement and surfacing renewals forward works programme, the Transportation Activity Management Plan, and budgets for the Long Term Plan.

Through the Tararua Alliance, the new Downer model was utilised rather than industry's standard IDS (Investment Decision Support) model. The key reason for this was the very limited pavement strength information for Council's roads, which the IDS model requires, isn't needed for the Downer model, which utilises network All Faults and other condition data which was available. Council was the first local authority to have this new model.

The model, which will improve over time, uses all of the available asset information and level of service targets to recommend a maintenance or renewal strategy for every section of road (called a treatment length), whilst minimising the overall network maintenance costs in delivery of the level of service. This lets us forecast long term network condition and budget needs, and improves our decision-making resulting in more effective and efficient maintenance and renewals strategies.

In summary, resurfacing and pavement rehabilitation work will be carried out where it will generate the most cost savings, by reducing the quantity of maintenance required on the network, enabling investment in other areas.

## Saddle Road reconstruction

Council continued to manage the Saddle Road Upgrade on behalf of the NZ Transport Agency. This project is a joint initiative between Palmerston North City Council, Manawatu District Council and Tararua District Council.

Whilst the project was put on hold in April 2017 due to an ongoing closure of the Manawatu Gorge, delaying completion of the project, significant upgrade work was completed. This resulted in improved motorist safety and travel times when the gorge was closed, through the provision of passing opportunities and the smoothing of curves.

Feedback from motorists and stakeholders has been very positive towards the improvements that have been completed to date. There are ongoing concerns regarding the maintenance standard of the route, due to significant deterioration caused by increased traffic volumes during the

gorge closure, which is being managed by the NZ Transport Agency for the duration of the gorge closure, minimising additional costs to Tararua ratepayers.

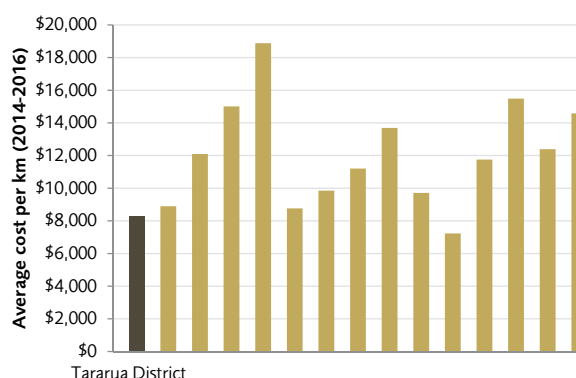
## One Network Road Classification

Implementation of industry's One Network Road Classification (ONRC) initiative was another priority for the Tararua Alliance. The initiative is being rolled out by the Road Efficiency Group, a partnership between Local Government NZ and the NZ Transport Agency (Council's major road maintenance and renewals funder) to streamline and improve consistency with regards to the operation, maintenance, and management of road networks across New Zealand.

The One Network Road Classification requirements completed include:

- Classification of the Council's road network against the ONRC classification framework. This confirms that, based on function and use, the majority of Council's roads are of low classification.
- Improving asset data and information, to enable benchmarking of levels of service and cost of service. This indicates that overall, against peer group council's, Council's roads are delivered to an average level of service at a less than average cost of service, as shown in the graph below.

## ROAD MAINTENANCE AND RENEWAL COST COMPARISON (NORTH ISLAND RURAL DISTRICTS)





## Programmed work

### Financial summary

Work Description	Quantity	Amount Spent
Unsealed road grading	2,286km	\$354,330
Unsealed road metalling	16,099m <sup>3</sup>	\$582,865
Sealed road resurfacing	65km	\$1,836,577
Sealed road rehabilitation	4.74km	\$1,392,162
Drainage maintenance	N/A	\$780,754
Culvert renewals	261m	\$110,056
Environmental maintenance, including vegetation control	N/A	\$725,379
Traffic services maintenance	N/A	\$304,748
Sign renewals	368	\$41,539
Minor improvements	N/A	\$236,007
Footpath renewals	549m <sup>2</sup>	\$32,679

### Sealed road maintenance

The majority of the sealed maintenance budget is centred on completing pre-reseal repairs for the reseal programme. The strategy is to complete the majority of pre-reseal repairs 12 months in advance of resealing to maximise the expected life for each site and reduce future maintenance and resurfacing needs. This was largely achieved during 2015/16 and 2016/17, where three years of pre-reseal repairs were completed over two financial years.

In addition to the annual pre-reseal pavement repairs and general pavement maintenance, the Tararua Alliance continued to complete pavement, surface, drainage and traffic services (signs, markings, etc) maintenance across the district. 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.

### Pavement resurfacing

The Tararua Alliance resurfaced approximately 65km (or more than 270,000m<sup>2</sup>) of road during 2016/17, equating to around 5.5% of the sealed network.

Despite a wet spring and summer, much of the resurfacing work was completed before December 2016. This was achieved as a result of the Tararua Alliance's ongoing strategy to get one year ahead with the majority of pre-reseal pavement repairs. Historically, pre-reseal repairs were completed in the same year, delaying resurfacing works. However, the Tararua Alliance aim is to have 75% of these completed one year in advance, 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. Through improved decision-making and more effective maintenance treatments, we

expect to increase the average useful lives achieved from chipseal surfaces on the network, from 12 years previously to 16 years.

### Pavement rehabilitation

Pavement rehabilitation work involves renewing sections of pavement at or approaching the end of their useful life, where the deterioration rate is increasing and the maintenance required to ensure an appropriate level of service is becoming uneconomic and unsustainable. Pavement designs are completed for each site, ensuring the new pavement has the strength required to accommodate predicted vehicle movements, and there is a shift to reuse or recycle existing materials where possible through stabilisation. This was not done before the Tararua Alliance and can result in reduced costs and improved environmental sustainability through a reduction in aggregate being applied.

As part of the pavement rehabilitation, opportunities to improve width, sight distances and alignment (through minor improvements), and drainage (through drainage renewals) are assessed and taken where beneficial. Combining the activities results in significant efficiencies and cost savings, meaning we can complete more work for the same budget.

In 2016/17, 5.1km of pavement was rehabilitated, with improvement works also completed on sites, including Maunga Road, River Road, Ormondville-Te Uri Road, Pukemiku Road, Weber Road, Tataramoa Road, and Carlson Street.

### Unsealed road maintenance and renewal

Continued focus for the unsealed roads is to maintain positive shape of the surface and good drainage with the aim of reducing grading frequencies and metal application.

A total of 2,286km of grading was carried out in 2016/17 with the grading frequency dependant on the road's classification, ranging from once per month for higher volume roads to once every six months for low volume roads.

In addition to maintenance grading, a total of 16,200m<sup>3</sup> of maintenance metal has been applied, to restore the top surface (wearing course) and protect the underlying pavement, with an additional 8,656m<sup>3</sup> of heavy metal overlay to renew and/or strengthen the pavement.

New grading machinery and techniques, implemented since the start of the Tararua Alliance, continues to provide value by reducing both grading frequencies and metalling needs – reducing costs to ratepayers. This includes the scarifying 'teeth' and walk behind rollers on the graders to effectively utilise and compact existing pavement material, and the grader operators having the flexibility to grade and shape roads to keep the water off the surface.

### District road safety

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. Issues identified

from discussions with Police and community groups are used to form the basis of the Council's minor safety programme.

### **Emergency works**

Remedial works for damage caused by previous significant weather events, as well as immediate response and ongoing repairs for the damage caused by the two tropical cyclones in April 2016, was a large focus in 2016/17 to ensure network accessibility and motorist safety. This includes many sites around the district, the largest being the rock wall at Akitio, which was investigated, surveyed, designed, consented and 50% completed in 2016/17.

Through the Tararua Alliance, both technical civil engineering and construction expertise is utilised to assess potential risks and determine likely costs to collaboratively confirm an optimal repair solution. Overhead costs associated with these unforeseen events are also minimised through the Tararua Alliance, covered under other activities.

### **Carpark renewals**

The carpark renewals programme developed in 2015/16 continues to be the basis of carpark renewals in the district, with carparks in Dannevirke, Mangatainoka, Pahiatua, and Pongaroa renewed in 2016/17.

### **Customer request management (CRM)**

Tararua Alliance field staff and management, as well as wider Council staff, continue to encourage members of the public to advise of service issues within the district to Council's Customer Services team. This allows any issues to be formally recorded and tracked, further improving the overall level of service on the network.

The Tararua Alliance received 2,275 customer requests over 2016/17, up significantly from previous years. 99% of these were responded to within the five day requirement, with an average response time of 1.1 days overall. Customer feedback surveys were carried out every month, where a random 10% sample of customers who have recently lodged an issue with Council are asked a standard set of questions regarding their request. The overall feedback score for 2016/17 was 4.2 out of 5, indicating a "high" to "very high" level of satisfaction from those lodging requests.

### **Corridor management**

The Tararua Alliance continued to be proactive in managing third party activities within Council's road corridor, including work carried out by utility operators (power, gas and telecommunications). Through the Corridor Access Request system, these activities can be applied for, reviewed, approved and tracked, enabling us to make sure the work is carried out safely and to the required quality standards.

# Performance against objectives


## Footpaths

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																				
<ul style="list-style-type: none"><li>Percentage of residents rate footpaths as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	75%	NOT ACHIEVED: 66%.	No NRB survey	<div></div>																				
		Results from the last two surveys:																						
		<table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>76%</td><td>63%</td></tr><tr><td>Not very satisfied</td><td>18%</td><td>37%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>6%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>76%</td><td>63%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>81%</td><td>63%</td></tr></table>			Category	2014	2017	Very/Fairly Satisfied	76%	63%	Not very satisfied	18%	37%	Don't know / Unable to say ☒	6%	-	Percentage satisfied	76%	63%	Percentage satisfied excl ☒	81%	63%		
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		The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.																						
<table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>23%</td><td>22%</td><td>23%</td></tr><tr><td>Score 7–8</td><td>33%</td><td>37%</td><td>34%</td></tr><tr><td>Score 6</td><td>5%</td><td>7%</td><td>6%</td></tr><tr><td>Score 5</td><td>13%</td><td>5%</td><td>11%</td></tr><tr><td>Score 1–4</td><td>25%</td><td>29%</td><td>26%</td></tr></table>	Score	Sep 2016	Jun 2017	Combined	Score 9–10	23%	22%	23%	Score 7–8	33%	37%	34%	Score 6	5%	7%	6%	Score 5	13%	5%	11%	Score 1–4	25%	29%	26%
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The results reflect the feedback that the community wants to have more cycleways and walkways, and more frequent cleaning of urban footpaths.																								
On availability of footpath in the district, 85% of the respondents were satisfied that the district's footpath network is adequate.																								
Footpath maintenance programme was delayed as Council undertook a condition assessment to help drive the renewal/development works programme.																								



Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
<ul style="list-style-type: none"> <li>The percentage of footpaths within the district fall within the footpath condition standards set out in the Asset Management Plan. <sup>†</sup></li> </ul>	90%	<p>ACHIEVED: 99%.</p> <p>Footpath condition survey was undertaken February 2017.</p> <p>The values of this index will range from 2 to 5, similar to our fault severity/priority classification.</p> <p>Condition survey rankings:</p> <ol style="list-style-type: none"> <li>1. Acceptable</li> <li>2. Acceptable – monitor</li> <li>3. Defect – medium</li> <li>4. Poor – intervention</li> <li>5. Very poor – safety</li> </ol> <p>The overall condition is quite close to the best we can get – only a small number of defects limiting a perfect 2.</p> <p>What the results shows is that of the 301,638m<sup>2</sup> of footpaths in the database for the district, only 760m<sup>2</sup> has defect severity 4 or higher.</p>	●	●
<ul style="list-style-type: none"> <li>Customer requests relating to footpaths are responded to within 5 working days.* <sup>†</sup></li> </ul>	85%	<p>ACHIEVED: 90%.</p> <p>Council received 111 customer service requests (38 last year) during the year.</p> <p>There is an increase in customer service requests, because last year we only reported on footpath maintenance issues but this year we extended the reporting to include footpath cleaning issues as well.</p> <p>Of these, only 44 related to safety hazards. All were completed within timeframe.</p>	●	●

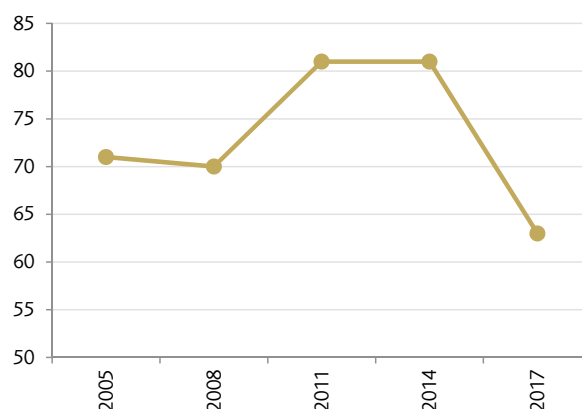


Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																				
<ul style="list-style-type: none"><li>Percentage of residents rate town centre upgrades as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	85%	NOT ACHIEVED: 74%.	No NRB survey																					
		Results from the last two surveys:																						
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The Eketahuna town centre upgrade phase 1 is complete, and the planning and design for the Pahiatua town centre project has commenced, a year in advance.																								
As part of our 2018–2028 Long Term Plan, we are wanting to extend the town centre upgrades to the smaller towns in the wider district.																								

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

† Includes information provided by external service providers.

#### FOOTPATHS – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017



# Roading

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																																																						
<ul style="list-style-type: none"><li>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.*</li></ul>	0 or less	<p>ACHIEVED: -5.</p> <p><b>NUMBER OF FATAL OR SERIOUS INJURY CRASHES</b></p> <table border="1"><caption>NUMBER OF FATAL OR SERIOUS INJURY CRASHES</caption><thead><tr><th>Year</th><th>Serious or fatal crashes</th><th>3 per. Mov. Avg. (Serious or fatal crashes)</th></tr></thead><tbody><tr><td>2001</td><td>8</td><td>10.0</td></tr><tr><td>2002</td><td>6</td><td>10.0</td></tr><tr><td>2003</td><td>15</td><td>10.0</td></tr><tr><td>2004</td><td>8</td><td>10.0</td></tr><tr><td>2005</td><td>10</td><td>11.0</td></tr><tr><td>2006</td><td>7</td><td>10.0</td></tr><tr><td>2007</td><td>8</td><td>9.0</td></tr><tr><td>2008</td><td>10</td><td>9.0</td></tr><tr><td>2009</td><td>8</td><td>9.0</td></tr><tr><td>2010</td><td>7</td><td>9.0</td></tr><tr><td>2011</td><td>18</td><td>11.0</td></tr><tr><td>2012</td><td>10</td><td>12.0</td></tr><tr><td>2013</td><td>9</td><td>12.0</td></tr><tr><td>2014</td><td>9</td><td>10.0</td></tr><tr><td>2015</td><td>13</td><td>10.0</td></tr><tr><td>2016</td><td>8</td><td>10.0</td></tr><tr><td>2017</td><td>7</td><td>9.0</td></tr></tbody></table> <p>■ Serious or fatal crashes</p> <p>..... 3 per. Mov. Avg. (Serious or fatal crashes)</p> <p><i>Data is reported per calendar year.</i></p>	Year	Serious or fatal crashes	3 per. Mov. Avg. (Serious or fatal crashes)	2001	8	10.0	2002	6	10.0	2003	15	10.0	2004	8	10.0	2005	10	11.0	2006	7	10.0	2007	8	9.0	2008	10	9.0	2009	8	9.0	2010	7	9.0	2011	18	11.0	2012	10	12.0	2013	9	12.0	2014	9	10.0	2015	13	10.0	2016	8	10.0	2017	7	9.0	<div></div>	<div></div>
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<ul style="list-style-type: none"><li>Customer requests relating to roads are responded to within 5 working days.*†</li></ul>	85%	<p>ACHIEVED: 99%.</p> <p>Council received 1,384 customer service requests (888 last year) during the year.</p> <p>The significant increase is mainly due to the two cyclones (225 customer requests) and impact that the closure of the Manawatu Gorge had on our local network. Of these, 15 were completed outside timeframes, compared to 33 last year.</p>	<div></div>	<div></div>																																																						
<ul style="list-style-type: none"><li>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.</li></ul>	70%	<p>NOT ACHIEVED: 64%.</p> <p>Results from the last two surveys:</p> <p><b>Sealed Roads</b></p> <table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>75%</td><td>74%</td></tr><tr><td>Not very satisfied</td><td>24%</td><td>26%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>1%</td><td>-</td></tr><tr><td><b>Percentage satisfied</b></td><td><b>75%</b></td><td><b>74%</b></td></tr><tr><td><b>Percentage satisfied excl ☒</b></td><td><b>76%</b></td><td><b>74%</b></td></tr></table> <p>The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>12%</td><td>15%</td><td><b>13%</b></td></tr><tr><td>Score 7–8</td><td>49%</td><td>43%</td><td><b>47%</b></td></tr><tr><td>Score 6</td><td>14%</td><td>14%</td><td><b>14%</b></td></tr><tr><td>Score 5</td><td>14%</td><td>11%</td><td><b>13%</b></td></tr><tr><td>Score 1–4</td><td>1%</td><td>17%</td><td><b>13%</b></td></tr></table>	Category	2014	2017	Very/Fairly Satisfied	75%	74%	Not very satisfied	24%	26%	Don't know / Unable to say ☒	1%	-	<b>Percentage satisfied</b>	<b>75%</b>	<b>74%</b>	<b>Percentage satisfied excl ☒</b>	<b>76%</b>	<b>74%</b>	Score	Sep 2016	Jun 2017	Combined	Score 9–10	12%	15%	<b>13%</b>	Score 7–8	49%	43%	<b>47%</b>	Score 6	14%	14%	<b>14%</b>	Score 5	14%	11%	<b>13%</b>	Score 1–4	1%	17%	<b>13%</b>	No NRB survey	<div></div>												
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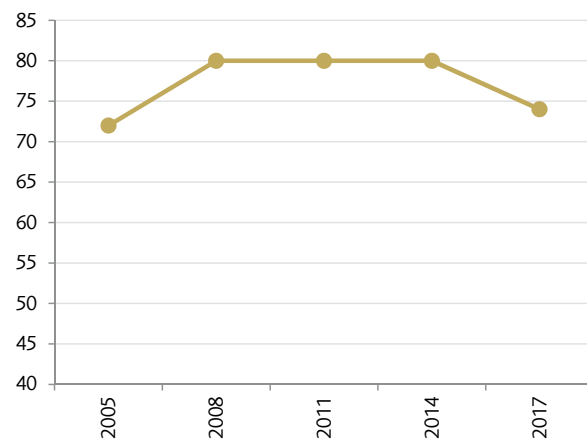


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• Initial response to impassable roads be undertaken within 24 hours. †	99%	NOT ACHIEVED: 97%.  Council received 133 customer service requests (176 last year) during the year.  Of these, four were responded to outside of the timeframe, compared to two last year.																										
• The average quality of the ride on the sealed road network is measured by smooth travel exposure.* †	95%	NOT APPLICABLE: Historically, Council has conducted a roughness survey biennially. From 2017/18, this will be completed annually.  The 2015/16 survey achieved 85%.		No survey																								
• The percentage of the sealed local network that is resurfaced.* †	> 5%	ACHIEVED: 5.8%.  100% of 2016/17 reseals completed.  5.5% of network resurfaced and 0.4% of network had rehabilitation work completed.																										

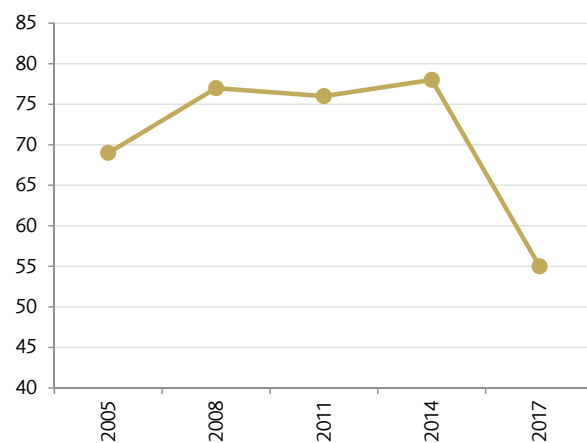
\* These performance measures are the mandatory performance measures introduced by Parliament.

† Includes information provided by external service providers.

### SEALED ROADS – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017



### UNSEALED ROADS – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017





# 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**

	2015/16 LTP Year 1 \$000s	2015/16 Actual \$000s	2016/17 LTP Year 2 \$000s	2016/17 Plan \$000s	2016/17 Actual \$000s
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charges, rates penalties	543	543	549	529	529
Targeted rates	864	864	880	900	900
Grants and subsidies for operating purposes	50	65	51	50	68
Fees and charges	567	506	581	541	509
Local authorities fuel tax, fines, infringement fees, and other receipts	29	12	27	24	12
Internal charges and overheads recovered	-	-	-	-	-
<b>Total Operating Funding</b>	<b>2,053</b>	<b>1,990</b>	<b>2,088</b>	<b>2,044</b>	<b>2,018</b>
<b>Applications of Operating Funding</b>					
Payment to staff and suppliers	1,690	1,560	1,727	1,699	1,685
Finance costs	98	25	94	85	59
Internal charges and overheads applied	150	139	153	148	151
Other operating funding applications	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>1,938</b>	<b>1,723</b>	<b>1,974</b>	<b>1,932</b>	<b>1,895</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>115</b>	<b>267</b>	<b>114</b>	<b>112</b>	<b>123</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(95)	(114)	(100)	(70)	(114)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	234	-	-	-
<b>Total Sources of Capital Funding</b>	<b>(95)</b>	<b>120</b>	<b>(100)</b>	<b>(70)</b>	<b>(114)</b>
<b>Applications of Capital Funding</b>					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	30	12	20	50	59
- to replace existing assets	40	549	41	10	1
Increase (decrease) in reserves	(50)	(174)	(47)	(18)	(51)
Increase (decrease) of investments	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>20</b>	<b>387</b>	<b>14</b>	<b>42</b>	<b>9</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(115)</b>	<b>(267)</b>	<b>(114)</b>	<b>(112)</b>	<b>(123)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# What we achieved



## PERFORMANCE MEASURES ACHIEVED

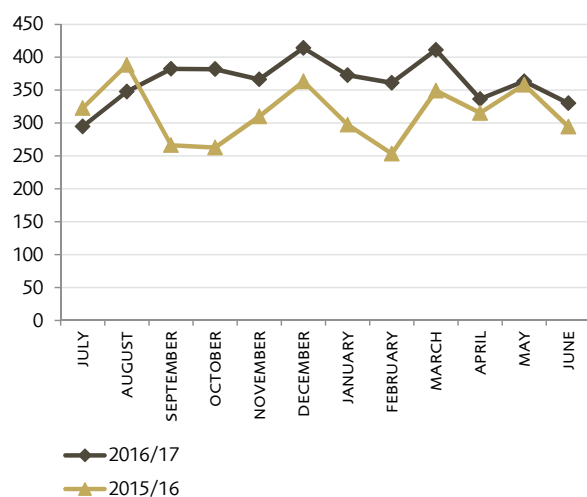


The solid waste activity has operated very smoothly throughout the year, with all Council Solid Waste contractors performing well, with very few issues.

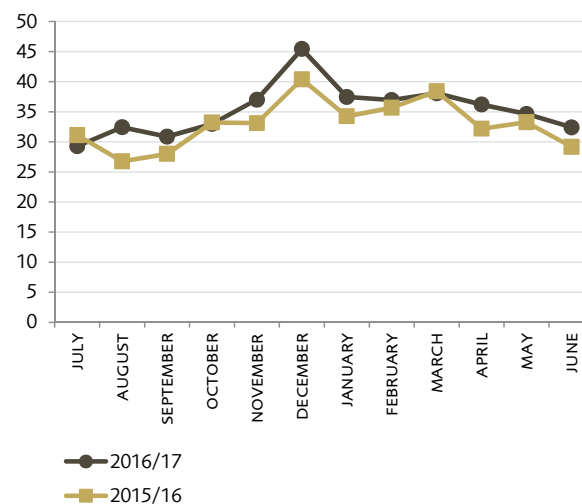
Council has now stopped the sale of Council refuse labels district wide. The community has adapted very well to the use of prepaid refuse bags and wheelie bins in towns where these are now offered for sale by Council's refuse contractors. This is a major step in Council withdrawing from

the provision of refuse labels and a kerbside refuse collection service in 30 September 2017. There has been an increase in refuse volumes at the transfer stations in Pahiatua and Dannevirke. This is mainly due to Woodville refuse going to Dannevirke from March 2016 instead of the Eketahuna Landfill. Recycling volumes have also increased from the previous year. Consumers seem to be using the Solid Waste facilities provided well.

## TOTAL REFUSE TONNES TRANSPORTED TO CENTRAL HAWKES BAY LANDFILL



## DISTRICT RECYCLING TOTALS 2016/17





## Eketahuna landfill closure

Council opted to close the Eketahuna Landfill at the consent expiry date of 30 June 2018 and build a transfer station in its place on the current landfill site. Plans are underway for the closure with Council stockpiling capping material and capping being started.

The planning and building of the Eketahuna transfer station is underway, with the precast concrete pit already built.

With the upcoming closure of the Eketahuna Landfill Council has been investigating the option of glass recycling. This will involve the colour sorting of glass by consumers at the drop off site, but will also mean a possible revenue for Councils glass which we at present don't receive.

## Waste Management and Minimisation Plan

Council is currently reviewing its Waste Management and Minimisation Plan. This needs to be done every five years, and the current plan expires December 2017. Below is a table of strategies from the current plan and our progress against these strategies.


Strategy	<div> <div>● Achieved</div> <div>● Not Achieved</div> </div>	Comments
Education programmes to schools.	●	<ul style="list-style-type: none"> <li>Both the Waste Education NZ and EnviroSchools programmes that supply education in schools have been received well with Council receiving some good feedback from the school classroom teachers involved.</li> <li>Three schools enlisted in the EnviroSchools Programme.</li> </ul>
Investigate the introduction of urban kerbside glass recycling services.	●	<ul style="list-style-type: none"> <li>Council investigated this option 2012/13, but it was not viable at the time.</li> </ul>
Upgrade central container type services.	●	<ul style="list-style-type: none"> <li>Council introduced recycling drop off centres with the installation of shipping containers at locations throughout the district and glass recycling bins.</li> </ul>
Investigate options for the location of an e-waste recycling centre in the Taranaki.	●	<ul style="list-style-type: none"> <li>E-Waste can now be dropped off at Dannevirke and Pahiatua Transfer Stations.</li> </ul>
Maintain current collection of kerbside waste.	●	<ul style="list-style-type: none"> <li>Council opted to exit kerbside refuse collection in 2017. However, we have ensured that a commercial kerbside waste collection is available for residents.</li> <li>Council kerbside refuse collection finishes 30 September 2017.</li> </ul>
Complete Dannevirke transfer station.	●	<ul style="list-style-type: none"> <li>This was achieved in 2012.</li> </ul>
Construct Pahiatua transfer station.	●	<ul style="list-style-type: none"> <li>This was achieved in 2013.</li> </ul>





Strategy	● Achieved	Comments
	● Not Achieved	
Monitor operating costs and compliance with consent conditions and compare with closure and transport options. The alternative is to close the landfills and transport waste to Dannevirke for processing, sorting, and transport of the residual waste to Waipukurau. Additional transfer stations may be required on the current landfill sites.	●	<ul style="list-style-type: none"> <li>Dannevirke and Pahiatua landfills were closed. The refuse is now transported to Waipukurau from the Dannevirke and Pahiatua transfer stations.</li> </ul>
Support regional collection and reception service for special wastes such as e-waste, glass, agrichemicals, containers & silage wrap.	●	<ul style="list-style-type: none"> <li>Council is looking into options of a regional hub for glass.</li> <li>AgRecovery provides a recovery centre once a year for the return of agrichemical containers.</li> </ul>
Investigate if regional recycling initiatives (particularly glass) would result in cost savings.	●	<ul style="list-style-type: none"> <li>With the impending closure of the Eketahuna landfill, Council is considering its options for the recycling of glass in the district.</li> </ul>
Provide plastic bins for kerbside recycling.	Ongoing	<ul style="list-style-type: none"> <li>This is being re-investigated currently as part of the Long Term Plan.</li> </ul>
Encourage the active participation of tangata whenua in waste management.	Ongoing	<ul style="list-style-type: none"> <li>Council is currently looking into options for introducing an educational campaign into district marae.</li> </ul>
Investigate options for Woodville.	Ongoing	<ul style="list-style-type: none"> <li>Council is investigating options as part of the Long Term Plan.</li> </ul>

# Performance against objectives

## Solid Waste Management

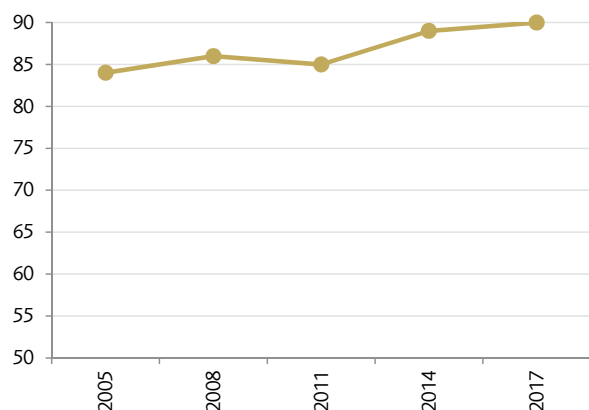
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<ul style="list-style-type: none"><li>Percentage of residents rating rubbish collection services as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	75%	<p>ACHIEVED: 90%.</p> <p>Results from the last two surveys:</p> <table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>54%</td><td>90%</td></tr><tr><td>Not very satisfied</td><td>7%</td><td>10%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>40%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>54%</td><td>90%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>89%</td><td>90%</td></tr></table> <p>The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>59%</td><td>58%</td><td>59%</td></tr><tr><td>Score 7–8</td><td>30%</td><td>22%</td><td>27%</td></tr><tr><td>Score 6</td><td>2%</td><td>7%</td><td>4%</td></tr><tr><td>Score 5</td><td>5%</td><td>4%</td><td>4%</td></tr><tr><td>Score 1–4</td><td>4%</td><td>9%</td><td>6%</td></tr></table> <p>Change in methodology – score of 5 accounted as "not very satisfied" – has resulted in higher percentage of respondents report as not satisfied.</p>	Category	2014	2017	Very/Fairly Satisfied	54%	90%	Not very satisfied	7%	10%	Don't know / Unable to say ☒	40%	-	Percentage satisfied	54%	90%	Percentage satisfied excl ☒	89%	90%	Score	Sep 2016	Jun 2017	Combined	Score 9–10	59%	58%	59%	Score 7–8	30%	22%	27%	Score 6	2%	7%	4%	Score 5	5%	4%	4%	Score 1–4	4%	9%	6%	No NRB survey	
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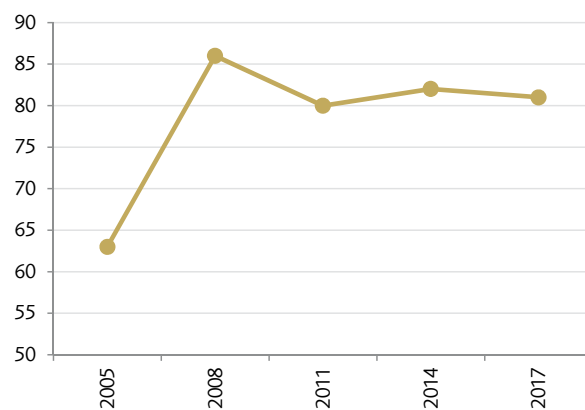
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Change in methodology – score of 5 accounted as "not very satisfied" – has resulted in higher percentage of respondents report as not satisfied.																								
<ul style="list-style-type: none"><li>Percentage of residents rating landfills/ transfer station management as "fairly satisfactory" or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	75%	ACHIEVED: 81%.	No NRB survey																					
		Results from the last two surveys:																						
		<table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>62%</td><td>81%</td></tr><tr><td>Not very satisfied</td><td>10%</td><td>19%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>29%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>62%</td><td>81%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>86%</td><td>81%</td></tr></table>			Category	2014	2017	Very/Fairly Satisfied	62%	81%	Not very satisfied	10%	19%	Don't know / Unable to say ☒	29%	-	Percentage satisfied	62%	81%	Percentage satisfied excl ☒	86%	81%		
		Category			2014	2017																		
		Very/Fairly Satisfied			62%	81%																		
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Change in methodology – score of 5 accounted as "not very satisfied" – has resulted in higher percentage of respondents report as not satisfied.																								

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																								
• Tonnage of waste sent to landfills by the district per annum.	< 4,400	NOT ACHIEVED: 4,668.	<div></div>	<div></div>																								
<table><tr><th colspan="4">Tonnes</th></tr><tr><th></th><th>2014/15</th><th>2015/16</th><th>2016/17</th></tr><tr><td>Eketahuna Landfill</td><td>689</td><td>542</td><td>270</td></tr><tr><td>Pongaroa Landfill</td><td>39</td><td>21</td><td>20</td></tr><tr><td>Waipukurau Landfill</td><td>3,534</td><td>3,887</td><td>4,378</td></tr><tr><td><b>Total</b></td><td><b>4,262</b></td><td><b>4,450</b></td><td><b>4,668</b></td></tr></table>					Tonnes					2014/15	2015/16	2016/17	Eketahuna Landfill	689	542	270	Pongaroa Landfill	39	21	20	Waipukurau Landfill	3,534	3,887	4,378	<b>Total</b>	<b>4,262</b>	<b>4,450</b>	<b>4,668</b>
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<b>Total</b>	<b>4,262</b>	<b>4,450</b>	<b>4,668</b>																									
• Percentage of landfills where all Horizons resource consent conditions are met.	100%	ACHIEVED: 100%.  Both landfills fully compliant.	<div></div>	<div></div>																								

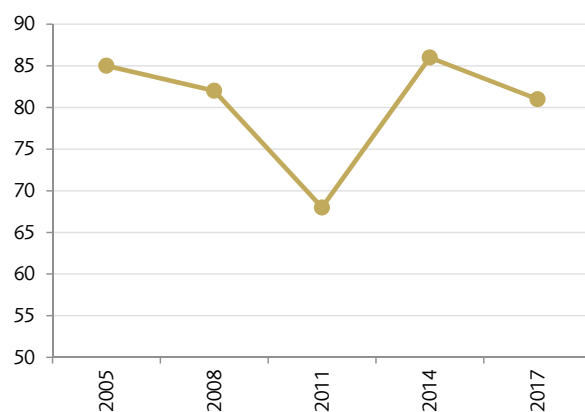
REFUSE COLLECTION – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017



RECYCLING – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017



LANDFILLS AND TRANSFER STATIONS – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017





# Stormwater

## Activities in this group

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1

### Stormwater

*To provide an efficient and effective stormwater network that protects the community's assets from flooding.*

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## Funding impact statement Stormwater

	2015/16 LTP Year 1 \$000s	2015/16 Actual \$000s	2016/17 LTP Year 2 \$000s	2016/17 Plan \$000s	2016/17 Actual \$000s
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	657	657	681	734	734
Grants and subsidies for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	1
Local authorities fuel tax, fines, infringement fees, and other receipts	16	15	21	19	21
Internal charges and overheads recovered	-	-	-	-	-
<b>Total Operating Funding</b>	<b>673</b>	<b>673</b>	<b>702</b>	<b>753</b>	<b>756</b>
<b>Applications of Operating Funding</b>					
Payment to staff and suppliers	84	133	88	147	173
Finance costs	63	50	78	70	43
Internal charges and overheads applied	284	257	290	306	299
Other operating funding applications	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>431</b>	<b>440</b>	<b>456</b>	<b>523</b>	<b>515</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>242</b>	<b>232</b>	<b>246</b>	<b>230</b>	<b>241</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(20)	(126)	765	737	(126)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>(20)</b>	<b>(126)</b>	<b>765</b>	<b>737</b>	<b>(126)</b>
<b>Applications of Capital Funding</b>					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	60	28	830	800	65
- to replace existing assets	41	52	45	43	29
Increase (decrease) in reserves	121	25	136	123	21
Increase (decrease) of investments	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>222</b>	<b>106</b>	<b>1,011</b>	<b>966</b>	<b>115</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(242)</b>	<b>(232)</b>	<b>(246)</b>	<b>(229)</b>	<b>(241)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# What we achieved

NO HABITABLE FLOORS  
WERE FLOODED BY URBAN  
STORMWATER



## Stormwater modelling

In 2016, the Tararua Alliance started a project to create a digital stormwater model of the network, allowing Council to model the anticipated effects of infrastructure concepts and designs taking into consideration changing weather patterns. This will help ensure we make the right decisions that produce the most benefit for the community and provide value for money solutions. A recent draft report assessed the existing network's performance in a large weather event, providing detailed assessment at an individual asset level of where we need to invest and upgrade existing infrastructure. The findings from this analysis will help Council prioritise our capital and renewal spending, ensuring we address the highest risk areas throughout the district.

Research indicates that there will be an increase in the quantity and severity of weather events that we currently experience. In the coming years, Council will need to consider the effect and increased risk of flooding as a result of increased events when considering any future upgrade of the stormwater network. The extent to which these events increase is yet to be confirmed. A focus for Council in the next few years is to identify areas of poor performance and flooding, and develop strategies and actions to improve the overall performance of the network.

## Stormwater maintenance

Open drains maintenance was completed in Huxley and Tui Streets in Pahiatua, and Barraud Street in Dannevirke to clear water channels of foreign debris and also dense vegetation to ensure unrestricted flow. This improved the capacity of these channels and allowed for greater flow in times of high rainfall, reducing localised issues. However, these maintenance actions were only to a small percentage of the district's network that require attention. The maintenance budgets were increased to focus on proactive maintenance of existing infrastructure assets and open drains to reduce the risk of blockages and flooding in a weather event. In addition to the maintenance needs, the Tararua Alliance is developing a data driven renewal programme offering design information for optimal pipe sizes in the future. The stormwater modelling tool will also allow assessment of network performance following any renewals to gather information for further renewal requirements.



# Performance against objectives

## Stormwater

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																																										
<ul style="list-style-type: none"><li>The number of flooding events.*</li></ul>	< 40	ACHIEVED: Nil.  A flooding event is defined as an overflow of the urban stormwater system that enters a habitable floor.  We received 47 customer service requests (30 last year) for stormwater flooding events but none had an overflow of stormwater into a habitable floor. The majority of these instances occurred during two major storm events in April (Cyclone Debbie and Cyclone Cook).	●	●																																										
<ul style="list-style-type: none"><li>For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system.*</li></ul>	< 4	ACHIEVED: Nil.	●	●																																										
<ul style="list-style-type: none"><li>Percentage of residents rating stormwater management as "fairly satisfactory " or "very satisfactory" in the community survey to be conducted in 2017, 2020, and 2023.</li></ul>	70%	NOT ACHIEVED: 69%.  Results from the last two surveys: <table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>60%</td><td>69%</td></tr><tr><td>Not very satisfied</td><td>20%</td><td>31%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>19%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>60%</td><td>69%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>76%</td><td>69%</td></tr></table>  The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied. <table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>25%</td><td>20%</td><td>23%</td></tr><tr><td>Score 7–8</td><td>36%</td><td>39%</td><td>37%</td></tr><tr><td>Score 6</td><td>9%</td><td>8%</td><td>9%</td></tr><tr><td>Score 5</td><td>12%</td><td>14%</td><td>12%</td></tr><tr><td>Score 1–4</td><td>18%</td><td>19%</td><td>19%</td></tr></table>  The two major storm events in April, and ongoing higher than expected rainfall, have had an impact on satisfaction. Together with the change methodology – score of 5 accounted as "not very satisfied" – has resulted in a higher percentage of respondents reported as not satisfied.  Council had increased the maintenance budget for stormwater activity, which allowed planned and reactive operational maintenance to the stormwater network.  Council is currently working on stormwater modelling to determine the capital investment required to help further address the stormwater flooding issues in the urban area.	Category	2014	2017	Very/Fairly Satisfied	60%	69%	Not very satisfied	20%	31%	Don't know / Unable to say ☒	19%	-	Percentage satisfied	60%	69%	Percentage satisfied excl ☒	76%	69%	Score	Sep 2016	Jun 2017	Combined	Score 9–10	25%	20%	23%	Score 7–8	36%	39%	37%	Score 6	9%	8%	9%	Score 5	12%	14%	12%	Score 1–4	18%	19%	19%	No NRB survey	●
Category	2014	2017																																												
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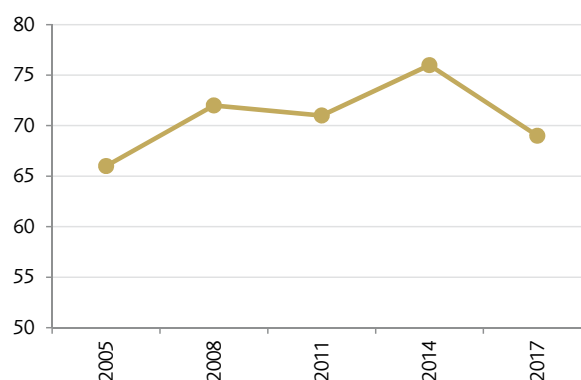


Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
<ul style="list-style-type: none"> <li>Number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system.*</li> </ul>	< 9	<p>NOT ACHIEVED: 9.7.</p> <p>We received 47 customer service requests (30 last year) for stormwater flooding events but none had an overflow of stormwater into a habitable floor.</p> <p>The majority of these instances occurred during two major storm events in April (Cyclone Debbie and Cyclone Cook).</p>	●	●
<ul style="list-style-type: none"> <li>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"> <li>abatement notices*</li> <li>infringement notices*</li> <li>enforcement orders*</li> <li>convictions*</li> </ul> </li> </ul>	0	ACHIEVED: Nil.	●	●
	0	ACHIEVED: Nil.	●	●
	0	ACHIEVED: Nil.	●	●
	0	ACHIEVED: Nil.	●	●
<ul style="list-style-type: none"> <li>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.* †</li> </ul>	2 hours	<p>ACHIEVED: Nil.</p> <p>A flooding event is defined as an overflow of the urban stormwater system that enters a habitable floor.</p> <p>We had no recorded events of floodwater entering a habitable floor.</p>	●	●

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

† Includes information provided by external service providers.

### STORMWATER – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017





# Wastewater

## Activities in this group

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1

### Wastewater

*To provide urban areas with a reliable wastewater system that protects people's health and our environment.*

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## Funding impact statement Wastewater

	2015/16 LTP Year 1 \$000s	2015/16 Actual \$000s	2016/17 LTP Year 2 \$000s	2016/17 Plan \$000s	2016/17 Actual \$000s
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charges, rates penalties	107	107	114	102	102
Targeted rates	1,943	1,943	2,111	1,873	1,873
Grants and subsidies for operating purposes	-	-	-	-	-
Fees and charges	80	107	83	90	112
Local authorities fuel tax, fines, infringement fees, and other receipts	72	77	70	8	4
Internal charges and overheads recovered	-	-	-	-	-
<b>Total Operating Funding</b>	<b>2,202</b>	<b>2,234</b>	<b>2,378</b>	<b>2,073</b>	<b>2,091</b>
<b>Applications of Operating Funding</b>					
Payment to staff and suppliers	809	897	834	730	752
Finance costs	312	204	337	269	196
Internal charges and overheads applied	324	293	332	343	336
Other operating funding applications	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>1,445</b>	<b>1,395</b>	<b>1,503</b>	<b>1,342</b>	<b>1,284</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>757</b>	<b>840</b>	<b>875</b>	<b>731</b>	<b>807</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	-	389	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	864	(3,214)	416	1,453	(1,823)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	588	-	-	-
<b>Total Sources of Capital Funding</b>	<b>864</b>	<b>(2,237)</b>	<b>416</b>	<b>1,453</b>	<b>(1,823)</b>
<b>Applications of Capital Funding</b>					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,145	2,743	768	1,724	1,784
- to replace existing assets	453	1,547	356	343	813
Increase (decrease) in reserves	23	(5,687)	167	117	(3,613)
Increase (decrease) of investments	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>1,621</b>	<b>(1,397)</b>	<b>1,291</b>	<b>2,184</b>	<b>(1,016)</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(757)</b>	<b>(840)</b>	<b>(875)</b>	<b>(731)</b>	<b>(807)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# What we achieved

## CAPITAL INVESTMENT

**\$2.3  
million**

## SERVICE PERFORMANCE MEASURES MET

**13** OUT OF **14**




## NEW TECHNIQUES EMPLOYED

- Pipe bursting
- New jetblaster unit

## Ministry for the Environment project

The deepening and reshaping of the Dannevirke No.1 wastewater pond has been completed. The development of Pond 1A and 1B within the original No.1 pond was also constructed, with a centre wall formed and compacted to meet the required resource consent standards. The Geo-membrane lining and gas venting Geo-composite of all three ponds has just been completed ready for the installation of baffles and aerators.

## Resource consents

Progress has been made in advancing the renewal of the discharge consents for both the Pahiatua and Eketahuna wastewater. Both consent applications were the subject of hearings by a Panel of Independent Commissioners held in April and May 2017 respectively. It is anticipated that the Pahiatua consent will be granted subject to conditions within 2–3 months, while an additional application for construction of a wetland associated with the Eketahuna discharge must be submitted by February next year to enable the overall consent application for Eketahuna to be granted.

The Eketahuna hearing has been adjourned pending Council lodging an application for construction of a wetland. Further treatment plant upgrades are being considered at the Eketahuna Treatment Plant. Additional iwi engagement is being undertaken during development of the wetland consent application to ensure the cultural effects of wastewater discharge to water is minimised.

## Infiltration

There is considerable inflow and infiltration to our wastewater network, as evidenced from the high peak flows recorded at our treatment plants. Hence, a key focus in the coming years is to actively identify poorly performing areas of our networks and programme remedial works to reduce the unnecessary cost and effort of treating clean water. Currently our networks experience significantly increased flows during times of high rainfall indicating that we have some poorly performing areas within our networks.

## Pahiatua town centre upgrade

The Tararua Alliance successfully completed a CCTV inspection project encompassing the entire main street of Pahiatua to inspect and condition rate the wastewater network. This was to provide good information to the project team and help develop the renewals requirement before the project gets underway over the next two financial years.

## Wastewater renewals

We achieved 506m of wastewater mains renewals of both 150 and 225mm diameter pipes in Cadman, King, and Tennyson Streets in Dannevirke, and Tui Street in Pahiatua. These used a combination of traditional open trenching and cutting edge pipe bursting where allowable and appropriate. Pipe bursting allows us to lay pipe without digging an open trench, thus significantly reducing the quantity of reinstatement and re-surfacing, while increasing the length of new pipe in the ground.








## Wastewater maintenance

With the addition of our jet blasting unit, we have increased our capability with regard to what we can achieve to unblock pipes. Without needing specialist external services from outside of the district, we can react to localised blockages and clear them in a short period of time. This new machine also allows us to routinely clean our wastewater network alongside our CCTV inspection programme, and also utilised on our road drainage network to clean road culverts.

# Performance against objectives

## Wastewater

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																																										
<ul style="list-style-type: none"><li>The number of dry weather sewage overflows from the wastewater system per 1,000 connections.*</li></ul>	< 5	ACHIEVED: 1.9  A total of 9 sewerage overflows occurred in the district during dry weather.																																												
<ul style="list-style-type: none"><li>Percentage of residents rating wastewater management as "fairly satisfactory " or "very satisfactory in community survey to be conducted in 2017, 2020, and 2023.</li></ul>	70%	ACHIEVED: 89%.  Results from the last two surveys: <table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>57%</td><td>89%</td></tr><tr><td>Not very satisfied</td><td>2%</td><td>11%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>41%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>57%</td><td>89%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>97%</td><td>89%</td></tr></table>  The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied. <table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>55%</td><td>49%</td><td>52%</td></tr><tr><td>Score 7–8</td><td>32%</td><td>37%</td><td>34%</td></tr><tr><td>Score 6</td><td>2%</td><td>2%</td><td>3%</td></tr><tr><td>Score 5</td><td>7%</td><td>5%</td><td>6%</td></tr><tr><td>Score 1–4</td><td>4%</td><td>7%</td><td>5%</td></tr></table>	Category	2014	2017	Very/Fairly Satisfied	57%	89%	Not very satisfied	2%	11%	Don't know / Unable to say ☒	41%	-	Percentage satisfied	57%	89%	Percentage satisfied excl ☒	97%	89%	Score	Sep 2016	Jun 2017	Combined	Score 9–10	55%	49%	52%	Score 7–8	32%	37%	34%	Score 6	2%	2%	3%	Score 5	7%	5%	6%	Score 1–4	4%	7%	5%	No NRB survey	
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Score 1–4	4%	7%	5%																																											
<ul style="list-style-type: none"><li>Number of schemes with consents that are current.</li></ul>	6	NOT ACHIEVED: 4.  Eketahuna wastewater hearing was held in April but was adjourned to May to be heard together with the Pahiatua scheme renewal consent hearing.  The hearing for Pahiatua was held in May. We are awaiting further details from the commissioners on what is required next.  The consent for Woodville will be lodged early in the new financial year.																																												



Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
<ul style="list-style-type: none"> <li>Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to:               <ul style="list-style-type: none"> <li>abatement notices*</li> <li>infringement notices*</li> <li>enforcement orders*</li> <li>convictions*</li> </ul> </li> </ul>	0	ACHIEVED: Nil.	●	●
<ul style="list-style-type: none"> <li>Median response time to attend a sewage fault, measured from the time Council receives notification to the time that service personnel reach the site.* †</li> </ul>	1 hour	ACHIEVED: 17 minutes. Council continues to provide prompt response to issues via the Tararua Alliance.	●	●
<ul style="list-style-type: none"> <li>Median 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.* †</li> </ul>	8 hours	ACHIEVED: 41 minutes. Council continues to provide prompt resolution to issues via the Tararua Alliance.	●	●
<ul style="list-style-type: none"> <li>Number of complaints received about wastewater per 1,000 connections for:               <ul style="list-style-type: none"> <li>sewerage odour*</li> <li>sewerage system faults*</li> <li>sewerage system blockages*</li> <li>Council's response to the above issues*</li> </ul> </li> </ul>	< 5	ACHIEVED: 1.7. There were eight issues with odour during the year compared to five last year.	●	●
	< 5	ACHIEVED: 3.8. There were a total of 18 customer service requests recorded during the year, compared to nine last year. Of the 18 requests, one was a gas line in the pipe for which the gas company accepted responsibility, another was the severe weather flood event reported days later, and 10 were due to high levels of stormwater in the wastewater system due to storm events in April.	●	●
	< 7	ACHIEVED: 7.0. There were a total of 33 customer service requests recorded during the year, compared to 42 last year. Of these, 29 were mains blockages.	●	●
	< 10	ACHIEVED: 0.2. One customer service request was recorded relating to Council's response in regards to a damaged sewer lateral. It was made clear to the customer that laterals are the responsibility of the property owners.	●	●



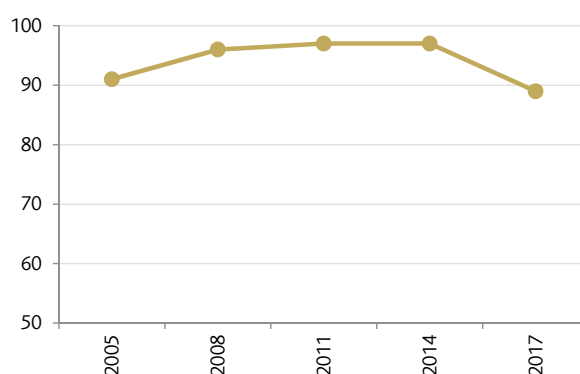


Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
• total number of recorded complaints*	< 27	ACHIEVED: 12.8.  Council received 60 customer service requests (57 last year) relating to wastewater during the year.	●	●

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

† Includes information provided by external service providers.

#### WASTEWATER MANAGEMENT – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017





# Water Supplies

## Activities in this group

1

### Water Supplies

*To provide a reliable supply of potable water, of a quality that the community can afford and which meets the general needs of residents and businesses within the district's townships.*

## Funding impact statement Water Supplies

	2015/16 LTP Year 1 \$000s	2015/16 Actual \$000s	2016/17 LTP Year 2 \$000s	2016/17 Plan \$000s	2016/17 Actual \$000s
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	2,077	2,046	2,351	1,613	2,125
Grants and subsidies for operating purposes	-	-	-	-	-
Fees and charges	-	21	-	487	4
Local authorities fuel tax, fines, infringement fees, and other receipts	105	183	113	107	247
Internal charges and overheads recovered	-	-	-	-	-
<b>Total Operating Funding</b>	<b>2,182</b>	<b>2,250</b>	<b>2,464</b>	<b>2,207</b>	<b>2,376</b>
<b>Applications of Operating Funding</b>					
Payment to staff and suppliers	785	964	809	805	882
Finance costs	257	166	286	251	198
Internal charges and overheads applied	283	260	290	252	291
Other operating funding applications	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>1,325</b>	<b>1,389</b>	<b>1,385</b>	<b>1,308</b>	<b>1,371</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>857</b>	<b>861</b>	<b>1,079</b>	<b>899</b>	<b>1,005</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure	532	-	415	400	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	1,638	763	(231)	(65)	763
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>2,170</b>	<b>763</b>	<b>184</b>	<b>335</b>	<b>763</b>
<b>Applications of Capital Funding</b>					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	2,405	1,072	555	685	2,808
- to replace existing assets	366	440	379	373	564
Increase (decrease) in reserves	256	112	329	176	(1,604)
Increase (decrease) of investments	-	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>3,027</b>	<b>1,624</b>	<b>1,263</b>	<b>1,234</b>	<b>1,768</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(857)</b>	<b>(861)</b>	<b>(1,079)</b>	<b>(899)</b>	<b>(1,005)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# What we achieved

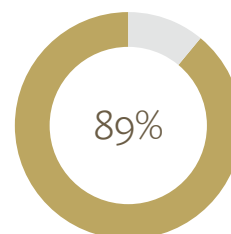
## CONSTRUCTION UNDERWAY TO INCREASE CAPACITY OF WATER SUPPLIES



## CAPITAL INVESTMENT

**\$3.4 million**

## SATISFIED WITH THE AVAILABILITY OF WATER



## Pahiatua water supply

The Pahiatua bore has been deemed non-secure due to E. coli present in the samples taken at the source. This regulation was enforced by the Ministry of Health. As a result, Council has installed chlorine and uv disinfection prior to the build of a new treatment plant. In 2017/18, Council will procure a design and build a treatment plant to meet the Drinking Water Standards for the town water supply.

Following poor results from the second test bore Council considered several alternatives for resilience for the town water. A 2,000m<sup>3</sup> Kriptank was installed to alleviate any problems envisaged while the procurement and installation of the 6,000m<sup>3</sup> new reservoir was completed. As a result of not finding a suitable second bore, Council has needed to retain the Mangatainoka River supply to supplement the bore supply. This has resulted in taste and odour complaints, especially in the summer months.

A new site has been located for the installation of the new 6,000m<sup>3</sup> reservoir. Negotiation with the land owner has been progressed and work on the access track to the new site has been delayed due to the wet weather conditions. A temporary 2,000m<sup>3</sup> water storage tank has been installed to give Council additional storage until the 6,000m<sup>3</sup> tank has been installed.

## Woodville impounded supply

Construction of the new storage facility started at the end of January. Due to the wet weather arriving and compaction

standards that need to be adhered to, work was abandoned early May.

Approximately 60% of the excavation has been completed to date. Work will resume as soon as weather becomes favourable.

A temporary 2,000m<sup>3</sup> water storage tank has been installed to give us some extra storage capacity until the impounded supply is completed.

## Dannevirke water supply

A catchment risk assessment identified a need for 4-log protozoa treatment for the Dannevirke water supply under the Drinking Water Standards New Zealand. The installation of UV disinfection units, has given Council 3-log credits.

To meet 4-log credits, Council would need to install another process, such as filtration. However, Council is currently undertaking a sampling regime to test for cryptosporidium in the water entering the plant. If the samples produce less than 0.75 cryptosporidium oocysts, Council may not need to move to 4-log credits for the Dannevirke water supply. This involves taking 26 samples over a 52 week period.

## Norsewood water supply

An extra 30,000 litre water storage tank was installed at the treatment plant with valves and meters to control or isolate Upper and Lower Norsewood water flows when needed. Chlorination of the bore water has been instigated due to the bore being confirmed non-secure.

## Water supply renewals






Our water supply renewal programme saw us achieve 680m of 100mm PVC mains in both Pahiatua, Albert and Sedcole Streets, and Dannevirke in London Street.

## Water supply maintenance

Hydrant testing, valve exercising and dead end mains flushing are now routine maintenance activities that will be actively managed and analysed to better manage the reticulation network to improve overall performance and operational aspects of the system reducing dirty water complaints, pressure and flow problems.

GoMeter is a new digital tool used to accurately find, record and update, including photos, water meter reading data in the field while reducing the time required for routine quarterly meter reading. This tool has reduced our meter reading resource requirement from weeks to days while simultaneously improving data quality.

## Water Supplies

Performance Measure and Target	Target	Achievement	Results	Results																				
<ul style="list-style-type: none"><li>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.</li></ul>	65%	ACHIEVED: 90%.	No NRB survey																					
		Results from the last two surveys:																						
		<table><tr><th>Category</th><th>2014</th><th>2017</th></tr><tr><td>Very/Fairly Satisfied</td><td>49%</td><td>90%</td></tr><tr><td>Not very satisfied</td><td>14%</td><td>10%</td></tr><tr><td>Don't know / Unable to say ☒</td><td>38%</td><td>-</td></tr><tr><td>Percentage satisfied</td><td>49%</td><td>90%</td></tr><tr><td>Percentage satisfied excl ☒</td><td>78%</td><td>90%</td></tr></table>			Category	2014	2017	Very/Fairly Satisfied	49%	90%	Not very satisfied	14%	10%	Don't know / Unable to say ☒	38%	-	Percentage satisfied	49%	90%	Percentage satisfied excl ☒	78%	90%		
		Category			2014	2017																		
		Very/Fairly Satisfied			49%	90%																		
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		Don't know / Unable to say ☒			38%	-																		
		Percentage satisfied			49%	90%																		
		Percentage satisfied excl ☒			78%	90%																		
		The 2017 survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.																						
<table><tr><th>Score</th><th>Sep 2016</th><th>Jun 2017</th><th>Combined</th></tr><tr><td>Score 9–10</td><td>49%</td><td>65%</td><td>55%</td></tr><tr><td>Score 7–8</td><td>35%</td><td>28%</td><td>32%</td></tr><tr><td>Score 6</td><td>3%</td><td>1%</td><td>2%</td></tr><tr><td>Score 5</td><td>5%</td><td>2%</td><td>4%</td></tr><tr><td>Score 1–4</td><td>8%</td><td>4%</td><td>6%</td></tr></table>	Score	Sep 2016	Jun 2017	Combined	Score 9–10	49%	65%	55%	Score 7–8	35%	28%	32%	Score 6	3%	1%	2%	Score 5	5%	2%	4%	Score 1–4	8%	4%	6%
Score	Sep 2016	Jun 2017	Combined																					
Score 9–10	49%	65%	55%																					
Score 7–8	35%	28%	32%																					
Score 6	3%	1%	2%																					
Score 5	5%	2%	4%																					
Score 1–4	8%	4%	6%																					
Councils investment in its urban water network is showing positive results. An increase in customer satisfaction is evident in the second survey conducted in June 2017.																								
<ul style="list-style-type: none"><li>Number of recorded complaints per 1,000 connections to Council's networked reticulation system for:</li></ul>																								
	<ul style="list-style-type: none"><li>drinking water pressure or flow*</li></ul>	< 5	ACHIEVED: 2.5.																					
			There were 12 customer service requests (nine last year) received during the year.																					
<ul style="list-style-type: none"><li>drinking water taste*</li></ul>	< 5	ACHIEVED: 2.8.																						
		There were 13 customer service requests (32 last year) received during the year. Seven of these customer service requests have been lodged by the same complainant who resides in Pahiatua.																						

Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																										
• drinking water clarity*	< 5	NOT ACHIEVED: 13.8.  There were 65 customer service request (22 last year) received during the year.  17 relate to the first quarter 16 relate to the second quarter 11 relate to the third quarter 21 relate to the fourth quarter  Nine out of the 11 that were received in the third quarter were due to effects from mains flushing in Dannevirke.  Of the 21 that were received in the fourth quarter, 17 were regarding the Dannevirke supply and of that 17, nine were solely related to the effects caused from flushing hydrants.  Four were received in relation to the bore pump failure in Pahiatua, in May 2017.	<div></div>	<div></div>																										
• drinking water odour*	< 5	ACHIEVED: 1.3.  There were 6 customer service requests (11 last year) received during the year.	<div></div>	<div></div>																										
• continuity of supply*	< 5	ACHIEVED: 4.4.  There were 21 customer service requests (17 last year) received during the year.	<div></div>	<div></div>																										
• Council's response to the issues above*	< 5	ACHIEVED: 0.6.  There were three customer service requests (nil last year) received during the year.	<div></div>	<div></div>																										
• total number of recorded complaints*	< 30	ACHIEVED: 25.2.  There were 119 complaints (91 last year) received during the year.	<div></div>	<div></div>																										
• Number of schemes with a Public Health Management Plan in place.	7	NOT ACHIEVED: 6.  Akitio's Water Safety Plan will be instigated through the water treatment upgrade process.	<div></div>	<div></div>																										
• Number of schemes that comply with Part 4 (bacteria compliance criteria) of the NZ Drinking Water Standards.*	5	NOT ACHIEVED. <table><tr><th rowspan="2">Town Supply</th><th colspan="2">Compliant?</th></tr><tr><th>2016</th><th>2017</th></tr><tr><td>Akitio</td><td>No</td><td>No</td></tr><tr><td>Dannevirke</td><td>Yes</td><td>No</td></tr><tr><td>Eketahuna</td><td>Yes</td><td>No</td></tr><tr><td>Norsewood</td><td>No (plant)</td><td>No</td></tr><tr><td></td><td>Yes (zone)</td><td></td></tr><tr><td>Pahiatua</td><td>No</td><td>No</td></tr><tr><td>Woodville</td><td>Yes</td><td>No</td></tr></table> Council has increased its sampling regime, this year, to be compliant with the new standards.	Town Supply	Compliant?		2016	2017	Akitio	No	No	Dannevirke	Yes	No	Eketahuna	Yes	No	Norsewood	No (plant)	No		Yes (zone)		Pahiatua	No	No	Woodville	Yes	No	<div></div>	<div></div>
Town Supply	Compliant?																													
	2016	2017																												
Akitio	No	No																												
Dannevirke	Yes	No																												
Eketahuna	Yes	No																												
Norsewood	No (plant)	No																												
	Yes (zone)																													
Pahiatua	No	No																												
Woodville	Yes	No																												



Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results																							
<ul style="list-style-type: none"><li>Number of schemes that comply with Part 5 (protozoal compliance criteria) of the NZ Drinking Water Standards.*</li></ul>	5	<div>NOT ACHIEVED.</div> <table><thead><tr><th rowspan="2">Town Supply</th><th colspan="2">Compliant?</th></tr><tr><th>2016</th><th>2017</th></tr></thead><tbody><tr><td>Akitio</td><td>No</td><td>No</td></tr><tr><td>Dannevirke</td><td>No</td><td>No</td></tr><tr><td>Eketahuna</td><td>No</td><td>No</td></tr><tr><td>Norsewood</td><td>Yes</td><td>No</td></tr><tr><td>Pahiatua</td><td>No</td><td>No</td></tr><tr><td>Woodville</td><td>No</td><td>No</td></tr></tbody></table> <div>The Dannevirke and Pahiatua plants are in place. We are still working through with IT for the security to establish an external programme to allow us to put in place the 24 hour online compliance monitoring for the district water schemes. The five year residency test for Norsewood has been sent away and will take 6-9 months before we get a result/report.</div> <div>The cyanobacteria/cyanotoxin protocol for the district has been completed and this testing regime will be put in place as required during this year.</div>	Town Supply	Compliant?		2016	2017	Akitio	No	No	Dannevirke	No	No	Eketahuna	No	No	Norsewood	Yes	No	Pahiatua	No	No	Woodville	No	No	<div></div>	<div></div>
Town Supply	Compliant?																										
	2016	2017																									
Akitio	No	No																									
Dannevirke	No	No																									
Eketahuna	No	No																									
Norsewood	Yes	No																									
Pahiatua	No	No																									
Woodville	No	No																									
<ul style="list-style-type: none"><li>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.* †</li></ul>	1 hour	ACHIEVED: 25 minutes.	<div></div>	<div></div>																							
<ul style="list-style-type: none"><li>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.* †</li></ul>	8 hours	ACHIEVED: 3 hours and 30 minutes.	<div></div>	<div></div>																							
<ul style="list-style-type: none"><li>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.* †</li></ul>	24 hours	ACHIEVED: 1 hour and 54 minutes.	<div></div>	<div></div>																							
<ul style="list-style-type: none"><li>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.* †</li></ul>	72 hours	ACHIEVED: 4 hours.	<div></div>	<div></div>																							
<ul style="list-style-type: none"><li>The percentage of real water loss from the Council's networked reticulation schemes based on the minimum night flow (MNF) analysis.*</li></ul>	7%	<div>NOT ACHIEVED: 29%.</div> <div>The bulk meter results show higher than expected water flows into the towns in the early hours of the morning. This indicates unaccounted for water usage. Council will install more flow meters to further analyse the reasons for the loss.</div>	<div></div>	<div></div>																							

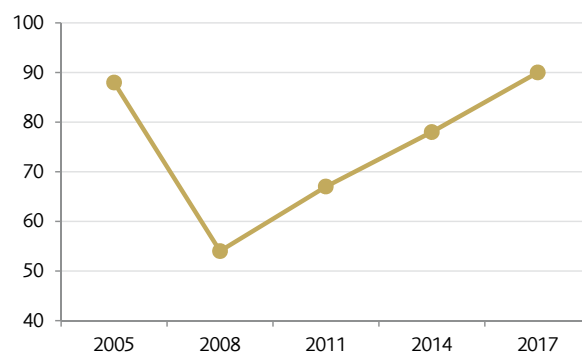


Performance Measure and Target	Target	Achievement	2015/16 Results	2016/17 Results
• Average consumption of drinking water per day per resident connected to a Council scheme.*	300 litres	ACHIEVED: 251 litres.	●	●

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

† Includes information provided by external service providers.

#### AVAILABILITY OF WATER – PUBLIC SATISFACTION SURVEY TRENDS 2005 TO 2017





# Financial Statements





## Statement of comprehensive revenue and expense for the year ended 30 June 2017

	Note	2015/16 Actual \$000s	2016/17 Actual \$000s	2016/17 Plan \$000s
<b>Revenue</b>				
Rates*	2	20,622	21,005	21,022
Grants and Subsidies		10,778	9,438	9,612
Fees and Charges	4	2,287	2,347	2,986
Finance Revenue	3	284	216	291
Dividends and Subvention		-	-	-
Other Revenue	5	1,283	338	735
Forestry Sales		1,979	189	-
Development and Financial Contribution		-	-	-
<b>Total operating revenue</b>		<b>37,233</b>	<b>33,533</b>	<b>34,646</b>
<b>Expenditure</b>				
Other Operating Expenses	9	17,538	16,175	17,387
Depreciation and amortisation	20 & 21	11,368	11,610	11,797
Personnel Costs	7	4,891	5,112	4,775
Finance Costs	3	935	171	544
<b>Total operating expenditure before asset gains/losses</b>		<b>34,732</b>	<b>33,068</b>	<b>34,503</b>
<b>Operating surplus/(deficit) before asset gains/losses</b>		<b>2,501</b>	<b>465</b>	<b>143</b>
Other asset gains/(losses)	6	640	557	77
<b>Operating surplus/(deficit) before tax</b>		<b>3,141</b>	<b>1,022</b>	<b>220</b>
Less Taxation Expense/Plus Refund	11	-	-	-
<b>Surplus/(deficit) after tax</b>		<b>3,141</b>	<b>1,022</b>	<b>220</b>
<b>Surplus/(deficit) attributable to:</b>				
Parent Interest (Taranua District Council)	24	3,141	1,022	220
Non-controlling Interest	24	-	-	-
<b>Surplus/(deficit) for the period</b>		<b>3,141</b>	<b>1,022</b>	<b>220</b>
<b>Other Comprehensive Revenue and Expense</b>				
Gains/(losses) on assets revaluation	25	(7,631)	25	14,054
Financial assets at fair value through other comprehensive revenue & expense	25	-	-	-
Tax on Equity Items		-	-	-
<b>Other Comprehensive Revenue and Expense Subtotal</b>		<b>(7,631)</b>	<b>25</b>	<b>14,054</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>(4,490)</b>	<b>1,047</b>	<b>14,274</b>

\* Rates revenue excludes targeted water rates.

Explanations of major variances against budget are provided in Note 36.

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 2017

	2015/16 Actual \$000s	2016/17 Actual \$000s	2016/17 Plan \$000s
Note			
Balance at 1 July	880,910	876,419	884,230
Total comprehensive revenue and expense previously reported	(4,490)	1,047	14,274
Dividends Paid	-	-	-
<b>Total Balance at 30 June</b>	<b>876,419</b>	<b>877,466</b>	<b>898,504</b>
<b>Total Comprehensive Revenue and Expense attributable to:</b>			
Taranaki District Council	(4,490)	1,047	14,274
Minority Interest	-	-	-
<b>Total Comprehensive Revenue and Expense</b>	<b>(4,490)</b>	<b>1,047</b>	<b>14,274</b>
<b>Detailed Changes</b>			
<b>Accumulated Funds</b>			
Balance at 1 July	346,912	350,302	353,976
Net Surplus/(Deficit) after Tax for the Year	3,141	1,022	220
Fair value through equity	-	-	-
Net transfers between Equity and Reserves	251	(2,863)	(1,830)
Dividends paid	-	-	-
<b>Balance at 30 June</b>	<b>350,302</b>	<b>348,461</b>	<b>352,366</b>
<b>Asset Revaluation Reserves</b>			
Balance at 1 July	504,973	497,343	504,896
Increase/(Decrease) in Revaluation Reserves	(7,631)	25	14,054
<b>Balance at 30 June</b>	<b>497,343</b>	<b>497,368</b>	<b>518,950</b>
<b>Special Funded Reserves</b>			
Balance at 1 July	28,976	28,730	25,308
Increase/(Decrease) in Special Reserves	(246)	2,865	1,830
<b>Balance at 30 June</b>	<b>28,730</b>	<b>31,595</b>	<b>27,138</b>
<b>Trust Funds</b>			
Balance at 1 July	49	44	50
Increase/(Decrease) in Trust Funds	(5)	(2)	-
<b>Balance at 30 June</b>	<b>44</b>	<b>42</b>	<b>50</b>
Minority interest	-	-	-
<b>Total Equity at 30 June</b>	<b>876,419</b>	<b>877,466</b>	<b>898,504</b>

Explanations of major variances against budget are provided in Note 36.

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



## Statement of financial position as at 30 June 2017

	Note	2015/16 Actual \$000s	2016/17 Actual \$000s	2016/17 Plan \$000s
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalent	1	2,763	277	3,518
Debtors and other receivables	12	4,259	4,648	3,874
Other financial assets	15	6,144	5,384	8,597
Non-current assets held for sale	16	138	-	-
Inventories	14	123	116	91
<b>Total Current Assets</b>		<b>13,427</b>	<b>10,424</b>	<b>16,080</b>
<b>Non-Current Assets</b>				
Other financial assets	15	145	161	257
Investment held in New Zealand Local Government Insurance Corporation Ltd	15	118	118	-
Debtors and other receivables	12	46	-	-
Investment Property	16	1,808	1,602	1,603
Forestry assets	13	1,137	1,656	1,449
Intangible assets	20	1,176	1,118	779
Property, plant & equipment – operational	19	32,670	33,130	39,643
Property, plant & equipment – infrastructure	19	836,808	841,820	851,715
Property, plant & equipment – restricted	19	4,770	4,770	4,860
<b>Total Non-Current Assets</b>		<b>878,679</b>	<b>884,374</b>	<b>900,306</b>
<b>Total Assets</b>		<b>892,106</b>	<b>894,798</b>	<b>916,386</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables and deferred revenues	21	4,189	4,140	4,266
Borrowings – current	23	-	3,000	-
Employee entitlements	8	429	448	407
Provision for landfill aftercare	22	-	176	-
<b>Total Current Liabilities</b>		<b>4,618</b>	<b>7,765</b>	<b>4,673</b>

	Note	2015/16 Actual \$000s	2016/17 Actual \$000s	2016/17 Plan \$000s
<b>Non-Current Liabilities</b>				
Borrowings – non-current	23	9,924	8,589	11,820
Employee entitlements	8	27	28	29
Tenant contributions	17	477	480	675
Provision for landfill aftercare	22	639	469	686
<b>Total Non-Current Liabilities</b>		<b>11,067</b>	<b>9,567</b>	<b>13,210</b>
<b>Total Liabilities</b>		<b>15,685</b>	<b>17,332</b>	<b>17,883</b>
<b>Equity</b>				
Accumulated Funds	24	350,302	348,461	352,366
Asset Revaluation Reserves	25	497,343	497,368	518,950
Special Funded Reserves	26	28,730	31,595	27,138
Trust Funds	27	44	42	50
<b>Total Equity</b>		<b>876,419</b>	<b>877,466</b>	<b>898,504</b>
<b>Total Liabilities and Equity</b>		<b>892,106</b>	<b>894,798</b>	<b>916,386</b>

Explanations of major variances against budget are provided in Note 36.

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



## Statement of cash flows for the year ended 30 June 2017

	Note	2015/16 Actual \$000s	2016/17 Actual \$000s	2016/17 Plan \$000s
<b>Cash Flows from Operating Activities</b>				
<b>Cash was provided from:</b>				
Rates		20,397	21,065	21,022
Grants and subsidies		12,423	9,285	9,612
Fees, charges and other receipts (including Donations)		1,705	2,130	2,986
Interest received		340	188	291
Dividends & subvention payment received		-	-	-
Income tax refunds		-	-	-
Other revenue		3,354	527	735
GST refunds		-	-	-
		<b>38,219</b>	<b>33,195</b>	<b>34,646</b>
<b>Cash was applied to:</b>				
Payments staff and suppliers		(21,531)	(21,222)	(22,162)
Interest paid		(504)	(513)	(544)
Income tax payments		-	-	-
GST payments		-	-	-
		<b>(22,035)</b>	<b>(21,735)</b>	<b>(22,706)</b>
<b>Net cash inflow (outflow) from operating activities</b>	<b>28</b>	<b>16,185</b>	<b>11,460</b>	<b>11,940</b>
<b>Cash Flows from Investing Activities</b>				
<b>Cash was provided from:</b>				
Proceeds from sale of property, plant and equipment		550	191	173
Proceeds from investment property		-	178	-
Proceeds from investments realised		5,536	6,144	1,676
		<b>6,086</b>	<b>6,513</b>	<b>1,849</b>
<b>Cash was applied to:</b>				
Purchase of property, plant and equipment		(16,288)	(17,028)	(13,908)
Purchase of Intangible assets		(219)	(33)	-
Purchase of investments		(6,144)	(5,400)	(2,006)
		<b>(22,651)</b>	<b>(22,461)</b>	<b>(15,914)</b>
<b>Net cash inflow (outflow) from investing activities</b>		<b>(16,565)</b>	<b>(15,948)</b>	<b>(14,065)</b>





		2015/16 Actual \$000s	2016/17 Actual \$000s	2016/17 Plan \$000s
	Note			
<b>Cash Flows from Financing Activities</b>				
Cash was provided from:				
Proceeds from borrowings		-	2,000	2,126
Tenant contributions received		-	89	-
		-	<b>2,089</b>	<b>2,126</b>
Cash was applied to:				
Dividend paid		-	-	-
Tenant contributions repaid		(198)	(86)	-
Repayment of borrowings		(1,000)	-	-
		<b>(1,198)</b>	<b>(86)</b>	-
<b>Net cash inflow (outflow) from financing activities</b>		<b>(1,198)</b>	<b>2,003</b>	<b>2,126</b>
<b>Net increase (decrease) in cash held</b>		<b>(1,578)</b>	<b>(2,485)</b>	<b>1</b>
Total cash resources at start of the year		4,341	2,762	3,518
<b>Total cash resources at end of the year</b>	<b>1</b>	<b>2,763</b>	<b>277</b>	<b>3,519</b>

Explanations of major variances against budget are provided in Note 36.

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



## Whole of Council funding impact statement

	2015/16 Actual \$000s	2015/16 Plan \$000	2016/17 Actual \$000s	2016/17 Plan \$000s
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	6,615	6,617	7,034	6,730
Targeted rates	14,528	14,559	14,804	14,292
Grants and subsidies for operating purposes	4,054	3,912	5,084	4,006
Fees, charges	2,580	2,501	2,347	2,986
Interest and Dividends from investments	284	245	216	291
Local authorities fuel tax, fines, infringement fees, and other receipts	2,440	460	527	735
<b>Total Operating Funding</b>	<b>30,501</b>	<b>28,294</b>	<b>30,012</b>	<b>29,040</b>
<b>Applications of Operating Funding</b>				
Payment to staff and suppliers	23,243	21,235	22,126	22,162
Finance costs	935	596	171	544
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>24,178</b>	<b>21,831</b>	<b>22,297</b>	<b>22,706</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>6,323</b>	<b>6,463</b>	<b>7,715</b>	<b>6,334</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure	6,724	4,828	4,354	5,606
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(558)	3,583	1,665	2,126
Gross proceeds from sale of assets	550	-	368	173
Lump sum contributions	-	-	-	-
Other dedicated capital funding	822	-	-	-
<b>Total Sources of Capital Funding</b>	<b>7,538</b>	<b>8,411</b>	<b>6,387</b>	<b>7,905</b>
<b>Applications of Capital Funding</b>				
Capital Expenditure:				
- to meet additional demand	16	23	63	82
- to improve the level of service	6,598	6,117	7,992	6,327
- to replace existing assets	10,158	7,845	8,908	7,499
Increase (decrease) in reserves	(2,912)	889	(2,861)	330
Increase (decrease) of investments	-	-	-	-
<b>Total Applications of Capital Funding</b>	<b>13,860</b>	<b>14,874</b>	<b>14,102</b>	<b>14,238</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(6,323)</b>	<b>(6,463)</b>	<b>(7,715)</b>	<b>(6,334)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Reconciliation whole of Council funding impact statement to comprehensive revenue and expense

	2015/16 Actual \$000s	2015/16 Plan \$000s	2016/17 Actual \$000s	2016/17 Plan \$000s
<b>Revenue</b>				
Statement of Comprehensive Revenue and Expense	37,233	33,122	33,533	34,646
<b>Summary Funding Impact Statement</b>				
<b>Sources of Operating Funding</b>				
Total operating funding	30,501	28,294	30,012	29,040
Add sources of capital funding:				
- Subsidies and grants for capital expenditure	6,724	4,828	4,354	5,606
- Investment (gains/losses)	-	-	-	-
Other dedicated capital funding	822	-	-	-
Less rates remission and discount	(483)	-	(503)	-
Less internal rates revenue eliminated	(331)	-	(330)	-
<b>Total Revenue</b>	<b>37,233</b>	<b>33,122</b>	<b>33,533</b>	<b>34,646</b>
<b>Expenditure</b>				
Statement of Comprehensive Revenue and Expense	34,732	32,924	33,068	34,503
<b>Summary Funding Impact Statement</b>				
<b>Application of Operating Funding</b>				
Total application of operating funding	24,178	21,832	22,297	22,706
Add depreciation and amortisation expense	11,370	11,092	11,610	11,797
Less rates remission and discount	(483)	-	(509)	-
Less internal rates revenue eliminated	(331)	-	(330)	-
<b>Total Expenditure</b>	<b>34,732</b>	<b>32,924</b>	<b>33,068</b>	<b>34,503</b>



# Statement of Accounting Policies

For the year ended 30 June 2017

## 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.

Tararua District Council has an 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 2017. The financial statements were authorised for issue by Council on 31 October 2017.

## 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 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 an 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 include 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 cost adjusted for any loss on service potential.

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 loss of service potential or net realisable value is recognised in the surplus or deficit in the year of the write down.

## 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
<b>Operational &amp; Restricted Assets</b>		
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%)

Asset Category	Useful Life	Depreciation Rate
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)	13–40	(2.5%–7.7%)
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	50–140	(0.7%–2%)
Kerbing	25–100	(1%–4%)
Footpaths	10–100	(1%–10%)
Signs	8	(12.5%)
Streetlights	15–75	(1.3%–6.7%)
Bridges	45–150	(0.7%–2.2%)

#### Stormwater

Pipes	50–140	(0.7%–2%)
Manholes	90–140	(0.7%–1.1%)

#### Wastewater Network

Pipes and manholes	50–135	(0.7%–2%)
Treatment ponds	55–65	(1.5%–1.8%)
Pumps	20–40	(2.5%–5%)
Flow monitoring equipment	20	(5%)

#### Water Network

Monitoring equipment (hardware)	5–30	(3.3%–20%)
Pipes, hydrants, valves	40–150	(0.7%–2.5%)
Treatment plants	10–100	(1%–10%)
Pumps	15–30	(3.3%–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.

## 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.

### 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.

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 programmes;
- 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 19.

## 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 2017.

### 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.

# Notes to Financial Statements

For the year ended 30 June 2017

## 1. Cash and cash equivalents

The average interest rate received on the bank deposit for the 2016/17 year was 3.16%. In 2015/16 this was 3.16%.

	2015/16 Actual \$000s	2016/17 Actual \$000s
Cash at bank and in hand	2,734	269
Term deposits maturing 3 months or less from date of acquisition	29	8
<b>Total Cash and Cash Equivalents</b>	<b>2,763</b>	<b>277</b>

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 at bank and investments, of \$42,000 (2016: \$44,000). These unspent funds relate to trusts received (Note 27). 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:

	2015/16 Actual \$000s	2016/17 Actual \$000s
Cash and cash equivalent current asset	2,734	269
Short term deposits maturing 3 months or less from date of acquisition	29	8
Cash and cash equivalent current liability – bank overdraft	-	-
<b>Total Cash Resources</b>	<b>2,763</b>	<b>277</b>





## 2. Rates revenue

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>General Rates</b>		
Uniform Annual General Charge	4,104	4,029
General Land Rates	2,507	2,710
<b>Targeted Rates Attributable to Group of Activities</b>		
Community and Recreation Facilities	1,580	1,627
District Promotion and Economic Development	425	436
Regulatory Services	220	239
Roading and Footpaths	6,790	6,858
Solid Waste Management	865	899
Stormwater	657	736
Wastewater	1,945	1,877
Water Supplies	1,574	1,613
<b>Rates Revenue before Discount</b>	<b>20,666</b>	<b>21,022</b>
Less 3% discount for full payment at time of first instalment	(77)	(85)
<b>Rates Revenue after Discount</b>	<b>20,589</b>	<b>20,937</b>
Plus metered water charges	476	512
Less Rates Remissions	(406)	(410)
Less Rates internally charged to Council	(331)	(330)
Plus Net Rates Penalties	294	295
<b>Total revenue from rates</b>	<b>20,622</b>	<b>21,005</b>

### Rates Remissions

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Rates Remissions</b>		
Footpath Development Loans (Dannevirke Town Centre)	8	9
Sewerage – educational establishments	81	77
General Rates	284	286
General Rates – not for profit sports and cultural	33	38
<b>Total</b>	<b>406</b>	<b>410</b>

Council had 10,590 rateable assessments as at 30 June 2016. The total capital and land value of these assessments was \$4,785,359,380 and \$2,965,378,000 respectively.



### 3. Finance revenue and finance costs

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Finance Revenue</b>		
Interest on bank deposits	284	216
<b>Total Finance Revenue</b>	<b>284</b>	<b>216</b>
<b>Finance Costs</b>		
Interest on bank overdraft	-	-
Landfill interest expense	(15)	(9)
Fair value movement of derivative	443	(336)
Interest on secured loans	507	515
<b>Total Finance Costs</b>	<b>935</b>	<b>171</b>
<b>Net Finance (Costs)/Gain</b>	<b>(651)</b>	<b>45</b>

### 4. Fees and charges

	2015/16 Actual \$000s	2016/17 Actual \$000s
Building and planning consent charges	388	419
Dog registration fees	231	242
Landfill and transfer station charges	506	509
Pensioner housing rent	353	345
Trade waste charges	90	109
Petroleum tax	163	165
Rendering of services	33	-
Other fees and charges	522	559
<b>Total</b>	<b>2,287</b>	<b>2,347</b>



## 5. Other revenue

	2015/16 Actual \$000s	2016/17 Actual \$000s
Revenue from the various domain boards	116	131
Bequests and other donations	-	-
Insurance recoveries:		
- wastewater pipes	588	-
- buildings	244	13
Other	335	194
<b>Total Miscellaneous Revenue</b>	<b>1,283</b>	<b>338</b>

## 6. Other gains and losses

	2015/16 Actual \$000s	2016/17 Actual \$000s
Gain/(Loss) on disposal of property, plant & equipment	(219)	64
Gain (Loss) on Investment properties	71	(26)
Gain (Loss) on change in forestry value	108	519
Infracon proceeds	680	-
<b>Total Gains/(Losses)</b>	<b>640</b>	<b>557</b>

## 7. Personnel costs

Salaries and wages includes movements in employee benefit liabilities.

	2015/16 Actual \$000s	2016/17 Actual \$000s
Salaries and wages	4,581	4,798
Defined contribution plan employer contributions	124	126
Training costs	166	168
Increase/(decrease) in employee entitlements/liabilities	20	20
<b>Total Employee Benefit Costs</b>	<b>4,891</b>	<b>5,112</b>

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

During the year to 30 June 2017, 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:

	2015/16 \$000s	2016/17 \$000s
<b>Mayor</b>		
Roly Ellis	84	27
Roly Ellis, motor vehicle	3	1
Tracey Collis	-	60
Tracey Collis, motor vehicle	-	5
<b>Councillors</b>		
Allan Benbow	-	24
Ernie Christison	-	17
Tracey Collis	26	8
James Crispin	27	26
Warren Davidson	3	-
Keith Fenemor	27	2
Alison Franklin	-	8
Shirley Hull	25	28
Carole Isaacson	25	25
Peter Johns	16	25
Bill Keltie	34	11
David Roberts	27	8
Andrew Thompson	-	17
<b>Total Mayor &amp; Councillors</b>	<b>298</b>	<b>293</b>
<b>Community Boards</b>		
Ernie Christison	5	2
Charlie Death	7	7
Timothy Delaney	5	2
Robert Dresser	11	3
Diana Eagle	4	4
Trudi Hull	4	1
Terry Hynes	-	4
Ross Macdonald	5	9
Sharon Shannon	4	4
Kim Spooner	-	4
Pat Walshe	-	4
Pauline Wilson	-	3
<b>Total Community Boards</b>	<b>45</b>	<b>44</b>



	2015/16 \$000s	2016/17 \$000s
<b>Chief Executive</b>		
Blair King, employee benefit costs	215	211
Defined contribution plan - employer contributions	17	17
Blair King, motor vehicle	15	15
<b>Total Chief Executive</b>	<b>248</b>	<b>243</b>
<b>Severance Payments</b>		
All employees (2 in 2016)*	25	-

\*The value of each of the severance payments was \$15,000 and \$10,000 (2015/16).

### Total employee annual remuneration by band

Remuneration Band	2015/16	2016/17
Less than \$60,000	60	54
\$60,000–\$79,999	17	21
\$80,000–\$99,999	6	6
\$100,000–\$239,999	5	5
<b>Total</b>	<b>88</b>	<b>86</b>

Total remuneration includes non-financial benefits provided to employees.

At balance date, Council employed 57 (2016: 56) full-time employees, with balance of staff representing 15.0 (2016: 17.3) full-time equivalent employees. At balance date, Council employed five casual staff (2016: five).

A full-time equivalent (FTE) employee is determined on the basis of a 40-hour working week.

## 8. Employee entitlements

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Current Portion</b>		
Accrued pay	79	95
Annual leave	346	349
Long service leave	3	3
Sick leave	-	-
<b>Total Current Portion</b>	<b>429</b>	<b>448</b>
<b>Non-Current Portion</b>		
Retirement leave	27	28
<b>Total Employee Entitlements</b>	<b>456</b>	<b>476</b>

### Employee provisions – movements

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Opening Balance</b>	<b>436</b>	<b>456</b>
Additional provision	394	398
Amount used	(374)	(378)
<b>Net Movement for the Year</b>	<b>20</b>	<b>20</b>
<b>Closing Balance</b>	<b>456</b>	<b>476</b>

## 9. Other operating expenses

	2015/16 Actual \$000s	2016/17 Actual \$000s
Audit fees for financial statement audit – current year	110	115
Audit fees for debenture trust deed	4	4
Audit fees for financial statement audit – prior year	10	-
Impairment of receivables movement (see note 12)	239	(37)
Inventory consumption	149	7
Rental and operating lease expenses	47	44
Other operating expenses	16,978	16,042
<b>Total Other Operating Expenses</b>	<b>17,538</b>	<b>16,175</b>

## 10. Depreciation & amortisation expense by group of activities

	2015/16 Actual \$000s	2016/17 Actual \$000s
Building Communities and Leadership	4	4
Community and Recreation Facilities	1,928	1,975
District Promotion and Economic Development	5	16
Regulatory Services	84	80
Roading and Footpaths	7,260	7,325
Solid Waste Management	96	96
Stormwater	226	224
Wastewater	763	889
Water Supplies	1,001	1,000
<b>Total</b>	<b>11,368</b>	<b>11,610</b>

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

## 11. Taxation

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Relationship between Tax and Accounting Profit</b>		
Operating surplus/(deficit) before income tax	3,141	1,022
Prima facie tax @ 28%	879	286
Tax effect of permanent differences:		
Non-deductible expenditure	(879)	(286)
Deferred tax adjustment	-	-
<b>Total Income Tax Expense</b>	<b>-</b>	<b>-</b>

## 12. Debtors and other receivables

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>(Amounts include GST)</b>		
<b>Current Portion</b>		
Rates receivables	1,823	1,715
Sundry debtors	1,204	692
Sundry debtors - NZ Transport Agency: roading subsidies	723	1,700
Interest accrued	7	35
Prepayments	171	238
Contract work in progress	-	-
Other receivables	743	644
	<b>4,670</b>	<b>5,024</b>
Less provision for impairment of receivables	(412)	(375)
<b>Current Portion</b>	<b>4,259</b>	<b>4,648</b>
<b>Non-Current Portion</b>		
Prepayments	46	-
<b>Non-Current Portion</b>	<b>46</b>	<b>-</b>
<b>Total Trade And Other Receivables</b>	<b>4,305</b>	<b>4,648</b>
<b>Total receivables comprise:</b>		
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	3,995	4,308
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	310	340

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

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>(Amounts include GST)</b>		
Total rates receivable	1,823	1,715
Less assessed impairment	(301)	(357)
<b>Net assessed as collectible after rating sales &amp; expected collection</b>	<b>1,522</b>	<b>1,358</b>
<b>Collectible split for rating years as:</b>		
> 12 months	615	532
< 12 months	907	826
<b>Carrying amount</b>	<b>1,522</b>	<b>1,358</b>



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

	2015/16 Actual \$000s	2016/17 Actual \$000s
(Amounts include GST)		
Current	921	1,785
1 month	729	1,120
2 months	1,021	1
Over 2 months	111	26
	<b>2,782</b>	<b>2,933</b>

### 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 (2016: \$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 status of receivables as at 30 June 2017 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 Roading. 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 (2016: \$NIL).
- The carrying value of trade and other receivables (excluding loans to related parties) approximates their fair value. As of 30 June 2017, 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:

	2015/16 Actual \$000s	2016/17 Actual \$000s
At 1 July	173	412
Additional/(reduction in) provisions made during the year	239	(37)
Less receivables written off during period	-	-
<b>At 30 June</b>	<b>412</b>	<b>375</b>



## 13. Forestry assets

	2015/16 Actual \$000s	2016/17 Actual \$000s
Balance at 1 July	1,414	1,137
Increases due to purchases	-	-
Gains/Losses arising from changes in fair value - less estimated sale costs	109	519
Decreases due to sales	-	-
Decrease due to harvest	(386)	-
<b>Balance at 30 June</b>	<b>1,137</b>	<b>1,656</b>

### Council

Council owns 377.1 hectares of pinus radiata forest at year end (2016: 346.8 hectares). The trees are at varying stages of maturity ranging from 0–30 years. Council owns an additional 24.4 hectares of stands that are uneconomical to harvest at current log prices.

During the 2016/17 year, Council harvested 3.9 hectares of forest at Kaiparoro (2015/16: 101.1 hectares at Birch North). Council replanted 66.3 hectares at the Birch North site in 2016/17.

Registered valuer, P F Olsen, has valued forestry assets as at 30 June 2017. 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

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Held for distribution inventory</b>		
Rural fire consumables	16	13
Paper stock	69	34
i-SITE stock	3	3
<b>Commercial inventory</b>		
Livestock	4	5
Material stocks	31	61
<b>Total Inventory and Livestock</b>	<b>123</b>	<b>116</b>

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



## 15. Other financial assets

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Current Portion</b>		
Short term deposits greater than 3 months but less than 12 months	6,144	5,384
<b>Total Current Portion</b>	<b>6,144</b>	<b>5,384</b>
<b>Non-current Portion</b>		
Term deposits greater than 12 months	-	-
Local Government Funding Agency borrower notes	144	160
Tararua Aquatic Community Trust settled by Council (Initial \$500 capital)	1	1
New Zealand Local Government Insurance Corporation Limited	118	118
MW LASS shares	1	1
<b>Total Non-Current Portion</b>	<b>263</b>	<b>279</b>
<b>Total Investments</b>	<b>6,407</b>	<b>5,664</b>

### Term deposits

The carrying amount of term deposits approximates their fair value.

### Impairment

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

## 16. Investment property

	2015/16 Actual \$000s	2016/17 Actual \$000s
Balance at 1 July	1,737	1,808
Additions from reclassification	-	-
Disposals/sales	-	(179)
Fair value gains/(losses) on valuation	71	(27)
<b>Balance at 30 June</b>	<b>1,808</b>	<b>1,602</b>
Rental revenue	26	23
Direct operating expenses	(104)	(41)
<b>Surplus/(Deficit)</b>	<b>(78)</b>	<b>(18)</b>

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. Aon New Zealand are experienced valuers with extensive market knowledge in the type and location of property owned by Council.

## 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 2017 the loans repayable to tenants totalled \$480,075 (2016: \$477,075).

## 18. Assets held for sale

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Non-current assets held for sale</b>		
Buildings	109	-
Land	29	-
<b>Total Non-Current Assets Held for Sale</b>	<b>138</b>	<b>-</b>

The three pensioner units in Swinburn Street, Dannevirke, were sold in August 2016.

## 19. Property, plant & equipment

### Valuation

#### Council valuations

##### Infrastructure assets – roading 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. Aon New Zealand are experienced valuers with extensive market knowledge in the type and location of assets owned by Council. The valuation was effective as at 1 July 2016.

The total fair value valued by Council and reviewed by Aon New Zealand was \$802,689,773. 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, Michael Blair 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, Michael Blair of Aon New Zealand. Aon New Zealand are experienced valuers with extensive market knowledge in the type and location of assets owned by Council. 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.

## Council 2017

	Cost or valuation opening bal 1-Jul-16 \$000s	Accumulated depreciation opening bal 1-Jul-16 \$000s	Carrying amount opening bal 1-Jul-16 \$000s	Current year additions \$000s	Current year disposals \$000s
<b>Operational Assets</b>					
<b>At Valuation</b>					
Buildings	21,960	(2,717)	19,243	1,489	-
Land	9,152	-	9,152	-	-
<b>At Cost</b>					
Computer equipment	1,705	(1,284)	421	282	-
Fibre cabling and conduits	1,071	(288)	783	24	-
Furniture and fittings	774	(618)	156	30	-
Library collections	1,553	(1,226)	327	107	-
Motor vehicles	1,710	(822)	888	331	(66)
Plant and machinery	2,581	(1,608)	973	205	-
Swimming pools	520	(207)	313	-	-
Work in progress	414	-	414	290	-
<b>Total Operational Assets</b>	<b>41,440</b>	<b>(8,770)</b>	<b>32,670</b>	<b>2,758</b>	<b>(66)</b>

## Disposal

The net gain on disposal of property, plant and equipment of \$64,000 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 \$20,071,000. These consisted of constructed assets.

Current year impairment changes \$000s	Current year depn \$000s	Reverse accumul depn on sales or revaluation \$000s	Revaluation movements \$000s	Adjustments* (allocate WIP) (re- class assets) \$000s	Cost or valuation 30-Jun-17 \$000s	Accumul depn & impairment closing bal 30-Jun-17 \$000s	Carrying amount closing bal 30-Jun-17 \$000s
-	(1,339)	-	-	-	23,449	(4,056)	19,393
-	-	-	-	-	9,152	-	9,152
-	(170)	-	-	-	1,987	(1,454)	533
-	(41)	-	-	-	1,095	(329)	766
-	(19)	-	-	-	804	(637)	167
-	(49)	-	-	-	1,660	(1,275)	385
-	(211)	64	-	-	1,911	(905)	1,006
-	(226)	-	-	-	2,786	(1,834)	952
-	(29)	-	-	-	520	(236)	284
-	-	-	-	(211)	493	-	493
-	(2,084)	64	-	(211)	43,857	(10,726)	33,130



	Cost or valuation opening bal 1-Jul-16 \$000s	Accumulated depreciation opening bal 1-Jul-16 \$000s	Carrying amount opening bal 1-Jul-16 \$000s	Current year additions \$000s	Current year disposals \$000s
<b>Infrastructure Assets</b>					
<b>At Valuation</b>					
Road network	651,930	(5,632)	646,298	6,670	-
Road bridges and culverts	75,259	(1,489)	73,770	43	-
Road land	24,395	-	24,395	-	-
Road and forestry roads	315	-	315	-	-
Wastewater treatment plants and facilities	13,673	(318)	13,355	3,072	-
Wastewater network and other assets	16,349	(421)	15,928	282	-
Stormwater systems	11,431	(226)	11,205	-	-
Street-lighting	1,633	(62)	1,571	27	-
Waste management	1,088	(976)	112	-	-
Water supply treatment plants and facilities	9,169	(455)	8,714	967	-
Water supply network and other assets	32,327	(530)	31,797	359	-
<b>At Cost</b>					
Work in Progress	9,349	-	9,349	5,893	-
<b>Total Infrastructure Assets</b>	<b>846,918</b>	<b>(10,109)</b>	<b>836,809</b>	<b>17,313</b>	<b>-</b>
<b>Restricted Assets</b>					
<b>At Valuation</b>					
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	-	-
<b>Total Restricted Assets</b>	<b>4,770</b>	<b>-</b>	<b>4,770</b>	<b>-</b>	<b>-</b>
<b>Total Council Assets</b>	<b>893,128</b>	<b>(18,879)</b>	<b>874,249</b>	<b>20,071</b>	<b>(66)</b>
Plus Intangible Amortisation					
<b>Total Parent Depreciation and Amortisation</b>					

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



Current year impairment changes \$000s	Current year depn \$000s	Reverse accumul depn on sales or revaluation \$000s	Revaluation movements \$000s	Adjustments* (allocate WIP) (re- class assets) \$000s	Cost or valuation 30-Jun-17 \$000s	Accumul depn & impairment closing bal 30-Jun-17 \$000s	Carrying amount closing bal 30-Jun-17 \$000s
-	(5,651)	5,632	(9,416)	792	649,976	(5,651)	644,325
-	(1,525)	1,489	(1,178)	(792)	73,332	(1,525)	71,807
-	-	-	-	-	24,395	-	24,395
-	-	-	-	-	315	-	315
-	(425)	318	(262)	-	16,483	(425)	16,058
-	(420)	421	9	-	16,640	(420)	16,220
-	(224)	226	-	-	11,431	(224)	11,207
-	(72)	62	(240)	-	1,420	(72)	1,348
-	(33)	-	-	-	1,088	(1,009)	79
-	(455)	455	(86)	139	10,189	(455)	9,734
-	(527)	530	2,094	(139)	34,641	(527)	34,114
-	-	-	-	(3,024)	12,218	-	12,218
-	<b>(9,332)</b>	<b>9,133</b>	<b>(9,079)</b>	<b>(3,024)</b>	<b>852,128</b>	<b>(10,308)</b>	<b>841,820</b>
-	-	-	-	-	1,551	-	1,551
-	-	-	-	-	1,973	-	1,973
-	-	-	-	-	646	-	646
-	-	-	-	-	365	-	365
-	-	-	-	-	235	-	235
-	-	-	-	-	<b>4,770</b>	-	<b>4,770</b>
-	<b>(11,416)</b>	<b>9,197</b>	<b>(9,079)</b>	<b>(3,235)</b>	<b>900,755</b>	<b>(21,034)</b>	<b>879,721</b>
	(194)						
	<b>(11,610)</b>						



## Council 2016

	Cost or valuation opening bal 1-Jul-15 \$000s	Accumulated depreciation opening bal 1-Jul-15 \$000s	Carrying amount opening bal 1-Jul-15 \$000s	Current year additions \$000s	Current year disposals \$000s
<b>Operational Assets</b>					
<b>At Valuation</b>					
Buildings	21,333	(1,358)	19,975	1,171	(394)
Land	9,274	-	9,274	137	(230)
<b>At Cost</b>					
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	-
<b>Total Operational Assets</b>	<b>40,533</b>	<b>(6,889)</b>	<b>33,644</b>	<b>2,289</b>	<b>(817)</b>
<b>Infrastructure Assets</b>					
<b>At Valuation</b>					
Roading Network	676,581	(5,702)	670,879	5,987	-
Roading Bridges and Culverts	57,637	(1,482)	56,155	950	(35)
Roading Land	24,395	-	24,395	-	-
Roading 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	-
<b>At Cost</b>					
Work in Progress	9,520	-	9,520	4,548	-
<b>Total Infrastructure Assets</b>	<b>849,558</b>	<b>(10,140)</b>	<b>839,418</b>	<b>19,270</b>	<b>(139)</b>





Current year impairment changes \$000s	Current year depn \$000s	Reverse accumul deprn on sales or revaluation \$000s	Revaluation movements \$000s	Adjustments* (allocate WIP) (re- class assets) \$000s	Cost or valuation 30-Jun-16 \$000s	Accumul deprn & impairment closing bal 30-Jun-16 \$000s	Carrying amount closing bal 30-Jun-16 \$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
<b>-</b>	<b>(2,018)</b>	<b>137</b>	<b>(41)</b>	<b>(523)</b>	<b>41,440</b>	<b>(8,770)</b>	<b>32,670</b>
-	(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
<b>-</b>	<b>(9,166)</b>	<b>9,197</b>	<b>(17,052)</b>	<b>(4,719)</b>	<b>846,918</b>	<b>(10,109)</b>	<b>836,808</b>



	Cost or valuation opening bal 1-Jul-15 \$000s	Accumulated depreciation opening bal 1-Jul-15 \$000s	Carrying amount opening bal 1-Jul-15 \$000s	Current year additions \$000s	Current year disposals \$000s
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### 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	235	-	235	-	-
<b>Total Restricted Assets</b>	<b>4,770</b>	<b>-</b>	<b>4,770</b>	<b>-</b>	<b>-</b>
<b>Total Council Assets</b>	<b>894,861</b>	<b>(17,029)</b>	<b>877,832</b>	<b>21,559</b>	<b>(956)</b>

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.

### 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	2	1,006	1,911	1,529	-	-	95
Buildings and Other Operational Assets		22,480	32,301	94,651	-	-	-
Road and Footpath Assets	1	717,480	919,395	-	579,219	337,846	2,330
Wastewater Network		32,278	57,928	19,440	34,757	3,716	15
Stormwater Network		11,207	18,073	7,202	10,844	22	5
Water Supply Network		43,848	78,983	24,059	47,390	7,522	12
<b>Total</b>		<b>828,299</b>	<b>1,108,591</b>	<b>146,881</b>	<b>672,210</b>	<b>349,106</b>	<b>2,457</b>

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 average 76% subsidy from NZ Transport Agency for flood damage work and average 63% for operational and renewal expenditure in 2016/17. 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. 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 \$000s	Current year depn \$000s	Reverse accumul deprn on sales or revaluation \$000s	Revaluation movements \$000s	Adjustments* (allocate WIP) (re- class assets) \$000s	Cost or valuation 30-Jun-16 \$000s	Accumul deprn & impairment closing bal 30-Jun-16 \$000s	Carrying amount closing bal 30-Jun-16 \$000s
-	-	-	-	-	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)							

## Work in progress

	Year ended 2015/16	Year ended 2016/17
<b>Operational Assets</b>		
<b>Balance</b>	<b>414</b>	<b>493</b>
<b>Made up of:</b>		
Buildings	400	481
Fibre Cabling & Conduits	-	12
Plant & Machinery	14	-
<b>Infrastructure Assets</b>		
<b>Balance</b>	<b>9,349</b>	<b>12,218</b>
<b>Made up of:</b>		
Roading Network	3,632	5,036
Roading - Forestry Roads	350	378
Wastewater Treatment Plants & Facilities	2,658	1,909
Wastewater Network and Other Assets	1,116	1,108
Stormwater Systems	42	135
Waste Management	12	66
Water Supply Treatment Plants & Facilities	1,003	2,991
Water Supply Network and Other Assets	536	594



## 20. Intangible assets

	Cost	Accumulated amortisation impairment expense closing balance 1 July 2016	Opening carrying amount	Additions	Disposals/ transfers
	\$000	\$000	\$000	\$000	\$000
<b>2016/17</b>					
Computer software	1,933	(1,344)	589	18	-
Intangible WIP	133	-	133	148	(2)
Library e-books	7	(4)	3	-	-
Easement rights	12	-	12	-	-
Carbon credits	438	-	438	-	-
<b>Total</b>	<b>2,523</b>	<b>(1,348)</b>	<b>1,175</b>	<b>166</b>	<b>(2)</b>
<b>2015/16</b>					
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	-	-
<b>Total</b>	<b>2,037</b>	<b>(1,162)</b>	<b>875</b>	<b>231</b>	<b>(12)</b>

## 21. Payables and deferred revenue

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Payables and deferred revenue under exchange transactions</b>		
Trade payables	3,487	3,536
Amounts payable to related parties including their retentions	-	-
Interest accrued	50	53
Revenue in advance	13	-
Amounts payable to contractors as retentions	365	288
<b>Total</b>	<b>3,915</b>	<b>3,877</b>
<b>Payables and deferred revenue under non-exchange transactions</b>		
Other taxes payable (e.g. GST and PAYE)	104	106
Grants payable	5	5
Rates revenue in advance	164	153
<b>Total</b>	<b>274</b>	<b>264</b>
<b>Total payables and deferred revenue</b>	<b>4,189</b>	<b>4,141</b>

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.



Revaluation movement	Amortisation impairment expense \$000	Accumulated amortisation & impairment expense closing balance 30 June 2017 \$000	Closing balance 30 June 2017 \$000
-	(193)	(1,537)	415
-	-	-	278
-	(1)	(5)	3
-	-	-	12
(27)	-	-	411
<b>(27)</b>	<b>(194)</b>	<b>(1,542)</b>	<b>1,118</b>
-	(183)	(1,344)	589
-	-	-	133
-	(2)	(4)	4
-	-	-	12
267	-	-	438
<b>267</b>	<b>(185)</b>	<b>(1,347)</b>	<b>1,176</b>

## 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 4.91% (2016: 5.33%).

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Landfill aftercare provision</b>		
Opening balance	692	639
Additional provisions during the year	-	42
Amounts used during the year	(24)	(27)
Unused amounts reversed during the year	(14)	-
Discount unwinding	(15)	(9)
<b>Closing balance</b>	<b>639</b>	<b>645</b>
<b>Made up of</b>		
Current portion	-	176
Non-current portion	639	469
<b>Total provision</b>	<b>639</b>	<b>645</b>

## 23. Borrowings

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Current</b>		
Bank Overdraft	-	-
Secured Loans	-	3,000
<b>Total current borrowings</b>	<b>-</b>	<b>3,000</b>
<b>Non-current</b>		
Derivative Financial Instruments	924	589
Secured Loans	9,000	8,000
<b>Total non-current borrowings</b>	<b>9,924</b>	<b>8,589</b>
<b>Total borrowings</b>	<b>9,924</b>	<b>11,589</b>

### Fixed-rate borrowings

	Maturity Date	Interest Rate 2015/16	Interest Rate 2016/17	Actual 2015/16 \$000s	Actual 2016/17 \$000s
<b>Current</b>					
Multi-Option Credit Facility		-	-	-	-
LGFA Commercial Paper	18 October 2017	-	2.21%	-	1,000
LGFA Bond Issue	15 December 2017	-	2.86%	-	2,000
<b>Total current borrowings</b>				<b>-</b>	<b>3,000</b>
<b>Non-current</b>					
LGFA Bond Issue	15 December 2017	3.27%	-	2,000	-
LGFA Bond Issue	15 March 2019	3.04%	2.63%	1,000	1,000
LGFA Bond Issue	15 May 2021	3.35%	2.99%	2,000	2,000
LGFA Bond Issue	15 March 2019	2.92%	2.51%	1,000	1,000
LGFA Bond Issue	15 April 2020	3.01%	2.65%	2,000	2,000
LGFA Bond Issue	15 April 2023	3.24%	2.88%	1,000	1,000
LGFA Bond Issue	15 August 2023	-	3.01%	-	1,000
<b>Total non-current borrowings</b>				<b>9,000</b>	<b>8,000</b>
<b>Total borrowings</b>				<b>9,000</b>	<b>11,000</b>

### Secured Loans

The Council's secured debt of \$11 million (2016: \$9 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 (2016: \$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 (2016: \$NIL)

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

	2015/16 \$000s	2016/17 \$000s
<b>Other borrowing facilities and amount drawn down as at 30 June</b>		
Multi-Option Credit Line Facility		
- Limit	5,000	3,000
- Drawn down	-	-
Overdraft facility (\$500,000 approved but only \$200,000 limited loaded)		
- Limit	500	500
- Drawn down	-	-
BNZ Business Visa		
- Limit	140	140
- Drawn down	6	3
<b>Liabilities outstanding under Letter of Credit</b>		
None	-	-
<b>Outstanding commitments on forward exchange contracts</b>		
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
<b>Expense Interest Rates 2017</b>		
Less than one year	-	3,000,000
weighted average effective interest rate	-	2.64%
Later than one year but not more than five years	-	6,000,000
weighted average effective interest rate	-	2.74%
Later than five years	-	2,000,000
weighted average effective interest rate	-	2.95%
<b>Expense Interest Rates 2016</b>		
Less than one year	-	-
weighted average effective interest rate	-	-
Later than one year but not more than five years	-	8,000,000
weighted average effective interest rate	-	3.15%
Later than five years	-	1,000,000
weighted average effective interest rate	-	3.24%

## Internal borrowing

Group of activities	Opening balance 1 July 2016 \$000s	Adjustments* \$000s	New loans \$000s	Loans repaid \$000s	Closing balance 30 June 2017 \$000s	Interest paid \$000s
Community and Recreation Facilities	1,039	6	891	(124)	1,812	43
District	1,177	-	150	(68)	1,259	36
District Promotion	68	-	19	(3)	83	2
Regulatory Services	261	(7)	250	(18)	486	11
Roading	3,221	(149)	431	(293)	3,209	95
Solid Waste	2,321	(2)	59	(132)	2,245	68
Stormwater	1,443	-	65	(160)	1,347	43
Wastewater	4,570	2,606	1,525	(600)	8,101	229
Water Supplies	5,462	5	2,808	(390)	7,886	198
<b>Total</b>	<b>19,561</b>	<b>2,459</b>	<b>6,198</b>	<b>(1,788)</b>	<b>26,430</b>	<b>723</b>

\* The Wastewater adjustment relates to correcting a prior adjustment 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, housing, and forestry 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 Res \$000s	Council Trusts \$000s	Council Total Equity \$000s
<b>2017</b>					
<b>Balance at 1 July</b>	<b>350,302</b>	<b>497,342</b>	<b>28,731</b>	<b>44</b>	<b>876,419</b>
Net surplus/(deficit) for the year	1,022	-	-	-	1,022
Fair value through equity, valuation gains	-	-	-	-	-
Increases/(decreases) from revaluation	-	25	-	-	25
Tax on equity items	-	-	-	-	-
<b>Change in equity for the year before transfers of equity reserves</b>	<b>1,022</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>1,047</b>
<b>Transfers between equity reserves:</b>					
Net Appropriation from Accumulated Funds to Special Funds	(2,865)	-	2,865	-	-
Net Appropriation to Accumulated Funds from Trust Funds	2	-	-	(2)	-
Net Transfers from Revaluation Reserves to Accumulated Funds	-	-	-	-	-
<b>Total change in equity for the period</b>	<b>(1,841)</b>	<b>25</b>	<b>2,865</b>	<b>(2)</b>	<b>1,047</b>
<b>Balance at 30 June</b>	<b>348,461</b>	<b>497,367</b>	<b>31,595</b>	<b>42</b>	<b>877,466</b>
<b>2016</b>					
<b>Balance at 1 July</b>	<b>346,912</b>	<b>504,973</b>	<b>28,976</b>	<b>49</b>	<b>880,910</b>
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	-	-	-	-	-
<b>Change in equity for the year before transfers of equity reserves</b>	<b>3,141</b>	<b>(7,631)</b>	<b>-</b>	<b>-</b>	<b>(4,490)</b>
<b>Transfers between equity reserves:</b>					
Net Appropriation from Accumulated. Funds to Special Funds	245	-	(245)	-	-
Net Appropriation to Accumulated. Funds from Trust Funds	5	-	-	(5)	-
Net Transfers from Revaluation Reserves to Accumulated. Funds	-	-	-	-	-
<b>Total change in equity for the period</b>	<b>3,391</b>	<b>(7,631)</b>	<b>(245)</b>	<b>(5)</b>	<b>(4,490)</b>
<b>Balance at 30 June</b>	<b>350,302</b>	<b>497,342</b>	<b>28,731</b>	<b>44</b>	<b>876,419</b>

## 25. Revaluation reserves

### 2017

	Balance 1 July 2016 \$000s	Revaluation assets changes \$000s	Disposals/ value adjust. \$000s	Balance 30 June 2017 \$000s
<b>Council Revaluation Reserves</b>				
<b>Fixed Assets Revaluation Reserves</b>				
Operational: Land	6,247	-	-	6,249
Operational: Buildings	15,553	-	-	15,553
Intangible: Carbon Credits	344	(27)	-	317
Heritage Assets	8	-	-	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
Road Network	360,166	(3,170)	-	356,996
Road Land	4,527	-	-	4,527
Bridges and Culverts	50,803	(482)	-	50,321
Stormwater	8,308	226	-	8,534
Water Network	33,444	2,992	-	36,436
Wastewater	14,323	485	-	14,808
<b>Total fixed assets revaluation reserves</b>	<b>497,342</b>	<b>25</b>	<b>-</b>	<b>497,367</b>



## 2016

	Balance 1 July 2015 \$000s	Revaluation assets changes \$000s	Disposals/ value adjust. \$000s	Balance 30 June 2016 \$000s
<b>Council Revaluation Reserves</b>				
<b>Fixed Assets Revaluation Reserves</b>				
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
<b>Total Fixed Assets Revaluation Reserves</b>	<b>504,973</b>	<b>(7,590)</b>	<b>(41)</b>	<b>497,342</b>

## 26. Special funded reserves

2017

	Balance 1 July 2016 \$000s	Transfers in \$000s	Transfers out \$000s	Transfer interest in \$000s	Balance 30 June 2017 \$000s
Tararua General Purpose	1,700	37	(58)	35	1,714
Tararua Land Subdivision and Development	-	-	-	-	-
Council Depreciation	20,476	7,986	(5,820)	814	23,456
Tararua Emergency Roothing	2,272	-	-	58	2,330
Tararua Gratuity	84	-	-	-	84
Infrastructure Protection Reserve	133	-	(90)	4	47
Tararua Housing	1,096	137	(165)	42	1,110
Dannevirke Airport Authority	4	-	-	-	4
District Cemeteries	22	-	-	1	23
Makuri Water Scheme	12	-	-	-	12
Recreation Grant	56	20	-	2	78
Tenant Contribution	489	3	-	-	492
Pongaroa Water Supply Depreciation	198	7	(10)	7	202
Heritage Reserve	73	-	-	1	74
Biodiversity Protection	12	10	-	-	22
Election	(12)	-	(55)	-	(67)
Waste Management	269	57	(44)	9	291
TACT Wai Splash Depreciation	182	40	(86)	7	143
Forestry Reserve	1,171	189	(301)	37	1,096
Bush Multisport Depreciation	121	-	-	4	125
Domain Boards Bank Balances	374	131	(144)	-	361
<b>Total Council</b>	<b>28,731</b>	<b>8,617</b>	<b>(6,773)</b>	<b>1,021</b>	<b>31,595</b>

### Summary of special fund movements

	Balance 1 July 2016 \$000s	Net transfer (to)/from Accumulated Funds \$000s	Balance 30 June 2017 \$000s
<b>Total Council</b>	<b>28,731</b>	<b>2,865</b>	<b>31,595</b>



## 2016

	Balance 1 July 2015 \$000s	Transfers in \$000s	Transfers out \$000s	Transfer interest in \$000s	Balance 30 June 2016 \$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
<b>Total Council</b>	<b>28,976</b>	<b>5,266</b>	<b>(6,401)</b>	<b>891</b>	<b>28,731</b>

## 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.
Tararua 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
Tararua 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"> <li>• Proceeds from sale or disposal of assets where a particular function is discontinued, and for property sales.</li> <li>• Insurance monies received when buildings or property are damaged and not reinstated.</li> <li>• Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest.</li> <li>• 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.</li> </ul>
Tararua Emergency Roading	Roading 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.
Tararua Gratuity	All activities	This reserve is for staff who have qualified or qualify for gratuities.
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 for the Housing activity.  This reserve can be used to fund internal borrowing.
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.



Description	Activity to which fund relates	Purpose of fund
District-Wide Cemetery	Cemeteries	<p>To accumulate funds from the purchase of cemetery plots in the district.</p> <p>This reserve will be used solely for operation and capital expenditure for the Cemeteries activity.</p>
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.
Biodiversity Protection	Parks and Reserves	<p>To support:</p> <ul style="list-style-type: none"> <li>• Sustainable management of the district's natural and physical environment</li> <li>• Protection and enhancement of the community's environment values</li> </ul> <p>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).</p>
Election	Representation	To account for elections funds rate funded each year to spread out election cost in each election year.
Infrastructure Protection Reserve	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	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 boards in trust.
Forestry Reserve	Commercial Investments	<p>Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest.</p> <p>This reserve can be used to fund internal borrowing.</p>



## 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 2016 \$000s	Funds Received \$000s	Expenses Paid \$000s	Interest Earned \$000s	Balance 30 June 2017 \$000s
Dannevirke Fairbrother	10	1	(3)	0	8
Dannevirke Urban Campsite	1	-	-	-	1
Ormondville Play Group	1	-	-	-	1
Pahiatua Heritage	22	-	-	1	23
Arts Council of NZ	1	18	(19)	-	-
Mayoral Storm Relief Fund	9	-	-	-	9
<b>Total Council</b>	<b>44</b>	<b>19</b>	<b>(22)</b>	<b>1</b>	<b>42</b>

### Summary of trust fund movements

	Balance 1 July 2016 \$000s	Net transfer to/(from) Accumulated Funds \$000s	Balance 30 June 2017 \$000s
<b>Total Council</b>	<b>44</b>	<b>(2)</b>	<b>42</b>



## 28. Reconciliation of net surplus to net cash inflow from operating activities

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Reported Surplus/(Deficit) from Statement of Comprehensive Revenue and Expense</b>	<b>3,141</b>	<b>1,022</b>
<b>Add (Less) Non-Cash Items</b>		
Depreciation & amortisation	11,368	11,610
Impairment losses/(recoveries)	-	-
Effect of change in discount rate on provisions and discount unwind	(53)	6
Value of forests sold	385	137
Changes in fair value	442	(335)
Other (gains)/losses & revaluation (increases)/decreases	(179)	(628)
Bad debts written off or bad debt provision	239	(37)
<b>Total Non-Cash Items</b>	<b>12,202</b>	<b>10,753</b>
<b>Add/(Less) Movements in Working Capital Items</b>		
(Increase)/decrease in inventory and livestock	149	7
(Increase)/decrease in accounts receivable & prepayments	904	(343)
Increase/(decrease) in accounts payable & accruals	(98)	(49)
Increase/(decrease) in employee provisions	20	20
(Increase)/decrease in net GST	(139)	50
<b>Total Movements in Working Capital</b>	<b>836</b>	<b>(315)</b>
Add/(less) items classified as investing activities	-	-
<b>Total Items Classified as Investing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Cash Surplus from Operating Activities</b>	<b>16,185</b>	<b>11,460</b>

## 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

	2015/16	2016/17
	\$000	\$000
<b>Councillors</b>		
Remuneration	298	293
Full-Time Equivalent Members	9	9
<b>Senior Management Team, including the Chief Executive</b>		
Remuneration	776	771
Full-Time Equivalent Members	4.7	4
<b>Total Key Management Personnel Remuneration</b>	<b>1,071</b>	<b>1,064</b>
<b>Total full-time equivalent personnel</b>	<b>13.7</b>	<b>13</b>

During the reporting period, total remuneration and compensation of \$14,271 (2016: \$11,938) was provided by the Council to employees who are close family members of key management personnel.

## 30. Capital commitments and operating leases

### 2017

	< 1 Year \$000s	1-5 Years \$000s	> 5 Years \$000s	Total \$000s
<b>Capital Commitments</b>				
Water Supplies	1,042	-	-	1,042
Road network	925	-	-	925
Wastewater	394	-	-	394
Support	95	-	-	95
Community and Recreation Facilities	50	-	-	50
Solid Waste Management	8	-	-	8
<b>Total Capital Commitments</b>	<b>2,514</b>	<b>-</b>	<b>-</b>	<b>2,514</b>

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

### Alliance collaborative agreement

In October 2014, the Taranua District Council formed an alliance with Downer New Zealand to undertake road corridor maintenance activities on its road, footpath, and stormwater networks. This collaborative agreement (the Taranua Alliance) replaced the maintenance contract the Council previously had with Infracon Limited (in liquidation). In 2016 management of the water and wastewater reticulation networks was added to the agreement. The Taranua 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 and utilities reticulation infrastructure – including asset management, regulatory functions, design, physical works, and performance management.

The Taranua 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 2017/18 are as follows:

- Operational expenditure (including overheads and finance cost) - \$6,454,000
- Capital expenditure \$11,482,000

### 2016

	< 1 Year \$000s	1-5 Years \$000s	> 5 Years \$000s	Total \$000s
<b>Capital Commitments</b>				
Road network	2,149	-	-	2,149
Water supply	1,445	-	-	1,445
Buildings	130	-	-	130
<b>Total Capital Commitments</b>	<b>3,724</b>	<b>-</b>	<b>-</b>	<b>3,724</b>

## 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:

	2015/16 \$000	2016/17 \$000
Not later than one year	154	157
Later than one year and not later than five years	484	466
Later than five years	397	304
<b>Total non-cancellable operating leases</b>	<b>1,035</b>	<b>927</b>

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$NIL (2016: \$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:

	2015/16 \$000	2016/17 \$000
Not later than one year	28	27
Later than one year and not later than five years	48	33
Later than five years	-	-
<b>Total non-cancellable operating leases</b>	<b>76</b>	<b>60</b>

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:

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Financial Assets</b>		
Fair value through the surplus or deficit - held for trading	-	-
<b>Loans and Receivables</b>		
Cash and cash equivalents	2,763	277
Debtors and other receivables	4,305	4,648
Other financial assets		
- term deposits	6,144	5,384
- community loans	-	-
- loans to related parties	-	-
<b>Total Loans and Receivables</b>	<b>13,211</b>	<b>10,309</b>
<b>Fair Value Through Other Comprehensive Revenue and Expense</b>		
Other financial assets		
- Local Government Funding Agency borrower notes	144	161
- local authority and government stock	118	118
<b>Total Fair Value Through Other Comprehensive Revenue and Expense</b>	<b>262</b>	<b>279</b>
<b>Total Financial Assets</b>	<b>13,473</b>	<b>10,588</b>
<b>Financial Liabilities</b>		
<b>Fair Value Through the Surplus or Deficit</b>		
Borrowings		
- interest rate swaps	925	589
<b>Financial Liabilities at Amortised Cost</b>		
Creditors and other payables	4,189	4,140
Borrowings		
- bank overdraft	-	-
- secured loans	9,000	11,000
- debentures	-	-
<b>Total Financial Liabilities at Amortised Cost</b>	<b>14,114</b>	<b>15,729</b>

### 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 \$000	Quoted market price \$000	Observable inputs \$000	Significant non-observable inputs \$000
<b>2017</b>				
<b>Financial Assets</b>				
Unlisted shares				
- New Zealand Local Government Insurance Corporation Limited	118	-	-	118
- Unlisted shares (MW LASS)	1	-	-	1
- Local Government Funding Agency borrower notes	160	-	-	160
<b>Financial Liabilities</b>				
Derivative financial instruments	589	-	589	-
<b>2016</b>				
<b>Financial Assets</b>				
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
<b>Financial Liabilities</b>				
Derivative financial instruments	925	-	925	-

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:

	2015/16 \$000	2016/17 \$000
<b>Balance at 1 July</b>	<b>262</b>	<b>262</b>
Gain and losses recognised in the surplus or deficit	-	-
Gain and losses recognised in other comprehensive revenue and expense	-	-
Purchases	-	16
<b>Balance at 30 June</b>	<b>262</b>	<b>278</b>



## 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:

	2015/16 Actual \$000s	2016/17 Actual \$000s
Cash at bank and term deposits	8,907	5,661
Debtors and other receivables	4,305	4,648
Community and related party loans	-	-
Local Government Funding Agency borrower notes	144	161
Local authority and government stock	118	118
<b>Total credit risk</b>	<b>13,473</b>	<b>10,588</b>

## 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:

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Counterparties with Credit Ratings</b>		
<b>Local Government Funding Agency</b>		
AA+ / AA-1+	144	160
<b>Cash at Bank and Term Deposits</b>		
AA-	8,907	5,661
<b>Counterparties without Credit Ratings</b>		
<b>Community and related party loans</b>		
Existing counterparty with no defaults in the past	-	-
Existing counterparty with defaults in the past	-	-
<b>Total community and related party loans</b>	<b>-</b>	<b>-</b>

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 (2016: \$200,000). There are no restrictions on the use of this facility. Council has a pre-approved multi-option facility of another \$3 million 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
<b>2017</b>						
Creditors and other payables	4,140	4,140	4,140	-	-	-
Net settled derivative liabilities	589	589	589	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured Loans	11,000	11,830	3,256	2,223	4,292	2,058
<b>Total</b>	<b>15,729</b>	<b>16,559</b>	<b>7,985</b>	<b>2,223</b>	<b>4,292</b>	<b>2,058</b>
<b>2016</b>						
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
<b>Total</b>	<b>14,114</b>	<b>15,147</b>	<b>5,398</b>	<b>2,252</b>	<b>6,431</b>	<b>1,065</b>

## 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
<b>2017</b>						
Cash and Cash Equivalents	277	277	277	-	-	-
Debtors and other receivables	4,648	4,648	4,648	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- term deposits	5,384	5,504	5,504	-	-	-
- community and related party loans	-	-	-	-	-	-
- Local Government Funding Agency borrower notes	160	160	-	-	-	160
- local authority and government stock	118	118	-	-	-	118
<b>Total</b>	<b>10,587</b>	<b>10,707</b>	<b>10,429</b>	<b>-</b>	<b>-</b>	<b>278</b>
<b>2016</b>						
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
<b>Total</b>	<b>13,473</b>	<b>13,554</b>	<b>13,245</b>	<b>46</b>	<b>-</b>	<b>262</b>

## 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)				2016/17 (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	-	-	-	-	-
Financial Liabilities									
Nett settled derivatives	2	(1,392)	-	(488)	-	(1,024)	-	(185)	-
Borrowings:									
- bank overdraft		-	-	-	-	-	-	-	-
- LGFA loans		(25)	-	25	-	(25)	-	25	-
- multi-option credit facility	3	-	-	-	-	-	-	-	-
Total sensitivity to interest rate risk		(1,425)	-	(455)	-	(1,049)	-	(160)	-

### Explanation of sensitivity analysis – Council

- 1 Cash and cash equivalents include deposits at call totalling \$277,000 (2016: \$2,763,000).  
A movement in interest rates of plus or minus 1% has an effect on interest revenue of \$2,800 (2016: \$27,630).
- 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 (2016: \$8,500,000), with \$2,500,000 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.

	2015/16 Actual \$000s	2016/17 Actual \$000s
<b>Contingent Liabilities</b>		
Weathertight claims	50	50
<b>Total Contingent Liabilities</b>	<b>50</b>	<b>50</b>

### Contingent liability

#### 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 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.

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 councils, including Tararua District Council, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing code compliance certificates. The councils have applied for orders setting aside and striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings, two of which are located at one school within Tararua region. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

## 35. Post balance date events

There are no post balance date events.

## 36. Major budget variations

Explanations for major variances from Council's budget figures in the 2016/17 Annual Plan are detailed below.

### Statement of comprehensive revenue and expense

#### Revenue

- Fees and Charges are under budget by \$639,000. This is due to the reclassification of rates penalties (\$290,000) and metered water charges (\$512,000) to Rates.
- Subsidies are under budget by \$174,000. Subsidies we have received from the NZ Transport Agency are higher than budget by \$175,000. This is due to receiving a higher subsidy rate of 83% for emergency works compared to the normal rate of 63%. Offsetting this is a delay in the Pongaroa water upgrade, resulting in subsidy of \$400,000 from the Ministry of Health not yet received. We expect this to be completed in 2017/18.
- Other revenue is lower than budget due to inclusion of budgeted forestry revenue - see below. This is offset by receipt of \$37,000 for recovery of retention income resulting from the in specie distribution of receivable assets from the liquidation of Infracon and higher domain board revenue of \$30,000 more than budgeted.
- Forestry revenue has been budgeted under the Other Revenue. Due to unfavourably wet weather, harvesting of forestry at Kaiparoro was unable to commence as planned, resulting in lower forestry revenue than budget of \$356,000.
- Interest received was lower than budgeted by \$75,000. This is due to lower average deposit rates than expected of 3.16% compared to a budgeted 3.60%.

#### Expenses

- Finance Costs are under budget by \$373,000. Lower interest expense on loans of \$29,000 is due to lower interest expense during the year mainly due to lower external debt than planned. A significant favourable variance of \$335,000 is as a result of an unbudgeted non-cash adjustment of fair value of derivatives (swaps) which has increased in value.
- Personnel Costs are showing higher than budget mainly due to reclassifying \$273,000 of staff seconded to the Alliance budgeted as operating expenditure to personnel costs.
- Other expenses are under budget by \$1.2 million. The significant variances are explained below:

	\$000s
<b>Add back reclassified items</b>	
Rates debits	410
Rates internal	330
Alliance salary reclassification	273
<b>Add favourable budget variance</b>	
Lower harvesting expenses as explained under revenue	208
<b>Budget Variance</b>	<b>1,221</b>

#### Other gains/(losses)

- The main reason for the favourable variance is due to the unbudgeted increase in the forestry valuation of \$519,000.

#### Gain/(loss) on asset revaluations

- Council had an Infrastructure revaluation completed as at 1 July 2016. The result of the valuation was an increase of \$25,000 whereas an increase of \$14 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.
- Debtors and other receivables are higher than budget due to two reasons. Firstly, NZ Transport Agency debtors of \$1.8 million for the May and June claim received in July, and secondly due to higher rates debtors than planned. In relation to the rates debtors, a significant portion relates to abandoned land properties, for which Council is instigating action to resolve.
- Property, plant and equipment is lower than budget mainly due to the infrastructure revaluation resulting in a decrease, rather than the budgeted increase.

### Liabilities

- Trade and other payables are lower than budget by \$100,000 due to timing of payments at year end.
- Tenant contributions are lower than budget by \$195,000. As tenant contribution flats are vacated, new tenancies will be on a similar terms to the non-tenant contribution flats as Council moves away from offering tenant contribution tenancies.

### Equity

- Asset revaluation Reserves are lower than budget due to the budgeted infrastructure valuation increase of \$14 million, actually resulted in being a \$25,000 increase.
- Accumulated funds are lower than budgeted due to the budgeted opening balance being lower than expected.
- Special Funded Reserves are \$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 \$2.5 million.

Significant variances are:

### Operating activities

Cash flow from operating activities are below budget by \$480,000. This is mainly as a result of the following:

- Net cash from forestry harvesting activities lower than budget due to the Kaiparoro harvest being delayed.
- \$400,000 capital subsidy for the Pongaroa water supply project was not received due to a delay in the project. We expect to receive this in 2017/18.

### Investing activities

Cash outflow from investing activities was higher than budgeted due to a larger capital expenditure programme resulting from previous year project carry forwards and budget variations during the financial year.

### Financing activity

- No significant variance was noted in cash flow from financing activities.



# 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

## Her Worship the Mayor



**Mrs T H (Tracey) Collis**

PO Box 115  
Dannevirke  
06 374 4080  
[tracey.collis@tararua.govt.nz](mailto:tracey.collis@tararua.govt.nz)

## North Ward Councillors



**Deputy Mayor**  
**Cr A L (Allan) Benbow**

38 Cowper Road  
Dannevirke 4930  
06 374 8854  
021 374 984  
allan.benbow@tararua.govt.nz



**Cr E J D (Ernie) Christison**

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027 442 8099  
ernie.christison@tararua.govt.nz



**Cr J E (Jim) Crispin**

8 Stairs Street  
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**Cr C J (Carole) Isaacson**

63 Umutaoroa Road  
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06 374 5577  
027 307 5013  
carole.isaacson@tararua.govt.nz

## South Ward Councillors



**Cr S (Shirley) Hull**

Mangahao Road  
RD 3  
Pahiatua 4983  
06 376 7283  
shirley.hull@tararua.govt.nz



**Cr P (Peter) Johns**

44 McLean Street  
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06 376 5048  
027 442 7115  
peter.johns@tararua.govt.nz



**Cr A J (Andy) Thompson**

393 Ballance Valley Road  
RD 3  
Pahiatua 4983  
06 376 7372  
027 482 4345  
andy.thompson@tararua.govt.nz



**Cr A K (Alison) Franklin**

615 Ridge Road North  
RD 3  
Pahiatua 4983  
06 376 6487  
alison.franklin@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 W R (Ross) MacDonald  
91 Piri Piri Road, RD 7, Dannevirke 4977  
06 374 7996  
gloriarossmacdonald@gmail.com
- **Deputy Chairperson**  
Mr P (Pat) Walshe  
2 Cuba Street, Dannevirke 4930  
06 374 5702  
patrickw11@hotmail.com
- Mr T (Terry) Hynes  
281 Top Grass Road, Rua Roa, RD 8, Dannevirke 4930  
06 374 5761  
kinvara281@gmail.com
- Ms K (Kim) Spooner  
2 Lower Domain Road, Dannevirke 4930  
06 374 9090  
kimsponer@xtra.co.nz
- **Councillor**  
Mrs C J (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**  
Ms S (Sharon) Shannon  
125 Larsens Road, Eketahuna  
06 375 8130  
bevansharon@hotmail.com
- 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 P (Pauline) Wilson  
102 Stanly Street, Eketahuna 4900  
06 375 8805  
paulinewilson@xtra.co.nz
- **Councillor**  
Mr A J (Andy) Thompson  
393 Ballance Valley Road, RD 3, Pahiatua 4983  
06 376 7372 or 027 482 4345  
andy.thompson@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

- **Chairperson**  
Her Worship the Mayor, Mrs T H (Tracey) Collis
- Deputy Mayor, Mr A L (Allan) Benbow
- Cr S A (Shirley) Hull

### Tribunal and Hearings Committee

- Her Worship the Mayor, Mrs T H (Tracey) Collis
- Cr S A (Shirley) Hull

### Audit and Risk Committee

- **Chairperson**  
Mr K (Kevin) Ross
- Deputy Mayor, Mr A L (Allan) Benbow
- Her Worship the Mayor, Mrs T H (Tracey) Collis
- Cr J E (Jim) Crispin
- Cr S A (Shirley) Hull

### Works Liaison Committee

- **Chairperson**  
Cr J E (Jim) Crispin
- Deputy Mayor, Mr A L (Allan) Benbow
- Cr E J (Ernie) Christison
- Her Worship the Mayor, Mrs T H (Tracey) Collis
- Cr P (Peter) Johns
- Cr A J (Andy) Thompson

### Taranua District Licensing Committee

- **Chairperson**  
Mr David Lea
- **Secretary**  
Mrs Joan Spencer
- **Members**  
Mr Nick Perry  
Mrs Maureen Reynolds  
Mr Kerry Sutherland

### Iwi Liaison Working Party

- **Chairperson**  
Her Worship the Mayor, Mrs T H (Tracey) Collis
- Deputy Mayor, Mr A L (Allan) Benbow
- Cr P (Peter) Johns



# 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

Chris Edsall  
Tararua Alliance Manager

Craig Lunn BRPC (Hons), MNZPI  
Manager Planning and Regulatory

## Directory

### Head 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

<b>Dannevirke</b> 26 Gordon Street, Dannevirke (06) 374 4080	<b>Pahiatua</b> 136 Main Street, Pahiatua (06) 376 0110
<b>Woodville</b> 45 Vogel Street, Woodville (06) 376 0200	<b>Eketahuna</b> 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.