

Horowhenua 
DISTRICT COUNCIL

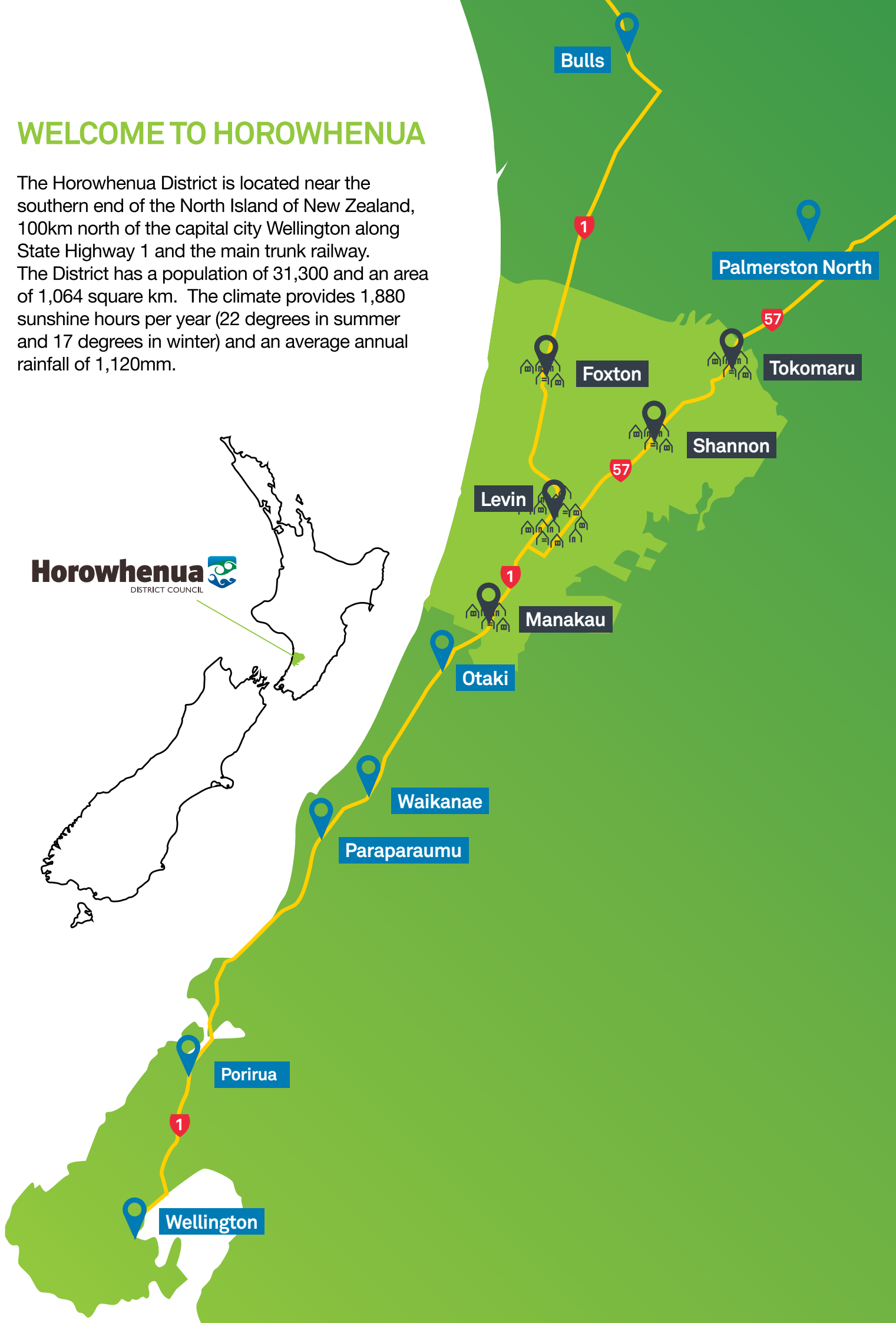
Annual Report

2016-2017



WELCOME TO HOROWHENUA

The Horowhenua District is located near the southern end of the North Island of New Zealand, 100km north of the capital city Wellington along State Highway 1 and the main trunk railway. The District has a population of 31,300 and an area of 1,064 square km. The climate provides 1,880 sunshine hours per year (22 degrees in summer and 17 degrees in winter) and an average annual rainfall of 1,120mm.



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SECTION A: SUMMARY

Section A sets the scene for the annual report by setting out some of the highlights of the year.

Introduction from the Deputy Mayor and Chief Executive

Deputy Mayor, Wayne Bishop, and the Chief Executive, David Clapperton, highlight some of the big issues and review the year, commenting on the finances and achievements of the Council during the year.



Horowhenua District Council
Vision Statement

**“Working together to take
Horowhenua
from good to great.”**

Introduction from the Deputy Mayor and Chief Executive

The financial year ending 30 June 2017 has seen significant achievements Council in providing a range of first class services within the Horowhenua District. The annual report contains considerable financial and non-financial information with the completion of several major infrastructure renewal projects.

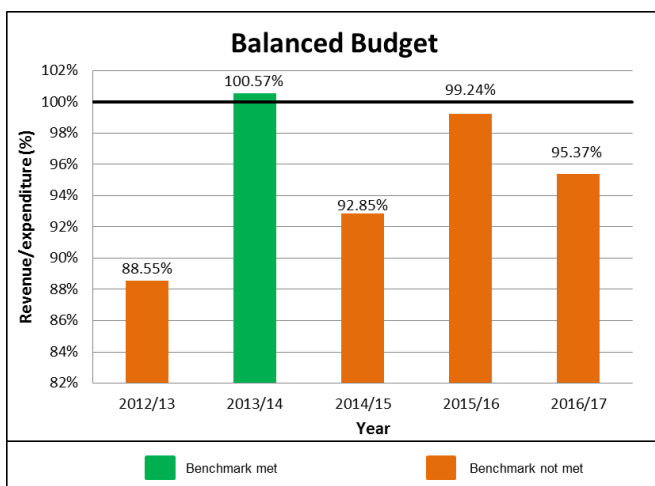
Financial performance

In the 2016/17 year, Council spent \$52.13 million across eleven activities as outlined below and in the graph.

Overall Council shows an operating loss of \$0.94 million against a budgeted surplus of \$3.182 million. However a total comprehensive surplus of \$43.8 million against a budgeted surplus of \$14.1 million, due to gains on asset revaluation was achieved.

The main theme from the financial strategy was Council was facing 3 years of deficits. These deficits mainly arose from underfunding depreciation. This depreciation funding is used for debt repayments and asset replacements (commonly called asset renewals). Council was facing an increasing requirement to renew assets without the rate and other operational funding required to fund these renewals. If rates increases were not achieved over the first 3 years of the LTP, Council would have had to either borrow more or reduce the asset renewal expenditure that was needed to proceed with projects agreed to in the LTP.

Council shows 95% against a target of 100% for the Balanced Budget prudential benchmark. However the Financial strategy predicted that the first 3 years of the LTP would show unbalanced budgets using this benchmark. Year 2 of the LTP (2016/2017) showed that Council (without the Te Awahou capital grants) would be at 95%.



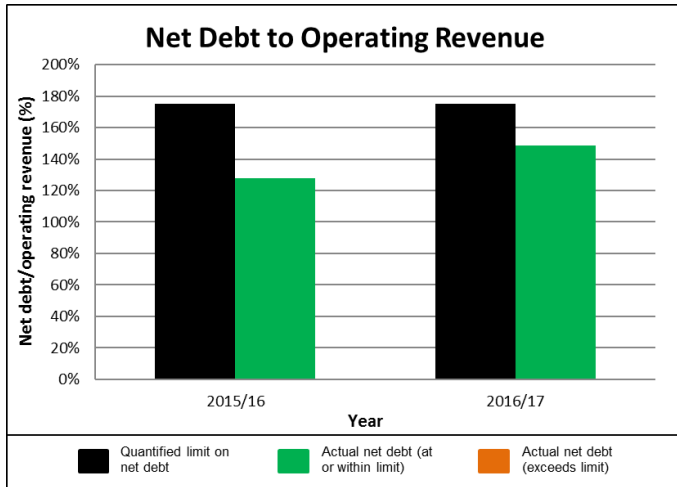
Council met all the bench marks except 2; Balance the Budget and Operational Control. Both have been affected by the delay in receiving capital grants for the Te Awahou project and delays in subsidised roading capital projects, which result in lower NZTA subsidies.

Other variances were:

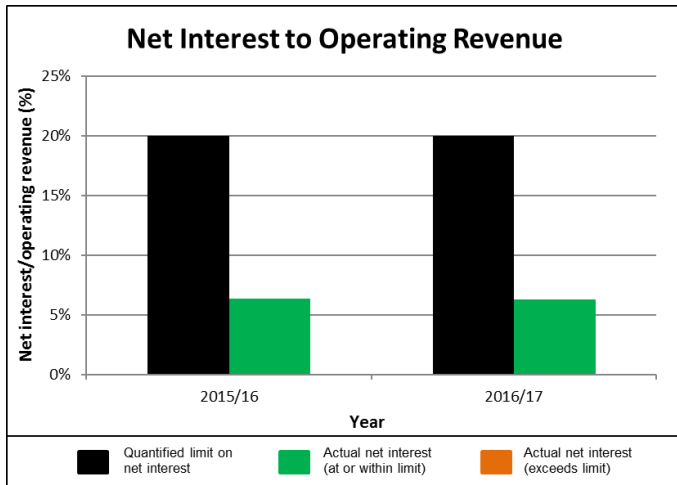
- Rates income was lower by \$400 k, mostly due to lower rates penalty income
- Fees and Charges income was above budget by \$1.1 million, mainly due to new income from library services brought in-house not being budgeted
- Increased employee expenses by \$1.5 million, as a result of the extra library staff salaries that were unbudgeted for but offset by lower expenditure in grants of \$1.8 million.
- Depreciation has increased by \$2.6 million as major projects in Business services and Aquatics are capitalised and infrastructural assets were revalued

Graphs of debt affordability benchmarks and rates affordability benchmarks

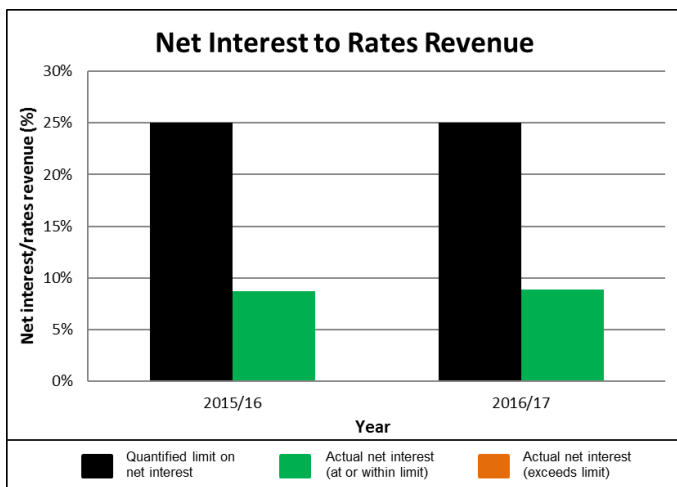
The following graph compares the Council's forecast net debt to total operating revenue. Council meets this benchmark if actual or planned borrowing for the year is within each quantified limit on borrowing found in the Liability Management Policy in the 2015-25 LTP.



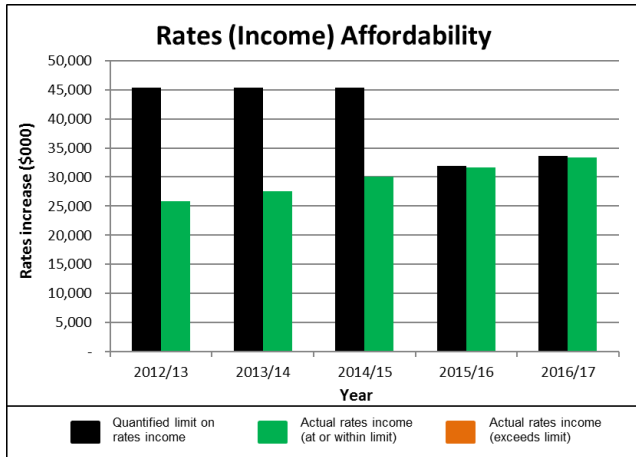
The following graph compares the Council's interest to total operating revenue. Council meets this benchmark if actual or planned net interest is less than or equal to 20% of total operating revenue.



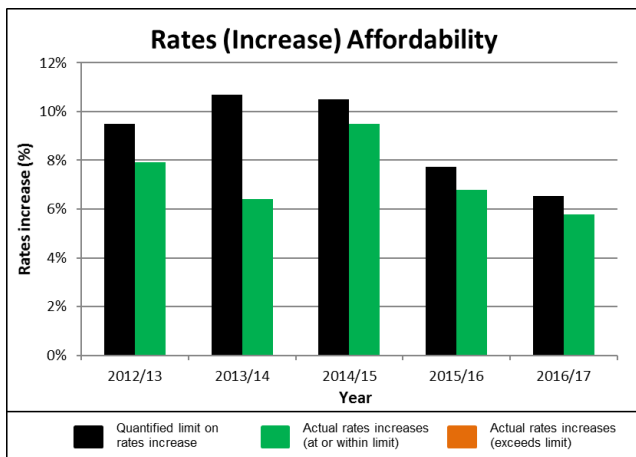
The following graph compares the Council's interest to rates revenue. Council meets this benchmark if actual or planned net interest is less than or equal to 25% of rates revenue



The following graph compares the Council's proposed rates income with a quantified limit on rates contained in the Financial Strategy included in the Council's Long Term Plans 2012-22 (2013-15) and 2015-2025 (2015-20). The Council meets the rates income affordability benchmark if its actual or planned rates for the year equals or is less than each quantified limit on rates.



The following graph compares the Council's proposed rates increases with a quantified limit on rates contained in the Financial Strategy included in the Council's Long Term Plans 2012-22 (2013-15) and 2015-2025 (2015-20). The Council meets the rates increase affordability benchmark if it's actual or planned rates increases for the year equal or are less than each quantified limit on rates increases. The proposed above average rate increases and an affordable (yet realistic) asset expenditure programme will allow Council to maintain an operating surplus from 2018/19.



District Growth

The expressway, being built north of Wellington, is expected to be the catalyst to drive significant growth in Horowhenua; attracting up to 10,000 more people here within the next few decades. And the growth has already started with the Horowhenua District now the 11th fastest growing Local Government Territorial Authority. Council has also seen an increase in activity over the past year with 57 more resource consents approved in 2016/2017 compared to the previous year, 2.5 times more subdivision consents approved and Building consents lodged were also up by 21% for the year. Latest figures (from Infometrics) suggest with the addition to the population there will be more than 5,100 new home, and more than 5,800 new jobs created.

Council's challenge during this period will be to ensure it is able to respond to and support the anticipated growth opportunities, while also maintaining a desirable and affordable district.

There have been a considerable number of achievements in the year that we are extremely proud to report on:

Levin Water Treatment Plant Upgrade

The upgrade of the Levin Water Treatment Plant provides the community with a quality and future-proofed supply. The upgrade included installing a new six-million-litre reservoir, doubling the plant's capacity and providing Levin with at least 24 hours of water storage. A new water clarifier was added, to remove silt from the Ohau river source, constructing a new chemical dosing system and installing an ultra violet water treatment system. The project was completed within budget and on time.

Te Awahou Nieuwe Stroom

With construction well underway, Te Awahou Nieuwe Stroom received grants totalling \$1.67 million for the 2016/2017 year. This was made up of Lotteries Environment and Heritage grant \$0.5 million, Lotteries Community Facilities grant \$0.5 million, Eastern Central Community Trust \$0.17 million and the Foxton Freeholding Account \$0.5 million.

The world-class facility will be home to the Piriharakeke Generation Inspiration Centre, the Oranjehof Museum and a Culture and Community Centre.

Te Awahou Nieuwe Stroom is set to open on 18th November 2017 and is a highly anticipated facility, not only for the local community but for people all over the world.

Foxton Main Street upgrade

An upgrade of Main Street was one of the initiatives identified in the Foxton Town Plan. The Foxton Town Plan identified a set of initiatives to contribute toward enhancing Foxton's attributes and qualities valued by the Foxton community. Adopted in 2010, this was a result of the community and Council's joint efforts to revitalise Foxton. It is fair to say that many in the community did not agree with initiative, but Council is hopeful the final outcome will prove worth it. One of the main points of contention was the moving of the Foxton Cenotaph, however after going back out for consultation it was decided this would not be moved.

At the beginning of the 2016/2017 year, work started on the upgrades to Foxton Main Street. Project works include widening the footpath by 1.2 metres, helping to create social spaces, a slight increase of parking spaces due to the change of angle and installing refuge islands in the middle of the street. Contractors are also using the opportunity to install Ultra-Fast Broadband cables for future implementation.

The project has been broken up into phases and work will continue into the 2017/2018 year.

Building consent processes

Council again gained IANZ accreditation, following its latest two-yearly reassessment carried out in the last week of April 2017. IANZ accreditation of building control processes within councils in New Zealand was introduced in 2006 as a means of ensuring that a council's building practices met criteria and standards across a number of regulated requirements. While at Council the assessors made very positive comments, using terms such as high quality and exemplary. The accreditation and high praise puts Council in a positive position considering the level of growth expected.

Te Takeretanga o Kura-hau-pō

Following a comprehensive Community Services review it was decided the management of Te Takeretanga o Kura-hau-pō be brought back in-house to Council. The change has meant a consistent level of service across the District and a more collaborative approach to Community events. The change has enabled Council Officers to better support the Community Services arm of the centre, as well as Council Officers using the centre more for their own events. While the decision at the time was contentious, the integration has allowed for better service delivery for the Community, particularly in areas of community development.

We would sincerely like to thank Councillors, Foxton community Board members and Council staff for the support during the financial year and the commitment they continue to give to Horowhenua.



Wayne Bishop
Deputy District Mayor



David Clapperton
Chief Executive



SECTION B: FINANCIAL STATEMENTS

Section B provides information on the financial outcomes for the year ended 30 June 2017.

Audit Report

This is a report from the Council's auditors outlining the scope of the audit and their audit opinion.

Statement of Compliance and Responsibility

Confirmation from senior Council officials that Council's systems comply with statutory requirements and that Council accepts responsibility for the information in the Annual Report.

Statement of Comprehensive Revenue and Expense

Effectively a profit and loss statement, this shows the summarised operating revenues and operating costs of the Council in 2016/17, and the operating surplus.

Statement of Movements in Ratepayers' Equity

This shows the sources of the movement in the net worth of the Council during 2016/17 (primarily the net surplus and changes to asset valuations).

Statement of Financial Position

Also known as the balance sheet, this shows the financial position of the Council as at 30 June 2017. It summarises what the Council owns (its assets) and what the Council owes (its liabilities). The equity of the Council is the difference between the two, and represents the net community ownership.

Statement of Cash Flows

This shows the source of the movements in and out of Council's cash and bank resources during 2016/17.

Funding Impact Statement

This shows the Council's operating and capital funding received and how it was applied during 2016/17.

Accounting Policies

These set out the accounting policies that the financial statements are based on, covering such matters as: when revenue is recognised, what depreciation rates are used and how assets are valued. These policies reflect generally accepted accounting practice.

Notes to the Accounts

The notes to the accounts are a series of notes that are referred to in the main body of the financial statements. The notes give further details on the numbers given in the accounts. The importance of these numbers should not be underestimated.

Audit Report

Independent Auditor's Report

To the readers of Horowhenua District Council's annual report for the year ended 30 June 2017

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

We are also required to report on:

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

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

We completed our work on 11 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 16 to 22 and pages 24 to 61:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2017;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 23, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement of service performance on pages 90 to 192:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2017, 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 97 to 193, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s annual plan; and
- the funding impact statement for each group of activities on pages 98 to 194, 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 its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 62 to 71, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

Basis for opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service 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 and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 10 and 196 to 206, but does not include the audited information and the disclosure requirements.

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

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out an engagement in the area of assurance review of the District Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



Debbie Perera
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

Statement of Compliance

Horowhenua District Council hereby confirms that all statutory requirements relating to the annual report, as outlined in the Local Government Act 2002, have been complied with.



Wayne Bishop
Deputy District Mayor
11 October 2017



David Clapperton
Chief Executive
11 October 2017

Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Council Actual \$ 30 June 2017 \$000	Council Budget \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Revenue						
Rates	1	34,498	34,890	33,219	34,498	33,219
Finance revenue	2a	53	154	127	65	146
Grants and subsidies	2b	3,900	7,196	3,578	3,900	3,578
Fees and charges	2c	6,321	5,234	5,290	6,321	5,702
Other revenue	2d	3,857	2,816	2,927	3,857	2,927
Vested assets	2e	459	-	100	459	100
Development contributions	2f	488	-	381	488	381
Gain on derivative financial instruments	34	630	-	-	630	-
Other gains	3	983	303	414	760	414
Total revenue		51,189	50,593	46,036	50,978	46,467
Expenditure						
Employee benefit expenses	4	12,234	10,709	9,532	12,234	11,216
Depreciation and amortisation	11,12, 35	14,154	11,471	11,536	14,154	11,717
Finance costs	6	3,106	3,570	2,986	3,106	2,986
Loss on derivative financial instruments	34	-	-	1,101	-	1,101
Other losses	3	733	-	147	733	147
Increase / (decrease) in landfill provision	17	221	95	115	221	115
Other expenses	5	21,683	21,566	21,445	21,706	20,087
Total expenses		52,131	47,411	46,862	52,154	47,369
Operating surplus / (deficit) before tax		(942)	3,182	(826)	(1,176)	(902)
Income tax expense	38	-	-	-	-	-
Operating surplus / (deficit) after tax		(942)	3,182	(826)	(1,176)	(902)
Write back of revaluation losses on land and buildings		2,963	-	-	2,963	-
Surplus / (deficit) attributable to: Horowhenua District Council		2,021	3,182	(826)	1,787	(902)
Other comprehensive revenue and expense						
Gain / (loss) on infrastructural assets revaluations		29,272	10,991	-	29,272	-
Gain / (loss) on operational assets revaluation		6,418	-	-	6,418	-
Gain / (loss) on restricted assets revaluation		6,091	-	-	6,091	-
Total other comprehensive revenue and expense for the year		41,781	10,991	-	41,781	-
Total comprehensive revenue and expense (deficit) for the year		43,802	14,173	(826)	43,568	(902)
Total comprehensive revenue and expense attributable to Horowhenua District Council		43,802	14,173	(826)	43,568	(902)
Interest as percentage of operating revenue		6%	7%	9%	6%	9%
Interest to rates		9%	10%	12%	9%	12%

Explanations of major variances against budget are provided on page 17

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Explanations of significant variances between the Council's actual results and the Council's budget for 2016-2017

Revenue

A breakdown of the revenue included under this heading is provided in Note 2 and explanations of the variations from the budgets are also detailed in the relevant funding impact statements included in Section C of this report. Further explanation follows:

Grants and subsidies – This is lower than budget due to the delay in the Te Awahou building project where the grants are dependent on building progressing in order for the cash to be released and to delayed capital roading projects.

Fees and charges – This is higher than budgeted due to increased revenue for the land fill as a result of increased volume and also the waste rebate. Community facilities were \$470k up mainly due to new income from library services brought in house but was not budgeted.

Other revenue – This is above budget primarily due to revenue from elections for Horizons and the DHB, revenue from Shannon wastewater farm and revenue from external payroll processing all not budgeted for.

Vested assets – There was no budget as subdivision activity not expected to be as busy at the time of setting the budgets.

Development contributions – There was no budget for development contributions as they are no longer charged; however the majority of the actual development contributions received are the result of development contributions being paid out on the sale of the Forbes Road subdivision. This subdivision was done when development contributions were being charged.

Gain on derivative financial instruments – Partially offsetting the loss of \$1.1m experienced last year. This turn-around is caused by long-term interest rates rising.

Other gains – This is a result of a combination of acquiring the assets of Te Horowhenua Trust, bringing the value of the carbon credits into the accounts and the revaluation of the forestry assets all of which were unbudgeted. Higher gains on sale from the Forbes Road section sales were the result of the up-turn of the property market in Horowhenua.

Expenditure

Employee benefit expenses – The salaries of library staff (\$1.2m) which were part of THT were not budgeted as salaries but as part of a grant expense. This was offset by lower expenditure in grants of \$1.8m.

Depreciation and amortisation – The increase of \$2.6m was mainly the result of the increase of infrastructure assets revaluations.

Finance Costs – This is less than budget due to interest rates staying lower for longer than expected.

Other losses – The unbudgeted loss on sale of assets is largely made up of a \$240k correction to 2014-15 sale of the Foxton Beach camp ground where a gain on sale of \$593k was recorded. The \$208k loss on revaluation of commercial land and buildings is where the improvement costs of \$201k on the cinema building did not reflect in the revaluation.

Increase in landfill provision – The higher than budget figure is the result of increased monitoring requirements agreed to during the review of the consent conditions by Horizons. Also the additional costs of dismantling the gas flare if the landfill closed on 30 June 2017.

Other expenses – A breakdown of the expenditure included under this heading is provided in Note 5 and explanations of the variations from the budgets are detailed in the relevant funding impact statements included in Section C.

Statement of Changes in Ratepayers' Equity

FOR THE YEAR ENDED 30 JUNE 2017

	Council Actual \$ 30 June 2017 \$000	Council Budget \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Balance at 1 July	417,742	418,973	418,568	418,343	419,245
Total comprehensive revenue and expense for the year	43,802	14,173	(826)	43,568	(902)
Balance at 30 June	461,544	433,146	417,742	461,911	418,343

Explanations of major variances against budget are provided on page 20

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Statement of Financial Position

AS AT 30 JUNE 2017

	Note	Council Actual \$ 30 June 2017 \$000	Council Budget \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Assets						
Current assets						
Cash and cash equivalents	7	5,074	6,064	7,400	5,100	7,430
Debtors and other receivables	8	6,790	5,381	5,960	6,795	6,044
Other financial assets	9	365	470	350	365	358
Non-current assets held for sale	10	7,508	475	285	7,508	285
Total current assets		19,737	12,390	13,995	19,768	14,117
Non-current assets						
Plant, property and equipment						
- Operational assets	11	52,008	48,572	43,397	52,008	44,594
- Infrastructural assets	11	428,046	419,894	394,713	428,046	394,713
- Restricted assets	11	44,979	43,786	38,664	44,979	38,664
Intangible assets	12	1,854	1,543	1,718	1,854	1,727
Forestry assets	13	1,500	973	952	1,500	952
Investment property	14	5,879	3,831	5,926	5,879	5,926
Other financial assets:						
- Investments in CCO's and other similar entities	9	220	2,190	1,003	220	220
- Other	9	1,121	-	833	1,121	833
Total non-current assets		535,607	520,789	487,206	535,607	487,629
Total assets		555,344	533,179	501,201	555,375	501,746
Liabilities						
Current liabilities						
Payables and deferred revenue	16	10,579	9,704	11,779	10,243	11,650
Provisions	17	1,129	997	940	1,129	940
Employee benefit liabilities	18	1,155	1,003	920	1,155	993
Borrowings and other financial liabilities	19	14,000	2,000	16,000	14,000	16,000
Total current liabilities		26,863	13,704	29,639	26,527	29,583
Non-current liabilities						
Provisions	17	2,272	2,151	2,240	2,272	2,240
Employee benefit liabilities	18	166	178	161	166	161
Derivative financial instruments	34	1,038	-	1,668	1,038	1,668
Borrowings and other financial liabilities	19	63,000	84,000	49,000	63,000	49,000
Other	20	461	-	751	461	751
Total non-current liabilities		66,937	86,329	53,820	66,937	53,820
Total liabilities		93,800	100,033	83,459	93,464	83,403
Net assets		461,544	433,146	417,742	461,911	418,343
Equity						
Retained earnings	21	263,895	267,710	263,345	264,262	263,946
Revaluation reserves		189,230	158,438	147,449	189,230	147,449
Other reserves		8,419	6,998	6,948	8,419	6,948
Total equity		461,544	433,146	417,742	461,911	418,343

Explanations of major variances against budget are provided on page 20

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Explanations of significant variances between the Council's actual results and the Council's budget for 2016-2017

Assets

Cash and cash equivalents – Cash and cash equivalents balances are difficult to anticipate over 18 months out but the balance of \$5m is enough to maintain Council's liquidity in the short-term.

Debtors and other receivables – This is largely made up of \$550k accrual for Te Awahou Nieuwe Stroom grant money allocated but not yet received and the NZTA claim larger than when the budget was set.

Other financial assets – Other financial assets are less than budget as the budget included community loans which have now been paid off.

Non-current assets for sale – This now includes residential housing and more Forbes Road subdivision properties.

Plant, property and equipment assets – These are more than budget as a result of the revaluation work completed.

Forestry assets – These are more than budget because of a change in how the forestry at the POT is valued because its harvest is expected shortly.

Commercial property – This is more than budget as the budget included a \$2m sale that did not happen this year.

Other financial assets – This is less than budget because the value of the investment of THT is no longer held. These assets have now been included in Council's books.

Liabilities

Payables and deferred revenue – This is higher than budget due to a number of large capital projects in progress as at year-end.

Current borrowings – These are higher than budget due to Council taking the advantage of the lower rates on shorter term borrowing.

Total borrowings – The combination of current and non-current borrowing is lower than budget due to delays in a number of projects. Such as North East Levin stormwater project, Foxton wastewater treatment plant upgrade and Foxton Main Street upgrade.

Derivative financial instruments – This is the result of interest rates dropping from the time the interest rate swap contracts were entered into. This is unbudgeted because at the time the contracts are entered into it is expected the value over the life of the contracts is zero.

Other non-current liabilities – These are development contributions not yet recognised and the amortisation reserve for fixed rate LGFA bonds all of which are not budgeted for.

Equity

Retained earnings – This is less than budget partly due to a \$0.89m deficit made in comprehensive revenue and expense as opposed to a budgeted surplus of \$3.1m

Revaluation reserves – This is larger than budget due to a larger than expected increase in asset valuations for infrastructure asset.

Other reserves – This is larger than budget due to a larger number of Forbes Road subdivision sales than expected.

Statement of Cash Flows

AS AT 30 JUNE 2017

	Council Actual \$ 30 June 2017 \$000	Council Budget \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Note					
Cashflow from operating activities					
Cash was provided from:					
Revenue from rates	33,621	35,080	33,384	33,621	33,384
Other revenue	14,570	15,246	11,402	14,570	11,781
Interest received	21	154	178	35	184
Net GST movement	-	-	-	-	6
Total cash provided	48,212	50,480	44,964	48,226	45,355
Cash was disbursed to:					
Suppliers, services and employees	34,958	31,864	29,684	34,958	29,942
Interest paid	3,155	3,570	3,114	3,155	3,114
Net GST movement	(123)	-	(273)	(123)	(273)
Total cash disbursed	37,990	35,434	32,525	37,990	32,783
Net cashflow from operating activity	32	10,222	12,439	10,236	12,572
Cashflows from investing activities					
Cash was provided from:					
Proceeds from asset sales	2,024	2,640	1,233	2,024	1,233
Proceeds from investments	-	93	-	-	-
Total cash provided	2,024	2,733	1,233	2,024	1,233
Cash was disbursed to:					
Purchases of investments	288	144	46	288	46
Purchase of assets	26,284	36,800	19,082	26,284	19,268
Total cash disbursed	26,572	36,944	19,128	26,572	19,314
Net cashflow from investing activity	(24,548)	(34,211)	(17,895)	(24,548)	(18,081)
Cashflows from financing activities					
Cash was provided from:					
Loans raised	43,000	27,000	13,000	43,000	13,000
Total cash provided	43,000	27,000	13,000	43,000	13,000
Cash was disbursed to:					
Repayment of public debt	31,000	9,000	8,000	31,000	8,000
Total cash disbursed	31,000	9,000	8,000	31,000	8,000
Net cashflow from financing activity	12,000	18,000	5,000	12,000	5,000
Net increase (decrease) in cash held	(2,326)	(1,165)	(456)	(2,312)	(509)
Add opening cash bought forward	7,400	7,229	7,856	7,412	7,939
Closing cash balance	5,074	6,064	7,400	5,100	7,430
Closing balance made up of cash and cash equivalents	7	5,074	6,064	5,100	7,430

Explanations of major variances against budget are provided on page 22

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Explanations of significant variances between the Council's actual results and the Council's budget for 2016-2017

Cashflows from operating activities

Revenue from rates – The budget is more because it shows rates gross of remissions where the actual is net of remissions.

Other revenues – This is less than budget due Te Awahou grant funding arriving after balance date.

Payment to suppliers, services and employees – This was more than budgeted due to a combination of unbudgeted spending on professional services for growth strategy work and a reduction of accounts payable.

Interest paid – Interest paid was less than budgeted due to lower loan balances as a result of delayed capital projects.

Cashflows from investment activities

Proceeds from assets sales – This was less than budget due to sale of commercial property not happening but more sales of the Forbes Road subdivision properties than expected partially offset the budget short fall.

Purchase of assets – Lower expenditure on infrastructural projects as a result of delays.

Cashflows from financing activities

Net cashflow from financing activity – This is lower than budget due to lower borrowing as a result of lower expenditure on infrastructural projects largely due to consenting issues and other delays.

Funding Impact Statement for Whole of Council

FOR THE YEAR ENDED 30 JUNE 2017

	LTP Forecast 2016 \$000	Annual Report Actual 2016 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	8,824	8,865	9,259	8,978	(281)
Targeted rates	24,476	24,354	25,631	25,520	(111)
Subsidies and grants for operating purposes	1,511	1,530	1,342	1,488	146
Fees and charges	4,880	5,290	5,234	6,321	1,087
Interest and dividends from investments	150	127	154	53	(101)
Local authorities fuel tax, fines, infringement fees, and other receipts	2,643	2,925	2,816	3,857	1,041
Total operating funding (A)	42,484	43,091	44,436	46,217	1,781
Applications of operating funding					
Payments to staff and suppliers	30,272	30,977	32,275	33,917	1,642
Finance costs	3,300	4,087	3,570	3,106	(464)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	33,572	35,064	35,845	37,023	1,178
Surplus (deficit) of operating funding (A-B)	8,912	8,027	8,591	9,194	603
Sources of capital funding					
Subsidies and grants for capital expenditure	3,968	2,050	5,854	2,412	(3,442)
Development and financial contributions	-	381	-	488	488
Increase (decrease) in debt	16,153	5,000	18,000	12,000	(6,000)
Gross proceeds from sale of assets	640	1,421	2,640	2,023	(617)
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	20,761	8,852	26,494	16,923	(9,571)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2,347	1,276	5,382	2,306	(3,076)
- to improve the level of service	16,270	10,283	18,128	13,290	(4,838)
- to replace existing assets	12,800	9,662	13,290	9,819	(3,471)
Increase (decrease) in reserves	-	(4,388)	(600)	1,485	2,085
Increase (decrease) of investments	(1,744)	46	(1,115)	(783)	332
Total applications of capital funding (D)	29,673	16,879	35,085	26,117	(8,968)
Surplus (deficit) of capital funding (C-D)	(8,912)	(8,027)	(8,591)	(9,194)	(603)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	11,619	11,536	11,471	14,154	2,683
Loans					
		External			
		\$000			
Loans as at 1/07/2016		65,000			
Raised during year		14,840			
Repaid during year		(2,840)			
Loans as at 30/06/2017		77,000			
Interest expense		3,106			

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Reconciliation between the Funding Impact Statement for the Whole of Council and the Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2017

	LTP Forecast 2016 \$000	Annual Report Actual 2016 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Revenue					
<i>Statement of comprehensive revenue and expense</i>					
Total operating revenue	46,774	46,036	50,593	51,189	596
Summary funding impact statement					
<i>Sources of operating funding</i>					
Total operating funding	42,484	43,091	44,436	46,217	1,781
<i>Add sources of capital funding</i>					
Subsidies and grants for capital expenditure	3,968	2,050	5,854	2,412	(3,442)
Development and financial contributions	-	381	-	488	488
Gain on derivative financial instruments	-	-	-	630	630
Other gains	322	414	303	983	680
Vested assets	-	100	-	459	459
Total revenue	46,774	46,036	50,593	51,189	596
Expenditure					
<i>Statement of comprehensive revenue and expense</i>					
Total operating expenditure	45,178	46,862	47,411	52,131	4,720
Summary funding impact statement					
Total application of operating funding	33,572	33,963	35,845	37,023	1,178
Loss on derivative financial instruments	-	1,101	-	-	-
Other losses	-	147	-	733	733
Increase / (decrease) in landfill provision	(13)	115	95	221	126
Add depreciation and amortisation expense	11,619	11,536	11,471	14,154	2,683
Total expenditure	45,178	46,862	47,411	52,131	4,720

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

Reserve Funds

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 reserve are credited with interest. Council holds 17 reserves, with 5 being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining Council created reserves are discretionary reserves which the Council has established for the fair and transparent use of monies. Reserve balances are not separately held in cash, and the funds are managed as part of the Council's treasury management.

Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information across the year of the annual report:

2017 RESERVE FUNDS	Opening Balance 1 July 2016 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2017 \$000s
Restricted reserves – purpose of the fund				
Foxton Beach Freeholding Fund (Property) Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	3,420	2,209	864	4,765
Reserve Land Reserve (Parks and Recreation) To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	173	4	-	177
Road Upgrade Reserve (Roading Activity) To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	731	19	-	750
Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream.	51	1	-	52
Total restricted reserves	4,375	2,233	864	5,744
Financial and Capital contributions for				
Roading (Roading Activity) To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	80	2	-	82
Financial and Capital contributions for Water Supplies (Water Supply Activity) To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	532	13	-	545
Financial and Capital contributions for Wastewater Schemes (Wastewater Activity) To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	131	4	-	135
Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity) To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	614	15	-	629

2017 RESERVE FUNDS	Opening Balance 1 July 2016 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2017 \$000s
Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election.	58	64	50	72
Capital Projects Fund (All Activities) To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	811	21		832
Foxton Citizens Fund (Community Support Activity) To provide a fund for awards in recognition of community service in Foxton.	4	-	-	4
Hockey Turf Replacement Fund (Parks and Recreation - Sports Grounds) To fund the replacement of the water turf at Donnelly Park on behalf of the Turf trust.	194	30	-	224
Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	124	3	-	127
Driscoll Reserves Fund (Parks and Reserves) Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	-	-	-	-
Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station.	24	1	-	25
Total Council created reserves	2,572	153	50	2,675
Total all reserve funds	6,948	2,386	915	8,419

Reserve Funds

2016 RESERVE FUNDS	Opening Balance 1 July 2015 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2016 \$000s
Restricted reserves – purpose of the fund				
Foxton Beach Freeholding Fund (Property) Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	2,752	1,230	562	3,420
Reserve Land Reserve (Parks and Recreation) To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	95	78	-	173
Road Upgrade Reserve (Roothing Activity) To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	711	20	-	731
Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream.	50	1	-	51
Total restricted reserves	3,607	1,330	562	4,375
Council created reserves – purpose of the fund				
Financial and Capital contributions for Roothing (Roothing Activity) To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	187	5	112	80
Financial and Capital contributions for Water Supplies (Water Supply Activity) To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	516	16	-	532
Financial and Capital contributions for Wastewater Schemes (Wastewater Activity) To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	128	3	-	131
Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity) To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	596	18	-	614
Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election.	17	41	-	58
Capital Projects Fund (All Activities) To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	834	25	48	811
Foxton Citizens Fund (Community Support Activity) To provide a fund for awards in recognition of community service in Foxton.	4	-	-	4

2016 RESERVE FUNDS	Opening Balance 1 July 2015 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2016 \$000s
Hockey Turf Replacement Fund (Parks and Recreation - Sports Grounds) To fund the replacement of the water turf at Donnelly Park on behalf of the Turf trust.	164	30	-	194
Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	121	3	-	124
Driscoll Reserves Fund (Parks and Reserves) Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	13	-	13	-
Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station.	23	1	-	24
Total Council created reserves	2,602	142	173	2,572
Total all reserve funds	6,210	1,472	735	6,948

Council's Interest in Other Entities

The Local Government Act 2002, Schedule 10 (28) requires Council to provide information with regard to organisations under the control of the Council.

Te Horowhenua Trust

The Horowhenua District Council announced in May 2016 that Te Horowhenua Trust would be wound up by 1 July 2016. Effective 1 July 2016, all of Te Horowhenua Trust's assets and liabilities, including all employment and commercial agreements, were transfer to Horowhenua District Council in accordance with the Trust Deed.

Shannon Community Development Trust

Nature and scope of activities provided

The Shannon Community Development Trust has been set up for the benefit of residents of the Shannon Township. The purpose of the Trust is, but not limited to, educational activities, including scholarships for educational purposes, the alleviation of hardship, the provision of training and equipment for the protection of the community, and the provision of financial assistance for events recognising the involvement of community members.

Policies and objectives on ownership and control

The Trust was established on 2 August 2012. The Trust has five Trustees (excluding Advisory Trustees). The current councillor for Miranui Ward will automatically be one of the five.

The Trust is an exempt council controlled organisation, as it has not been established for the purposes of making a profit and is not intended to be a Council Controlled Organisation under the Local Government Act 2002. The Trust is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) as approved by Council on the 2 September 2015.

The Council receives the Trust's audited annual report. The annual accounts are included in the Group financials for 30 June 2017.

Manawatu-Wanganui Local Authority Shared Services Limited (MWLASS)

Nature and scope of activities provided

MW LASS Ltd was formed in October 2008 by seven local councils to provide an 'umbrella vehicle' for the councils of the Manawatu-Wanganui region to investigate, procure, develop and deliver shared services.

Policies and objectives on ownership and control

The company comprises of a Board of eight directors, seven CEOs of the shareholding Councils and one independent Director. The Board oversees the governance of MWLASS Ltd.

To date there has been one call on share capital and is now trading. Horowhenua District Council owns one seventh or 14% of this company and has a \$16,000 share capital.

The company is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) to 30 June 2017.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2017

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1. RATES REVENUE	Council and Group Actual \$ 30 June 2017 \$000	Council and Group Budget \$ 30 June 2017 \$000	Council and Group Actual \$ 30 June 2016 \$000
Gross rates			
General rates			
Uniform annual general charge			-
Differential general rates	8,662	8,644	8,244
Penalties	453	615	679
Total general-purpose rates	9,115	9,259	8,923
Targeted rates			
Solid waste rates	461	458	320
Roading rate	3,779	3,760	3,579
Library rate	3,447	3,433	3,189
Representation and governance rate	3,049	3,036	2,834
Swimming pool rate	2,071	2,062	2,167
Stormwater rate	987	982	923
Sewer rate	6,435	6,396	6,122
Total targeted rates excluding water rates	20,229	20,127	19,134
Water rates			
District wide	4,134	4,120	3,826
Foxton Beach	395	386	391
Metered water supply	1,048	1,188	1,195
Total targeted water rates	5,577	5,694	5,412
Total rates revenue (gross of remissions)	34,921	35,080	33,469
Net rates			
Total rates revenue (gross)	34,921	35,080	33,469
Rates remissions:			
Remissions under the Council remission policy	(284)	(190)	(192)
Penalty remissions	(139)	-	(58)
Total rate remissions	(423)	(190)	(250)
Total rates revenue net of remissions	34,498	34,890	33,219
Exchange transaction	-	-	-
Non exchange transaction	34,498		33,219
Total transactions	34,498		33,219

Total rates revenue include \$463,534 (2016 \$451,505) for rates paid by HDC on properties owned by Council

Rateable properties	30 June 2017	30 June 2016
Total properties	17,959	17,933
Total land value	\$3,316,552,250	\$3,054,619,100
Total capital value	\$6,618,165,250	\$5,925,058,750

Horowhenua District Council's rates remissions policies allow Horowhenua District Council to remit rates on community groups, voluntary protected land, penalties, excessive water charges, remnant land, rating units in industrial and commercial areas used for residential purposes, small rate balances, targeted rates on non-rateable land, properties affected by disasters, unsold subdivision lots, bare land, contiguous rating units not in common ownership and Māori land.

In accordance with the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These include schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute remission under Horowhenua District Council's Rates Remission Policy.

2. FINANCE REVENUE AND OTHER REVENUE	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
2a. Finance revenue				
Interest revenue for financial assets not at fair value through profit and loss				
Bank deposits	21	97	33	116
Borrower notes	32	30	32	30
Total finance revenue	53	127	65	146
Exchange transactions	53	127	65	146
Non exchange transactions	-	-	-	-
Total finance revenue transactions	53	127	65	146
2b. Subsidies and grants				
NZTA Government grants	2,873	3,162	2,873	3,162
Water Government grant	-	-	-	-
Private sector grants	72	-	72	-
Other Government grants	955	416	955	416
Total subsidies and grants	3,900	3,578	3,900	3,578
Exchange transactions	-	-	-	-
Non exchange transactions	3,900	3,578	3,900	3,578
Total subsidies and grants transactions	3,900	3,578	3,900	3,578
2c. Fees and charges				
User charges	5,700	4,686	5,700	5,098
Rental revenue from commercial properties	621	604	621	604
Total fees and charges	6,321	5,290	6,321	5,702
Exchange transactions	685	683	685	986
Non exchange transactions	5,636	4,607	5,636	4,716
Total fees and charges transactions	6,321	5,290	6,321	5,702
2d. Other revenue				
Infringements and fines	831	67	831	67
Rendering of services	691	746	691	746
Petrol tax	221	209	221	209
Dividend revenue	6	6	6	6
Insurance recoveries:				
- buildings	-	2	-	2
Regulatory revenue	2,104	1,894	2,104	1,894
Donations	4	3	4	3
Capital grants	-	-	-	-
Total other revenue	3,857	2,927	3,857	2,927
Exchange transactions	267	350	267	350
Non exchange transactions	3,590	2,577	3,590	2,577
Total other revenue transactions	3,857	2,927	3,857	2,927

2. FINANCE REVENUE AND OTHER REVENUE (cont.)	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
2e. Vested assets	459	100	459	100
2f. Development contributions	488	381	488	381
Total vested assets and development contributions	947	481	947	481
Exchange transactions	-	-	-	-
Non exchange transactions	947	481	947	481
Total vested assets and development contributions transactions	947	481	947	481

There are no unfulfilled conditions and other contingencies attached to government grants recognised other than that relating to the government grant for housing discussed in Note 23.

3. OTHER GAINS/(LOSSES)	Note	Council	Council	Group	Group
		Actual \$	Actual \$	Actual \$	Actual \$
		30 June	30 June	30 June	30 June
		2017	2016	2017	2016
		\$000	\$000	\$000	\$000
Non-financial instruments					
Gain/(loss) on changes in fair value of forestry assets	13	240	42	240	42
Gain/(loss) on changes in fair value of carbon credits		240	-	240	-
Gain/(loss) on disposal of property, plant and equipment		280	156	280	156
Gain/(loss) on disposal of property, plant and equipment		(476)	(147)	(476)	(147)
Gain/(loss) on acquisition of CCO		223	-	-	-
Gain/(loss) on changes in fair value of investment property	14	(257)	216	(257)	216
Total non-financial instruments		250	267	27	267
Financial instruments					
Gain/(loss) on revaluation of financial liabilities		-	-	-	-
Gain/(loss) on revaluation of financial assets		-	-	-	-
Total financial instruments		-	-	-	-
Total gains/(losses)		250	267	27	267

4. EMPLOYEE BENEFIT EXPENSES	Note	Council	Council	Group	Group
		Actual \$	Actual \$	Actual \$	Actual \$
		30 June	30 June	30 June	30 June
		2017	2016	2017	2016
		\$000	\$000	\$000	\$000
Salaries and wages		11,479	8,977	11,479	10,666
Increase/(decrease) in employee entitlements		125	43	125	(16)
Other employee benefit expenses		343	326	343	338
Employer contributions to superannuation schemes		287	186	287	228
Total employee benefit expenses		12,234	9,532	12,234	11,216

5. OTHER OPERATING EXPENSES	Note	Council	Council	Group	Group
		Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000
Fees to principal auditor					
Audit fees for financial statement audit		149	141	149	158
Audit fees for other services*		4	25	4	25
Total fees to principal auditor		153	166	153	183
Donations		-	-	-	-
Debtors written off		2,298	-	2,298	-
Impairment of receivables		(1,625)	421	(1,625)	421
Impairment of property, plant and equipment		-	-	-	-
Minimum lease payments under operating leases		316	367	316	367
Professional services		4,033	3,066	4,033	3,086
Asset maintenance contract expenditure		10,643	11,194	10,643	11,194
General grants		403	2,354	403	504
Expenditure on utilities		975	862	975	862
Other		4,487	3,015	4,510	3,470
Total other operating expenses		21,683	21,445	21,706	20,087

* The audit fees paid to Audit NZ for other services in the year ended 30 June 2017 was for the audit of the Debenture Trustee disclosure. (2016 was for the audit of the LTP amendment consultation document and amended LTP).

6 FINANCE COSTS	Note	Council	Council	Group	Group
		Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000
Interest on borrowings		3,030	2,783	3,030	2,783
Interest rate swaps (presented net)		76	203	76	203
Total finance costs		3,106	2,986	3,106	2,986

7. CASH AND CASH EQUIVALENTS	Note	Council	Council	Group	Group
		Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000
Cash at bank and in hand		5,074	7,400	5,100	7,430
Term deposits with maturities less than three months at acquisition		-	-	-	-
Total cash and cash equivalents		5,074	7,400	5,100	7,430
Cash and cash equivalents for the purpose of the statement of cash flows					
Cash at bank and in hand		5,074	7,400	5,100	7,430
Term deposits with maturities less than three months at acquisition		-	-	-	-
Bank overdrafts		-	-	-	-
Total cash and cash equivalents for the purpose of the statement of cash flows		5,074	7,400	5,100	7,430

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

There are no financial assets recognised in a non-exchange transaction that are subject to restrictions.

8. DEBTORS AND OTHER RECEIVABLES	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Note				
Gross debtors and other receivables				
Rates receivables	3,670	2,662	3,670	2,662
Related party receivables	24	-	-	-
Prepayments	735	245	735	245
GST receivable	618	937	618	
Other receivables	2,952	4,914	2,957	5,947
Total gross debtors and other receivables	7,975	8,770	7,980	8,854
Less provision for impairment of receivables	(1,185)	(2,810)	(1,185)	(2,810)
Net debtors and other receivables	6,790	5,960	6,795	6,044
Less non-current portion:		-		-
Total current portion debtors and other receivables	6,790	5,960	6,795	6,044
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges for activities that are partly subsidised by rates.	6,689	5,890	6,694	5,906
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.	101	70	101	138
Total debtors and other receivables transactions	6,790	5,960	6,795	6,044

Fair value

The carrying value of debtors and other receivables approximates their fair value.

Impairment

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

Horowhenua District Council does not provide for any impairment on rates receivable other than those likely to qualify under Horowhenua District Council's Rates Remissions Policy as it 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. Where such payment plans are in place debts are discounted to the present value of future repayments.

These powers allow Horowhenua District 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 judgment, then Horowhenua District Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

No receivables that would otherwise be past due or impaired and whose terms have been renegotiated.

As of 30 June 2017 and 2016 all overdue receivables, except for rates receivables, have been assessed for impairment and appropriate provisions applied. Horowhenua District Council holds no collateral as security or other enhancements over receivables that are either past due or impaired.

The status of receivables as at 30 June 2017 and 2016 are detailed below:

	2017			2016		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	4,458	-	4,458	4,130	-	4,130
Past due < 1 year	1,998	944	1,054	1,804	1,383	421
Past due > 1 year	1,519	241	1,278	2,836	1,427	1,409
Total	7,975	1,185	6,790	8,770	2,810	5,960
Group						
Not past due	4,463	-	4,463	4,209	-	4,209
Past due < 1 year	1,998	944	1,054	1,809	1,383	426
Past due > 1 year	1,519	241	1,278	2,836	1,427	1,409
Total	7,980	1,185	6,795	8,854	2,810	6,044

The impairment provision has been calculated based on expected losses for Horowhenua District Council's pool of debtors. Expected losses have been determined based on an analysis of Horowhenua District Council's losses in previous periods, and review of specific debtors as detailed below:

IMPAIRMENT PROVISION	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
	Individual impairment	1,185	1,016	1,185
Collective impairment	-	1,794	-	1,794
Total provision for impairment	1,185	2,810	1,185	2,810

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

Individual impairment				
Past due < 1 year	266	27	266	27
Past due > 1 year	919	989	919	989
Total individual impairment	1,185	1,016	1,185	1,016

Movements in the provision for impairment of receivables are as follows:

At 1 July	2,810	2,389	2,810	2,389
Additional provisions made during the year	169	27	169	27
Debtors written off during period	(2,298)	-	(2,298)	-
Increase in infringement provision	504	394	504	394
At 30 June	1,185	2,810	1,185	2,810

9. OTHER FINANCIAL ASSETS	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
Current portion				
Inventories	15	-	15	8
Loans and receivables:				
Short-term deposits with maturities of 4-12 months	350	350	350	350
Total loans and receivables	350	350	350	350
Total current portion	365	350	365	358
Non-current portion				
Investment in CCO's and similar entities:				
Investment in Te Horowhenua Trust	-	783	-	-
Unlisted shares in NZLGIC Limited	104	104	104	104
Unlisted shares in MWLASS	16	16	16	16
Unlisted shares in LGFA	100	100	100	100
Total investment in CCO's and similar entities	220	1,003	220	220
Other:				
LGFA borrowers notes	1,121	833	1,121	833
Deposits with maturities of over 12 months	-	-	-	-
Investments carried at cost:	-	-	-	-
Total non-current portion	1,341	1,836	1,341	1,053
Total other financial assets	1,706	2,186	1,706	1,411

Fair value

All unlisted shares have been valued at cost and not fair value. The carrying amount of term deposits and LGFA borrower notes approximates their fair value.

Maturity analysis and effective interest rates:	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
Short-term deposits with maturities 3 months or less	-	-	-	-
Average maturity	-	-	-	-
Weighted average effective interest rate	-	-	-	-
Short-term deposits with maturities of 4-12 months	350	350	350	350
Average maturity	242 Days	180 days	242 Days	180 days
Weighted average effective interest rate	3.63%	4.45%	3.63%	4.45%

Impairment

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

10. NON-CURRENT ASSETS HELD FOR SALE	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Forbes Road sub-division	396	285	396	285
Residential housing	7,112	-	7,112	-
Total assets held for sale	7,508	285	7,508	285

Forbes Road sections

The Forbes Road lands form part of the endowment lands endowed to Council in the late 1800's, the revenue from which fund the Foxton Beach Freeholding Fund. The whole intent of the subdivision section sales is to generate revenue for the fund. Section sales will continue as they arise. It is expected that eight of the 10 sections remaining in the Forbes Road subdivision will be sold in the next 12 months.

Residential housing

Council's residential housing portfolio includes 115 units at eight complexes in Levin, Foxton, Shannon and 1.1 hectare of land in Waimarie Park in Levin. As at 30 June 2017, no sales and purchase agreement had been signed. In October 2017 after balance date, the sale was completed with a sale price of \$5.25m. The loss on sale of \$1.862m will be shown in the 2017-18 annual report.

11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2017														
2017	Cost / revaluation 1-Jul-16	Accumulated depreciation and impairment charges 1-Jul-16	Carrying amount 1-Jul-16	Additions 2016/17	Vested assets 2016/17	Disposals at cost 2016/17	Depreciation on disposals 2016/17	Depreciation 2016/17	Reversal of accumulated depreciation 2016/17	Revaluation 2016/17	Transfers 2016/17	Cost / revaluation 30-Jun-17	Accumulated depreciation and impairment charges 30-Jun-17	Carrying amount 30-Jun-17
Council operational assets														
Land	14,430	-	14,430	-	-	(80)	-	-	-	3,243	(1,910)	15,683	-	15,683
Buildings	28,134	(947)	27,187	6,189	-	(310)	1	(479)	1,426	6,139	(5,201)	33,526	-	33,526
Library books and other lending stock	-	-	-	982	-	(50)	-	(113)	113	-	-	819	-	819
Plant and equipment	3,643	(1,863)	1,780	736	-	(101)	57	(490)	-	-	(2)	4,333	(2,353)	1,980
Total operational assets	46,207	(2,810)	43,397	7,907	-	(541)	58	(1,082)	1,539	9,382	(7,113)	54,361	(2,353)	52,008
Council infrastructural assets														
Wastewater treatment	32,218	(1,471)	30,747	3,326	-	-	-	(1,001)	1,522	742	54	34,818	(950)	33,868
Wastewater other	57,095	(3,251)	53,844	1,121	234	-	-	(1,896)	3,251	7,067	(54)	62,212	(1,896)	60,316
Water supply treatment	20,540	(1,216)	19,324	3,987	-	-	-	(766)	1,262	609	-	23,874	(720)	23,154
Water supply other	44,907	(2,728)	42,179	926	129	-	-	(1,620)	2,727	4,541	-	47,776	(1,621)	46,155
Stormwater drainage	32,264	(988)	31,276	2,080	96	-	-	(571)	945	5,007	-	38,502	(614)	37,888
Solid waste	5,472	(456)	5,016	328	-	-	-	(257)	708	(73)	-	5,019	(5)	5,014
Roads	155,595	(7,617)	147,978	2,853	-	-	-	(4,969)	7,612	12,531	(230)	163,137	(4,974)	158,163
Footpaths	41,863	(1,799)	40,064	996	-	-	-	(935)	1,799	(1,152)	230	40,138	(935)	39,203
Land under roads	24,285	-	24,285	-	-	-	-	-	-	-	-	24,285	-	24,285
Total infrastructural assets	414,239	(19,526)	394,713	15,617	459	-	-	(12,015)	19,826	29,272	-	439,761	(11,715)	428,046
Council restricted assets														
Cemeteries	1,015	(110)	905	130	-	-	-	(10)	120	121	-	1,146	-	1,146
Parks and reserves	32,757	(1,311)	31,446	2,528	-	-	-	(730)	2,038	4,482	-	37,729	(3)	37,726
Endowment properties	6,341	(28)	6,313	38	-	(1,606)	-	(15)	43	1,488	(111)	6,107	-	6,107
Total restricted assets	40,113	(1,449)	38,664	2,696	-	(1,606)	-	(755)	2,201	6,091	(111)	44,982	(3)	44,979
Total council PPE	500,559	(23,785)	476,774	26,220	459	(2,147)	58	(13,852)	23,566	44,745	(7,224)	539,104	(14,071)	525,033
Subsidiary plant, property and equipment														
Kete equipment	5	(5)	-	-	-	(5)	5	-	-	-	-	-	-	-
Furniture and fittings	624	(221)	403	-	-	(624)	221	-	-	-	-	-	-	-
IT equipment	38	(31)	7	-	-	(38)	31	-	-	-	-	-	-	-
Motor vehicle	16	(8)	8	-	-	(16)	8	-	-	-	-	-	-	-
Books	1,335	(590)	745	-	-	(1,335)	590	-	-	-	-	-	-	-
Other lending stock	137	(103)	34	-	-	(137)	103	-	-	-	-	-	-	-
Total subsidiary PPE	2,155	(958)	1,197	-	-	(2,155)	958	-	-	-	-	-	-	-
Total group PPE	502,714	(24,743)	477,971	26,220	459	(4,302)	1,016	(13,852)	23,566	44,745	(7,224)	539,104	(14,071)	525,033

Work in progress

Work in progress at 30 June 2017 was \$7,942,326 in buildings (2016: \$1,967,863), \$3,702,103 in wastewater (2016: \$3,589,880), \$636,576 in water (2016: \$1,145,081), \$103,082 in parks (2016: \$476,715), \$98,804 in plant and equipment (2016: \$272,878), \$95,561 in solid waste (2016: \$190,874) and \$4,238,024 in stormwater (2016: \$555,395). They are included in the above assets.

Restrictions on title

There are no pledges or restrictions on titles for any properties, plant or equipment as per the accounting policies for restricted assets.

No items of any properties, plant or equipment were impaired, lost or given up.

11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2016															
2016	Accumulated depreciation and impairment charges		Carrying amount 1-Jul-15	Additions 2015/16	Vested assets 2015/16	Disposals at cost 2015/16	Depreciation on disposals 2015/16	Depreciation 2015/16	Reversal of accumulated depreciation 2016/17	Revaluation 2015/16	Transfers 2015/16	Cost / revaluation 30-Jun-16	Accumulated depreciation and impairment charges		Carrying amount 30-Jun-16
	Cost / revaluation 1-Jul-15	impairment charges 1-Jul-15											30-Jun-16	30-Jun-16	
Council operational assets															
Land	14,436	-	14,436	280	-	(291)	-	-	-	-	5	14,430	-	14,430	
Buildings	26,973	(473)	26,500	1,166	-	(5)	-	(474)	-	-	-	28,134	(947)	27,187	
Plant and equipment	3,287	(1,731)	1,556	602	-	(246)	131	(263)	-	-	-	3,643	(1,863)	1,780	
Total operational assets	44,696	(2,204)	42,492	2,048	-	(542)	131	(737)	-	-	5	46,207	(2,810)	43,397	
Council infrastructural assets															
Wastewater treatment	26,490	(851)	25,639	5,531	-	-	-	(620)	-	-	197	32,218	(1,471)	30,747	
Wastewater other	55,103	(1,608)	53,495	2,146	43	-	-	(1,643)	-	-	(197)	57,095	(3,251)	53,844	
Water supply treatment	16,869	(592)	16,277	3,671	-	-	-	(624)	-	-	-	20,540	(1,216)	19,324	
Water supply other	43,424	(1,349)	42,075	1,426	57	-	-	(1,379)	-	-	-	44,907	(2,728)	42,179	
Stormwater drainage	31,629	(488)	31,141	635	-	-	-	(500)	-	-	-	32,264	(988)	31,276	
Solid waste	5,047	(218)	4,829	425	-	-	-	(238)	-	-	-	5,472	(456)	5,016	
Roads	151,876	(3,751)	148,125	3,719	-	-	-	(3,866)	-	-	-	155,595	(7,617)	147,978	
Footpaths	41,481	(882)	40,599	382	-	-	-	(917)	-	-	-	41,863	(1,799)	40,064	
Land under roads	24,285	-	24,285	-	-	-	-	-	-	-	-	24,285	-	24,285	
Total infrastructural assets	396,204	(9,739)	386,465	17,935	100	-	-	(9,787)	-	-	-	414,239	(19,526)	394,713	
Council restricted assets															
Cemeteries	1,014	(55)	959	1	-	-	-	(55)	-	-	-	1,015	(110)	905	
Parks and reserves	31,880	(622)	31,258	928	-	(51)	-	(689)	-	-	-	32,757	(1,311)	31,446	
Endowment properties	7,090	(14)	7,076	14	-	(763)	-	(14)	-	-	-	6,341	(28)	6,313	
Total restricted assets	39,984	(691)	39,293	943	-	(814)	-	(758)	-	-	-	40,113	(1,449)	38,664	
Total council PPE	480,884	(12,634)	468,250	20,926	100	(1,356)	131	(11,282)	-	-	5	500,559	(23,785)	476,774	
Subsidiary plant, property and equipment															
Kete equipment	5	(5)	-	-	-	-	-	-	-	-	-	5	(5)	-	
Furniture and fittings	617	(163)	454	7	-	-	-	(58)	-	-	-	624	(221)	403	
IT equipment	36	(25)	11	2	-	-	-	(6)	-	-	-	38	(31)	7	
Motor vehicle	16	(4)	12	-	-	-	-	(4)	-	-	-	16	(8)	8	
Books	1,311	(573)	738	163	-	(139)	66	(83)	-	-	-	1,335	(590)	745	
Other lending stock	132	(92)	40	22	-	(17)	15	(26)	-	-	-	137	(103)	34	
Total subsidiary PPE	2,117	(862)	1,255	194	-	(156)	81	(177)	-	-	-	2,155	(958)	1,197	
Total group PPE	483,001	(13,496)	469,505	21,120	100	(1,512)	212	(11,459)	-	-	5	502,714	(24,743)	477,971	

Work in progress

Work in progress at 30 June 2016 was \$1,967,863 in buildings (2015: \$1,885,568), \$3,589,880 in wastewater (2015: \$4,828,789), \$1,145,081 in water (2015: \$1,207,669), \$476,715 in parks (2015: \$76,845), \$272,878 in plant and equipment (2015: \$0), \$190,874 in solid waste (2015: \$216,080) and \$555,395 in stormwater (2015: \$134,873). They are included in the above assets.

12. INTANGIBLE ASSETS													
2017	Cost / revaluation 1-Jul-16	Accumulated amortisation and impairment charges 1-Jul-16	Carrying amount 1-Jul-16	Additions 2016/17	Vested Assets 2016/17	Disposals at Cost 2016/17	Amortisation on Disposals 2016/17	Amortisation 2016/17	Revaluation 2016/17	Transfers 2016/17	Cost / revaluation 30-Jun-17	Accumulated amortisation and impairment charges 30-Jun-17	Carrying amount 30-Jun-17
Council intangible assets													
Easements	235	-	235	-	-	0	-	-	-	-	235	-	235
Carbon credits	-	-	-	240	-	-	-	-	-	-	240	-	240
Computer software	3,740	(2,257)	1,483	200	-	-	-	(303)	-	-	3,940	(2,560)	1,380
Total council intangible assets	3,975	(2,257)	1,718	440	-	0	-	(303)	-	-	4,416	(2,560)	1,856
Subsidiary intangible assets													
Computer software	365	(356)	9	-	-	(365)	356	-	-	-	-	-	-
Total subsidiary intangible assets	365	(356)	9	-	-	(365)	356	-	-	-	-	-	-
Total group intangible assets	4,340	(2,613)	1,727	440	-	(365)	356	(303)	-	-	4,416	(2,560)	1,856

12. INTANGIBLE ASSETS													
2016	Cost / revaluation 1-Jul-15	Accumulated amortisation and impairment charges 1-Jul-15	Carrying amount 1-Jul-15	Additions 2015/16	Vested Assets 2015/16	Disposals at Cost 2015/16	Amortisation on Disposals 2015/16	Amortisation 2015/16	Revaluation 2015/16	Transfers 2015/16	Cost / revaluation 30-Jun-16	Accumulated amortisation and impairment charges 30-Jun-16	Carrying amount 30-Jun-16
Council intangible assets													
Easements	235	-	235	-	-	-	-	-	-	-	235	-	235
Computer software	3,448	(2,003)	1,445	292	-	-	-	(254)	-	-	3,740	(2,257)	1,483
Total council intangible assets	3,683	(2,003)	1,680	292	-	-	-	(254)	-	-	3,975	(2,257)	1,718
Subsidiary intangible assets													
Computer software	365	(352)	13	-	-	-	-	(4)	-	-	365	(356)	9
Total subsidiary intangible assets	365	(352)	13	-	-	-	-	(4)	-	-	365	(356)	9
Total group intangible assets	4,048	(2,355)	1,693	292	-	-	-	(258)	-	-	4,340	(2,613)	1,727

Impairment of easements

Easements are not cash generating in nature, instead they give Horowhenua District Council the right to access private property where infrastructural assets are located. As such impairment of easements is determined by considering the future service potential of the easement and its assessed replacement.

Life of easements

Easements have been assessed as having an indefinite useful life because they provide Horowhenua District Council with access to infrastructural assets for an indefinite time period.

13. FORESTRY ASSETS	Note	Council and Group Actual \$ 30 June 2017 \$000	Council and Group Actual \$ 30 June 2016 \$000
Balance at 1 July		952	911
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	3	240	41
Purchase of trees at the POT		308	-
Total forestry assets		1,500	952

Council owns 110.3 hectares of pinus radiata forest and other harvestable trees, which are at varying stages of maturity ranging from 4 to 30 years. This consists of the Ferry Reserve 13.6 ha, Purcell St transfer station 3.9 ha, Hokio Landfill 38.2 ha, The POT Forest 30.1 ha (commercially viability 25.1 ha) and Target Reserve 24.5 ha.

Independent registered valuers, Forme Consulting Ltd, have valued the forestry assets as at 30 June 2017. Valuation assumptions adopted in determining the fair value of the forestry assets include:

- * a pre-tax discount rate of 8% (2016: 9%) has been used in discounting the present value of expected cash returns;
- * the value of the land and the cost of owning the land are not allowed for in the valuation;
- * the estimated net stocked forest area is based on aerial mapping records;
- * trend log prices are based on an average of the last six quarters; and
- * costs are current average costs.

Financial risk management strategies

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

There are no restrictions on titles and liabilities for forestry.

14. INVESTMENT PROPERTY	Note	Council and Group Actual \$ 30 June 2017 \$000	Council and Group Actual \$ 30 June 2016 \$000
Balance at 1 July		5,926	5,706
Additions from acquisitions		-	-
Additions from subsequent expenditure		210	4
Transfer from/(to) operational assets		-	-
Disposals		-	-
Fair value gains/(losses) on valuation	3	(257)	216
Total investment property		5,879	5,926

Horowhenua District Council's investment properties are valued annually at fair value effective 30 June 2017. All investment properties were valued based on open market evidence. The valuation was performed by Bruce Lavender ANZIV, an independent valuer from Blackmore Associates, experienced valuers with extensive market knowledge in the types of investment properties owned by Horowhenua District Council.

The market value at 30 June 2017 was \$5,928,000 which has taken into account all the improvements made to that time. Assumptions vary depending on the item being valued. Land is based on current sales; leasehold land is based on recent market sales evidence and commercial properties are determined by rental achieved or achievable with appropriate capitalisation return indicating property worth. The anticipated rental assumptions range from \$40 to \$150 per square meter for office space (2016: \$90 to \$150), \$80 to \$180 per square meter for retail space (2016: \$120 to \$160) and \$20 to \$70 per square meter for industrial space (2016: \$25 to \$60). Capitalisation returns range from 7% to 12% (2016: 7.5% to 12%).

There are no restrictions on titles and liabilities for investment property.

REVENUE AND EXPENSE FROM INVESTMENT PROPERTY	Council and Group Actual \$ 30 June 2017 \$000	Council and Group Actual \$ 30 June 2016 \$000
Rental revenue	554	514
Direct operating expenses from investment property generating revenue	177	132
Direct operating expenses from investment property not generating revenue	-	-
Contractual obligations for capital expenditure	-	-
Contractual obligations for operating expenditure	-	-
Surplus/(deficit) from investment property	377	382

15. INVESTMENTS IN SUBSIDIARIES	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000
Te Horowhenua Trust (100% owned)	-	783
Total investment in subsidiaries	-	783

16. PAYABLES AND DEFERRED REVENUE	Note	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Trade payables		6,981	7,526	6,995	7,752
Amounts due to related parties	24	-	5	-	-
Deposits and bonds		876	757	876	757
Accrued expenses		1,264	1,696	1,264	1,696
Rates and other revenue in advance		828	871	828	871
Rates instalment		-	-	-	-
Other		280	574	280	574
Term deposit held for Shannon Community Trust		350	350	-	-
Total payables and deferred revenue		10,579	11,779	10,243	11,650
Exchange transactions		8,964	10,219	8,628	10,090
Non exchange transactions		1,615	1,560	1,615	1,560
Total payables and deferred revenue transactions		10,579	11,779	10,243	11,650

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.

17. PROVISIONS	Council and Group Actual \$ 30 June 2017 \$000	Council and Group Actual \$ 30 June 2016 \$000
Current provisions are represented by:		
Landfill aftercare	1,129	940
Total current provisions	1,129	940
Non-current provisions are represented by:		
Landfill aftercare	2,272	2,240
Total non-current provisions	2,272	2,240
Total provisions	3,401	3,180
Landfill aftercare		
Opening balance	3,180	3,065
Additional provisions made during the year	221	115
Unwinding of discount	-	-
Amounts used during the year	-	-
Closing landfill aftercare balance	3,401	3,180

Provision for financial guarantee

Horowhenua District Council is listed as sole guarantor to a community organisation's bank loan. Under this guarantee Horowhenua District Council is obligated to make loan payments in the event the organisation defaults on a loan arrangement. The exercising of guarantees will be dependent upon the financial stability of the community organisation, which will vary over time; it is not considered to be necessary to make any provision as at 30 June 2017 (30 June 2016: \$Nil). Refer to Note 23.

Provision for landfill aftercare costs

Horowhenua District Council gained resource consent in 2002 to operate a landfill near Levin. Horowhenua District Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

Cash outflows for landfill post-closure costs are already being incurred for closed cells, and will increase as each current and future cell is closed. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 7% (2016: 7%). The inflation factor has not been separately disclosed as it is part of the discount rate.

The management of the landfill will influence the timing of recognition of some liabilities – for example a liability relating to each cell will only be created when that cell is commissioned and when refuse begins to accumulate in the cell.

The provision was estimated by P Landmark of Montgomery Watson as at 30 June 2017 (2016: P. Landmark of Montgomery Watson).

Assumptions have been made that additional remediation, including clay capping, is required and that environmental monitoring will be increased. It is also unlikely that leachate will be irrigated to land in the future and so the costs associated with that operation have been ignored. It has also been assumed that pumping operations will need to continue for a period of at least 30 years after the closure of the landfill and that post closure costs have been assumed from information presented in the MFE Closed Landfills Guideline.

The remaining capacity of the consented landfill is approximately 573,000 cubic metres (2016: 532,000) (comprising: refuse, clean fill and cover).

The estimated remaining life is approximately 19 years (2016: 15 years).

In June 2017 Council received an abatement notice to cease the discharge of objectionable odour beyond the property boundary of the Levin Landfill. The notice was appealed but was not upheld. At this stage costs to mitigate the discharge of objectionable odour is unknown.

18. EMPLOYMENT BENEFIT LIABILITIES	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Accrued pay	474	360	474	360
Annual leave	681	560	681	633
Long service leave	110	110	110	110
Retirement gratuities	56	51	56	51
Sick leave	-	-	-	-
Total employee benefit liabilities	1,321	1,081	1,321	1,154
Comprising:				
Current	1,155	920	1,155	993
Non-current	166	161	166	161
Total employee benefit liabilities	1,321	1,081	1,321	1,154

Long service leave assumptions

Long service leave is calculated based on the probability of individual staff members reaching the long service leave milestones.

19. BORROWINGS	Council	Council	Group	Group
	Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000
Current				
Bank overdraft	-	-	-	-
Secured loans	14,000	16,000	14,000	16,000
Total current borrowings	14,000	16,000	14,000	16,000
Non-current				
Secured loans	63,000	49,000	63,000	49,000
Total non-current borrowings	63,000	49,000	63,000	49,000
Total borrowings	77,000	65,000	77,000	65,000

Horowhenua District Council manages its borrowings in accordance with its funding and financial policies, including a liability management policy, which has been adopted as part of Horowhenua District Council's LTP.

Fixed rate debt

Horowhenua District Council's secured debt of \$58,000,000 (2016: \$39,000,000) is issued at rates of interest fixed at time of issue.

Floating rate debt

Horowhenua District Council has \$19,000,000 on current floating rate (2016: \$26,000,000). The interest rate is reset quarterly based on the 90 day bill rate plus a margin for credit risk.

Overdraft

Horowhenua District Council no longer has a bank overdraft facility (2016: Nil).

Committed cash advance facility

Horowhenua District Council has a CCAF (Committed Cash Advance Facility) of \$10 Million that has not been included in the financial statements.

Credit card

Horowhenua District Council has a \$20,000 (2016: \$15,000) MasterCard facility that has not been included in the financial statements.

Security

All HDC's secured loans are secured under the terms of the Debenture Trust Deed between HDC and Foundation Corporate Trust as Trustee. Security is by a charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, HDC has issued to its bankers security certificates totalling \$88m to secure the various bank loan facilities and guarantees issued on behalf of HDC and other general banking facilities. An additional \$7,946m of security certificates have been issued as part of the LGFA agreement to jointly secure debt issues with other shareholding Councils.

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

Council and Group	Secured	Secured	Bank	Bank
	Loans	Loans	Overdraft	Overdraft
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
Less than one year	14,000	16,000	-	-
Effective weighted average interest rate	2.18%	3.88%	-	-
Later than one year but not more than five years	36,000	35,000	-	-
Effective weighted average interest rate	4.53%	4.72%	-	-
Later than five years	27,000	14,000	-	-
Effective weighted average interest rate	4.62%	5.16%	-	-
Total borrowing	77,000	65,000	-	-

Fair value of borrowings

The carrying amounts and the fair values of borrowings are as follows:

Council and Group	Carrying amounts		Fair values	
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$000	\$000	\$000	\$000
Secured Loans	77,000	65,000	77,000	65,000
Total borrowing	77,000	65,000	77,000	65,000

The carrying amounts of borrowings repayable within one year approximate their fair value. The fair values are based on cash flow using a rate based on the weighted average borrowing rates ranging from 2.075% to 5.985% (2016: 2.405% to 6.275%).

Internal borrowings

Information about internal borrowing per activity is provided on the activity funding impact statements on pages 98-194.

LGFA COVENANT COMPLIANCE	Council limits	LGFA lending policy	Actual 30 June 2017	Actual 30 June 2016
Net debt to total operating revenue	< 175%	< 250%	148%	127%
Net interest to total operating revenue	< 20%	< 20%	6%	6%
Net interest to annual rates revenue	< 25%	< 25%	9%	9%
Available financial accommodation to external indebtedness	> 110%	> 110%	114%	117%

The net debt to total operating revenue Council limit and LGFA lending policy limit are different because the 175% limit is for Councils without a credit rating and the 250% limit are for Councils that do. At the time the policy was written and consulted on as part of the 2015-25 LTP Council didn't have a credit rating.

20. OTHER NON-CURRENT LIABILITIES	Council Actual \$ 30 June 2017	Council Actual \$ 30 June 2016	Group Actual \$ 30 June 2017	Group Actual \$ 30 June 2016
	\$000	\$000	\$000	\$000
Development contributions	58	250	58	250
LGFA amortisations reserves	403	501	403	501
Total other non-current liabilities	461	751	461	751

21. EQUITY	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Retained earnings				
As at 1 July	263,345	264,909	263,946	265,586
Transfers to:				
Special funds	(2,386)	(1,473)	(2,386)	(1,473)
Transfers from:				
Special funds	915	735	915	735
Asset revaluation reserve on disposals	-	-	-	-
Surplus/(deficit) for the year	2,021	(826)	1,787	(902)
As at 30 June	263,895	263,345	264,262	263,946
Other reserve funds (refer to separate schedule on page 25)				
As at 1 July	6,948	6,210	6,948	6,210
Transfers to:				
Retained earnings	(915)	(735)	(915)	(735)
Transfers from:				
Retained earnings	2,386	1,473	2,386	1,473
As at 30 June	8,419	6,948	8,419	6,948
Asset revaluation reserves				
As at 1 July	147,449	147,449	147,449	147,449
Revaluation gains/(losses)	41,781	-	41,781	-
Transfers to:				
Retained earnings on disposal of property, plant and equipment	-	-	-	-
As at 30 June	189,230	147,449	189,230	147,449
Asset revaluation reserves consist of:				
Operational assets				
Land and Buildings	6,418	-	6,418	-
Infrastructural assets				
Sewerage system	40,912	33,102	40,912	33,102
Water system	29,101	23,951	29,101	23,951
Stormwater drainage system	23,508	18,499	23,508	18,499
Solid waste	954	1,028	954	1,028
Roading network	72,161	60,783	72,161	60,783
Restricted assets				
Cemeteries	235	115	235	115
Parks and reserves	12,841	8,359	12,841	8,359
Endowment property	3,100	1,612	3,100	1,612
Total asset revaluation reserves	189,230	147,449	189,230	147,449
Total equity	461,544	417,742	461,911	418,343

Refer to reserve funds statement, pages 25-28, for details on restricted reserves and Council created reserve funds

The revaluation amounts calculated are net of impairment, which is the cost to bring the earthquake prone buildings up to standard. Land and buildings asset class had \$699,750 of impairment and parks and reserves had \$550,000.

22. CAPITAL COMMITMENTS AND OPERATING LEASES	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
PPE capital commitments				
Wastewater treatment	16	146	16	146
Water treatment	90	2,861	90	2,861
Wastewater other	147	-	147	-
Water other	276	-	276	-
Stormwater	1,246	-	1,246	-
Buildings	1,298	4,395	1,298	4,395
Parks	-	1,224	-	1,224
Total PPE capital commitments	3,073	8,626	3,073	8,626

Refer to Note 14 for capital commitments for investment properties.

Operating leases as lessee

Horowhenua District Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

OPERATING LEASES AS LESSEE	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
Non-cancellable operating leases as lessee				
Less than one year	184	192	183	193
Later than one year but not more than five years	152	241	152	241
Later than five years	-	-	-	-
Total non-cancellable operating leases	336	433	336	433

Leases can be renewed at Horowhenua District Council's option, with rents set by reference to current market rates of equivalent age and condition. Horowhenua District Council does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Horowhenua District Council by any of the leasing arrangements.

Operating leases as lessor

Horowhenua District Council leases its investment properties, Foxton Beach endowment land and other property under operating leases. The majority of the investment and endowment property leases are leases in perpetuity and therefore non-cancellable; the majority of the other leases are cancellable. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

OPERATING LEASES AS LESSOR	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
Non-cancellable operating leases as lessor				
Less than one year	826	536	826	536
Later than one year but not more than five years	1,076	1,132	1,076	1,132
Later than five years	1,388	1,238	1,388	1,238
Total non-cancellable operating leases	3,290	2,906	3,290	2,906

Figures for later than five years are impracticable because most of the leases are in perpetuity. The total annual lease amounts are expected to be at least those indicated above.

No contingent rents have been recognised in the statement of financial performance during the period.

23. CONTINGENCIES	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	\$000	\$000	\$000	\$000
Guarantees	21	27	21	27
Government grant	5,219	5,219	5,219	5,219
Total contingencies	5,240	5,246	5,240	5,246

Guarantees

The value of guarantees disclosed as contingent liabilities reflects Horowhenua District Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position. See Note 17 Provisions, for information on recognised financial guarantees. The maximum financial exposure the Council is open to is \$21,000.

Government grants

The value of Government grants disclosed as a contingent liability is the sum of what is notionally an interest-free, suspensory loan from Housing NZ, but is for all practical intents and purposes a grant. The sum advanced is part of a \$10M programme for the construction and modernisation of Horowhenua District Council's residential housing. The sums advanced are repayable, with interest, primarily in the event of Horowhenua District Council selling the flats within 20 years and are registered as mortgages over the relevant properties. As of 30 June 2017 Horowhenua District Council intends to sell the residential housing on the condition they remain residential housing after they are sold and is currently negotiating with Sisters of Compassion that the suspensory loan is transferred.

Contingent liability

Horowhenua District Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability Risk Pool. The Council has now withdrawn from the Risk Pool but still has insurance cover via an insurance broker. Risk Pool operates as a mutual fund where each member makes an annual contribution to obtain cover; however should claims exceed contributions then calls can be made on the members of that fund year for the shortfall amount. Risk Pool have advised that further calls may be made to the Council for past pool periods. Horowhenua District Council has budgeted monies in its current LTP to cover these calls.

Council has several ongoing legal proceedings. The outcome of these remains uncertain at the end of the reporting period. The maximum financial exposure is anticipated to be less than \$140,000.

Horowhenua District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

Horowhenua District Council is one of 30 local authority shareholders and 8 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100K. When aggregated with the uncalled capital of other shareholders, \$20M is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Horowhenua District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2017, NZLGFA had borrowings totalling \$7,946m (2016: \$6,501m).

Financial reporting standards require Horowhenua District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

The leases for Waitare Beach Motor Camp and Levin Holiday Park include provisions for Council to buy-back the lessee's fixtures and improvements in certain circumstances totalling \$945,000. This estimate has been based on district rating valuations.

Personal grievances claims, represents amounts claimed by employees for personal grievances cases. There are 1 personal grievances claims (2016: 0 personal grievances claims).

Building Act claims

The Building Act of 2004 imposes certain obligation and liabilities on local authorities in respect to the issue of building consents and inspections of work done.

Horowhenua District Council has two live claims with the Weathertight Homes Resolution Service (WHRS claim 07547, and 07477). These claims have been accepted as valid and will be liable for 25% of the value of repairs. At this stage value of the repairs is not known. Horowhenua District Council is not expected to be covered under its insurance policies. Horowhenua District Council is also exposed to potential claims which have not been advised. The amount of these claims and any potential liability are not able to be reliably measured and are therefore not quantifiable.

Contingent assets

Third parties including sports clubs and community groups are able to construct facilities (e.g. club rooms) on Horowhenua District Council owned land. The third parties control the use of these facilities and Horowhenua District Council will only gain control of the asset if the third party vacates the facility. Unless, and until, such event occurs these assets are not recognised as assets in the statement of financial position. As at 30 June 2017 there were 24 facilities having an approximate value of \$18.70m (2016: 24 facilities, \$17.43m). This estimate has been based on district rating valuations.

Horowhenua District Council also has a contingent asset in the land sold to the Foxton Medical Trust, which, should the Foxton Medical Trust sell the land, Council will receive the market value at the time of transfer.

24. RELATED PARTY TRANSACTIONS

Manawatu/Wanganui Local Authorities Shared Services Limited (MWLASS)

This company was set up in 2008 by seven local councils to investigate the possibilities of economies of scale by joint procurement.

To date there has been one call on share capital and the company is now trading. Horowhenua District Council owns one seventh or 14% of this company and has a \$16,000 share capital.

The Company is considered to be a council controlled organisation under the Local Government Act 2002 but the member councils have resolved that it is exempt for the purposes of Section 6(4)(i) of that Act for 2016/17 and 2015/16.

RELATED PARTY TRANSACTIONS	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000
Manawatu/Wanganui Local Authorities Shared Services Limited		
E-Road hardware	8	10
Regional archives	53	27
Regional ISSP	33	33
Valuation services and share of fixed charges	-	7
Acuity database expenses	6	-
Aerial photography	-	20
Debt collection process	4	-
Miscellaneous projects	13	7
Online economic profiles subscription	13	13
Total MWLASS related party transactions	130	117

Shannon Community Development Trust

The Council holds \$350,000 on deposit on behalf of the Shannon Community Development Trust.

Key management personnel

During the year key management personnel (the Mayor, Councillors and senior managers) were involved in minor transactions with Horowhenua District Council (e.g. payment of rates, purchase of rubbish bags, and registration of dogs) as part of a normal customer relationship. In addition the following transactions were conducted with key management personnel:

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000
Taitoko Ltd (in which Cr Piri Hira Tukapua is a shareholder / director)	1	24
Canvasland Holdings Ltd (in which former Mayor B Duffy was a shareholder) purchase of goods or services. Up to November 2016.	1	9
Canvasland Sunshades Ltd (in which former Mayor B Duffy was a shareholder) purchase of goods or services. Up to November 2016	2	5
Total transactions with key management personnel	4	38

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2016: \$Nil).

Foxton Beach Community Board members

The following transactions were carried out with related parties were within normal supplier or client/recipient relationship on normal terms and conditions:

RELATED PARTY TRANSACTIONS	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000
Foxton Beach Community Board members		
Roaches Concrete Products Ltd (in which David Roach is a shareholder / director)	1	67
Mastermix & Packaging Ltd (in which Tricia Metcalf is a shareholder / director)	-	43
Total transactions with Foxton Beach Community Board members	1	110

KEY MANAGEMENT PERSONNEL COMPENSATION	Council Actual \$ 30 June 2017	Council Actual \$ 30 June 2016\$
Remuneration		
Councillors	370,461	371,038
Senior management team, including the Chief Executive	1,434,261	1,352,592
Total key management personnel remuneration	1,804,722	1,723,630
Full-time equivalent key management personnel		
Councillors*	11	11
Senior management team, including the Chief Executive	9	9
Total full-time equivalent key management personnel	20	20

*Due to the difficulty in determining the full-time equivalent for councillors, the fulltime equivalent figure is taken as the number of councillors

25. REMUNERATION	Council Actual \$ 30 June 2017	Council Actual \$ 30 June 2016
Chief Executive		
Salary	272,068	250,814
Vehicle (FBT)	10,443	10,352
Total Chief Executive remuneration	282,511	261,166
Elected representatives		
Mayor		
B J Duffy (Until Nov 2016)	30,490	99,040
M Feyen (Mayor from Nov 2016)	70,780	-
Councillors:		
W Bishop	33,075	30,620
R Brannigan	25,523	27,558
R Campbell	27,114	25,140
M Feyen	7,684	25,140
N Gimblett	17,839	-
G Good	10,810	35,100
B Judd	17,838	-
V Kaye-Simmons	25,523	25,140
J Mason	25,523	25,140
C Mitchell	25,523	25,140
A Rush	9,375	27,880
P H Tuakapua	25,523	25,140
B Wanden	17,839	-
Total elected representatives remuneration	370,459	371,038
Foxton Beach Community Board		
D Roache (Chair)	10,212	6,040
D Allan	4,155	-
J Girling	4,155	-
J Lundie	4,155	-
P Metcalf	5,945	6,040
J Smart	3,580	11,840
A Street	1,790	6,040
B Vertongen	1,790	6,040
Total Foxton Beach Community Board remuneration	35,782	36,000
Council employees		
Total annual remuneration by band		
<60,000	128	89
\$60,000 - \$79,999	43	31
\$80,000 - \$99,999	15	12
\$100,000 - \$119,999	11	11
\$120,000 - \$299,999	8	8
Total Council employee remuneration	205	151

At balance date, the Council employed 145 (2016: 99) full-time employees, with the balance of staff representing 32 (2016: 28) full-time equivalent employees. A full-time employee is determined on the bases of a 40-hour working week.

26. SEVERANCE PAYMENTS

For the year ended 30 June 2017 Horowhenua District Council made one severance payment to employees totalling \$1,250 (2016: \$152,458). The value of each severance payment was \$1,250 (2016 eight of \$34,708, \$59,400, \$5,727, \$8,415, \$9,038, \$10,641, \$23,530 and \$1,000).

27. EVENTS AFTER THE BALANCE SHEET DATE

The sale of the pensioner housing went unconditional. As part of the sale the suspensory loan was transferred to Sisters of Compassion but Council will act as guarantor. Refer to note 10 for details.

28. FINANCIAL INSTRUMENTS

28a. FINANCIAL INSTRUMENT CATEGORIES	Note	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Financial assets					
Loans and receivables					
Cash and cash equivalents	7	5,074	7,400	5,100	7,430
Debtors and other receivables	8	6,790	5,960	6,795	6,045
Other financial assets:					
- Term deposits	9	350	350	350	350
Total loans and receivables		12,214	13,710	12,245	13,825
Fair value through other comprehensive revenue and expense					
Unlisted shares in NZLGIC Limited	9	104	104	104	104
Unlisted shares in MWLASS	9	16	16	16	16
Unlisted shares in LGFA	9	100	100	100	100
LGFA borrowers notes	9	1,121	833	1,121	833
Total fair value through other comprehensive revenue and expense		1,341	1,053	1,341	1,053
Total financial assets		13,555	14,763	13,586	14,878
Financial Liabilities					
Fair Value through surplus or deficit – held for trading					
Derivative financial instrument liabilities	34	1,038	1,668	1,038	1,668
Financial liabilities at amortised cost					
Creditors and other payables	16	10,579	11,779	10,243	11,650
Borrowings:					
- bank overdraft	7	-	-	-	-
- secured loans	19	77,000	65,000	77,000	65,000
Total financial liabilities at amortised cost		87,579	76,779	87,243	76,650
Total financial liabilities		88,617	78,447	88,281	78,318

28b. FINANCIAL INSTRUMENT RISK

Horowhenua District Council has a series of policies to manage the risks associated with financial instruments. Horowhenua District Council is risk averse and seeks to minimise exposure from its Treasury activities. Horowhenua District Council has established Council approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

28c. 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 measure at fair value in the statement of financial position:

	Total \$000	Quoted market price \$000	Observable inputs \$000	Significant non- observable inputs \$000
Council 2017				
Financial assets				
Shares	220	-	-	220
LGFA borrower notes	1,121	-	-	1,121
Financial liabilities				
Swap derivatives	1,038	-	1,038	-
Group 2017				
Financial assets				
Shares	220	-	-	220
LGFA borrower notes	1,121	-	-	1,121
Financial liabilities				
Swap derivatives	1,038	-	1,038	-
Council 2016				
Financial assets				
Shares	220	-	-	220
LGFA borrower notes	833	-	-	833
Financial liabilities				
Swap derivatives	1,668	-	1,668	-
Group 2016				
Financial assets				
Shares	220	-	-	220
LGFA borrower notes	833	-	-	833
Financial liabilities				
Swap derivatives	1,668	-	1,668	-

Market Risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Horowhenua District Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to movements in fair value of unlisted securities. This price risk is managed by a prohibition of further share investment in Horowhenua District Council's Investment Policy.

Horowhenua District Council holds unlisted equity instruments in New Zealand Local Government Insurance Limited, which are not publicly traded. If the fair value of the shares had moved plus or minus 5%, the effect would have been to increase/decrease the fair value through equity reserve by \$5,200 (2016:\$5,200).

Currency risk

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

Interest rate risk

The interest rates on Horowhenua District Council's investments are disclosed in Note 9 and on Horowhenua District Council's borrowings in Note 19.

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. Borrowing issued at fixed rates exposes the Horowhenua District Council to fair value interest rate risk. Horowhenua District Council's liability management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where Horowhenua District Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose the Horowhenua District Council to fair value interest rate risk.

Cash flow interest rate risk

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

Horowhenua District Council manages its cash flow interest rate risk on borrowings by borrowing at fixed rates.

Credit risk

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

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in Note 23.

Horowhenua District Council invests funds only in government-guaranteed instruments, deposits with registered banks and local authority stock and its Investment Policy limits the amount of credit exposure to any one institution or organisation. Investments in other local authorities are secured by charges over rates. Accordingly, the Group does not require any collateral or security to support these financial instruments.

Maximum exposure to credit risk

Horowhenua District Council's maximum credit exposure for each class of financial instrument is as follows:

MAXIMUM EXPOSURE TO CREDIT RISK	Note	Council	Council	Group	Group
		Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000
Cash at bank and term deposits	7	5,424	7,750	5,450	7,780
Debtors and other receivables	8	6,790	5,960	6,795	6,044
Total credit risk		12,214	13,710	12,245	13,824

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 Poors credit ratings (or similar, if available) or to historical information about contemporary default rates:

COUNTERPARTIES WITH CREDIT RATINGS	Note	Council	Council	Group	Group
		Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000
Cash at bank and term deposits:					
AA-	7	5,424	7,750	5,450	7,780
Total cash at bank and term deposits		5,424	7,750	5,450	7,780

Debtors and other receivables mainly arise from Horowhenua District Council's statutory functions, therefore there are no procedures in place to monitor or report the quality of debtors and other receivables with reference to internal or external credit ratings. Horowhenua District Council has no significant concentrations of credit risk in relation to debtors and other receivables as it has a large number of credit customers, mainly ratepayers, and has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity Risk

Management of liquidity risk

Liquidity risk is the risk that Horowhenua District Council will encounter difficulty raising liquid funds to meet commitments as they fall due. 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. Horowhenua District Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Horowhenua District Council maintains a target level of investments that must mature within the next 12 months.

Horowhenua District Council manages its borrowings in accordance with its funding and financial policies, which includes a liability management policy. These policies have been adopted as part of the Horowhenua District Council's LTP.

The maturity profiles of the Horowhenua District Council's interest bearing investments and borrowings are disclosed in Notes 9 and 19 respectively.

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 23.

Contractual maturity analysis of financial liabilities

The table below analyses Horowhenua District Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest rate payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

Council 2017	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
Creditors and other payables	16	10,579	10,579	10,579	-	-	-
Secured loans	19	77,000	89,027	14,133	14,985	25,915	33,994
Swap derivatives	34	1,038	1,038	265	211	381	181
Total		88,617	100,644	24,977	15,196	26,296	34,175
Group 2017							
Creditors and other payables	16	10,243	10,243	10,243	-	-	-
Secured loans	19	77,000	89,027	14,133	14,985	25,915	33,994
Swap derivatives	34	1,038	1,038	265	211	381	181
Total		88,281	100,308	24,641	15,196	26,296	34,175
Council 2016							
Creditors and other payables	16	11,779	11,779	11,779	-	-	-
Secured loans	19	65,000	75,219	16,353	2,093	39,172	17,601
Swap derivatives	34	1,668	1,668	241	244	643	540
Total		78,447	88,666	28,373	2,337	39,815	18,141
Group 2016							
Creditors and other payables	16	11,650	11,650	11,650	-	-	-
Secured loans	19	65,000	75,219	16,353	2,093	39,172	17,601
Swap derivatives	34	1,668	1,668	241	244	643	540
Total		78,318	88,537	28,244	2,337	39,815	18,141

Contractual maturity analysis of financial assets

The table below analyses Horowhenua District Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
Council 2017							
Cash and cash equivalents	7	5,074	5,074	5,074	-	-	-
Debtors and other receivables	8	6,790	6,790	6,790	-	-	-
Other financial assets:							
term deposits	9	350	358	358	-	-	-
Total		12,214	12,222	12,222	-	-	-
Group 2017							
Cash and cash equivalents	7	5,100	5,100	5,100	-	-	-
Debtors and other receivables	8	6,795	6,795	6,795	-	-	-
Other financial assets:							
term deposits	9	350	358	358	-	-	-
Total		12,245	12,253	12,253	-	-	-
Council 2016							
Cash and cash equivalents	7	7,400	7,400	7,400	-	-	-
Debtors and other receivables	8	5,960	5,960	5,960	-	-	-
Other financial assets:							
term deposits	9	350	359	359	-	-	-
Total		13,710	13,719	13,719	-	-	-
Group 2016							
Cash and cash equivalents	7	7,430	7,430	7,430	-	-	-
Debtors and other receivables	8	6,044	6,044	6,044	-	-	-
Other financial assets:							
term deposits	9	350	359	359	-	-	-
Total		13,824	13,833	13,833	-	-	-

Sensitivity analysis

The tables below illustrate the potential profit and loss (excluding retained earnings) for reasonably possible market movements, with all other variables held constant, based on Horowhenua District Council's financial instrument exposures at the balance date.

INTEREST RATE RISK	Council & Group 30 June 2017 -100bps	Council & Group 30 June 2017 +100bps	Council & Group 30 June 2016 -100bps	Council & Group 30 June 2016 +100bps
Financial assets				
Cash and cash equivalents	(51)	51	(74)	74
Financial liabilities				
Borrowings	190	(190)	260	(260)

Cash and cash equivalents include deposits at call totalling \$5,074,000 (2016: \$7,400,000) which are at floating rates. A movement of interest rates of plus or minus 1% has an effect on interest revenue of \$50,740 (2016: \$74,000).

Borrowings include total debt of \$19,000,000 (2016: \$26,000,000) on current floating rates.

29. BUDGETS FOR YEAR ENDED 30 JUNE 2017

Budgets are as per the annual plan, 2016/2017

30. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations on major variances against budget are disclosed within these financial statements and funding impact statements.

31. FINANCE LEASES

Council does not have any finance leases (30 June 2016:\$Nil).

32. RECONCILIATION OF SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES	Council	Council	Group	Group
	Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2016 \$000
Surplus (deficit)	2,021	(826)	1,787	(902)
Add/(less) non-cash items:				
Depreciation and amortisation	14,154	11,536	14,154	11,717
Other including vested and donated assets	(459)	(100)	(459)	(108)
Net gains and losses and other non-current movements	(4,145)	674	(3,922)	749
Impairment of non-current assets	-	-	-	-
Add/(less) movements in working capital:				
Increase/(decrease) in accounts receivable	(830)	(459)	(819)	(495)
Increase/(decrease) in stock on hand	(15)	-	(15)	-
Increase /(decrease) in current liabilities	(504)	1,614	(490)	1,611
Net cash flows from operating activities	10,222	12,439	10,236	12,572

33. CAPITAL MANAGEMENT

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

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

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted by 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 Council to make adequate and effective provision in its LTP and 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 financial policies in the Council's LTP.

Horowhenua District Council has the following Council-created reserves:

- reserves for different types of rates;
- reserves for the repayment of loans;
- depreciation funds.

Refer to pages 25- 28 for Council created reserves.

34. DERIVATIVE FINANCIAL INSTRUMENTS	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Current liability				
Interest rate swaps – cashflow hedges	-	-	-	-
Non-current liability				
Interest rate swaps – cashflow hedges	1,038	1,668	1,038	1,668
Total derivative financial instrument liability	1,038	1,668	1,038	1,668
Gain or loss on derivative financial instruments				
Opening balance	1,668	567	1,668	567
Closing balance	1,038	1,668	1,038	1,668
Derivative gain/(loss)	630	(1,101)	630	(1,101)

Fair value

The fair value of interest rate swaps have been derived using a discounted cash flows valuation technique based on quoted market prices.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for Horowhenua District Council were \$7,000,000 and \$4,000,000 (2016 \$7,000,000 and \$4,000,000) and for the Horowhenua District Council Group were \$11,000,000 (2016 \$11,000,000). At 30 June 2017, the fixed interest rate of the cash flow hedge interest rate swaps were 4.75% and 4.015% respectively (2016 4.75% and 4.015%)

35. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000
Community support	31	36
Environmental services	79	75
Community facilities & services	1,095	917
Property	358	355
Roading	5,904	4,783
Solid waste	286	268
Stormwater	571	500
Wastewater	2,897	2,264
Water supply	2,385	1,996
Council operating assets	548	342
Total	14,154	11,536

36. INSURANCE OF ASSETS	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000
Total value of assets covered by insurance contracts	128,915	104,584
Maximum amount of insurance	194,357	182,651
Total value of assets covered by financial risk sharing arrangements	145,335	128,290
Maximum amount available under those arrangements	270,760	255,170
Total value of assets that are self-insured	266,071	251,031
The value of funds maintained for that purpose	-	-

It is anticipated (but cannot be guaranteed) that under the terms contained in the Guide to the Civil Defence Emergency Plan, central government may fund 60% of the qualifying cost of reinstating essential infrastructure assets in the event of a major disaster.

37. REPLACEMENT COST OF CORE INFRASTRUCTURAL ASSETS	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000
Water other	95,967	91,626
Water treatment plant and facilities	32,152	28,316
Waste water treatment plant and facilities	42,360	25,467
Wastewater other	134,902	113,313
Stormwater	53,449	46,883
Solid waste	8,730	8,309
Roading and footpaths	332,352	344,763
Total replacement cost of core infrastructure assets	699,912	658,677

Refer to Note 11 for vested assets and additions.

38. TAX	Council Actual \$ 30 June 2017 \$000	Council Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2016 \$000
Components of tax expense				
Current tax	-	-	-	-
Tax expense	-	-	-	-
Relationship between tax expense and accounting surplus				
Surplus/(deficit) before tax	2,021	(836)	1,787	(901)
Tax at 28%	566	(231)	500	(252)
Plus/(less) tax effect of:				
Non-deductible expense	(566)	231	(500)	252
Non-deductible revenue	-	-	-	-
Tax expense	-	-	-	-

39. ADJUSTMENTS TO THE COMPARATIVE YEAR FINANCIAL STATEMENTS

Notes	Actual 30 June 2016		
	Before adjustment \$'000	Reclassification \$'000	After adjustment \$'000
Council			
Revenue			
Gain on forestry assets at fair value	42	(42)	-
Gain on commercial land and building revaluations	216	(216)	-
Gain on disposal of assets	156	(156)	-
Other gains	-	414	414
Expenditure			
Finance costs	4,087	(1,101)	2,986
Loss on derivative financial instruments	-	1,101	1,101
Loss on disposal of assets	147	(147)	-
Other losses	-	147	147
Non-current assets			
Other financial assets: Investments in CCO's and other similar entities	1,836	(833)	1,003
Other financial assets: Other	-	833	833
Non-current liabilities			
Other	2,419	(1,668)	751
Derivative financial instruments	-	1,668	1,668
Group			
Expenditure			
Finance costs	4,087	(1,101)	2,986
Loss on derivative financial instruments	-	1,101	1,101
Non-current assets			
Other financial assets: Investments in CCO's and other similar entities	1,053	(833)	220
Other financial assets: Other	-	833	833
Non-current liabilities			
Other	2,419	(1,668)	751
Derivative financial instruments	-	1,668	1,668

Benchmarks Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2017

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

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

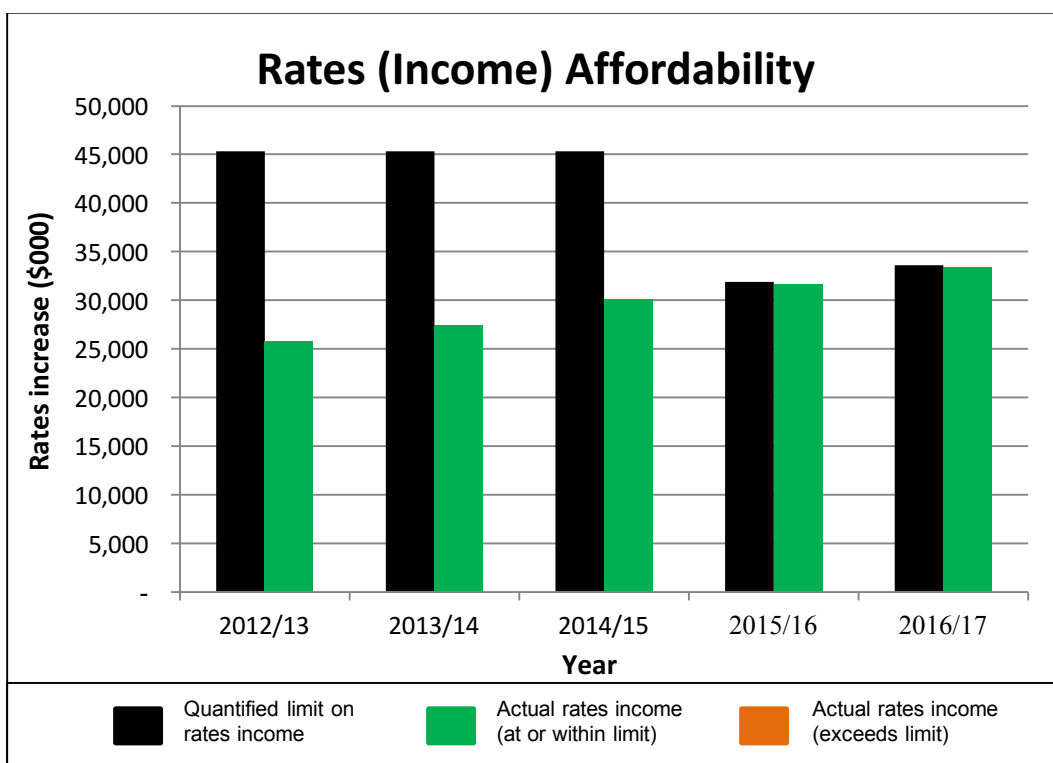
Rates affordability benchmarks

The Council meets the rates affordability benchmark if –

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

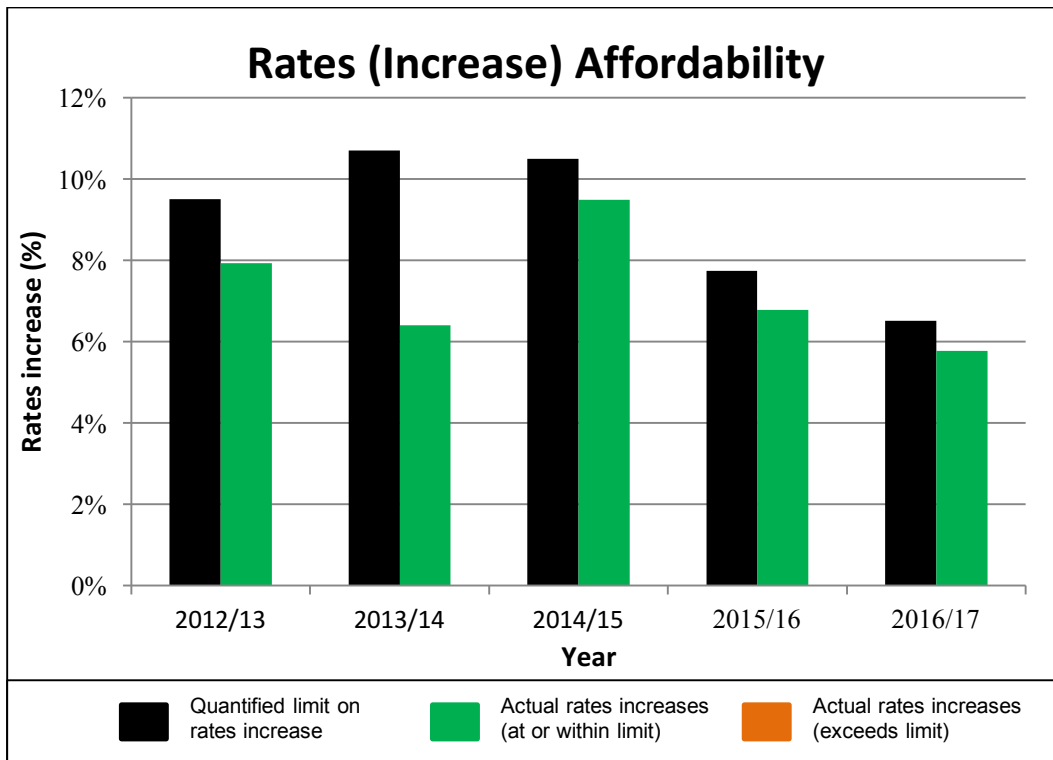
Rates (income) affordability

The following graph compares the Council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long-term plan. The quantified limit is \$45,300,000 (2012/13), \$45,300,000 (2013/14), \$45,300,000 (2014/15), \$31,858,000 (2015/16) and \$36,619,000 (2016/17).



Rates (increases) affordability

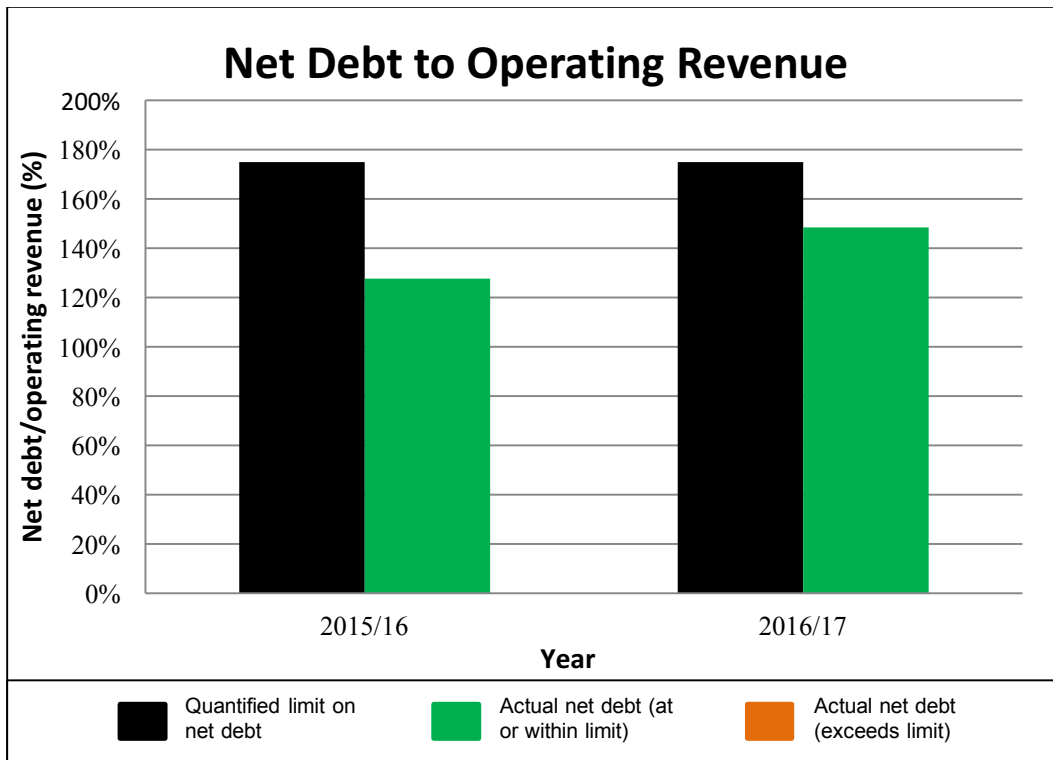
The following graph compares the Council's actual rate increase with a quantified limit on rates increases included in the financial strategy included in the Council's long term plan. The quantified limits are 9.50% (2012/13), 10.70% (2013/14), 10.50% (2014/15), 7.74% (2015/16) and 6.52% (2016/17).



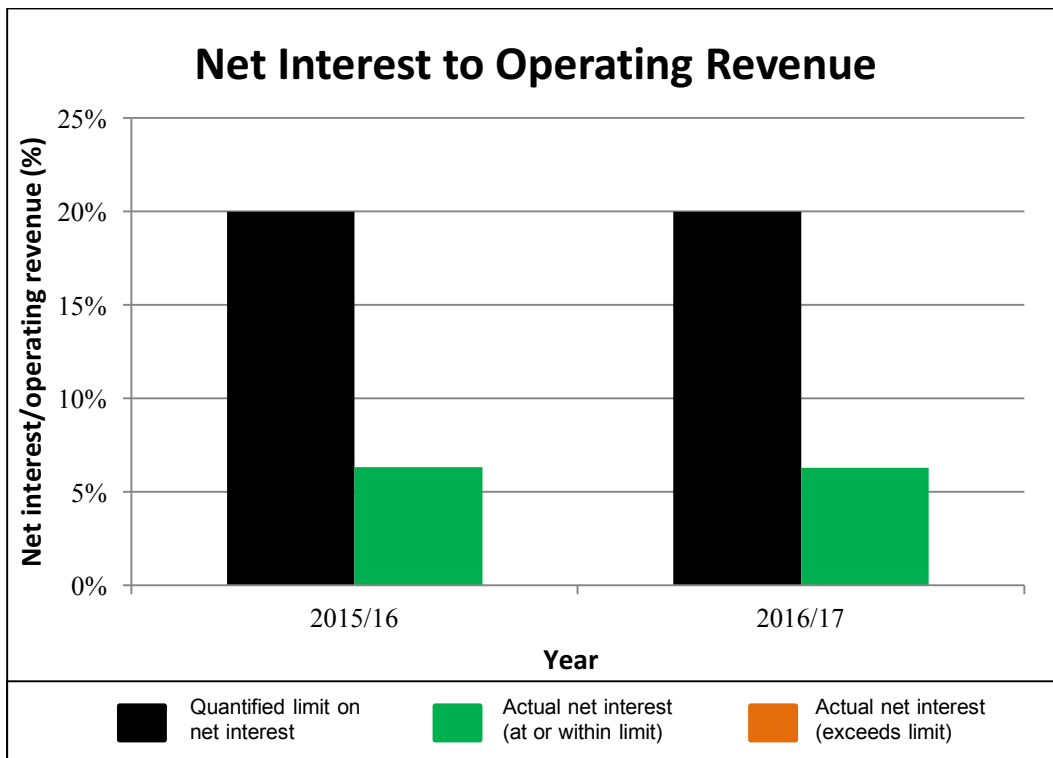
Debt affordability benchmark

The Council meets the debt affordability benchmark for a year if actual borrowing is within each quantified limit on borrowing.

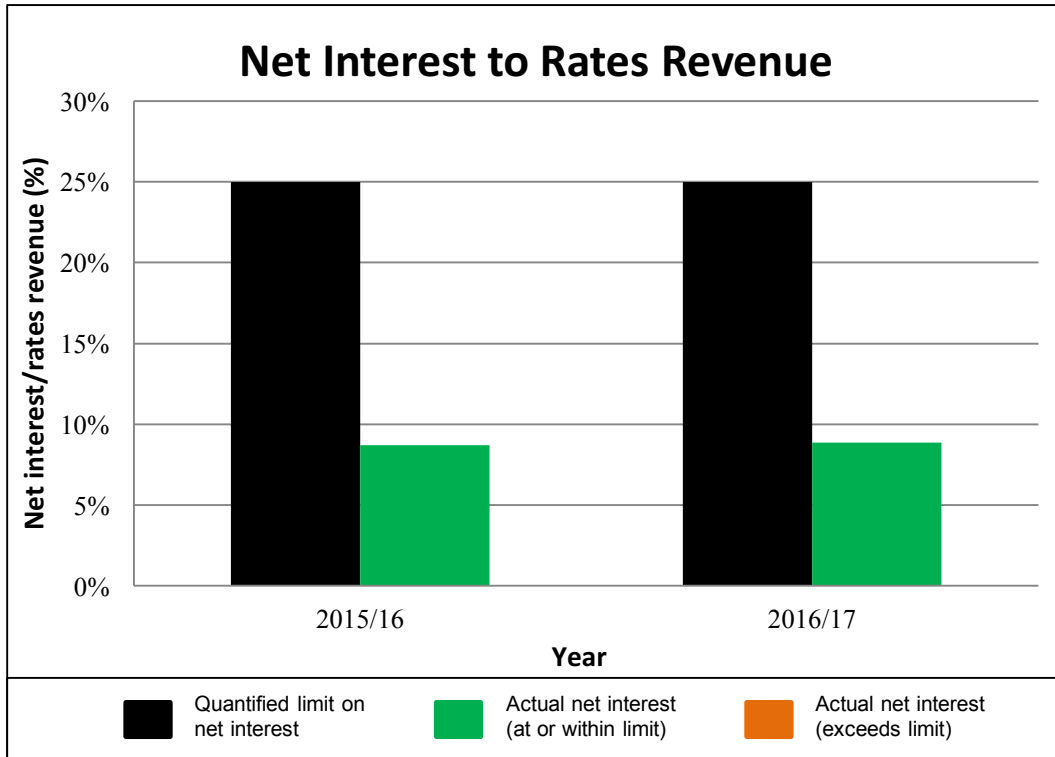
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net debt to operating revenue should be below 175%. This is a new quantified limit in the 2015-25 LTP so therefore there are only two years of data available.



The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net interest to operating revenue should be below 20%. This is a new quantified limit in the 2015-25 LTP so therefore there are only two years of data available.

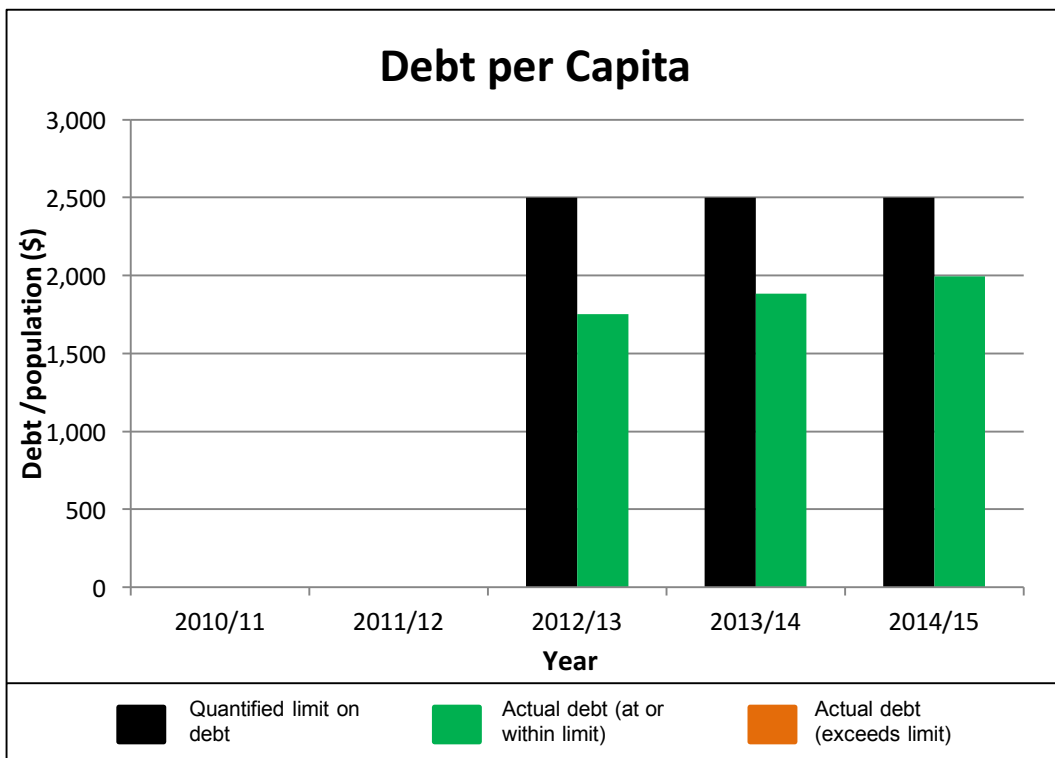


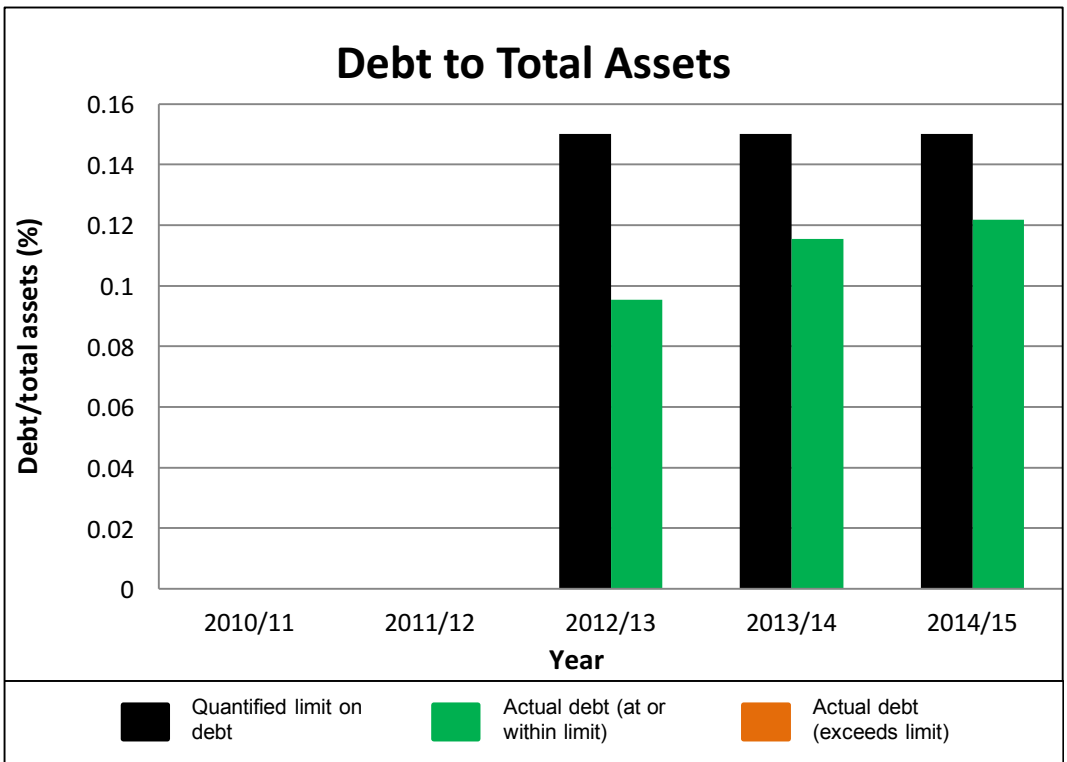
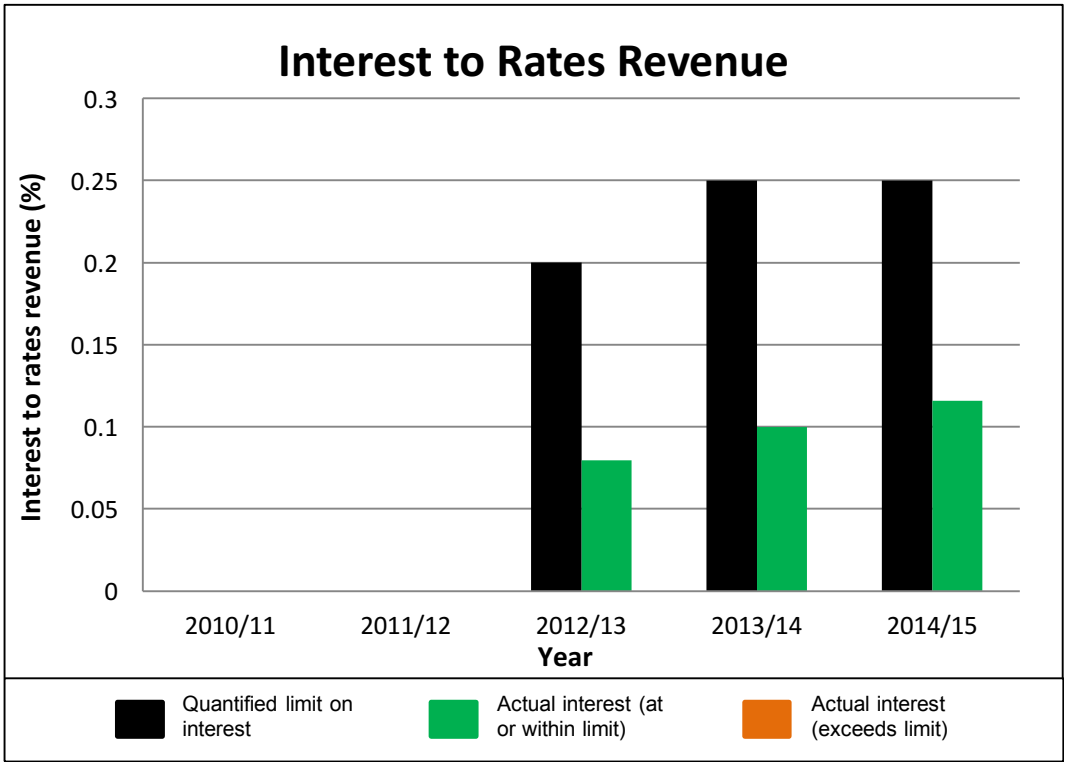
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net interest to annual rates revenue should be below 25%. This is a new quantified limit in the 2015-25 LTP so therefore there are only two years of data available.



Previously the 2012-2022 LTP used the following benchmarks:

- Debt per capita of less than \$2,500 was used as a debt affordability benchmark.
- Gross annual interest cost will not exceed 25% of total rates revenue.
- Total debt as a percentage of total assets will not exceed 15%.

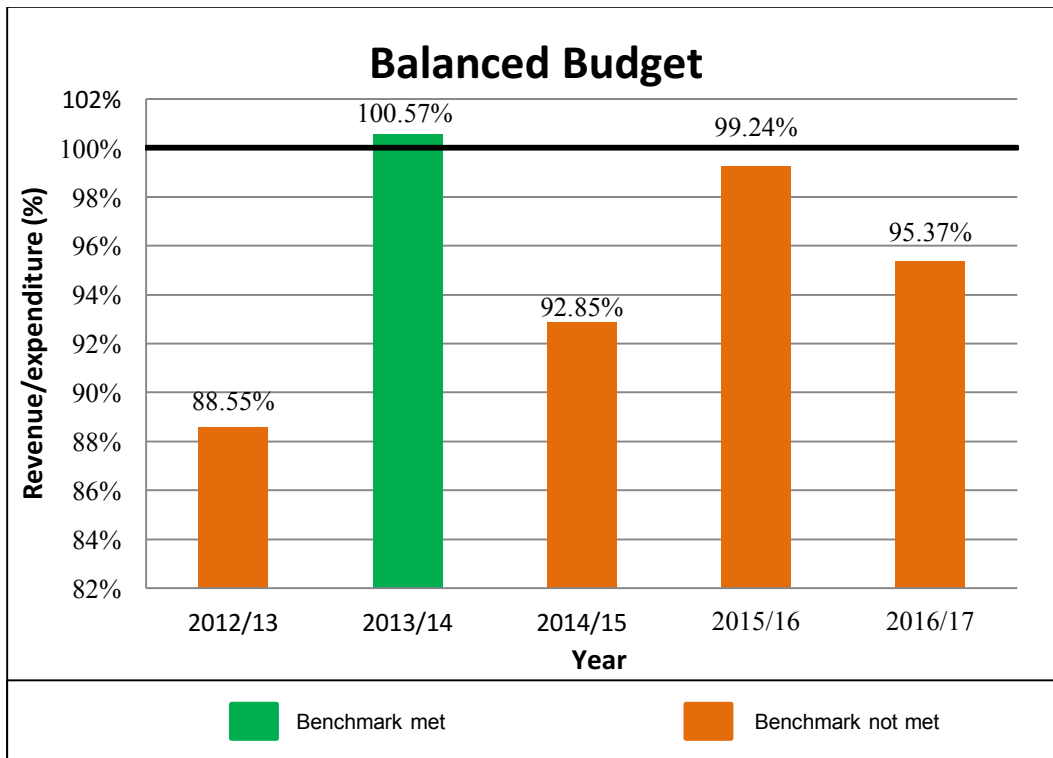




Balanced budget benchmark

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

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



Explanation on balanced budget benchmark

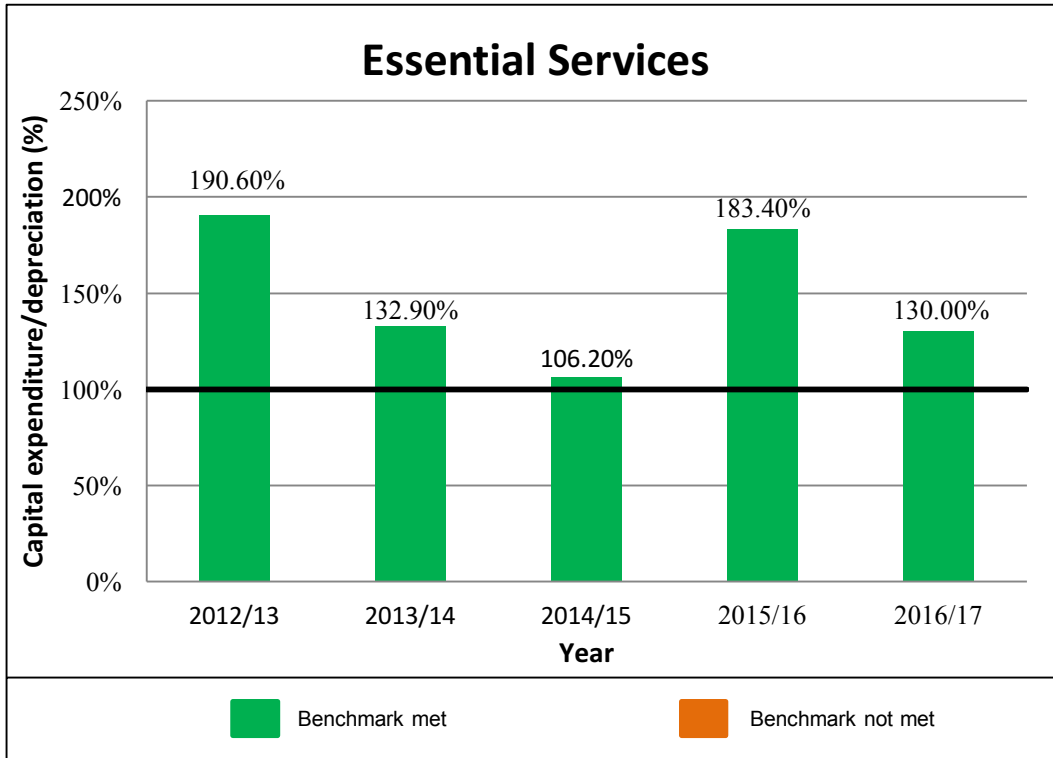
In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only in the short-term. Council has been progressively increasing the funding of depreciation since the 2009/10 financial year with the view of fully funding depreciation by the 2019/20 financial year. The major cause of Council's above inflation rate increases has been the need to increase depreciation funding. The underfunding of depreciation is the major reason for Council not meeting this benchmark.

Essential services benchmark

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

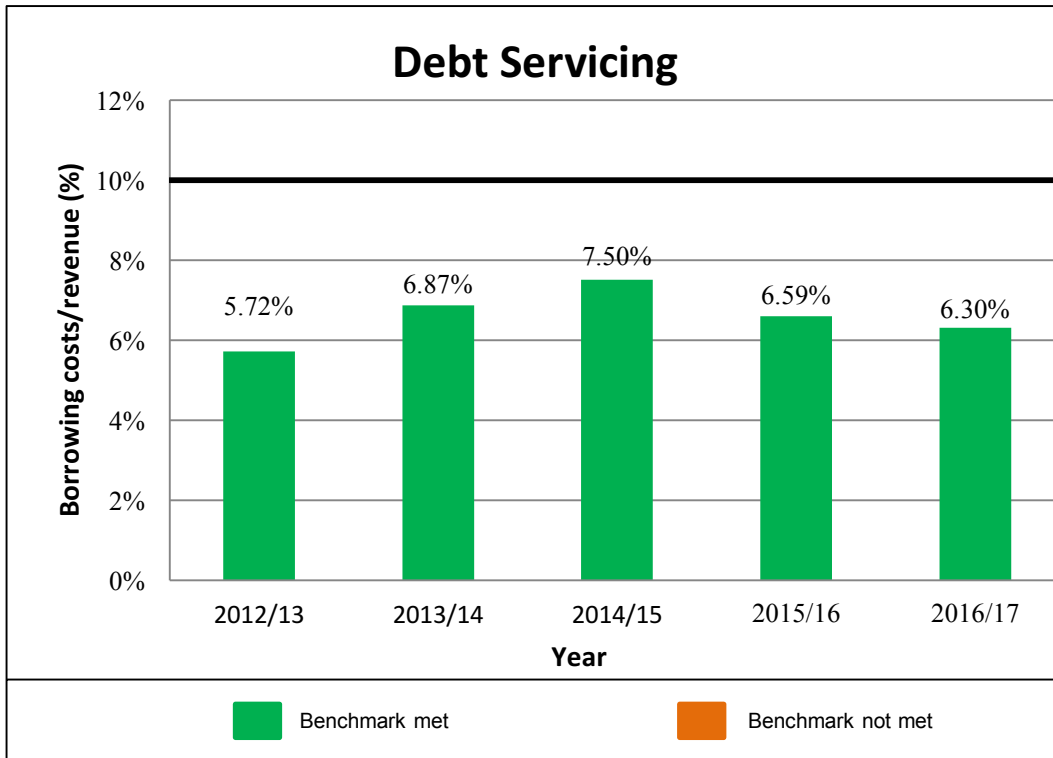
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

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



Debt servicing benchmark

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



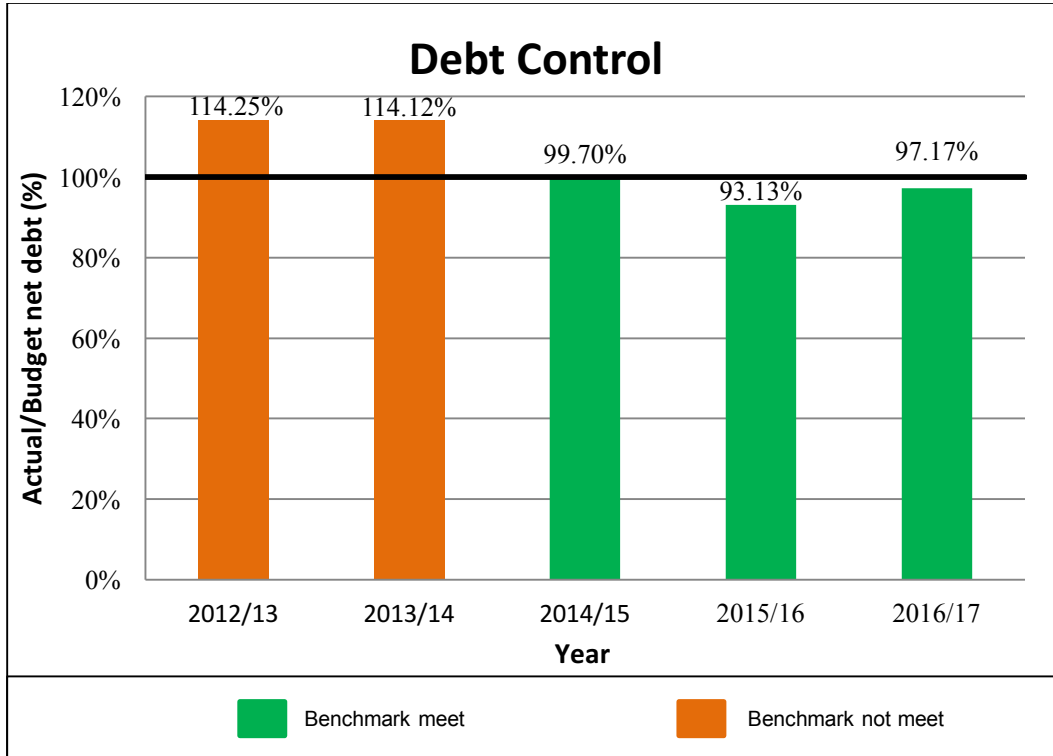
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt control benchmark if its borrowing costs are equal or less than 10% of its revenue, (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment).

Debt control benchmark

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

The Council meets the debt control benchmark if its actual net debt is less than or equal to the net debt planned for the year in its long term plan.

This benchmark has used the Long Term Plan 2012-2022 for 2012/13, 2013/14 and 2014/15 and the Long Term Plan 2015-2025 for 2015/16 and 2016/17.



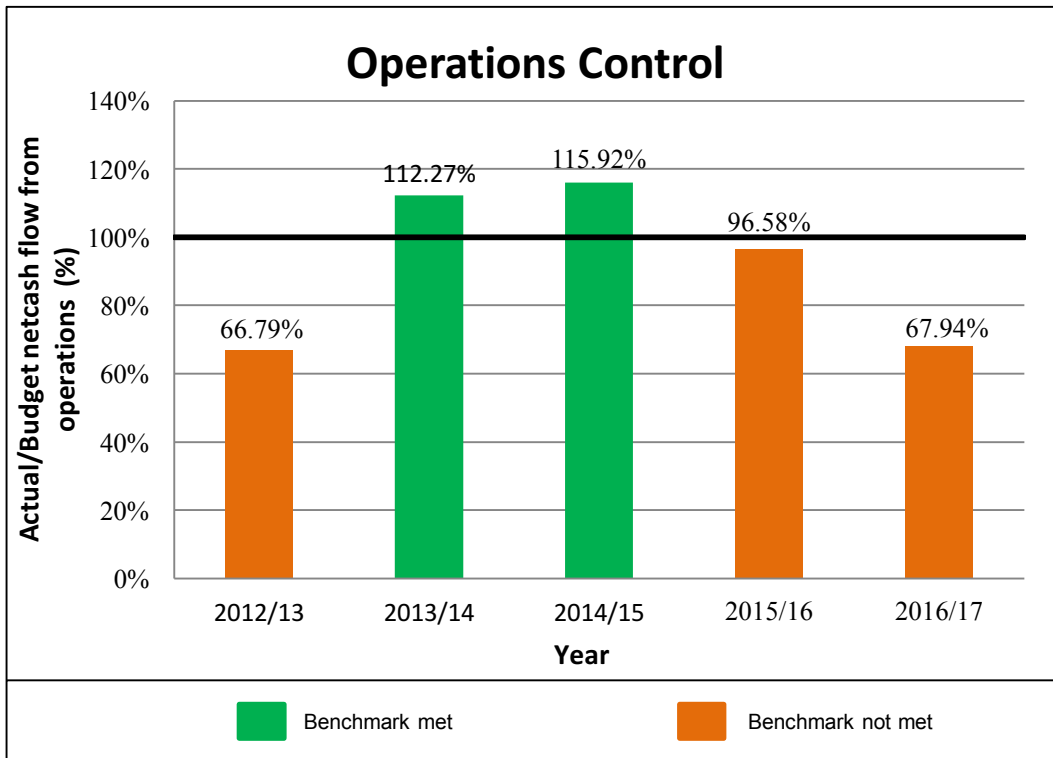
Explanation on debt control benchmark

The reason for not meeting the benchmark in the 2012/13 financial year is due to the purchase of the land for the Shannon wastewater treatment project. Council purchased this property ahead of when it was programmed, to take advantage of the property coming on the market.

Operations control benchmark

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

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



Explanation on operations control benchmark

The reason for not meeting the benchmark in the 2015/16 financial year is largely due the delay in the Te Awahou building project where the grants are dependent on building progressing in order for the cash to be released. In the 2016/17 financial year it is again the delay in receiving the Te Awahou grant but also a combination of unbudgeted spending on professional services for growth strategy work and a reduction of accounts payable.

Accounting Policies

REPORTING ENTITY

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

The Horowhenua District Council Group consists of Horowhenua District Council and Shannon Community Development Trust for the 2016/17 financial year and Horowhenua District Council, Te Horowhenua Trust (formerly Horowhenua Library Trust) and Shannon Community Development Trust for the 2015/16 financial year. All have been incorporated in New Zealand.

The primary objective of Horowhenua District Council is to provide local infrastructure, local public service, and performs regulatory functions for the community for social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of Horowhenua District Council are for the year ended 30 June 2017. The financial statements were authorised for issue by Council on 11 October 2017.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies which materially affect the measurement of results and financial position set out below have been applied consistently to all periods presented in these financial statements.

Statement of compliance

The financial statements of Horowhenua District Council have been prepared in accordance with the requirements of the Local Government Act 2002 and Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards. Horowhenua District Council is a tier 1 reporting entity using the public sector PBE accounting standards, as it has expenses greater than \$30m, and is not publicly accountable.

These financial statements comply with PBE Standards.

Measurement base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets which have been measured at fair value.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars. The functional currency of Horowhenua District Council is New Zealand Dollars. All values are rounded to the nearest thousand dollars (\$000).

Standards issued and not yet effective and not early adopted

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

Other changes in accounting policies

There have been no other changes in accounting policies.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF CONSOLIDATION

The consolidated financial statements are prepared by adding together the items as assets, liabilities, equity revenue and expenses on a line-by-line basis. All intra-group balances, transactions, revenues and expenses are eliminated on consolidation.

Subsidiaries

Horowhenua District Council consolidates as 'subsidiaries', in the Group financial statements, all entities where Horowhenua District Council has the power to govern the financial and operating policies so as to obtain benefits from their activities. This power exists where Horowhenua District Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Horowhenua District Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Horowhenua District Council's investment in its subsidiary is carried at cost in the Horowhenua District Council's own 'parent entity' financial statements.

2. REVENUE

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

The following policies for 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 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 as revenue when rates become overdue.
- Revenue from water by meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Development and financial contributions

Revenue from development and financial contributions is recognised at the later of the point when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

Development contributions are disclosed separately.

Infringement fees revenue

Revenue from infringement fees and fines mostly relate to traffic and parking infringements and are recognised when tickets are issued. The Council recognises revenue at an amount based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2 year period.

Subsidised revenue

Council receives revenue from New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure, is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Grants revenue

Revenue from other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Rendering of services revenue

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

Sale of goods revenue

Revenue from the sale of goods is recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Vesting of assets revenue

Revenue from vesting of physical assets is recognised for assets received for no or nominal consideration, the asset is recognised at fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

Commission revenue

Commissions received or receivable that do not require the agent to render further service are recognised as revenue at the point of sale.

Interest and dividends revenue

Revenue from interest is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Revenue from dividends is recognised when the right to receive payment has been established.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Lease revenue

Lease revenue from operating leases is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

3. BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred.

4. INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

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

Deferred tax is the amount for 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 statement of financial position and the corresponding tax bases used in the computation of taxable profit.

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 entity 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 or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Current 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.

5. GRANT EXPENDITURE

Non-discretionary 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 Council's decision. The Council's grants awarded have no substantive conditions attached.

6. 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, Horowhenua District Council recognises 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 finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Horowhenua District 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.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

7. CASH AND CASH EQUIVALENTS

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

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

8. TRADE AND OTHER RECEIVABLES

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

9. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The resulting gains or losses are recognised in the surplus or deficit as Council does not hedge accounts.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

10. FINANCIAL ASSETS

Horowhenua District Council classifies its financial assets into four categories:

- fair value through surplus or deficit;
- held-to-maturity investments;
- loans and receivables; and
- financial assets at fair value through other comprehensive revenue and expense.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial acquisition and re-evaluates this designation at every reporting date.

Financial assets are initially measured 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 Horowhenua District 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 Horowhenua District Council has transferred substantially all the risks and rewards of ownership.

The categories of financial assets are:

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 the purpose of 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 a 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. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

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

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Horowhenua District 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 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 through surplus or deficit.

Loans and receivables

These 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.

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 through surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

Loans, including loans to community organisations made by Horowhenua District 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 asset or investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

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 into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other comprehensive revenue and expense, except for impairment losses which are recognised in the surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised from equity to the surplus or deficit.

Financial assets in this category include investments Horowhenua District Council intends to hold long-term but which may be realised before maturity and shareholdings that Horowhenua District Council holds for strategic purposes.

Impairment of financial assets

At each balance sheet date Horowhenua District 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 and held-to-maturity investments

Impairment is established when there is objective evidence that the Council and Group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For 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 uncollectible it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds and community loans are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered objective indicators that the asset is impaired.

If impairment 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) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through surplus or deficit.

11. 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, not through 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 through surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses (net of depreciation) 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.

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

Operational assets - These include land, buildings, library collections, plant and equipment and motor vehicles.

Restricted assets - Restricted assets are parks and reserves cemeteries and endowment properties owned by Horowhenua District Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets - Infrastructure assets are the fixed utility systems owned by Horowhenua District 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.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost 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 Horowhenua District Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

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 through 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 Horowhenua District Council and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Horowhenua District Council's 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. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Useful Life	Depreciation Rate
Operational assets		
Land	N/A	N/A
Buildings:		
Structure	50 to 100 years	1% to 2%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Plant, equipment and vehicles	4 to 25 years	4% to 25%
Library assets	10 years	10%
Solid waste management:		
Building structure	50 to 100 years	1% to 2%
Building roofing	40 years	2.5%
Roading	50 years	2%
Cell site works and earthworks	33 years	3%
Cell lining, drainage and irrigation	33 years	3%
Cell electricals	10 years	10%
Restricted assets		
Land	N/A	N/A
Buildings:		
Structure	50 to 100 years	1% to 2%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Infrastructural assets		
Roading: (average lives and depreciation rates of major components)		
Land	N/A	N/A
Formation	N/A	N/A
Berms	110 years	0.91%
Surface water channels	90 years	1.1%
Bridges and culverts	40 to 100 years	1% to 2.5%
Drainage	88 years	1.13%
Sealed pavement	78 years	1.29%
Basecourse	60 years	1.66%
Footpaths - concrete	60 years	1.66%
Footpaths - metal	100 years	1.0%
Crossings	50 years	2.0%
Streetlights – poles	30 years	3.33%
Streetlights – lights	25 years	4.0%
Signage	12 years	8.33%
Surfacing	1 to 25 years	4% to 100%

	Useful Life	Depreciation Rate
Stormwater:		
Pump stations	60 years	1.67%
Manholes	60 years	1.67%
Sumps	60 years	1.67%
Pipes	30 to 80 years	1.25% to 3.33%
Pumps	10 years	10%
Water:		
Land	N/A	N/A
Buildings:		
Structure	50 to 100 years	1% to 2%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment facilities	8 to 100 years	1% to 12.5%
Pipes	20 to 80 years	1.25% to 5%
Laterals	80 years	1.25%
Tobies	60 years	1.67%
Valves	60 years	1.67%
Hydrants	60 years	1.67%
Meters	20 years	5%
Sewer:		
Land	N/A	N/A
Buildings:		
Structure	25 to 70 years	4% to 1.43%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment and disposal facilities	10 to 100 years	10% to 1%
Pipes	60 to 80 years	1.67% to 1.25%
Laterals	60 years	1.67%
Pump stations	60 years	1.67%
Manholes	60 years	1.67%
Pumps	10 years	10%

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

Te Horowhenua Trust depreciation is provided on a diminishing value bases on all property, plant and equipment at rates that will write off the cost of these assets to their estimated residual values over their useful lives.

Revaluation

Land and buildings (operational and restricted) and infrastructure assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that those values are not materially different from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value is 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.

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described below. All other asset classes are carried at cost less accumulated depreciation and impairment losses.

Operational land and buildings:

At "fair value" was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2017.

Restricted land and buildings: parks, cemeteries and endowment land:

At "fair value" was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2017.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems:At "fair value" was determined on a depreciated replacement cost basis by Council staff. At balance date Horowhenua District Council assesses the carrying values of its infrastructural assets 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.

Valuations completed by:

The roading infrastructure, wastewater assets, water supply assets and stormwater assets were valued as at 1 July 2016 using unit rates reviewed by Robert Berghuis (NZCE, REA) of Beca and Colin Jermyn (BA Hons Civil, MIEI) and reviewed by Sina Cotter Tait of Harrison Grierson. The valuation calculations were performed by Council. Land and buildings associated with the water supply and wastewater activities was valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2017.

Land under the roads is no longer revalued; it is valued at deemed cost.

The landfill infrastructure was valued in two parts, both as at 30 June 2017. The land and buildings were valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates. The remainder of the asset was valued by Phil Landmark (BScEng (Civil) CP Eng) of MWH New Zealand Ltd, and reviewed by Brian Smith (BCom (Acc & Eco.), CA) of MWH New Zealand Limited.

13. INTANGIBLE ASSETS

Software acquisition and development

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

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

Costs that are directly associated with the development of software for internal use by Horowhenua District 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 in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Amortisation

Horowhenua District Council's 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 de-recognised. The amortisation charge for each period is recognised through the surplus or deficit.

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

Computer software: 10 years, 10%.

The Horowhenua Trust's computer software licenses are amortised at 30% diminishing value including Koha software. Kete software is amortised at 60% diminishing value. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of.

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

Kete Software – 4 years, 60%
Koha Software – 8 years, 30%
Other Software – 60% diminishing value

14. FORESTRY ASSETS

Forestry assets are independently 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. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry 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 through surplus or deficit

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

15. 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, Horowhenua District 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 through surplus or deficit.

16. IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets subsequently measured at cost that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Property, plant, and equipment and intangible assets subsequently measured at cost 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 through the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is the depreciated replacement cost.

Value in use for cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

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

17. EMPLOYEE BENEFITS

Short-term benefits

Employee benefits that Horowhenua District Council expects to be settled within 12 months after the end of period in which the employee renders the related service 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.

Horowhenua District 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 benefits

Entitlements that are payable beyond 12 months after the end of period in which the employee renders the related service, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

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

18. Superannuation schemes

Defined contribution schemes

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

Defined benefit schemes

Horowhenua District Council does not belong to any Defined Benefit Scheme.

19. CREDITORS AND OTHER PAYABLES

Short-term creditors and other payables are recorded at their face value.

20. PROVISIONS

Horowhenua District 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 not recognised for future operating losses.

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires Horowhenua District 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. 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, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that Horowhenua District Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

- the estimated amount determined if it is probable there will be an outflow to settle the guarantee; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

21. BORROWINGS

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

Borrowings due to be settled within 12 months of balance date are treated as current liabilities. All other borrowing is classified as term liabilities.

22. EQUITY

Equity is the community's interest in Horowhenua District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- retained earnings;
- asset revaluation reserves; and
- other reserves.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Horowhenua District Council. The details of the reserve funds are on pages 25 to 28.

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

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

Asset revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

23. GOODS AND SERVICES TAX

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.

24. BUDGET FIGURES

The budget figures are those approved by the Council in its 2016/17 annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Horowhenua District Council for the preparation of the financial statements.

25. COST ALLOCATION

Horowhenua District Council has derived the cost of service for each significant activity of Horowhenua District 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 activities using appropriate cost drivers such as costs and revenues, actual usage, staff numbers and floor area.

26. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Horowhenua District 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 17, discloses an analysis of the exposure of Horowhenua District Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) 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 assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset;
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Horowhenua District Council could be over or under estimating the annual depreciation charge recognised as an expense through surplus or deficit. To minimise this risk Horowhenua District Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Horowhenua District Council's asset management planning activities, which gives Horowhenua District Council further assurance over its useful life estimates.

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

Refer to Note 11 for the carrying value of these assets.

27. Critical judgements in applying accounting policies

Classification of property

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

SECTION C: SIGNIFICANT ACTIVITIES, SERVICE PERFORMANCE, AND FUNDING IMPACT STATEMENTS

A sustainable future for the Horowhenua District has five community outcomes specified in the Council's Strategic Plan:

A healthy local economy and a District that is growing

- We are a welcoming, enabling and business friendly District that encourages economic development
- We have a shared respect for both economic development and environmental protection
- We provide opportunities for people of all ages and at all phases of life to enjoy a standard of living within our District that is economically sustainable and affordable
- We recognise the importance of population growth and actively promote the District as a destination
- Our facilities and infrastructure services are planned and developed to meet future demand

A sustainable environment

- We are proud of our natural environment
- We sustainably manage our environment so it can be enjoyed by future generations
- Waste reduction, recycling, energy conservation and efficiency are promoted as part of how we all live
- We recognise the importance and value of our District's natural capital
- We actively support improving the health of our District's rivers, lakes and waterways

A community of knowledge, culture and diversity where people are proud to live

- We are proud of the heritage and diversity of our District and our people
- We respect each other and what we each contribute to the District through our traditions and culture
- We acknowledge the special role that Tangata Whenua have in our District
- We invest in the knowledge and skills of our people so they can fully participate in society
- We are advocates for the provision of quality social, education, health and training services
- Our communities have a 'sense of place' that make people proud to live here

Safe, resilient and healthy communities

- We have reliable, efficient and well planned infrastructure and services
- We advocate for personal safety and security within our District
- We are organised and prepared to deal with natural hazards
- Our young people live in a safe and supportive environment and are empowered to make positive and healthy lifestyle choices
- Our community has access to health, social and recreation facilities to enjoy long and healthy lives
- Our older people have access to opportunities that enable them to live a satisfying and healthy lifestyle

Positive leadership and effective partnerships

- Our leaders consult with, and understand their communities and work for the good of all
- We provide strong leadership in planning for the District's future
- All our people and communities have the opportunity to participate in local decision making
- We keep our District well-informed and ensure information is easily accessible for all
- We work together with Iwi and Hapū in mutually beneficial partnerships
- All sectors of the community are encouraged to work effectively together to achieve the best for the District

(Please note the Outcomes and associated bullet points listed above are not intended to be read as a hierarchal list ordered by importance.)

Section C outlines the activities carried out by the Council in furthering community outcomes.

This part is prepared according to the requirements of the Local Government Act 2002 and the financial reporting standards issued by the External Reporting Board. It reports on the Council's policies, objectives, activities, performance targets, indicative costs and sources of funds as outlined in the 2015/25 LTP Year 2 2016/17. These are reported in the statements of service performance for each significant activity contained on the following pages.

In doing so, the report is a reflection of the Council's accountability to the Horowhenua community and indicates the success (or otherwise) of the Council in fulfilling its intended achievements as it had outlined in the 2015/25 LTP Year 2 2016/17.

The Council continues to strive to incorporate measures which are appropriate, which measure outcomes and which can be supported by relevant evidential material. Each significant activity area as a whole incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Quality processes that affect the quality of the outputs are also a standard feature of the internal management control systems. In particular:

- Published planning documents including the District Plan, asset management plans, revenue and financing policy, investment policy, liability management policy, LTP, annual plans and annual reports are prepared in conjunction and consultation with the public and affected parties, internal peer review and in compliance with the requirements of relevant legislation.
- Internal reports are prepared by suitably qualified and experienced staff and significant reports are subject to peer review.
- Capital works are constructed to design specifications and are inspected by suitably qualified and experienced staff.
- Maintenance works are undertaken by employees or contractors under the supervision of suitably qualified and experienced engineers and are monitored in accordance with maintenance programmes.

The significant activities reported on are:

Regulatory Services: Regulatory Services is a delivery arm of Council that provides advice, consenting services, assessment, education, compliance, and enforcement. The activities that are undertaken within the Regulatory Services group of activities provide for the development and review as well as the implementation and enforcement of plans, bylaws, and policies needed to protect the health and safety of the community and the environment it lives in.

Community Facilities and Services: This group of activities involves the management of community centres, libraries, aquatic centres, reserves, sports grounds, public toilets, public halls and cemeteries as well as for the provision of street beautification within the District.

Land Transport: The Land Transport group of activities provides for pedestrians and vehicle to safely and efficiently move from place to place within the District or to pass through the District.

Stormwater: The Stormwater group of activities involves Council collecting stormwater from roads and diverting it away from the road surface into natural water courses or piped drain systems

Water Supply: As part of the Water Supply group of activities the Council provides a safe and reliable supply of water to residential, industrial and commercial properties (primarily in urban areas). This supply also provides firefighting capability.

Wastewater Disposal: As part of its Wastewater group of activities the Council collects wastewater from residential, industrial and commercial properties (primarily in urban areas), Council then treats the wastewater, and discharges the treated (i.e. clean) wastewater onto land or into waterways.

Solid Waste Management: The Solid Waste group of activities consists of Council providing services to collect and safely dispose of residential and commercial solid waste.

Community Support: This group of activities comprises of activities that provide for the Community's social and economic wellbeing including ensuring that the Community will be able to respond to and recover from an emergency event, providing Community support, providing grants and funding to Community groups, providing visitor information, and encouraging economic development within this District.

Properties: Council owns a variety of community properties from which it delivers its functions whether community driven or by way of facilitating other outcomes e.g. pensioner flats, commercial property, endowment property.

Representation and Community Leadership: This group of activities comprises of how Council meets its responsibility to represent the Community as well as to provide leadership for the Community and to involve it in decision making processes and long term strategic planning.

For each group of activities it shows the levels of service provided, asset renewals and acquisitions, impacts on community outcomes and funding impact statements for 2016/17.

Regulatory Services

STATEMENT OF SERVICE PERFORMANCE

Regulatory Services is a delivery arm of Council that provides advice, consenting services, assessment, education, compliance, and enforcement. The activities that are undertaken within the Regulatory Services group of activities provide for the development and review as well as the implementation and enforcement of plans, bylaws, and policies needed to protect the health and safety of the community and the environment it lives in.

1. DESCRIPTION OF ACTIVITIES

1.1. District planning

This activity principally involves various Council functions and obligations under the Resource Management Act 1991 designed to ensure the natural and physical resources of the District are sustainably managed.

Generally this activity can be broken down into two core areas being the preparation, review and monitoring of the District Plan and the processing and monitoring of resource consent and other applications made under the Resource Management Act (RMA) 1991.

What does this activity involve?

- Reviewing the District Plan.
- Preparing or processing plan changes/variations and notices of requirements.
- Monitoring the District's state of the environment.
- Monitoring the efficiency and effectiveness of the policies and rules in the District Plan and reporting the results of this monitoring at 5 yearly intervals.
- Processing resource consents and other applications made under the RMA.
- Monitoring and enforcing compliance with resource consent conditions.
- Responding to complaints relating to non-compliances with the District Plan or conditions of resource consents and taking appropriate action when non-compliance is observed.
- Providing advice to the public on the District Plan and RMA.

Rationale

Activity	Community outcome	Council role
Reviewing the District Plan, monitoring the effectiveness of the District Plan, and preparing or processing plan changes/variations.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A sustainable environment • Safe, resilient and healthy communities 	Provider
Processing and monitoring of resource consents.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A sustainable environment 	Regulator/provider

1.2. Environment health

The environmental health activity has two distinct areas being; food safety, which ensures that food services used by the Community are healthy and safe; and general compliance, which ensures that other health legislative requirements are complied with.

What does this activity involve?

- Investigating health complaints and carry out associated enforcement action when necessary/appropriate.
- Inspecting and auditing food premises and premises licensed under the Health Act 1956 to ensure compliance with relevant legislation.
- Providing advice to people wanting to open businesses in this District that require licensing under the Health Act 1956.

Rationale

Activity	Community outcome	Council role
Processing applications for food premises and other premises and undertaking inspections/audits of these premises.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities 	Regulator/provider
Respond to health related complaints and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing 	Regulator

1.3. Liquor licensing

This activity involves the monitoring of all licensed premises to ensure that the sale and supply of alcohol is conducted in accordance with the Sale and Supply of Alcohol Act 2012 as well as monitoring licence conditions to ensure that the sale and supply of alcohol is conducted responsibly.

What does this activity involve?

- Processing applications for liquor licences and manager's certificates.
- Monitoring and inspection of all licensed premises to ensure compliance with both legislation and licence conditions.
- Joint undertakings such as "controlled purchase operations" are carried out in conjunction with partner agencies Mid-Central Public Health and New Zealand Police.
- Providing information and advice to customers on licensing requirements.

Rationale

Activity	Community outcome	Council role
Processing application for premises and undertaking inspections.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities. 	Regulator/provider
Respond to complaints relating to non-compliance with liquor licensing requirements and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing. 	Regulator

1.4. Building control

This activity is undertaken by the Council to ensure that buildings are safely constructed and so that people have confidence that they are safe to use. The Council has legislative responsibilities for implementing these requirements under the Building Act 2004.

What does this activity involve?

- Processing building consent applications by assessing their compliance with the building code.
- Undertaking inspections of the consented building work to ensure compliance with the approved building consent.
- Respond to complaints relating to non-compliances with the Building Act 2004 and take appropriate action when non-compliance is observed.
- Providing advice to the public on building consent applications and the Building Act 2004.
- Enforcing the Fencing of Swimming Pools Act 1987.

Rationale

Activity	Community outcome	Council role
Processing building consent applications and undertaking inspections of the building work to ensure compliance with the consent.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing 	Provider
Respond to complaints relating to non-compliances with the Building Act 2004 and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing 	Regulator

1.5. Animal control

This activity principally involves Council administering, implementing, and enforcing the Dog Control Act 1996 and implement or enforcing other relevant legislation from time to time as such the Impounding Act 1955. The Dog Control Act 1996 seeks to improve public safety by mitigating the risk of harm, injury, or nuisance from dogs in our Community.

What does this activity involve?

- Registering dogs.
- Patrolling the District on the outlook for animal nuisances.
- Responding to complaints about dogs and livestock.
- Providing impounding facilities for dogs and livestock.
- Educating the public on the responsibilities of dog ownership.
- Protecting against damage to fragile areas.
- Re-homing or euthanizing unclaimed animals.

Rationale

Activity	Community outcome	Council role
Provision of animal control services.	Safe, resilient and healthy communities	Regulator/provider

1.6. Parking enforcement

Council provides on and off-street parking in Levin, including metered and time restricted areas with a goal that people can access car parks. This activity involves the implementation and enforcement of the parking control measures specified in the Council's Traffic and Parking Bylaw 2007.

What does this activity involve?

- Enforcing the parking control measures of the Council's Traffic and Parking Bylaw 2007 including issuing tickets for non-compliances.
- Policing expired vehicle registrations and warrants of fitness.

Rationale

Activity	Community outcome	Council role
Operation of a parking enforcement scheme.	<ul style="list-style-type: none">• Safe, resilient and healthy communities	Regulator

General regulatory services

The General Regulatory Services Activity consists of a number sub-activities undertaken as part of Council's general regulatory functions including bylaw and policy reviews, inspection of non-food premises (such as hairdressers), dealing with abandoned vehicles, following up on noise and litter complaints, and gaming machine venue consents.

What does this activity involve?

- Review or develop relevant bylaws e.g. Council's Public Places Bylaw.
- Inspection of non-food premises for compliance with relevant legislation.
- Respond to general noise complaints Council receives and take appropriate action if noise is considered to be excessive. Note: Council's noise control functions are largely contracted externally.

Rationale

Activity	Community outcome	Council role
Provide general regulatory services.	<ul style="list-style-type: none">• Safe, resilient and healthy communities	Regulator/provider

2. MEASURING PERFORMANCE

3.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
District planning: Processing of applications under the Resource Management Act (RMA).	Applications under the RMA will be processed within statutory timeframes. Target 100%.	Applications under the RMA will be processed within statutory timeframes. Target 100%.	Not achieved. 188 applications were received. 190 (99%) applications were completed within statutory timeframes, and 1 application was approved outside the statutory timeframes. This 1 consent was undertaken by a contractor. Note: It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.
District planning: Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken. Target 100% responded to within 2 working days.	Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken. Target 100% responded to within 2 working days.	Achieved. 55 complaints were received. 100% were responded to within 2 working days.
	Resource consents are monitored for compliance with conditions. Target 100%*. * Interpreted to mean those that required monitoring.	Resource consents are monitored for compliance with conditions. Target 100%*. * Interpreted to mean those that required monitoring.	Achieved. 104 consents required monitoring (2009 – 2016). 100% of consents were monitored. 124 consents were monitored. This total included some consents requiring further monitoring.
District planning: The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Percent of non-complying resource consents approved as a proportion of all approved consents. Target <10%.	Percent of non-complying resource consents approved as a proportion of all approved consents. Target <10%.	Achieved. Of the 191 consents that were approved, there was 1 (<1%) of non-complying resource consents approved.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<p>Building control: Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.</p>	<p>Percent of building consent applications granted within 20 working days or less. Target 100% of applications.</p>	<p>Percent of building consent applications granted within 20 working days or less. Target 100% of applications.</p>	<p>Not achieved. 722 consents were granted. 86% were granted <21 days. A prolonged period of high activity and resource shortage contributed to this measure not being achieved.</p> <p>External contracting is currently in place to assist with consent processing.</p> <p>NOTE: It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.</p>
	<p>Consent applications for new residential dwellings are processed in 18 days or less. Target 95% of applications.</p>	<p>Consent applications for new residential dwellings are processed in 18 days or less. Target 95% of applications.</p>	<p>Not achieved. 206 new residential dwelling consents were granted. 92% have been granted within 18 days. A prolonged period of high activity and resource shortage contributed to this measure not being achieved.</p>
	<p>Reported cases of illegal building work will be responded to within 3 working days. Target 100% of cases.</p>	<p>Reported cases of illegal building work will be responded to within 3 working days. Target 100% of cases.</p>	<p>Achieved. Six (6) reported instances were received by Council. 100% have been responded to within 3 working days.</p>
	<p>Percent of private swimming pools on register inspected annually for compliance. Target is 33% of private swimming pools are inspected.</p>	<p>Percent of private swimming pools on register inspected annually for compliance. Target is 33% of private swimming pools are inspected.</p>	<p>Achieved. There are 210 pools are on the register, (1/3rd = 70 inspections to be conducted before 30 June 2017). 100% of the 70 pools required to be inspected have been inspected. The target was exceeded, as 83 pools were inspected during the year.</p>
	<p>Council will maintain its accredited status as a Building Consent Authority.</p>	<p>Council will maintain its accredited status as a Building Consent Authority.</p>	<p>Achieved. Council is an accredited BCA. The latest assessment was held 26-28 April 2017 and the BCA received re-accreditation with 1 Corrective Action Requirement.</p> <p>The next assessment is due in 2019.</p>
<p>Environmental health: Monitoring of food services used by the Community to ensure that they are healthy and safe.</p>	<p>Percent of food premises fitting the scope of templated Food Control Plans apply for exemption from the Food Hygiene Regulations 1974. Target 10%.</p>		<p>The Food Act 2014 has now been fully implemented as of March 2016, as such; the previous performance measures associated with earlier legislation are no longer applicable and have been revised to reflect the legislated changes.</p>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Environmental health: Monitoring of food services used by the Community to ensure that they are healthy and safe.		Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015. Target 100%.	Achieved. 91 premises were operating under the Food Act 2014. 91% (83 premises) were verified. Note: The 8 premises (9%) that were not audited, were not required to be audited in the 2016/17 year, but will be audited as outlined in the Food Regulations 2015. Therefore, based on the above, this measure is considered "Achieved".
	Percent of registered premises that are inspected/audited and graded. Target 100%	Food premises operating under the Food Hygiene Regulations 1974 are inspected. Target 100%.	Achieved. 65 premises were operating under the Food Hygiene Regulations. 100% were inspected.
		100% of businesses required to transition in Year 1 of the Act (by 30 June 2017) are provided with written information and access to training / mentoring activities.	Achieved. 100% of premises required to transition to the Food Act 2014 have now done so.
Liquor licensing: Monitoring of licensed premises to ensure compliance with relevant legislation.	Percent of premises that are inspected annually to check for compliance with their licence conditions. Target 100%.	Percent of premises that are inspected annually to check for compliance with their licence conditions. Target 100%.	Achieved. 73 licensed premises holding 75 operative licences exist. 100% were inspected.
	Percent of applications for a licence that will be forwarded to public health and the police for comment. Target 100%.	Percent of applications for a licence that will be forwarded to public health and the police for comment. Target 100%.	Achieved. 237 licence applications were received. 100% were forwarded.
Animal control: Reported instances of non-compliance and dog nuisance will be responded to.	Percent of reported instances of non-compliance and dog nuisance will be responded to. Target 100%	Percent of reported instances of non-compliance and dog nuisance will be responded to. Target 100%	Achieved. 1,297 complaints were received. 100% were responded to.
	An after-hours emergency response will be continuously provided.	An after-hours emergency response will be continuously provided.	Achieved. The service was provided by staff on a weekly roster.
Animal control: Registration and classification of all known dogs within the District.	Percent of known dogs that will be registered or accounted for annually by 31 October. Target 100%.	Percent of known dogs that will be registered or accounted for annually by 31 October. Target 100%.	Achieved. 100% of known dogs in the District were accounted for. As at 30 June 2017, there were 6,093 registered dogs in the District.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<p>Parking enforcement: All parking restricted areas in Levin will be enforced under the provisions of Council's bylaw and the transport regulations.</p>	<p>Enforcement conducted each working day.</p>	<p>Enforcement conducted each working day.</p>	<p>Achieved. Enforcement has been conducted each working day.</p>
<p>General regulatory services: Noise complaints response service will be provided</p>	<p>Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.</p>	<p>Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.</p>	<p>Achieved. 1,732 complaints were received 99% were responded to within 60 minutes This service is provided by way of Contract.</p>
<p>General regulatory services: Public safety bylaws and other legislation will be enforced.</p>	<p>Percent of reported non compliances and complaints that are responded to within 5 working days. Target 100%.</p>	<p>Percent of reported non compliances and complaints that are responded to within 5 working days. Target 100%.</p>	<p>Achieved. 238 complaints were received. 100% were responded to within 5 working days The breakdown of complaints is as follows: 78 Smoke complaints 90 Abandoned vehicle reports (21 impounded) 21 Litter notices 46 Health Act nuisance complaints 3 Solid Waste complaints</p>

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
District planning: Processing of applications under the Resource Management Act (RMA).	Applications under the RMA will be processed within statutory timeframes. Target 100%.	Achieved. During the year ended 30 June 2016, one hundred and thirty-four (134) applications have been processed all within statutory timeframes (100% compliance).
District planning: Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken. Target 100% responded to within 2 working days.	Achieved. During the year ended 30 June 2016, forty-nine (49) complaints have been received relating to potential non compliances with District Plan requirements and resource consents. All complaints were responded to within 2 working days (100% compliance).
	Resource consents are monitored for compliance with conditions. Target 100%*. * Interpreted to mean those that required monitoring.	Unable to measure. As at 30 June 2016 it was not known how many consents have conditions that require monitoring. All the consents are now being reviewed for conditions to monitor.
District planning: The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Percent of non-complying resource consents approved as a proportion of all approved consents. Target <10%.	Achieved. During the year ended 30 June 2016 one (1) non-complying resource consent had been approved out of a total of one hundred and thirty-four (134) approved consents (0.81%).
Building control: Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	Percent of building consent applications granted within 20 working days or less. Target 100% of applications.	Not achieved. This measure was not achieved due to increased building consent numbers and a temporary shortage of people resources. During the year ended 30 June 2016, there have been six hundred and thirty-four (634) consents granted, of which 622 (98%) have been processed in less than 20 working days and twelve (12) were outside of the 20 working days. Six hundred and twenty (620) consents were issued in the year for a combined value of \$68,261,069.00.
	Consent applications for new residential dwellings are processed in 18 days or less. Target 90% of applications.	Achieved. During the year ended 30 June 2016, one hundred and sixty-four (164) new residential dwelling consents have been granted in < 18 days (100%).
	Reported cases of illegal building work will be responded to within 3 working days. Target 100% of cases.	Achieved. There has been one reported incident that has been responded to within 3 working days (100%).

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
Building control: Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	Percent of private swimming pools on register inspected annually for compliance. Target is 33% of private swimming pools are inspected.	Not achieved. This measure was not achieved due to increased building consent numbers and a temporary shortage of people resources. There are two hundred and forty-two (242) pools on the register. One third of swimming pools = 80. Sixty Five (65) have been inspected during the year ended 30 June 2016.
	Council will maintain its accredited status as a Building Consent Authority.	Achieved. Council is an accredited BCA. The latest assessment was held 28-30 April 2015 and the BCA received re-accreditation without receiving any Corrective Action Requirements. The next assessment is scheduled for 2017.
Environmental health: Monitoring of food services used by the Community to ensure that they are healthy and safe.	Percent of food premises fitting the scope of templated Food Control Plans apply for exemption from the Food Hygiene Regulations 1974. Target 10%.	Achieved. During the year ended 30 June 2016, fourteen (14) premises had applied for an exemption which represents 14% of those premises that fit the scope of the voluntary implementation plan. No further businesses are able to apply under the Voluntary Implementation Plan as the Food Act 2014 has now been fully enacted. The measure was achieved and exceeded the 10% target set.
	Percent of registered premises that are inspected/audited and graded. Target 100%	Achieved. During the year ended 30 June 2016, one hundred and forty-six (146) premises are registered, of which 100% have been inspected YTD. A total of 159 inspections/audits were conducted in the year. Current grading's are as follows: A Grade = 129 B Grade = 8 Ungraded = 1 New = 8 The number of inspections exceeded the number of premises due to premises opening (22); closing (27); and reinspection needs during the year.
Liquor licensing: Monitoring of licensed premises to ensure compliance with relevant legislation.	Percent of premises that are inspected annually to check for compliance with their licence conditions. Target 100%.	Achieved. There are a total of seventy-one (71) licensed premises holding seventy-four (74) operative licences. (NB: A premise can hold more than 1 licence). Seventy-one (71) inspections (100%) have been completed YTD.
	Percent of applications for a licence that will be forwarded to public health and the police for comment. Target 100%.	Achieved. During the year ended 30 June 2016, two hundred and thirteen (213) applications have been received and all licence applications (109) that were required to be forwarded to Police and Public Health for comment were (100%).

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Animal control: Reported instances of non-compliance and dog nuisance will be responded to.</p>	<p>Percent of reported instances of non-compliance and dog nuisance will be responded to. Target 100%</p>	<p>Achieved. During the year ended 30 June 2016 there have been one thousand, five hundred and eighty-four (1,584) complaints made (with priority given to those reported as dog attacks), comprising: Barking = 623 Wandering = 784 Reported as attacks = 91 Aggressive behaviour = 102 Stock worrying = 4</p> <p>(100%) of complaints have been responded to. Target Achieved.</p> <p>Two (2) prosecutions have been successfully completed YTD, and one (1) is pending. There is one (1) disqualified and two (2) probationary dog owners.</p> <p>Three hundred and ninety-nine (399) dogs have been impounded of which thirty-five (35) have been rehoused, three hundred (300) claimed by their owner and sixty-four (64) have been euthanised. Six (6) remaining in the pound as at 30 June 2016.</p>
	<p>An after-hours emergency response will be continuously provided.</p>	<p>Achieved. The service has been provided by way of an after-hours roster provided by the four (4) Animal Control Officers.</p>
<p>Animal control: Registration and classification of all known dogs within the District.</p>	<p>Percent of known dogs that will be registered or accounted for annually by 31 October. Target 100%.</p>	<p>Achieved. During the year ended 30 June 2016, of the known 6,429 dogs currently on the dog database, 6,188 (96%) are registered and the 241 that show as unregistered have been accounted for by way of an infringement notice issued. All known dogs (100%) have been accounted for.</p>
<p>Parking enforcement: All parking restricted areas in Levin will be enforced under the provisions of Council's bylaw and the transport regulations.</p>	<p>Enforcement conducted each working day.</p>	<p>Achieved. Enforcement has been conducted each working day, with the exception of the three (3) days between Xmas and New Year. During the year ended 30 June 2016, 4,447 stationary vehicle infringement notices have been issued and 2,134 notices have been processed to the Courts for collection.</p>
<p>General regulatory services: Noise complaints response service will be provided</p>	<p>Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.</p>	<p>Achieved. During the year ended 30 June 2016 there have been 2,261 complaints and all (100%) have been responded to within 60 minutes of receipt resulting in 247 verbal directions being given and 304 abatement notices have been issued. Six (6) equipment seizures have occurred, and police assistance has been required on seventeen (17) occasions.</p>
<p>General regulatory services: Public safety bylaws and other legislation will be enforced.</p>	<p>Percent of reported non compliances and complaints that are responded to within 5 working days. Target 100%.</p>	<p>Achieved. During the year ended 30 June 2016, there have been seventy (70) smoke complaints and thirty-five (35) vehicles reported as abandoned, of which three (3) were impounded. All (100%) have been responded to within 5 working days.</p>

4. ACQUISITION AND RENEWAL OF ASSETS

Regulatory Services	AP Forecast 2016/17 \$000	Actual 2016/17 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of project				
Other renewal asset costs	3	-	3	
Total renewal projects	3	-	3	
Level of service portion of project				
Parking mobile ticket device	-	5	(5)	
Other level of service asset costs	-	-	-	
Total LOS projects	-	5	(5)	
Growth portion of project				
Other growth asset costs	-	-	-	
Total LOS projects	-	-	-	
Make up of above projects by % of type				
Renewals - Replacing existing assets	3	-	3	
Improve level of service	-	5	(5)	
Growth - To meet additional demand	-	-	-	
Total Regulatory Services projects	3	5	(2)	

NOTES:

5. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2017 included:

Community outcomes	Effects of programmes in activity area
Health and safety	<p>Close engagement with key stakeholders in the building, planning, food and liquor industries has produced significant benefits for the Council and the public.</p> <p>Continued delivery of all relevant services in relation to policies and bylaws contributed to the health and safety of the community.</p> <p>The Council continues to maintain a high level of preparedness and education regarding civil defence emergency events and volunteer rural fire capability.</p>
Economic	Continued compliance with all statutory time limits ensures that regulatory processes are not an impediment to economic progress whilst at the same time ensuring that due process is applied correctly.
Knowledge, culture and diversity	In preparation for a plan change to the District Plan to include historic heritage features for protection, the Council has undertaken an assessment of publicly nominated heritage features during 2016. The process has involved consultation with the landowners of these heritage features prior to the plan change being finalised and presented to Council.

Regulatory Services

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		1,969	2,008	2,142	2,147	5
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		3	3	3	18	15
Local authorities fuel tax, fines, infringement fees, and other receipts	3	2,259	2,313	2,313	2,993	680
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		4,231	4,324	4,458	5,158	700
Applications of operating funding						
Payments to staff and suppliers	3	652	471	499	1,215	716
Finance costs	1	150	155	128	101	(27)
Internal charges and overheads applied		3,324	3,513	3,653	3,660	7
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		4,126	4,139	4,280	4,976	696
Surplus (deficit) of operating funding (A-B)		105	185	178	182	4
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	2	83	(100)	(95)	(223)	(128)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		83	(100)	(95)	(223)	(128)
Applications of capital funding						
Capital expenditure						
- to meet additional demand		-	-	-	-	-
- to improve the level of service		44	1	-	5	5
- to replace existing assets		66	2	3	-	(3)
Increase (decrease) in reserves	2	78	82	80	(46)	(126)
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		188	85	83	(41)	(124)
Surplus (deficit) of capital funding (C-D)		(105)	(185)	(178)	(182)	(4)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		78	81	78	79	1
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016		2,200	26	2,226		
Raised during year		-	-	-		
Repaid during year		(200)	(23)	(223)		
Loans as at 30/06/2017		2,000	3	2,003		
Interest expense		100	1	101		

NOTES:

1. Finance costs are down due to last year's District Plan development costs being less than anticipated resulting in less loans required and less interest on those loans.
2. Debt repayments were more than budgeted because the loan term as reduced to 10 years from 25 years.
3. The variances are due to a \$673k write-off of overdue infringement notices, which increased revenue and a corresponding increase in expenses.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2016	2017	2017		
	\$000	\$000	\$000	\$000	\$000
Animal Control	223	229	228	221	(7)
Building Consents	730	803	910	1,044	134
Building Policy	180	200	204	234	30
Dog Control	578	576	589	509	(80)
Environmental Health	188	232	236	238	2
Environmental Health Policy	41	50	55	48	(7)
Liquor Licensing	197	203	207	210	3
Liquor Policy	15	20	25	14	(11)
Parking	483	492	496	1,061	565
Planning Policy	840	649	638	550	(88)
Resource Management	513	547	543	729	186
Safety Licensing	215	220	227	196	(31)
Total Expenditure	4,203	4,221	4,358	5,054	696

Community Facilities and Services

STATEMENT OF SERVICE PERFORMANCE

This group of activities provides assets and support for locals and visitors to the District to enjoy our open spaces. These assets support activities that are largely passive or active leisure based pursuits which involve the community from causal participation through to clubs and associations organised on a national level. The ability to take part in social and sporting activities at these levels is important for the quality of life at a community level and for basic health at an individual level. Along with these benefits, the green and open nature of assets in this activity also provides great enhancement to the environment within the District.

1. DESCRIPTION OF ACTIVITIES

1.1. Reserves and beautification

What does this activity involve?

Key to the provision of this activity is ownership of a large number of reserves and parks including (but not limited to) neighbourhood reserves, riverside and lakeside picnic areas, and public gardens. These have management and/or development plans, which have been developed with substantial community involvement. They also allow a diversity of pursuits important to the enjoyment of healthy lifestyles, and are an attraction to visitors. The Council owns 27 sets of public toilets throughout the District which are largely located on reserves

Rationale

Activity	Community outcome	Council role
Maintain public reserves.	<ul style="list-style-type: none"> A sustainable environment A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities 	Funder/provider/ advocate
Manage a beautification programme across the District.	<ul style="list-style-type: none"> A sustainable environment A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities 	Funder/provider

1.2. Sports grounds

What does this activity involve?

Sports grounds function as reserves, with added facilities for more organised activities.

Rationale

Activity	Community outcome	Council role
Maintain sports grounds for public use.	<ul style="list-style-type: none"> A healthy local economy and a District that is growing A sustainable environment A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities Positive leadership and effective partnerships 	Maintain sports grounds for public use.

1.3. Cemeteries

What does this activity involve?

Cemeteries are subject to the Burial and Cremation Act 1964 which states that a local authority shall, where sufficient provision is not otherwise made, establish and maintain a suitable cemetery for the burial of those who die in its District. It is estimated that between 50% and 60% of the deaths registered in the Horowhenua result in interments in Council's cemeteries.

In recent years, there has been a trend towards lawn cemeteries, memorial parks, and cremation.

Cemetery	First burial	1 July 2016 – 30 June 2017	
		Burials	Ashes
Tiro Tiro	1894	2	15
The Avenue	1972	58	79
Foxton	1867	22	16
Shannon	1893	1	5
Manakau	1892	2	2
Koputaroa	1910	-	-

Rationale

Activity	Community outcome	Council role
Operate cemeteries	<ul style="list-style-type: none"> A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Funder/provider

1.4. Aquatic centres

Swimming pools provide recreational opportunities that play an important part in the promotion and opportunities for healthy and safe lifestyles in Horowhenua. As part of this activity the Council has two aquatic centres in Levin and Foxton and manages the Shannon school swimming pool during the summer. Aquatic centres provide for a wide range of activities including swim schools, fitness classes, and holiday and social events.

What does this activity involve?

- Providing public swimming pools for general use in Levin (all year round) and Foxton (between December and April) as well as managing the Shannon school swimming pool during the summer.
- Providing facilities for local clubs and organisations to utilise e.g. the Horowhenua Canoe Polo Club.
- Providing a certified swim school in Levin and Foxton.
- Supporting local recreation clubs and organisations to run events off site.
- Providing fitness classes both on and off site.

Rationale

Activity	Community outcome	Council role
Safe aquatic centres are available for community use.	<ul style="list-style-type: none"> Safe, resilient and healthy communities 	Provider
Recreation opportunities are provided for the community.	<ul style="list-style-type: none"> Safe, resilient and healthy communities Positive leadership and effective partnerships 	Provider/advocate

1.5. Community centres and libraries

Community centres and libraries are an important educational, cultural, and recreational resource as they enrich the economic, social and intellectual life of the Community. As part of this activity the Council owns the Levin Culture and Community Centre (Te Takeretanga o Kura-Hau-Pō or Te Takere for short) as well as the library buildings in Shannon and Foxton.

Previously library services were delivered by the Te Horowhenua Trust. As of 1 July 2016 this was delivered in house with Trust's assets vested back to Council.

Council is also contributing to the development of Te Awahou-Nieuwe Stroom which will serve as a community centre for Foxton and will be a major project for Council's community centres and libraries activity over the next year.

What does this activity involve?

Council has decided to bring in the services provided by the Te Horowhenua in-house as of 1 July 2016. Previously it delivered the following services in Te Takere:

- Business support.
- Children's services and activities.
- Community support.
- Education and learning.
- Events, exhibitions and performances.
- Library services and activities (in Levin, Foxton and Shannon).
- Local and family history.
- Meetings functions and conventions.
- Council service centres.
- Services and facilities for older adults.
- Social lounges and café.
- Te Ao Māori.
- Technology resources and facilities.
- Youth services and activities.
- Visitor information.

Rationale

Activity	Community outcome	Council role
Community centres and libraries operate within the District.	<ul style="list-style-type: none">• A healthy local economy and a District that is growing• A community of knowledge, culture and diversity where people are proud to live• Safe, resilient and healthy communities• Positive leadership and effective partnerships	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Reserves: Reserves are available for community use.	Sufficient space is available (1 ha/1,000 pop). Target is 1.	Sufficient space is available (1 ha/1,000 pop). Target is 1.	Achieved. Council has over 100 hectares of space available, which is 3.3 ha/1000 population.
Reserves: Playgrounds are safe for users.	Playground facilities comply with relevant standards. Target is 100%.	Playground facilities comply with relevant standards. Target is 100%.	Achieved. 100% of playground facilities complied.
Halls: Community halls are available for public use.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls. Target is 10.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls. Target is 10.	Achieved. Levin Memorial Hall was used 388 times. Shannon Memorial Hall was used 20 times. Foxton Memorial Hall was used 55 times. Total = 463 times (an average of 17.81 times per fortnight).
Sports grounds: Sports grounds are available for community use.	Percent of time that sport grounds are available for use during their opening hours. Target is 95%.	Percent of time that sport grounds are available for use during their opening hours. Target is 95%.	Achieved. 99.54% of sports grounds were available for use during their opening hours. One field at Shannon Domain was closed for 4 days.
Cemeteries: Cemeteries are managed and maintained to an appropriate standard.	Meet needs according to legal requirements.	Meet needs according to legal requirements.	Achieved. There were no legal or regulatory non-compliance instances identified.
Cemeteries: Cemeteries operate to an acceptable level.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	Achieved. 202 interment arrangements were completed satisfactorily before 24 hours from interment.
Aquatic centres: Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation. Target is 100%.	Compliance with relevant standards including Pool Safe Accreditation. Target is 100%.	Achieved. Levin = 100% Foxton = 100% Both pools have received "Pool Safe" accreditation. "Pool Safe" certification for the year 2017/2018 was received in February 2017 and lasts until April 2018.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017				
<p>Aquatic centres: Aquatics Centres meet customer needs.</p>	<p>Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey. Target is 90 % satisfied.</p>	<p>Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey. Target is 90 % satisfied.</p>	<p>Not achieved. The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows:</p> <table border="1" data-bbox="1317 336 1850 400"> <thead> <tr> <th>Dissatisfied %</th> <th>Satisfied %</th> </tr> </thead> <tbody> <tr> <td>11.3%</td> <td>88.7%</td> </tr> </tbody> </table> <p>This result could be a reflection of the shutdown period as a result of the Levin Aquatics Centre Redevelopment. The next survey will take place in 2018.</p>	Dissatisfied %	Satisfied %	11.3%	88.7%
Dissatisfied %	Satisfied %						
11.3%	88.7%						
<p>Aquatic centres: A high quality Swim School operates at the Levin and Foxton Aquatic Centres.</p>	<p>Number of participants in Learn to Swim classes. Target is 400 per term.</p>	<p>Number of participants in Learn to Swim classes. Target is 400 per term.</p>	<p>Not achieved. 126 = Term Three (Foxton only) 392 = Term Four 533 = Term One (2017) being 489 Levin and 44 Foxton 451 = Term Two (2017)</p> <p>There were 1,502 out of 1,600 potential participants in Learn to Swim Classes.</p> <p>It should be noted that the Levin Aquatic Centre Redevelopment contributed to the decrease in participants and offering of full swim school programmes.</p>				
<p>Aquatic centres: Local clubs are supported to deliver their own events.</p>	<p>Number of events per year held by clubs- clubs growing and taking ownership of their own events and future. Target is 5 per year.</p>	<p>Number of events per year held by clubs- clubs growing and taking ownership of their own events and future. Target is 5 per year.</p>	<p>Achieved.</p> <p>The following events were scheduled by Aquatics User Clubs/Schools at Levin Aquatics Centre this year:</p> <p>YTD</p> <ul style="list-style-type: none"> • Special Olympics – 10 September 2016 • Special Olympics – 11 September 2016 • Regional Canoe Polo U14 event – 25 September 2016 • Spring Carnival – Levin Swim Club – 8 October 2016 • Spring Carnival – Levin Swim Club – 9 October 2016 • Special Olympics NZ Swim Meet – 26 October 2016 • Autumn Swim Carnival – Levin Swim Club – 12 March 2017 <p>Therefore the measure is reported as “Achieved”, as the target for the year 2016/2017 has been met.</p>				

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017				
<p>Aquatic centres: Growing existing events and developing new ones for the following areas; children, general public, and retirees.</p>	<p>Number of events per year for children, general public, and retirees. Target is 3 events per group each year.</p>	<p>Number of events per year for children, general public, and retirees. Target is 3 events per group each year.</p>	<p>Achieved. The following events have taken place, delivered by HDC at aquatic facilities this year. YTD:</p> <ul style="list-style-type: none"> • Opening Community Day – 24 September 2016 • Aquathon (Aquacise classes 2hrs every day) – 10-14 October 2016 • Foxton Christmas Pool Party – 17 December 2016 • Levin Christmas Pool Party – 18 December 2016 • Ageing Well Wellness Week – 20-24 February 2017 • Go Active Kids TRYathlon – 11 March 2017 – Shannon • Go Active Kids TRYathlon – 18 March 2017 – Foxton • Go Active Kids TRYathlon – 25 March 2017 – Levin • Family Fun Day – 4 March 2017 • April – Foxton and Levin Aquathon • April – School Holidays – Hydroslide and inflatable challenge • June – Mid- winter Pool Party 				
<p>Libraries: Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.</p>	<p>Communities with library and community facilities providing an integrated and District wider service. Target Levin, Foxton and Shannon.</p>	<p>Communities with library and community facilities providing an integrated and District wider service. Target Levin, Foxton and Shannon.</p>	<p>Achieved. Library Services are delivered in in Levin, Shannon and Foxton.</p>				
	<p>Percent of residents and non-residents satisfied with library and community services. Target is >85%.</p>	<p>Percent of residents and non-residents satisfied with library and community services. Target is >85%.</p>	<p>Achieved. The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows:</p> <table border="1" data-bbox="1317 959 1850 1023"> <thead> <tr> <th>Dissatisfied %</th> <th>Satisfied %</th> </tr> </thead> <tbody> <tr> <td>8.1%</td> <td>91.9%</td> </tr> </tbody> </table> <p>The next survey will take place in 2018.</p>	Dissatisfied %	Satisfied %	8.1%	91.9%
Dissatisfied %	Satisfied %						
8.1%	91.9%						
	<p>Number of booking counts for community facilities. Target is 380.</p>	<p>Number of booking counts for community facilities. Target is 380.</p>	<p>Achieved. 1,292 bookings have been made for community facilities.</p>				
	<p>Number of visitor counts to Te Takere, Foxton Library & Service Centre and Shannon Library. Target is 650,000 people across all sites annually.</p>	<p>Number of visitor counts to Te Takere, Foxton Library & Service Centre and Shannon Library. Target is 650,000 people across all sites annually.</p>	<p>Not achieved. 638,119 people have visited across all sites.</p>				

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<p>Libraries: Customers have access to a range of current information in both print and digital format.</p>	<p>Number of items loaned from the Library across District, including books, magazines etc. Target is 350,000.</p>	<p>Number of items loaned from the Library across District, including books, magazines etc. Target is 350,000.</p>	<p>Not achieved. Total number of issues was 346,169.</p> <p>The e-book issues are declining – this is in line with the global trend whereby physical book usage/purchase are on the increase with e-books slowly decreasing.</p> <p>NB: This measure includes e-books but not digital databases. The annual target of 350,000 items loaned, fell short by 3,831.</p>
	<p>Percent of increase in use of website. Target is +>1%.</p>	<p>Percent of increase in use of website. Target is +>1%.</p>	<p>Not achieved for unique users. Achieved for total number of sessions.</p> <p>56,506 = unique users 81,044 = sessions</p> <p>The comparison between years for the total number of unique users is as follows: Quarter 1: 16,162 Quarter 2: 14,936 Quarter 3: 13,492 Quarter 4: 11,916 2015/16 – 64,167 2016/17 – 56,506 (decrease of 12%)</p> <p>The comparison between years for the total number of sessions is as follows: 2015/16 – 77,832 2016/17 – 81,044 (increase of 4%)</p>
<p>Libraries: Customers have access to programmes and initiatives that enhance wellbeing of the District.</p>	<p>Number of programmes delivered. Target is 100.</p>	<p>Number of programmes delivered. Target is 100.</p>	<p>Achieved. 626 programmes were delivered.</p>

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
Reserves: Reserves are available for community use.	Sufficient space is available (1 ha/1,000 pop). Target is 1.	Achieved. During the year ended 30 June 2016 Council was managing in excess of 93ha of land as recreation reserve, 134ha as woodland/forestry with public access, and in excess of 154ha of foreshore and dunes. The population of Horowhenua is approximately 30,000 (requires 30ha).
Reserves: Playgrounds are safe for users.	Playground facilities comply with relevant standards. Target is 100%.	Achieved. During the year ended 30 June 2016, all surfaces complied.
Halls: Community halls are available for public use.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls. Target is 10.	Achieved. During the year ended 30 June 2016, the Levin Memorial Hall was used 334 times, the Shannon Memorial Hall was used 106 times, and the Foxton Memorial Hall was used 68 times. A total of 508 times (an average of 19.54 times per fortnight).
Sports grounds: Sports grounds are available for community use.	Percent of time that sport grounds are available for use during their opening hours. Target is 95%.	Achieved. During the year ended 30 June 2016, sportsgrounds were open for a minimum of 95% of the scheduled opening times.
Cemeteries: Cemeteries are managed and maintained to an appropriate standard.	Meet needs according to legal requirements.	Achieved. During the year ended 30 June 2016, there was no legal or regulatory non-compliance.
Cemeteries: Cemeteries operate to an acceptable level.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	Achieved. During the year ended 30 June 2016, all interment arrangements were completed satisfactorily within the required timeframe.
Aquatic centres: Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation. Target is 100%.	Achieved. During the year ended 30 June 2016 the Levin and Foxton Pool are both 100% water compliant. Both pools have received "Pool Safe" accreditation during March 2016 until April 2017. Pool Safe certification for the next year has just been received.
Aquatic centres: Aquatics Centres meet customer needs.	Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey. Target is 90 % satisfied.	Not achieved. The most recent comprehensive Annual Resident Satisfaction Survey conducted in May 2016 showed Customer satisfaction at 87.14%. It should be noted that Levin Pool was closed during the time of the survey due to the redevelopment project.

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Aquatic centres: A high quality Swim School operates at the Levin and Foxton Aquatic Centres.</p>	<p>Number of participants in Learn to Swim classes. Target is 400 per term.</p>	<p>Not achieved. Total of 1,664 participants for the year ending 30 June, 2016.</p> <p>Term 3 2015, Levin 394.</p> <p>Term 4 2015, Levin 431, Foxton 24.</p> <p>Term 1 2016, Levin 430, Foxton 55.</p> <p>Term 2 2016 Levin 242, Foxton 88. Note: Levin back pool open only. No lessons in main pool hall due to closure for redevelopment.</p> <p>Term 3 2016, Foxton 118. *Note no usage in Levin due to pool closure for redevelopment (16/17 financial year).</p>
<p>Aquatic centres: Local clubs are supported to deliver their own events.</p>	<p>Number of events per year held by clubs- clubs growing and taking ownership of their own events and future. Target is 4 per year.</p>	<p>Achieved. The following events have been scheduled by Aquatics User Clubs/Schools at Levin Aquatics Centre in this calendar year where the whole pool is booked:</p> <ul style="list-style-type: none"> • Waiopahu Swim Sports February • Go Active TRYathlon 06 March • Levin Swim Club 06 March • Levin School Swim Sports 08 March • Koputaroa Swim Sports 24 March • Levin Masters Swim Meet 24 June • Levin Masters Swim Meet 25 June • Special Olympics 10 September • Special Olympics 11 September • Special Olympics NZ Swim Meet 26 October

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Aquatic centres: Growing existing events and developing new ones for the following areas; children, general public, and retirees.</p>	<p>Number of events per year for children, general public, and retirees. Target is 2 events per group each year.</p>	<p>Achieved. Note: "Events" do not include the regular swim, fitness and aqua classes based at pools.</p> <p>Events run this year to date as follows:</p> <ul style="list-style-type: none"> • Children – 4: Fun Day, Go Active, Water Polo in Foxton and Levin, Tiny Tots promotion, Horowhenua Children's Day 2016 (supported) • General Public – 14: Foxton open day, Levin Aquatic Centre birthday, Electra Business After 5 (supported), Industry Training Graduation, Civic Honours, Levin Christmas Parade, Armistice Day, International Food Festival, 3 Go Active Triathlon trainings, Go Active Kids Triathlon Series, Prime Ministers visit (supported), Shannon Wastewater Treatment Plant Opening, District Wide Anzac Day Commemorations, supported Levin Music Month celebrations. • Retirees – 4: Fitness lunch x 2, Dash and Splash, Age on the Go Expo • Youth – 4: Teen Raves x 3, Youth Voice Reunion
<p>Libraries: Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.</p>	<p>Communities with library and community facilities providing an integrated and District wider service. Target Levin, Foxton and Shannon.</p>	<p>Achieved. During the year ended 30 June 2016, library services are provided by Te Horowhenua Trust in Levin, Shannon and Foxton.</p>
	<p>Percent of residents and non-residents satisfied with library and community services. Target is >85%.</p>	<p>Achieved. The most recent Annual Resident Satisfaction Survey conducted in May 2016 showed Customer satisfaction of these facilities at 91.62%.</p>
	<p>Number of booking counts for community facilities. Target is 380.</p>	<p>Achieved. Quarter 4: 139 Quarter 3: 114 Quarter 2: 102 Quarter 1: 87</p> <p>Total for the year: 442.</p>
	<p>Number of visitor counts to Te Takere, Foxton Library & Service Centre and Shannon Library. Target is 650,000 people across all sites annually.</p>	<p>Not achieved. The monthly average visitor count for Te Takere was 41,923.</p>

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Libraries: Customers have access to a range of current information in both print and digital format.</p>	<p>Number of items loaned from the Library across District, including books, magazines etc. Target is 370,000.</p>	<p>Not achieved. Total number of issues for the full year: Levin: 285,550 -6% Foxton: 30,496 -9% Shannon: 14,450 25% (increase from previous year attributable to 69% increase in adult magazines loaned, 91% increase in teen stories loaned and 163% increase in children's magazines). Total for the year: 330,496.</p>
<p>Libraries: Customers have access to a range of current information in both print and digital format.</p>	<p>Percent of increase in use of website. Target is +>1%.</p>	<p>Achieved for total number of sessions. Not achieved for number of unique users. Number of unique user sessions: Quarter 1: 16,540 Quarter 2: 13,914 Quarter 3: 16,040 Quarter 4: 17,673 Total for the year: 64,167 <1% Previous Year: 65,648 Total number of sessions: 77,832 >9% Previous year: 71,736.</p>
<p>Libraries: Customers have access to programmes and initiatives that enhance wellbeing of the District.</p>	<p>Number of programmes delivered. Target is 100.</p>	<p>Achieved. Quarter 4: 51 (community) 13 (learning) Quarter 3: 69 (community) 25 (learning) Quarter 2: 55 (community) 27 (learning) Quarter 1: 34 (community) 24 (learning) Limitation – programming may not differentiate between ongoing and new programmes in quarterly reporting format. Total: 209 (community) 89 (learning).</p>

3. ACQUISITION AND RENEWAL OF ASSETS

Community Facilities and Services	AP Forecast 2016/17 \$000	Actual 2016/17 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Cemetery - Mako Mako pathways	15	-	15	
Cousins Ave reserve access and revege	3	-	3	
District Halls (& pavilions) reactive renewals (including vandalism)	26	6	20	
District play equipment	41	38	3	
District play equipment bark mulch	26	14	12	
District replacement of water heaters	12	-	12	
Donnelly Park reroof amenity block / toilet	26	24	2	
Foxton aquatic centre plan renewals	120	28	92	
Foxton Beach reserves (FHA)	172	21	151	
Foxton community centre	2,052	2,515	(463)	1
Foxton tram station exterior repair and repaint	16	-	16	
Halls renewals	447	(41)	488	2
Hydro slide ventilation	-	77	(77)	
Levin Adventure Park oak tree maintenance and renewal	15	-	15	
Levin aquatic centre plan renewals	41	44	(3)	
Levin domain pathways resurface	299	1	298	3
Levin domain replace boundary fencing	21	1	20	
Levin public gardens drive and pathway	10	10	-	
Levin public gardens landscaping	3	3	-	
Levin reseal rear car park	10	-	10	
Picnic Tables and Seats	-	20	(20)	
Public toilets programmed renewals	44	40	4	
Purchase of audio books	-	7	(7)	
Purchase of DVD's	-	11	(11)	
Purchase of library books	-	179	(179)	4
Reserve carpark reseal	-	39	(39)	
Reserves renewals	61	37	24	
Sportsgrounds renewals	10	-	10	
Te Takere Computers	-	19	(19)	
Te Takere Lifelong Education & Learning Capital Items	-	5	(5)	
Vehicles	27	23	4	
Waitarere dune management dune management - Flatten recountour	103	-	103	5
Waitarere foreshore reserve signage & plants	5	-	5	
Youth Space Capital Purchases		5	(5)	
Other renewal asset costs	130	-	130	
Total renewal projects	3,735	3,126	609	
Level of service portion of projects				
Aquatic Centre furniture	-	18	(18)	
Aquatic Centre paving	-	7	(7)	
Cemetery - Avenue land development	9	-	9	
Cemetery - Foxton ashes area	24	-	24	
Cemetery - Foxton land development	134	117	17	
Cemetery - Shannon burial beams	10	-	10	
Cousins Ave reserve access and revege	8	-	8	
District fencing contingency	31	31	-	
Driscoll reserve beautification of ex-Ravensdown Manakau site	-	8	(8)	
Foxton Beach coastal reserve implement actions of FB coastal management plan	15	-	15	
Foxton community centre	2,540	3,114	(574)	1
Foxton plantroom miscellaneous	2	-	2	
Foxton River loop walkway, viewing and recreation activities	32	22	10	
General parks - Sportsfields booking and user monitoring system	10	-	10	
Ihakara gradens landscaping	20	-	20	
Levin Adventure Park toilet upgrade buildings	41	14	27	

Community Facilities and Services	AP Forecast 2016/17 \$000	Actual 2016/17 \$000	Variance \$000	Notes
Levin coils	2	-	2	
Levin disable facilities upgrade, hydrotherapy pool	1,652	1,611	41	
Levin install Centaman - online booking	56	-	56	
Levin plantroom miscellaneous	1	-	1	
Levin public gardens drive and pathway	15	15	-	
Levin public gardens landscaping	4	4	-	
Levin pumps	5	3	2	
Levin supply and extract fans	7	7	-	
Levin UV disinfection investigation, and installation	51	45	6	
Public Toilets - New Toilet Block Waitarere Domain	-	2	(2)	
Redevelopment Donnelly Park	-	-	-	
Shannon Memorial Hall - Accessible facility's upgrade (toilet block and entrance)	50	-	50	
Target Reserve: Improve internal access tracks due to increased usage & to address safety issues	25	-	25	
Te Takere Function Centre Tables	-	2	(2)	
Wairarawa stream walkway development	10	9	1	
Waitarere foreshore accretion	-	3	(3)	
Other level of service asset costs	146	-	146	
Total level of service projects	4,900	5,032	(132)	
Growth portion of projects				
Cemetery - Foxton land development	15	13	2	
Cemetery - Foxton ashes area	3	-	3	
Cemetery - Shannon burial beams	1	-	1	
Cemetery - Avenue land development	1	-	1	
Foxton community centre	293	359	(66)	1
Wairarawa stream walkway development	1	1	-	
Levin public gardens landscaping	1	1	-	
Other growth asset costs	9	-	9	
Total growth projects	324	374	(50)	
Make up of above projects by % of type				
Renewals - Replacing existing assets	3,735	3,126	609	
Improve level of service	4,900	5,032	(132)	
Growth - To meet additional demand	324	374	(50)	
Total Community Facilities and Services projects	8,959	8,532	427	

NOTES:

1. The Te Awahou Nieuwe Stroom project is over budget as a result in design and consultants fees more than expected. This project will be completed by October 2017.
2. No hall renewals were done. The negative balance is a journal entry which will be reversed next year.
3. Minor repairs to the Levin cycle track with refurbishment deferred to next year.
4. Library book purchases not budgeted because this was part of the Te Horowhenua Trust when the budgets were set.
5. Work will be programmed following the installation of the new surf life-saving club rooms at Waiterere Beach, expected to happen next year.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The majority of the Council's expenditure is in the nature of operating and maintenance costs. This is to provide parks and recreation activities at the stated levels of service and maintaining the integrity of important assets in accordance with the asset management plans.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2017 included:

Community outcomes	Effects of programmes in activity area
Economic	Council has recently sold its remaining residential sections at Forbes Road in Foxton Beach and is currently exploring opportunities to partner with a private developer to develop a further subdivision. This is being undertaken via an EOI. Council is currently considering the feasibility of undertaking a sub-division at its Roe Street property to which an out of town business will be relocating bringing 15-20 new jobs. Officers are considering divesting a number of properties that are non-core or of little strategic value to its operation via the Property Strategy framework. A commercial leasing policy has been developed to facilitate the provision of commercial leases. The policy was adopted in April 2017. Council currently provides pensioner units for senior residents. It has entered a stock transfer process with a community housing provider to facilitate further development and provide a wrap-round service. Council will continue to advocate for this sector.
Sustainability	Council officers are looking at the potential to incorporate LED lighting in a range of premises to reduce energy demand and improve service. Council's cleaning contractors utilise organic/citrus based cleaning products to reduce potential damage to the environment. Council works with its energy provider to monitor energy use in its properties.
A community of knowledge and culture	Council grants a range of community leases to groups requiring assistance to deliver on community outcomes. Community outcomes delivered by community groups range from social services (CAB; alcoholics anonymous etc.), through to premises for model railway and sports clubs. A Community Leasing Policy has been developed describing the outcomes indicated which was adopted in April 2017 by Council. The property function is responsible for ensuring that Council's community hubs are in a state fit for purpose by managing, repairs, maintenance and cleaning, and a range of other services via its tendered contracts. In the year just gone the property function upgraded Thompson House HDC's art and cultural centre and similarly arranged for an upgrade of Jack Allen House (insulation and property maintenance). With Te Awahou Nieuwe Stroom nearing completion a new cultural experience is soon to be added to the district. The programmes delivered out of the Te Awahou Nieuwe Stroom, in partnership with Te Taitoa Māori o Te Awahou Trust and The Dutch connection Trust will allow further reach of cultural knowledge and understanding through the district and beyond.
Safe and resilient communities	Council is in receipt of a proposal to develop a new medical centre on land it currently owns. Council currently provides old age pensioner units for senior residents. It has entered a stock transfer process with a community housing provider to facilitate further development and provide a wrap-round service. Council will continue to advocate for this sector. The Parks and Property team works with Police in 'at risk' communities to improve social outcomes e.g. Solway Park and Morgan Crescent. Council offers community leases to various organisations that facilitate services for the elderly and young. Council offers community rates on a number of its facilities to ensure access is affordable to its population.
Positive Leadership and partnerships	The Parks and Property section works with stakeholders including local interest groups and residents associations to deliver community focused outcomes.
Social, Health and Safety	A number of new aquatic and land based programmes have been delivered district wide and as a result of the completion of the Levin Aquatic Centre redevelopment a broader range of rehabilitation and recreation options can now be offered to the community. A number of programmes also reach out to provide water safety, learn to swim and fitness options to a wide range of the community, including offerings to rural schools and communities. A number of local and regional events have been hosted at the Levin Aquatic Centre, aiding club capacity building. Foxton and Levin Aquatic facilities both received PoolSafe accreditation.

Community Facilities and Services

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		4,608	4,736	4,687	4,697	10
Targeted rates		5,378	5,597	5,495	5,518	23
Subsidies and grants for operating purposes	1	7	7	7	87	80
Fees and charges	1	719	730	731	1,281	550
Local authorities fuel tax, fines, infringement fees, and other receipts	2	217	216	228	91	(137)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		10,929	11,286	11,148	11,674	526
Applications of operating funding						
Payments to staff and suppliers		7,352	7,608	7,437	7,357	(80)
Finance costs		821	866	749	673	(76)
Internal charges and overheads applied		1,551	1,583	1,724	1,745	21
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		9,724	10,057	9,910	9,775	(135)
Surplus (deficit) of operating funding (A-B)		1,205	1,229	1,238	1,899	661
Sources of capital funding						
Subsidies and grants for capital expenditure	3	2,270	2,327	4,132	889	(3,243)
Development and financial contributions		-	-	-	63	63
Increase (decrease) in debt		756	2,672	3,248	3,329	81
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		3,026	4,999	7,380	4,281	(3,099)
Applications of capital funding						
Capital expenditure						
- to meet additional demand		174	201	324	374	50
- to improve the level of service		2,018	3,678	4,900	5,032	132
- to replace existing assets	4	2,076	2,201	3,735	3,126	(609)
Increase (decrease) in reserves	5	(37)	148	(341)	(2,352)	(2,011)
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		4,231	6,228	8,618	6,180	(2,438)
Surplus (deficit) of capital funding (C-D)		(1,205)	(1,229)	(1,238)	(1,899)	(661)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		947	994	947	1,095	148
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016		14,600	246	14,846		
Raised during year		3,720	265	3,985		
Repaid during year		(470)	(186)	(656)		
Loans as at 30/06/2017		17,850	324	18,174		
Interest expense		664	9	673		

NOTES:

1. More than budget due to subsidies and grants for operating purposes and fees and charges received by the library were not budgeted for as the budget was set before it was decided that the library operation would be brought in-house.
2. Less than budget due to expected revenue for Te Awahou Nieuwe Stroom not received due to delays in completing the project.
3. Lower than budgeted Subsidies and Grants on capital expenditure reflects the delay in the Te Awahou Nieuwe Stroom building project. Most of the subsidies and grants are dependent on building progressing in order for the cash to be released
4. Under spend in capital renewals largely due to Hall renewals not undertaken.
5. Budget variance the is caused by the lower Subsidies and Grants for Te Awahou Nieuwe Stroom.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2016	2017	2017	2017	2017
	\$000	\$000	\$000	\$000	\$000
Cemeteries	330	339	338	352	14
Public Toilets	323	341	322	326	4
Beautification	506	519	659	593	(66)
Reserves	1,983	2,033	2,007	1,736	(271)
Sportsgrounds	1,134	1,161	1,148	1,154	6
Halls	298	302	247	219	(28)
Libraries & Community Services	3,145	3,388	3,351	3,494	143
Aquatic Centres	2,633	2,640	2,531	2,645	114
Urban Cleaning	319	327	254	349	95
Total Expenditure	10,671	11,050	10,857	10,868	11

Land Transport

STATEMENT OF SERVICE PERFORMANCE

This group of activities provides for pedestrians and vehicles to safely and efficiently move from place to place within the District or to pass through the District. The land transport network of assets allows residents to move from work, school, social and recreation destinations by foot or by vehicle, and enables businesses to run by allowing the exchange of goods and services from location to location.

This network also provides links from local transport routes to national transport routes (i.e. State highways). This enables the transport of goods and people not just within the District but also in and out of the District, thereby providing critical connections with both wider regional and national destinations.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- This group of activities provides the ability for pedestrians and vehicles to efficiently move within and outside of the District. This is achieved by providing a network of roads, footpaths, bridges, car parks, signs and markers, street lights and associated drainage systems in what is known as the 'Transport Corridor'. Most aspects the Land Transport activities are managed internally by Horowhenua District Council's Roding Team. However, the maintenance of the land transport assets is externally contracted.
- This group of activities is heavily influenced by the New Zealand Transport Agency (NZTA), which is Council's co-investment partner for roading and the optimised programme which is approved on a three yearly cycle in the Regional Land Transport Plan. The Council operates, maintains and improves its land transport assets, utilising the budgets set within this programme.
- Central Government provides a high level of direction and regulation for the transportation sector through legislation, strategies, plans, and policy statements. A large proportion of these documents are delivered through the NZTA. Relevant national strategies, legislation and plans are outlined in Council's Transportation Activity Management Plan.

Rationale

Activity	Community outcome	Council role
Maintain a safe and reliable road and footpath system to support private and business transport needs.	<ul style="list-style-type: none">• A healthy local economy and a District that is growing• Safe, resilient and healthy communities	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<p>Roads: A safe road network.</p>	<p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less over a 5 year average.</p>	<p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less over a 5 year average.</p>	<p>Achieved. The total number of reported serious injuries and fatalities between 1/07/16 and 30/06/17 is 7. This calculates to a reduction of 8 compared to the previous financial year 2015/16 which was 15. The five year average based on five years ending 2016/17 is a reduction of 2 serious injuries and fatalities.</p>
<p>Roads: Roads in good condition.</p>	<p>The average quality of ride on a sealed local road network measured by smooth travel exposure. Target is a minimum of 85%.</p>	<p>The average quality of ride on a sealed local road network measured by smooth travel exposure. Target is a minimum of 85%.</p>	<p>Did not measure. We have decided to move away from the traditional Annual Roughness and Condition Rating Survey. Instead we will be engaging Downers to carry out the network data collection utilising their 'Hawkeye' – a high speed data surveying vehicle. The 'Hawkeye' system is equipped with the latest digital camera technology that will provide high resolution video of our roading network, thus providing a virtual drive through of our roads. The benefits of this system will result in a more efficient analysis of the survey data that can be linked to chainage and GPS coordinates, simplifying location of data and features. However, the availability of the 'Hawkeye' is not until November 2017. Maintenance was carried throughout the year according to agreed upon schedules and road conditions were expected to remain constant. Last year's results were: Smooth Travel Exposure measures the proportion (%) of vehicle kilometres travelled in a year (VKT) that occurs on 'smooth' sealed roads and indicates the ride quality experienced by motorists. A 'smooth' road is one smoother than a predetermined NAASRA roughness threshold. The thresholds used vary with traffic density and road location i.e. not all roads are calculated the same. Heavily trafficked roads have a lower (smoother) threshold. High volume urban roads have lower roughness thresholds than low volume rural roads. Our STE percentages are generated by running a report in RAMM. The Annual Roughness Survey for 2015/16 was completed by Shaw Consulting Ltd and covered half of the District. The two halves of the District are done in alternating years (half each year). The data is used to help with decision making when producing the 10yr Forward Works Plan. Urban Roads = 88% Rural Roads = 97% Both Roads = 92%</p>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<p>Roads: Roads that are maintained well.</p>	<p>The percentage of the sealed local road network that is resurfaced annually. Target is a minimum of 5% of total area.</p>	<p>The percentage of the sealed local road network that is resurfaced annually. Target is a minimum of 5% of total area.</p>	<p>Achieved. The Reseal Programme for 2016/17 was confirmed with a total of 28.31km which equates to 185,025 m². This represents 5.4% of the total sealed local road network. As at 30 June 2017, the actual amount sealed was 186,674m², which exceeds the minimum 5% target.</p>
<p>Footpaths: Footpaths are in an acceptable condition.</p>	<p>Target footpath condition rating (% compliant with Councils standards). Target is minimum of 30% in excellent condition and a maximum of 10% in poor condition.</p>	<p>Target footpath condition rating (% compliant with Councils standards). Target is minimum of 30% in excellent condition and a maximum of 10% in poor condition.</p>	<p>Achieved. This year a new system for assessing footpath condition was developed and will be based on a 5 year rotating cycle. A trial condition survey was carried out on 44,711 metres of footpath using our new rating system and this resulted in 77% of these footpaths rated as in excellent condition, 17% rated as average and 6% rated in poor condition. If these results were applied to the total footpath network, it would indicate that the minimum 30% in excellent condition and maximum of 10% in poor condition has been achieved for 2016/2017.</p>
<p>Land transport: Good response to service requests.</p>	<p>The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days. Target is >95%.</p>	<p>The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days. Target is >95%.</p>	<p>Achieved. During the month of June 2017, the percentage of requests responded to within 15 days = 96% For the period 1st July 2016 to 30th June 2017, 2,250 CRMs were received, with 97% of requests responded to within 15 working days.</p>

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016																																																																											
<p>Roads: A safe road network.</p>	<p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less over a 5 year average.</p>	<p>The NZ Transport Agency manages the Crash Analysis System (CAS) - New Zealand's primary tool for capturing information on where, when and how road crashes occur. The data comes from police reports. There is a lag in getting this info from Police into CAS and then made available for upload into Councils' RAMM Databases. The data is made available in 6 month blocks approximately 6 months later.</p> <p>The recent statement of information made available to Horowhenua District Council from NZTA (CAS Database) is below which shows a change of 2 across the two financial years.</p> <table border="1" data-bbox="1093 483 1812 662"> <thead> <tr> <th colspan="3">Number of Fatal and Serious Crash Counts For Horowhenua District Council Local Roads</th> </tr> <tr> <th></th> <th>FY14/15</th> <th>FY15/16</th> </tr> </thead> <tbody> <tr> <td>Fatal</td> <td>1</td> <td>0</td> </tr> <tr> <td>Serious</td> <td>10*</td> <td>9</td> </tr> <tr> <td>Total</td> <td>11</td> <td>9</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Please note one of the marked serious accidents occurred on the beach stretch between Waitare and Hokio. <p>The 5 year average result uses the RAMM database data to calculate and it requires the full year's data. By this method there was a slight decrease in fatal and serious crashes on average from 7.4 to 7.</p> <table border="1" data-bbox="1093 882 1839 1326"> <thead> <tr> <th colspan="5">Number of Serious & Fatal Crashes on HDC Network</th> </tr> <tr> <th>Year</th> <th>Fatal</th> <th>Serious</th> <th>Total</th> <th>% Change</th> </tr> </thead> <tbody> <tr> <td>2009-10</td> <td>0</td> <td>12</td> <td>12</td> <td>-</td> </tr> <tr> <td>2010-11</td> <td>1</td> <td>7</td> <td>8</td> <td>-33.3%</td> </tr> <tr> <td>2011-12</td> <td>1</td> <td>8</td> <td>9</td> <td>+12.5%</td> </tr> <tr> <td>2012-13</td> <td>2</td> <td>5</td> <td>7</td> <td>-22.2%</td> </tr> <tr> <td>2013-14</td> <td>1</td> <td>0</td> <td>1</td> <td>-85.7%</td> </tr> <tr> <td>2014-15</td> <td>1</td> <td>9</td> <td>10</td> <td>+900%</td> </tr> <tr> <th colspan="5">Five Year Average</th> </tr> <tr> <td>2013-14</td> <td>7.4</td> <td>2014-15</td> <td>7</td> <td>-5.4%</td> </tr> <tr> <th colspan="5">Calendar Year</th> </tr> <tr> <td>2014</td> <td>8</td> <td>2015</td> <td>8</td> <td>0%</td> </tr> </tbody> </table>	Number of Fatal and Serious Crash Counts For Horowhenua District Council Local Roads				FY14/15	FY15/16	Fatal	1	0	Serious	10*	9	Total	11	9	Number of Serious & Fatal Crashes on HDC Network					Year	Fatal	Serious	Total	% Change	2009-10	0	12	12	-	2010-11	1	7	8	-33.3%	2011-12	1	8	9	+12.5%	2012-13	2	5	7	-22.2%	2013-14	1	0	1	-85.7%	2014-15	1	9	10	+900%	Five Year Average					2013-14	7.4	2014-15	7	-5.4%	Calendar Year					2014	8	2015	8	0%
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Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Roads: Roads in good condition.</p>	<p>The average quality of ride on a sealed local road network measured by smooth travel exposure. Target is minimum 85%.</p>	<p>Achieved. Smooth Travel Exposure measures the proportion (%) of vehicle kilometres travelled in a year (VKT) that occurs on 'smooth' sealed roads and indicates the ride quality experienced by motorists. A 'smooth' road is one smoother than a predetermined NAASRA roughness threshold. The thresholds used vary with traffic density and road location i.e. not all roads are calculated the same. Heavily trafficked roads have a lower (smoother) threshold. High volume urban roads have lower roughness thresholds than low volume rural roads. Our STE percentages are generated by running a report in RAMM. The Annual Roughness Survey for 2015/16 was completed by Shaw Consulting Ltd and covered half of the District. The two halves of the District are done in alternating years (half each year). The data is used to help with decision making when producing the 10yr Forward Works Plan. Urban Roads = 88% Rural Roads = 97% Both Roads = 92%</p>
<p>Roads: Roads that are maintained well.</p>	<p>The percentage of the sealed local road network that is resurfaced annually. Target is a minimum of 5% of total area.</p>	<p>Achieved. There was 29.1km resurfaced in the 2015/16 reseal programme. This equates to 177,273m² which is 5.2% of the total 3,427,641m² total sealed local road network.</p>
<p>Footpaths: Footpaths are in an acceptable condition.</p>	<p>Target footpath condition rating (% compliant with Councils standards). Target is minimum 30% in excellent condition. Maximum 10% in poor condition.</p>	<p>Not achieved. In the last footpath condition rating in 2015 "Excellent Condition" was 28% and "Poor" Condition was 12%. In 2015/16 1.8% of footpath that was "Poor" footpath was replaced and is now "Excellent". Therefore, 29.8% is "Excellent" and 9.8% is "Poor". A new system for carrying out footpath condition ratings is being instigated in 2016/17 where all footpaths will be assessed on a 5 yearly rating cycle.</p>
<p>Land transport: Good response to service requests.</p>	<p>The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days. Target is >95%.</p>	<p>Not achieved. During the year ended 30 June 2016, 78% of CRMs were closed within 15 working days. The under achievement was due to the new Maintenance Contractor having technical issues with access to the Authority system causing delays in processing the closure of their CRMs as well as unassigned CRM's. These Issues have been resolved for the 16/17 period.</p>

3. ACQUISITION AND RENEWAL OF ASSETS

Land Transport	AP Forecast 2016/17 \$000	Actual 2016/17 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Subsidised - Renewals	2,715	2,193	522	1
Footpath renewals	400	297	103	
Other renewal asset costs	290	-	290	
Total renewal projects	3,405	2,490	915	
Level of service portion of project				
Foxton townscape Main Street upgrade	1,390	616	774	2
Waitarere Beach Kent Gloucester Roading Upgrade	-	72	(72)	
New footpaths	100	83	17	
Subsidised - Road improvements	661	588	73	
Other level of service asset costs	107	-	107	
Total LOS projects	2,258	1,359	899	
Growth portion of project				
Other growth asset costs	-	-	-	
Total growth projects	-	-	-	
Make up of above projects by % of type				
Renewals - Replacing existing assets	3,405	2,490	915	
Improve level of service	2,258	1,359	899	
Growth - To meet additional demand	-	-	-	
Total Land Transport projects	5,663	3,849	1,814	

NOTES:

1. Combination of bad weather limiting amount of work able to be completed and the programme of work beings part of larger three year budget set by NZTA.
2. Delayed start due to cenotaph protest. \$850,000 carried forward to 2017-18.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2017 included:

Community outcomes	Effects of programmes in activity area
Safety	Safety is a major consideration in all road improvement and rehabilitation projects in line with the long term goal for road safety in New Zealand to have "A safe road system increasing free of death and serious injury". The footpaths renewal programme also contributes to pedestrian safety for our community.
Economic	The network is in good condition, fit for purpose and enables efficient travel around the District. There have been minimal road closures during the year due to occurrences such as slips or flooding. This has meant that the District has been able to function effectively from an economic viewpoint.

Land Transport

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	3,529	4,467	3,760	3,779	19
Subsidies and grants for operating purposes	1,477	1,236	1,307	1,350	43
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	316	310	291	364	73
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	5,322	6,013	5,358	5,493	135
Applications of operating funding					
Payments to staff and suppliers	1	2,636	2,637	2,931	(126)
Finance costs	-	-	102	40	(32)
Internal charges and overheads applied	875	895	848	908	60
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	3,511	3,634	3,819	3,721	(98)
Surplus (deficit) of operating funding (A-B)	1,811	2,379	1,539	1,772	233
Sources of capital funding					
Subsidies and grants for capital expenditure	1,698	1,722	1,722	1,524	(198)
Development and financial contributions	-	-	-	129	129
Increase (decrease) in debt	2	1,706	1,374	1,910	(1,646)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	3,404	3,096	3,632	1,917	(1,715)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	160	160	-	-	-
- to improve the level of service	1,891	1,605	2,258	1,359	(899)
- to replace existing assets	3,315	3,332	3,405	2,490	(915)
Increase (decrease) in reserves	(151)	378	(492)	(160)	332
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	5,215	5,475	5,171	3,689	(1,482)
Surplus (deficit) of capital funding (C-D)	(1,811)	(2,379)	(1,539)	(1,772)	(233)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	4,657	4,697	4,504	5,904	1,400
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	100	71	171		
Raised during year	340	88	428		
Repaid during year	(140)	(24)	(164)		
Loans as at 30/06/2017	300	135	435		
Interest expense	5	3	8		

NOTES:

1. Less NZTA subsidy is the result of less capital work than expected due to delays.
2. The reduced loan requirement is largely the result of the delay in the Foxton Main Street projects.

Activity Expenditure	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Subsidised Roding	6,925	6,973	6,962	8,405	1,443
Footpaths	975	985	969	1,020	51
Unsubsidised Roding	267	373	391	197	(194)
Total Expenditure	8,167	8,331	8,322	9,622	1,300

Stormwater

STATEMENT OF SERVICE PERFORMANCE

The Stormwater group of activities involves Council collecting stormwater from roads and diverting it away from the road surface into natural water courses or piped drain systems.

The provision of stormwater disposal helps to prevent the occurrence of flooding in urban areas during rainfall events by draining water from roads and private property and conveying it to larger natural water courses.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- This group of activities provides a system of piped and open drains sufficient to allow the diversion of stormwater away from road surfaces. This is to keep roads in a safe and trafficable condition during rainfall events and to also help reduce the risk of flooding for private properties.
- To provide this group of activities the Council owns piped collection networks, pumping stations, and stormwater detention areas. Stormwater is closely aligned in both location and function with the Land Transport group of activities (more specifically the roading network). This group of activities are managed internally, with the operation and maintenance being contracted out externally.
- Prepare, apply for, and obtain any relevant resource consents Council requires to continue to discharge stormwater or to upgrade assets associated with the Council's stormwater activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding stormwater.
- Council provides this group of activities in accordance with the requirements set out by the following pieces of legislation:
 - The Local Government Act 2002 which requires Council to provide water (including stormwater) services and to maintain its capacity to do so; and
 - The Health Act 1956 which requires Council to provide sanitary works including works for stormwater disposal.

Rationale

Activity	Community outcome	Council role
Maintain a system to divert stormwater away from the road and to protect residential and business properties.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing 	Funder/provider
Provide a means of ensuring minimal contamination of the receiving water course.	<ul style="list-style-type: none"> • A sustainable environment 	Funder/provider
Ensure that the collection network is reliable and has minimal blockages or overflows.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities 	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017			
Stormwater: An adequate stormwater system.	The number of flooding events that occur in the District is less than five per year.	The number of flooding events that occur in the District is less than five per year.	Achieved. There has been one (1) reported flooding event.			
Stormwater: Response to faults.	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks. Target is 2 or less.	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks. Target is 2 or less.	Achieved. There have been three (3) habitable floors affected, which equates to 0.25 per 1,000 connections.			
	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. Target is 1 hour.	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. Target is 1 hour.	Achieved. The median response time to get to site is 0hrs 00mins. For the one reported flooding event contractors were already on site when Council received notification so there was no response time.			
Stormwater: A sustainable stormwater service.	To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"> • Abatement notices; • Infringement notices; • Enforcement orders; and • Convictions. 	To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"> • Abatement notices; • Infringement notices; • Enforcement orders; and • Convictions. 	Achieved. For the period 1st July to 30th June 2017: Abatement Notices = 0 Infringement Notices = 0 Enforcement Orders = 0 Convictions = 0			
Stormwater: Customer satisfaction.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system. Target <10 per year.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system. Target <10 per year.	Achieved. There were eight (8) complaints were received, which equates to 0.63 per 1,000 connections regarding the performance of our stormwater system.			
	Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey. Target is 80%.	Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey. Target is 80%.	Not achieved. The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows: <table border="1" data-bbox="1317 1230 1771 1289"> <thead> <tr> <th>Dissatisfied %</th> <th>Satisfied %</th> </tr> </thead> <tbody> <tr> <td>39.9%</td> <td>60.1%</td> </tr> </tbody> </table>	Dissatisfied %	Satisfied %	39.9%
Dissatisfied %	Satisfied %					
39.9%	60.1%					

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
Stormwater: An adequate stormwater system.	The number of flooding events that occur in the District is less than five per year, per 1,000 properties connected to the territorial authority's stormwater system.	Achieved. During the year ended 30 June 2016 there were no reported flooding events (flooding of habitable floors from the Stormwater Drainage System).
	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks. Target is 2 or less.	Not applicable. During the year ended 30 June 2016 there were no reported flooding events.
Stormwater: Response to faults.	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. Target is 1 hour.	Not applicable. During the year ended 30 June 2016 there were no reported flooding events.
Stormwater: A sustainable stormwater service.	To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"> • Abatement notices; • Infringement notices; • Enforcement orders; and • Convictions. 	Achieved. During the year ended 30 June 2016 there was 100% compliance with the Regional Council's resource consents for discharge from its Stormwater system. There is currently one active stormwater discharge consent, 104223, for the discharge of stormwater from the Holben Stormwater Catchment (including two subdivisions) at Foxton Beach.
Stormwater: Customer satisfaction.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system. Target <10 per year.	Achieved. During the year ended 30 June 2016 there were 21 complaints received at 1.72 per 1,000 connections.

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016																																				
Stormwater: Customer satisfaction.	Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey. Target is 70%.	<p>Not achieved.</p> <p>Although only 26.5% were satisfied, it is noted that there is a large proportion of the District that were neither satisfied nor dissatisfied.</p> <p>The stormwater network is a complex system in the District which shares boundaries and responsibilities with the roading network. This complexity could be a contributing to a poor understanding of the stormwater services which are limited in HDC. HDC is not responsible for stream and river flooding.</p> <p>There were no recorded incidents which could have led to this high percentage of dissatisfaction.</p> <p>The results from the 2016 Customer Satisfaction Survey are shown below:</p> <table border="1" data-bbox="1173 614 2040 935"> <thead> <tr> <th></th> <th>Total %</th> <th>Kere Kere %</th> <th>Levin %</th> <th>Miranui %</th> <th>Waiopahu %</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>4.35</td> <td>2.65</td> <td>6.46</td> <td>0.00</td> <td>3.52</td> </tr> <tr> <td>Satisfied</td> <td>22.16</td> <td>20.35</td> <td>24.31</td> <td>25.00</td> <td>16.20</td> </tr> <tr> <td>Neither Satisfied nor Dissatisfied</td> <td>27.35</td> <td>28.32</td> <td>28.92</td> <td>18.75</td> <td>26.06</td> </tr> <tr> <td>Dissatisfied</td> <td>19.92</td> <td>17.70</td> <td>20.00</td> <td>22.92</td> <td>19.01</td> </tr> <tr> <td>Very Dissatisfied</td> <td>13.88</td> <td>23.01</td> <td>12.31</td> <td>16.67</td> <td>9.86</td> </tr> </tbody> </table>		Total %	Kere Kere %	Levin %	Miranui %	Waiopahu %	Very Satisfied	4.35	2.65	6.46	0.00	3.52	Satisfied	22.16	20.35	24.31	25.00	16.20	Neither Satisfied nor Dissatisfied	27.35	28.32	28.92	18.75	26.06	Dissatisfied	19.92	17.70	20.00	22.92	19.01	Very Dissatisfied	13.88	23.01	12.31	16.67	9.86
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Dissatisfied	19.92	17.70	20.00	22.92	19.01																																	
Very Dissatisfied	13.88	23.01	12.31	16.67	9.86																																	

3. ACQUISITION AND RENEWAL OF ASSETS

Stormwater	AP Forecast 2016/17 \$000	Actual 2016/17 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Districtwide pump station - Planned renewals	19	16	3	
Districtwide reticulation - Unplanned renewals	52	50	2	
Other renewal asset costs	5	-	5	
Total renewal projects	76	66	10	
Level of service portion of project				
Development planning Foxton Beach	8	-	8	3
Development planning North East Levin	-	-	-	
Foxton Beach catchment management plan	79	(7)	86	1
Foxton catchment management plan	79	8	71	
Improvements NE Levin	189	92	97	
Levin catchment management plan	79	16	63	
Levin Queen Street	200	49	151	2
Shannon catchment management plan	79	28	51	
Stormwater district wide new	-	39	(39)	
Telemetry	21	32	(11)	
Other level of service asset costs	63	-	63	
Total LOS projects	797	257	540	
Growth portion of project				
Development planning Foxton Beach	148	-	148	3
Development planning North East Levin	-	-	-	
Foxton Beach catchment management plan	4	-	4	
Foxton catchment management plan	4	-	4	
Improvements NE Levin	3,592	1,755	1,837	4
Levin catchment management plan	4	1	3	
Levin Tararua industrial development	25	-	25	
Shannon catchment management plan	4	1	3	
Other growth asset costs	131	-	131	
Total growth projects	3,912	1,757	2,155	
Make up of above projects by % of type				
Renewals - Replacing existing assets	76	66	10	
Improve level of service	797	257	540	
Growth - To meet additional demand	3,912	1,757	2,155	
Total Stormwater projects	4,785	2,080	2,705	

NOTES:

1. Negative spend is the result of fixing an overstatement of costs last year.
2. The project is on hold due to lack of archaeological authority. \$150k has been carried forward to next year.
3. Some preliminary planning has been undertaken. \$155k has been carried forward to next year.
4. This is a multi-faceted project. Tenders have been received and are being evaluated. \$1,962k has been carried forward to next year.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2017 included:

Community outcomes	Effects of programmes in activity area
Environmental and safety	Improvements to stormwater drainage contributed to the environment and safety of the people in the community.

Stormwater

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		919	970	982	987	5
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		-	-	20	-	(20)
Local authorities fuel tax, fines, infringement fees, and other receipts	1	98	99	84	66	(18)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		1,017	1,069	1,086	1,053	(33)
Applications of operating funding						
Payments to staff and suppliers	2	399	394	398	259	(139)
Finance costs		163	207	157	127	(30)
Internal charges and overheads applied		143	145	147	159	12
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		705	746	702	545	(157)
Surplus (deficit) of operating funding (A-B)		312	323	384	508	124
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	3	728	1,266	4,590	1,901	(2,689)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		728	1,266	4,590	1,901	(2,689)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	3	249	981	3,912	1,757	(2,155)
- to improve the level of service		588	423	797	257	(540)
- to replace existing assets		155	77	76	66	(10)
Increase (decrease) in reserves		48	108	189	329	140
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		1,040	1,589	4,974	2,409	(2,565)
Surplus (deficit) of capital funding (C-D)		(312)	(323)	(384)	(508)	(124)
Funding balance ((A-B)+(C-D))		-	-	-		
Depreciation		498	545	501	571	70
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016		2,700	99	2,799		
Raised during year		2,010	3	2,013		
Repaid during year		(110)	(2)	(112)		
Loans as at 30/06/2017		4,600	99	4,699		
Interest expense		123	4	127		

NOTES:

1. Less than expected interest on special funds is due to globally lower interest rates.
2. Less spent on maintenance than expected.
3. Less than budget due to delays of the NE Levin Stormwater project.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2016	2017	2017		
	\$000	\$000	\$000	\$000	\$000
Stormwater Drainage	1,203	1,292	1,203	1,116	(87)
Total Expenditure	1,203	1,292	1,203	1,116	(87)

Water Supply

STATEMENT OF SERVICE PERFORMANCE

As part of the Water Supply group of activities the Council provides a safe and reliable supply of water to residential, industrial and commercial properties (primarily in urban areas). This supply also provides fire-fighting capability.

An uninterrupted water supply ensures that residential areas have access to clean domestic water essential for basic health and hygiene. For most commercial and industrial business owners a reliable water supply is an essential component that enables their business to run.

1. DESCRIPTION OF ACTIVITIES

The Council owns and operates several schemes:

Scheme	Source	Average (m ³ per day)	peak demand (m ³ per day)
Levin	Ohau River	8,702	11,015
Shannon	Mangaore Stream	495	828
Foxton	Bore	1,738	2,450
Foxton Beach	Bore	517	1,000
Tokomaru	Tokomaru River	8,702	11,015

None of the supplies are fluoridated. They are operated and maintained under contract.

All properties in Foxton Beach are metered. In other schemes only selected consumers are metered, to equitably charge the larger users.

What does this group of activities involve?

- Providing water to defined urban and rural areas in (and land immediately adjoining) Levin, Foxton Beach, Foxton, Shannon and Tokomaru. These urban and rural areas and the controls and standards within them are defined in the Horowhenua District Council Water Supply Bylaw 2014.
- Council owns river intakes, groundwater bores, water treatment plants and storage facilities, pump stations, and underground pipe networks. Council's water supply is managed internally with operation and maintenance work being contracted externally.
- Prepare, apply for and obtain any relevant resource consents that are required to continue to take water from various water sources or to upgrade assets associated with the Water Supply group of activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding its water supply.
- Council provides this group of activities in accordance with the requirements set out by the following pieces of legislation:
 - The Local Government Act 2002 (section 130) which requires Council to continue to provide water services and maintain its capacity to do so;
 - The Health (Drinking Water) Amendment Act 2007 which sets out the legal requirements for water supplies;
 - The Fire Service Act 1975 which sets out conditions of legal access to the public supply for firefighting purposes, and
 - The New Zealand Fire Service Firefighting Water Supplies Code of Practice SNZ PAS 4509:2008 which sets out minimum standards to which the fire-fighting supply is to be provided.

Rationale

Activity	Community outcome	Council role
Maintain a safe and reliable water supply for domestic and business activity use.	• A healthy local economy and a District that is growing	Funder/provider
Ensure that resource consents restricting how much water is used are adhered to through demand management.	• A sustainable environment	Funder/provider
Deliver education to the Community to encourage sustainable use of the natural water resource.	• A sustainable environment	Provider/advocate
Ensure that the water supply is safe to drink.	• Safe, resilient and healthy communities	Funder/provider
Ensure that there is adequate supply of water for firefighting.	• Safe, resilient and healthy communities	Funder/provider
Ensure that the water supply can be quickly restored following a natural disaster event.	• Safe, resilient and healthy communities	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Water supply: To provide a reliable supply of safe water.	To ensure the percentage in which the local authority's drinking water supply complies with: a) part 4 of the Drinking Water Standards for New Zealand 2005 (revised 2008) bacterial compliance criteria complies 100% of the time as below: <ul style="list-style-type: none"> • Levin • Shannon • Foxton • Foxton Beach • Tokomaru 	To ensure the percentage in which the local authority's drinking water supply complies with: a) part 4 of the Drinking Water Standards for New Zealand 2005 (revised 2008) bacterial compliance criteria complies 100% of the time as below: <ul style="list-style-type: none"> • Levin • Shannon • Foxton • Foxton Beach • Tokomaru 	Achieved. 100% compliance based on explanation detailed below: 1,327 samples were collected, of which 1,326 (99%) were analysed. 99% of analysed samples complied with the New Zealand Drinking Water Standards (NZDWS) requirements of <1 E.coli. The report for the Levin reservoir sample that was taken on the 18th of April 2017 cannot be found by the lab, although all other samples taken on the same day were tested. We cannot provide an explanation for the missed result and the Drinking Water Assessors have been notified. They are happy to accept results on the same day for FAC, pH and turbidity at the Levin plant. All three results for the 18th of April 2017 are good. *These results are provisional pending the assessment of compliance by the independent assessor.
	b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time as below: <ul style="list-style-type: none"> • Levin • Shannon • Foxton • Foxton Beach • Tokomaru 	b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time as below: <ul style="list-style-type: none"> • Levin • Shannon • Foxton • Foxton Beach • Tokomaru 	Not achieved. <ul style="list-style-type: none"> • Levin: 0% ** • Shannon: 100% • Foxton: 100% • Foxton Beach: 100% • Tokomaru: 100% ** Protozoa compliance for Levin can only be achieved after the completion of the upgrade project that includes the installation of a clarifier and a UV unit in June 2017. Some breaches showed up on the data for June 2017, but these were due to maintenance activities that have been evidenced in Infrastructure data. *These results are provisional pending the assessment of compliance by the independent drinking water assessor.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017																											
<p>Demand management: To ensure the water supply is sustainable.</p>	<p>To ensure the average consumption of drinking water per day per resident within the water supply areas is 300lt per day (target based on One Plan Section 6.4.3.1).</p>	<p>To ensure the average consumption of drinking water per day per resident within the water supply areas is 300lt per day (target based on One Plan Section 6.4.3.1).</p>	<p>Not achieved. The average consumption for all supplies except Levin is 346lt/per person/day.</p> <p>Individual supplies are shown in the table below:</p> <table border="1" data-bbox="1301 395 1756 587"> <thead> <tr> <th>Supply</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td>Foxton</td> <td>465</td> </tr> <tr> <td>Foxton Beach</td> <td>302</td> </tr> <tr> <td>Levin</td> <td>422</td> </tr> <tr> <td>Shannon/Mangaore</td> <td>389</td> </tr> <tr> <td>Tokomaru</td> <td>230</td> </tr> </tbody> </table>	Supply	Results	Foxton	465	Foxton Beach	302	Levin	422	Shannon/Mangaore	389	Tokomaru	230															
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Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017												
<p>Shutdowns: To ensure water supply is continual.</p>	<p>To ensure the total number of unplanned water shutdowns is less than 30 per year.</p>	<p>To ensure the total number of unplanned water shutdowns is less than 30 per year.</p>	<p>Achieved. Number of unplanned water shut downs for the year-to-date = 24 See table below for breakdown:</p> <table border="1" data-bbox="1301 336 1756 695"> <thead> <tr> <th data-bbox="1301 336 1585 368">Supply</th> <th data-bbox="1585 336 1756 368">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="1301 368 1585 427">Total shutdowns reported</td> <td data-bbox="1585 368 1756 427">53</td> </tr> <tr> <td data-bbox="1301 427 1585 486">Total unplanned shut downs</td> <td data-bbox="1585 427 1756 486">24</td> </tr> <tr> <td data-bbox="1301 486 1585 576">Average unplanned shutdown length in hours</td> <td data-bbox="1585 486 1756 576">2.70</td> </tr> <tr> <td data-bbox="1301 576 1585 635">Reasons for shutdown (most of)</td> <td data-bbox="1585 576 1756 635">Burst Mains</td> </tr> <tr> <td data-bbox="1301 635 1585 695">Average # of homes affected</td> <td data-bbox="1585 635 1756 695">22</td> </tr> </tbody> </table>	Supply	Result	Total shutdowns reported	53	Total unplanned shut downs	24	Average unplanned shutdown length in hours	2.70	Reasons for shutdown (most of)	Burst Mains	Average # of homes affected	22
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<p>Firefighting: To ensure firefighting needs are met.</p>	<p>To ensure 76% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.</p>	<p>To ensure 76% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.</p>	<p>Achieved. Hydrant testing is now complete for the whole district. The total number of hydrants tested across the district was 1,962 and 129 were below the required firefighting flow of 12.5L/s, bringing the percentage of compliant hydrants for 2016/17 to 93%.</p>												
<p>Supply pressure: To ensure water supply has adequate flow and pressure.</p>	<p>To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.</p>	<p>To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.</p>	<p>Achieved. 100% of all water connections checked across the district exceeded pressures of 250kPa at the property boundary.</p> <p>Note – for properties connected as a restricted connection, a certain pressure is required for those properties to be able to get their required number of units. With no complaints about reduction in units it implies that the required pressures are being achieved at the boundaries of properties served by restrictors.</p>												
<p>Water take: To ensure consent conditions are met.</p>	<p>To ensure 100% compliance with water take limits of resource consents.</p>	<p>To ensure 100% compliance with water take limits of resource consents.</p>	<p>Achieved. The percentage of water take which complied with limits of resource consent = 100%</p>												
<p>Water conservation: To provide water conservation education to the public.</p>	<p>To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.</p>	<p>To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.</p>	<p>Achieved. Water meter/leak checks pamphlets have been mailed out with water billing invoices generated in June 2017.</p>												

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Water loss: Minimal water losses.	To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 15% or less.	To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 15% or less.	Not achieved. Percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method doesn't make sense; the ILI is not a % measurement. The ILI is a dimensionless performance indicator that relates the current level of real water loss to the unavoidable level of real water loss in a system, taking into account the length of pipes, number of connections and average operating pressure. As such it is a metric benchmarking for performance comparison with other water suppliers. With reference to the recommendation in the NZ Water Loss Guidelines (p18), this measurement can be changed to the IWA Performance Indicator Litres/service connection/day (Op 27). This is the preferable process benchmarking of progress towards reaching target for reductions in real losses, and should be the basis for ongoing monitoring. Based on ILI the target for all supplies will be to achieve a WBI Band B – between 2 and 4. Using Litres/service connection/day will have different targets for each supply A water loss study was completed for the Levin supply in January 2017 and for all other supplies in June 2017, the results are as follows:

							Snapshot Daily Leakage						Snapshot Infrastructure Leakage Index	
Supply	Number of connections	Length of mains (kms)	Conn/km	AZNP (Meters)	NDF (Hours/Day)	% Water loss*	M ³ / day	Conn/km>20: Liters/connctions / day	Conn/km>20 : M ³ / km/ day	95% Conf. Limits	Night Leakage Rate (M ³ / hour)	Unavoidable Annual Real Losses (m ³ /hr)	ILI (dimensionless)	WBI Band
Foxtton	1,180	29.3	40	35.9	22.6	29.0%	464.4	393.58		6.2%	20.55	2.20	9.34	D
Foxtton Beach	1,600	26.4	61	39.1	23.5	6.7%	35.3	22.03		54.1%	1.50	2.86	0.52	A
Shannon	727	23.3	31	48.3	23.9	44.9%	305.5	420.22		6.2%	12.78	2.01	6.35	C
Mangaore	35	2.6	14	50.8	24.1	44.0%	22.0	-	8.54	55.1%	0.91	0.16	5.8	C
Tokomaru	206	6.0	34	30.7	23.9	24.3%	37.2	180.41		8.7%	1.56	0.35	4.44	C
Levin	8,415	215.2	39	75.9	23.7	42.4%	3,601.5	427.99		10.6%	151.96	33.54	4.53	C

*Note that the % Water Loss is shown as indicative only and should not be used as a performance indicator. When losses are expressed as a % of System Input (or Water Supplied) volume, the resulting figure is heavily influenced by the consumption. I.e. when consumption per service connection changes (lower in winter) the % real losses changes (increases) even if Real Losses volume per day remains the same.

Leak detection was performed in Shannon on the Mangaore supply network and repairs to the leaks identified have already achieved a 20% reduction in daily consumption. Further leak detection activities will be planned for problem areas

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Water supply: To provide a reliable supply of safe water.</p>	<p>To ensure the percentage in which the local authority's drinking water supply complies with:</p> <p>a) part 4 of the Drinking Water Standards for New Zealand 2005 (revised 2008) bacterial compliance criteria complies 100% of the time as below:</p> <ul style="list-style-type: none"> • Levin • Shannon • Foxton • Foxton Beach • Tokomaru 	<p>Achieved.</p> <p>There was 100% compliance for all bacterial testing in 2016 for post treatment and in the reticulation. This was based on a report of all test results viewed on the Lab (ELS) website. Weekday samples are tested by ELS lab in Wellington while weekend and public holiday samples are tested by Cenlab in Palmerston North.</p>
	<p>b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time as below:</p> <ul style="list-style-type: none"> • Levin 0% • Shannon • Foxton • Foxton Beach • Tokomaru 	<p>Not achieved for Shannon due to missing data on compliance criteria for Shannon. This telemetry issue is being addressed with the contractors. There was no effect on the residents as a result, only data transfers.</p> <p>Achieved for Levin. Target for Levin was 0% as there is no current treatment process for protozoa. This technology is to be installed in the 2016/17 financial year.</p> <p>Achieved for Foxton, Foxton Beach and Tokomaru.</p>
<p>Customer satisfaction: To have drinking water that tastes and looks satisfactory.</p>	<p>The total number of complaints received about any of the following (expressed per 1,000 connections) is no more than 5 complaints about each of the following:</p> <ul style="list-style-type: none"> • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply; and • The Council's response to any of these issues. 	<p>Not achieved.</p> <p>During the year ended 30 June 2016, the total number of complaints is 125, which equates to the number of complaints per 1,000 connections being 9.79. The target for this performance measure is 5 per 1,000 connections.</p> <p>The majority of complaints in the last financial year were due to water clarity issues from Foxton and Foxton Beach residents. Treatment process adjustments are progressing towards resolving this issue and unless this is resolved, the number of complaints on water clarity will remain high. We're working towards achieving water quality compliance as well as reducing the number of water clarity/taste and appearance complaints.</p> <p>During the year ended 30 June 2016, total number of connections recorded is 12,773 (the number of properties with full water rates).</p>

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016										
Fault response:	<p>The median time from the time that Council received notification to the time that service personnel:</p> <ul style="list-style-type: none"> Attendance for urgent call-outs; from the time that Council receives notification to the time that service personnel reach the site is one hour or less. Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is 8 hours or less. Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is 3 days or less. Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is 3 days or less. 	<p>Achieved.</p> <p>During the year ended 30 June 2016:</p> <ul style="list-style-type: none"> The median attendance time for urgent call-outs was 0 hours and 27 minutes <ul style="list-style-type: none"> Received 29 urgent call outs and attended to 23 within 1 hour or less The median resolution time for urgent call-outs was 0 hours and 57 minutes. <ul style="list-style-type: none"> Received 29 urgent call outs and resolved 26 within 8 hours or less The median attendance time for non-urgent call-outs was 2 hours and 26 minutes. <ul style="list-style-type: none"> Received 694 non urgent call outs and attended to 666 within 3 days or less The median resolution time for non-urgent call-outs was 4 hours and 19 minutes. <ul style="list-style-type: none"> Received 694 non urgent call outs and resolved 662 in 3 days or less 										
<p>Shutdowns: To ensure water supply is continual.</p>	<p>To ensure the total number of unplanned water shutdowns is less than 35 per year.</p>	<p>Achieved.</p> <table border="1" data-bbox="1093 836 1697 995"> <thead> <tr> <th data-bbox="1093 836 1547 868">Supply</th> <th data-bbox="1547 836 1697 868">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="1093 868 1547 900">Total number of unplanned shut downs</td> <td data-bbox="1547 868 1697 900">31</td> </tr> <tr> <td data-bbox="1093 900 1547 932">Average shutdown length in hours</td> <td data-bbox="1547 900 1697 932">2.15</td> </tr> <tr> <td data-bbox="1093 932 1547 963">Reasons for shutdowns (most of)</td> <td data-bbox="1547 932 1697 963">Bursts</td> </tr> <tr> <td data-bbox="1093 963 1547 995">Average number of homes affected</td> <td data-bbox="1547 963 1697 995">22</td> </tr> </tbody> </table>	Supply	Result	Total number of unplanned shut downs	31	Average shutdown length in hours	2.15	Reasons for shutdowns (most of)	Bursts	Average number of homes affected	22
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Total number of unplanned shut downs	31											
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Reasons for shutdowns (most of)	Bursts											
Average number of homes affected	22											
<p>Firefighting: To ensure firefighting needs are met.</p>	<p>To ensure 74% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.</p>	<p>Achieved.</p> <p>During the year ended 30 June 2016, 98% of all fire hydrants tested met the minimum target for fire flows.</p> <p>Total number of fire hydrants in the District is 1218, however, one hydrant tested pressure which was too low to read, and this hydrant is only for flushing in Ohau at the end of the reticulation.</p>										
<p>Supply pressure: To ensure water supply has adequate flow and pressure.</p>	<p>To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.</p>	<p>Achieved.</p> <p>During the year ended 30 June 2016, 100% of all properties assessed exceeded 250kPa.</p> <p>The total number of properties tested was 1465, and this is 11.5% of the total number of properties serviced.</p>										

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016																		
<p>Water take: To ensure consent conditions are met.</p>	<p>To ensure 100% compliance with water take limits of resource consents.</p>	<p>Not achieved. During the year ended 30 June 2016 there were six (6) consents for water takes in the District and all but Shannon water take achieved 100% compliance. Shannon non compliance is due to a data administration issue that we are working on resolving with Horizons.</p>																		
<p>Demand management: To ensure the water supply is sustainable.</p>	<p>To ensure the average consumption of drinking water per day per resident within the water supply areas is 300lt per day (target based on One Plan Section 6.4.3.1).</p>	<p>Not achieved for Foxton, Levin and Shannon.</p> <p>For Foxton, Shannon, Tokomaru and Levin, these figures were calculated by subtracting the metered commercial users from the total water supplied from the treatment plants and then dividing by the residential population for each town.</p> <p>For Foxton Beach, all the residential customers are metered. This volume is summed and then divided by the residential customers.</p> <p>During the year ended 30 June 2016, the average consumption per resident results in L/person/day are as below:</p> <table border="1" data-bbox="1093 699 1975 890"> <thead> <tr> <th>Supply</th> <th>June 2016</th> <th>May 2016</th> </tr> </thead> <tbody> <tr> <td>Foxton</td> <td>400.59</td> <td>386.11</td> </tr> <tr> <td>Foxton Beach</td> <td>279.37</td> <td>276.38</td> </tr> <tr> <td>Levin</td> <td>530.60</td> <td>524.96</td> </tr> <tr> <td>Shannon/Mangaore</td> <td>386.16</td> <td>361.48</td> </tr> <tr> <td>Tokomaru</td> <td>155.76</td> <td>207.36</td> </tr> </tbody> </table> <p>Leak detection and a robust leak maintenance schedule is planned to start with the Levin water supply in 2016/17 and then on to Shannon and Foxton. Also, continuous reticulation renewal works to replace aging infrastructure across the District helps to bring down the calculated consumption figures.</p>	Supply	June 2016	May 2016	Foxton	400.59	386.11	Foxton Beach	279.37	276.38	Levin	530.60	524.96	Shannon/Mangaore	386.16	361.48	Tokomaru	155.76	207.36
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Tokomaru	155.76	207.36																		
<p>Water loss: Minimal water losses.</p>	<p>To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 20% or less.</p>	<p>Not achieved. This measure was unable to be calculated due to lack of technical knowledge around the method required to calculate this.</p> <p>Calculations done in June 2015 showed the value of leakage as 22.8% of total consumption for Levin. This value is being checked through water loss measurements starting with Levin that is scheduled to being in the 2016/17 financial year.</p>																		
<p>Water conservation: To provide water conservation education to the public.</p>	<p>To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.</p>	<p>Achieved. Primary school education has finished. It was conducted in Term 1. Conservation information is also published on the Horowhenua web site.</p>																		

3. ACQUISITION AND RENEWAL OF ASSETS

Water Supply	AP Forecast 2016/17 \$000	Actual 2016/17 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Districtwide - Reactive renewals	156	179	(23)	
Foxtton Beach Edinburg Terrace bore - Renewals	150	32	118	
Foxtton Beach treatment plant - Renewals	27	39	(12)	
Foxtton consents- Renewals	52	8	44	
Foxtton reticulation - Renewals	30	24	6	
Foxtton water treatment plant - Renewals	30	55	(25)	
Levin reticulation - Renewals	830	593	237	1
Levin treatment plant - Renewals	52	154	(102)	
Shannon - Mangaore consents- Renewals	-	24	(24)	
Shannon - Mangaore reticulation - Renewals	6	-	6	
Shannon reservoir structural work	50	21	16	
Shannon treatment plant - Renewals	37	7	43	
Tokomaru treatment plant - Renewals	8	27	(19)	
Other renewal asset costs	139	-	139	
Total renewal projects	1,567	1,163	404	
Level of service portion of project				
Foxtton new water connections	-	7	(7)	
Foxtton Beach new water connections	-	8	(8)	
Levin bore exploration, new reservoir, treatment plant upgrade		93	(93)	
Levin clarifier installation	1,000	754	246	
Levin new water connections	-	72	(72)	
Levin Tararua industrial development	40	10	30	
Levin treatment plant upgrade	3,737	2,736	1,001	2
Shannon new water connections	-	3	(3)	
Telemetry - Districtwide	25	7	18	
Tokomaru new water connections	-	2	(2)	
Other level of service asset costs	149	-	149	
Total LOS projects	4,951	3,692	1,259	
Growth portion of project				
Foxtton Beach Development plan	100	16	84	
Levin bore exploration, new reservoir, treatment plant upgrade	-	40	(40)	
Other growth asset costs	20	-	20	
Total growth projects	120	56	64	
Make up of above projects by % of type				
Renewals - Replacing existing assets	1,567	1,163	404	
Improve level of service	4,951	3,692	1,259	
Growth - To meet additional demand	120	56	64	
Total Water projects	6,638	4,911	1,727	

NOTES:

1. Tenders for this work have closed and preferred contractor identified. The contract has been awarded. Construction planning is underway. \$214k to be carried forward to 2017/18.
2. A contract has been signed with Filtec to undertake this work. Construction has commenced. \$600k to be carried forward to 2017/18.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes being as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2017 included:

Community outcomes	Effects of programmes in activity area
Health, economic and safety	The purpose of the water supply activity is to provide a safe and reliable water supply to residential, industrial, commercial and rural properties within serviced areas. Council owns and runs water networks to ensure that public health is protected at low cost. In addition, provision of water supply supports growth and economy of the community.

Water Supply

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		5,360	5,682	5,694	5,577	(117)
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges	1	-	-	27	133	106
Local authorities fuel tax, fines, infringement fees, and other receipts	2	145	151	138	103	(35)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		5,505	5,833	5,859	5,813	(46)
Applications of operating funding						
Payments to staff and suppliers		1,950	1,991	1,998	2,100	102
Finance costs	2	333	640	527	420	(107)
Internal charges and overheads applied		938	963	972	1,117	145
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		3,221	3,594	3,497	3,637	140
Surplus (deficit) of operating funding (A-B)		2,284	2,239	2,362	2,176	(186)
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	48	48
Increase (decrease) in debt	3	5,127	3,641	4,669	3,328	(1,341)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		5,127	3,641	4,669	3,376	(1,293)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	3	926	123	120	56	(64)
- to improve the level of service	3	4,423	3,945	4,951	3,692	(1,259)
- to replace existing assets	3	1,914	1,329	1,567	1,163	(404)
Increase (decrease) in reserves		148	483	393	641	248
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		7,411	5,880	7,031	5,552	(1,479)
Surplus (deficit) of capital funding (C-D)		(2,284)	(2,239)	(2,362)	(2,176)	186
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		1,926	2,037	2,174	2,385	211
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016		7,850	1,432	9,282		
Raised during year		4,850	110	4,960		
Repaid during year		(400)	(1,232)	(1,632)		
Loans as at 30/06/2017		12,300	310	12,610		
Interest expense		369	51	420		

NOTES:

1. Levin utility connection fee not budgeted for.
2. Less than budget due to globally lower interest rates.
3. Less than budget due to delays in various projects.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2016	2017	Forecast		
	2016	2017	2017	2017	2017
	\$000	\$000	\$000	\$000	\$000
Foxton Water	691	703	727	884	157
Foxton Beach Water	683	695	726	788	62
Levin Water	2,815	3,255	3,175	3,309	134
Shannon Water	703	717	754	736	(18)
Tokomaru Water	255	262	288	305	17
Total Expenditure	5,147	5,632	5,670	6,022	352

Wastewater

STATEMENT OF SERVICE PERFORMANCE

As part of its Wastewater group of activities the Council collects wastewater from residential, industrial and commercial properties (primarily in urban areas), Council then treats the wastewater, and discharges the treated (i.e. clean) wastewater onto land or into waterways.

The collection, transportation, treatment, and safe discharge of wastewater from urban properties ensures a basic level of health; by continually removing potentially hazardous waste from populated urban environments and cleaning this waste before discharging it into a receiving environment.

1. DESCRIPTION OF ACTIVITIES

The Council owns and operates several schemes:

Scheme	Treatment	Disposal
Levin	Screening, sedimentation, biological filtration and oxidation	To land (pine plantation)
Waitarere Beach	Oxidation ditch	To land (pine plantation)
Shannon	Oxidation pond	To land (Velvaleen farm)
Foxton	Oxidation pond	To Manawatu River loop
Foxton Beach	Oxidation pond	To land (pasture)
Tokomaru	Oxidation pond	To land (wetland)

The wastewater systems are operated and maintained under contract.

What does this group of activities involve?

- This group of activities provides for the collection, transportation, treatment, and disposal of residential, commercial, and industrial wastewater through urban schemes in Levin, Foxton, Foxton Beach, Shannon, Tokomaru and Waitarere Beach.
- Council owns piped collection networks, pumping stations throughout each network, treatment plants, and discharge facilities which includes land. The Council's wastewater network is managed internally with the operation and maintenance of each scheme being externally contracted.
- Prepare, apply for and obtain any relevant resource consents that are required to continue to discharge treated waste to land and water or to upgrade assets associated with the Wastewater group of activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding its wastewater network.
- This group of activities is provided in accordance with the requirements set out by the following pieces of legislation:
 - The Local Government Act 2002 which requires Council to provide water (including wastewater) services and maintaining its capacity to do so;
 - The Health Act 1956 which requires Council to provide sanitary works including works for sewage (i.e. wastewater) disposal; and
 - The Resource Management Act 1991 which places the specific requirement on Council to incorporate Tangata Whenua interests into its decision making processes.

Rationale

Activity	Community outcome	Council role
Maintain the safe collection, treatment, and disposal of wastewater produced by residential and business activities.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing. 	Funder/provider
Ensure that resource consent conditions on the quality of discharges are met.	<ul style="list-style-type: none"> • A sustainable environment. 	Funder/provider
Ensure that the collection network is reliable and has minimal blockages or overflows.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities. 	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017																					
Wastewater: To provide a reliable system of wastewater collection and disposal.	To ensure the number of dry weather overflows from the wastewater system is less than two (2) per 1,000 connections.	To ensure the number of dry weather overflows from the wastewater system is less than two (2) per 1,000 connections.	Achieved. <table border="1"> <thead> <tr> <th>Issue</th> <th>Number per 1,000 connection</th> <th>Number of overflows</th> </tr> </thead> <tbody> <tr> <td>Dry weather overflows</td> <td>0.89</td> <td>11</td> </tr> <tr> <td colspan="3">Total number of connection as of 30 June 2017 =12,312</td> </tr> </tbody> </table>	Issue	Number per 1,000 connection	Number of overflows	Dry weather overflows	0.89	11	Total number of connection as of 30 June 2017 =12,312														
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Fault response: To ensure Council provides a good response to faults reported.	To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel reach the site in responding to an overflow or wastewater blockage is less than one (1) hour.	To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel reach the site in responding to an overflow or wastewater blockage is less than one (1) hour.	Achieved. <table border="1"> <thead> <tr> <th>Median time for:</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Overflows only</td> <td>0hrs 30mins</td> </tr> <tr> <td>Wastewater blockages</td> <td>0hrs 18 mins</td> </tr> </tbody> </table>	Median time for:	Result	Overflows only	0hrs 30mins	Wastewater blockages	0hrs 18 mins															
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	To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel confirm resolution of the blockage or other fault within the wastewater system will be no more than twelve (12) hours.	To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel confirm resolution of the blockage or other fault within the wastewater system will be no more than twelve (12) hours.	Achieved. <table border="1"> <thead> <tr> <th>Median time for:</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Overflows only</td> <td>2hrs 06mins</td> </tr> <tr> <td>Wastewater blockages</td> <td>1hrs 30 mins</td> </tr> </tbody> </table>	Median time for:	Result	Overflows only	2hrs 06mins	Wastewater blockages	1hrs 30 mins															
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Customer satisfaction: To ensure the service is satisfactory for its customers.	To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: <ul style="list-style-type: none"> Wastewater odour, target is <8 Wastewater systems faults, target is <8 Wastewater system blockages, target is 8 The Council's response to issues with its wastewater system, target is 8 Total number of complaints received about any of the above, target is <32. 	To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: <ul style="list-style-type: none"> Wastewater odour, target is <8 Wastewater systems faults, target is <8 Wastewater system blockages, target is 8 The Council's response to issues with its wastewater system, target is 8 Total number of complaints received about any of the above, target is <32. 	Achieved. <table border="1"> <thead> <tr> <th>Issue</th> <th>Number per 1,000 connection</th> <th>Number of complaints</th> </tr> </thead> <tbody> <tr> <td>Odour</td> <td>0.33</td> <td>4</td> </tr> <tr> <td>System faults</td> <td>3.77</td> <td>46</td> </tr> <tr> <td>System blockages</td> <td>5.00</td> <td>61</td> </tr> <tr> <td>Councils response</td> <td>0.08</td> <td>1</td> </tr> <tr> <td>Total</td> <td>9.10</td> <td>112</td> </tr> <tr> <td colspan="3">Total number of connection as of 30 June 2017 = 12,312</td> </tr> </tbody> </table>	Issue	Number per 1,000 connection	Number of complaints	Odour	0.33	4	System faults	3.77	46	System blockages	5.00	61	Councils response	0.08	1	Total	9.10	112	Total number of connection as of 30 June 2017 = 12,312		
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Total number of connection as of 30 June 2017 = 12,312																								
Customer satisfaction: To ensure the service is satisfactory for its customers.	To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 82%.	To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 82%.	Unable to Report. The question about customer satisfaction with their wastewater service was not asked in the Annual Customer Satisfaction Survey.																					

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<p>Discharge compliance: To ensure safe disposal of wastewater.</p>	<p>To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below:</p> <ul style="list-style-type: none"> • Abatement notices; • Infringement notices; • Enforcement orders; and • Convictions 	<p>To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below:</p> <ul style="list-style-type: none"> • Abatement notices; • Infringement notices; • Enforcement orders; and • Convictions 	<p>Achieved.</p> <p>Abatement Notices = 0 Infringement Notices = 0 Enforcement Orders = 0 Convictions = 0</p>

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
Wastewater: To provide a reliable system of wastewater collection and disposal.	To ensure the number of dry weather overflows from the wastewater system is less than two (2) per 1,000 connections.	Achieved. During the year ended 30 June 2016 there were 15 dry weather sewer overflows equating to 1.23 overflows per 1,000 connections.
Fault response: To ensure Council provides a good response to faults reported.	To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel reach the site in responding to an overflow or wastewater blockage is less than one (1) hour.	Achieved. In accordance with the mandatory Department Of Internal Affairs performance measure Council responded to 22 overflows resulting from a blockage or other fault with a median response time of 0 hours and 30 minutes. During the year ended 30 June 2016 the total number of overflows or blockages Council responded to was 84 with a median response time of 0 hours and 20 minutes.
	To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel confirm resolution of the blockage or other fault within the wastewater system will be no more than twelve (12) hours.	Achieved. In accordance with the mandatory Department Of Internal Affairs performance measure Council resolved 22 overflows resulting from blockages or other faults with a median response time of 2 hours and 30 minutes. During the year ended 30 June 2016 the total number of blockages or faults Council resolved was 120 with a median response time of 1 hour and 30 minutes.
Customer satisfaction: To ensure the service is satisfactory for its customers.	To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: <ul style="list-style-type: none"> • Wastewater odour, target is <10 • Wastewater systems faults, target is <8 • Wastewater system blockages, target is 10 • The Council's response to issues with its wastewater system, target is 10 • Total number of complaints received about any of the above, target is <38. 	Achieved. During the year ended 30 June 2016: <ul style="list-style-type: none"> • Odour = 4 equates to 0.33 per 1,000 connections (1 stagnant water, 1 open wastewater pipe & 1 Tokomaru WWTP pond or cattle-waste effluent) • System faults = 83 equates to 6.8 per 1,000 connections • Blockages = 79 equates to 6.47 per 1,000 connections • Council's response = 1 equates to 0.08 per 1,000 connections • Total complaints = 167 equates to 13.68 per 1,000 connections.

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016																																				
<p>Customer satisfaction: To ensure the service is satisfactory for its customers.</p>	<p>To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 80%.</p>	<p>Not achieved. The target of at least 80% satisfied customers was not met. As with the stormwater satisfaction survey, there are a high proportion of customers who were neither satisfied nor dissatisfied.</p> <p>The total satisfaction was 32.02%, while the total dissatisfaction was 25.45%. Overall there were more satisfied customers than dissatisfied.</p> <p>Historical issues of pollution entering the lake play a negative role in the perception of wastewater service satisfaction. From a Council perspective there is no issue of pollution entering Lake Horowhenua after the Levin wastewater treatment plant was upgraded and treated wastewater effluent flows were diverted to another wastewater treatment plant some years ago.</p> <p>The results from the 2016 Customer Satisfaction Survey are shown below:</p> <table border="1" data-bbox="1108 611 1883 898"> <thead> <tr> <th></th> <th>Total %</th> <th>Kere Kere %</th> <th>Levin %</th> <th>Miranui %</th> <th>Waiopehu %</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>5.87</td> <td>1.74</td> <td>8.67</td> <td>4.17</td> <td>4.90</td> </tr> <tr> <td>Satisfied</td> <td>26.15</td> <td>33.91</td> <td>27.24</td> <td>20.83</td> <td>23.08</td> </tr> <tr> <td>Neither Satisfied nor Dissatisfied</td> <td>27.27</td> <td>26.09</td> <td>30.03</td> <td>16.67</td> <td>23.78</td> </tr> <tr> <td>Dissatisfied</td> <td>15.10</td> <td>16.52</td> <td>14.86</td> <td>20.83</td> <td>10.49</td> </tr> <tr> <td>Very Dissatisfied</td> <td>10.35</td> <td>12.17</td> <td>7.74</td> <td>20.83</td> <td>8.39</td> </tr> </tbody> </table>		Total %	Kere Kere %	Levin %	Miranui %	Waiopehu %	Very Satisfied	5.87	1.74	8.67	4.17	4.90	Satisfied	26.15	33.91	27.24	20.83	23.08	Neither Satisfied nor Dissatisfied	27.27	26.09	30.03	16.67	23.78	Dissatisfied	15.10	16.52	14.86	20.83	10.49	Very Dissatisfied	10.35	12.17	7.74	20.83	8.39
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<p>Discharge compliance: To ensure safe disposal of wastewater.</p>	<p>To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below:</p> <ul style="list-style-type: none"> • Abatement notices; • Infringement notices; • Enforcement orders; and • Convictions 	<p>Achieved.</p> <p>Council has not received any of the listed Notices/Orders or Convictions in relation to its nineteen active resource consents. Our Tokomaru and Waitarere plants received minor breaches that were rectified and did not lead to notice, order or conviction action being taken.</p>																																				

3. ACQUISITION AND RENEWAL OF ASSETS

Wastewater	AP Forecast 2016/17 \$000	Actual 2016/17 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Districtwide reticulation unplanned renewals	197	102	95	
Foxton Beach wastewater treatment plant - Unplanned renewals	18	3	15	
Foxton reticulation - Renewals	131	25	106	
Foxton wastewater treatment plant - Planned renewals	21	-	21	
Foxton wastewater treatment plant - Unplanned renewals	18	-	18	
Levin reticulation - Renewals	536	937	(401)	1
Levin treatment plant - Planned renewals	1,934	1,158	776	2
Levin treatment plant - Unplanned renewals	92	48	44	
Shannon wastewater treatment plant - Planned renewals	5	-	5	
Shannon wastewater treatment plant - Unplanned renewals	25	11	14	
Tokomaru wastewater treatment plant - Consent renewal	102	31	71	
Tokomaru wastewater treatment plant - Unplanned renewals	6	-	6	
Waitarere wastewater treatment plant - Planned renewals	78	33	45	
Waitarere wastewater treatment plant - Strategic upgrade	5	-	5	
Waitarere wastewater treatment plant - Unplanned renewals	9	-	9	
Other renewal asset costs	217	-	217	
Total renewal projects	3,394	2,348	1,046	
Level of service portion of project				
District reticulation - Planned pump renewals	35	7	28	
Foxton new sewer connections	-	10	(10)	
Foxton wastewater treatment plant - Strategic upgrade	3,914	1,193	2,721	3
Foxton Beach new sewer connections	-	14	(14)	
Levin new sewer connections	-	22	(22)	
Levin wastewater treatment plant - Strategic upgrade	446	597	(151)	
Shannon new sewer connections	-	13	(13)	
Shannon wastewater disposal system	-	204	(204)	4
Telemetry system	24	18	6	
Tokomaru new sewer connections	-	3	(3)	
Waitarere wastewater treatment plant - Strategic upgrade	47	-	47	
Other level of service asset costs	244	-	244	
Total LOS projects	4,710	2,081	2,629	
Growth portion of project				
Development planning Foxton Beach	156	6	150	5
Levin Tararua industrial development	100	12	88	
Other growth asset costs	29	-	29	
Total growth projects	285	18	267	
Make up of above projects by % of type				
Renewals - Replacing existing assets	3,394	2,348	1,046	
Improve level of service	4,710	2,081	2,629	
Growth - To meet additional demand	285	18	267	
Total Wastewater projects	8,389	4,447	3,942	

NOTES:

- These works form part of the District wide wastewater renewal contract 16-01. Construction will be undertaken in the second half of the year.
- In progress under Downer contract. \$650k has been carried forward to 2017/18.
- Delays with consenting issues. \$2,631k to be carried forward to 2017/18.
- Minor completion costs carrying into 2016/17 but the project still came in under budget.
- Some preliminary planning has been undertaken. \$145k to be carried forward to 2017/18.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2017 included:

Community outcomes	Effects of programmes in activity area
Health and safety	Greater public awareness of the wastewater activity through public consultation. Investigations for disposal options and upgrades include consultation and consideration of cultural issues
Environmental	Maintenance and operational improvements to treatment facilities resulting in improvements to effluent quality. Ongoing monitoring of the receiving environment results in better understanding and proactive intervention where required to protect the environment. Improvements to discharges through capital upgrade projects.
Safety	Wastewater treated in an effective way to minimise harm to the community.
Economic	Levels of service were maintained during 2016/17 to the community.

Wastewater

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		6,124	6,421	6,396	6,435	39
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		793	1,030	1,030	1,113	83
Local authorities fuel tax, fines, infringement fees, and other receipts	1	38	43	37	157	120
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		6,955	7,494	7,463	7,705	242
Applications of operating funding						
Payments to staff and suppliers	2	2,389	2,380	2,373	2,203	(170)
Finance costs	3	935	1,452	1,115	899	(216)
Internal charges and overheads applied		670	685	698	959	261
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		3,994	4,517	4,186	4,061	(125)
Surplus (deficit) of operating funding (A-B)		2,961	2,977	3,277	3,644	367
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	249	249
Increase (decrease) in debt	4	8,619	3,285	5,383	1,056	(4,327)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		8,619	3,285	5,383	1,305	(4,078)
Applications of capital funding						
Capital expenditure						
- to meet additional demand		407	177	285	18	(267)
- to improve the level of service	4	6,423	3,270	4,710	2,081	(2,629)
- to replace existing assets	5	4,402	2,493	3,394	2,348	(1,046)
Increase (decrease) in reserves		348	322	271	502	231
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		11,580	6,262	8,660	4,949	(3,711)
Surplus (deficit) of capital funding (C-D)		(2,961)	(2,977)	(3,277)	(3,644)	(367)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		2,434	2,623	2,234	2,897	663
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016		18,600	1,256	19,856		
Raised during year		2,950	132	3,082		
Repaid during year		(950)	(1,076)	(2,026)		
Loans as at 30/06/2017		20,600	311	20,911		
Interest expense		854	45	899		

NOTES:

1. More revenue than budget due to unbudgeted land leasing in Shannon.
2. Less spent on maintenance than budgeted.
3. Less than budget due to globally lower interest rates.
4. Less than budget due to delays in the Foxton treatment plant update as a result of consenting delays.
5. Less than budget due to delays in the Levin treatment plant renewal programme.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2016	2017	2017		
	\$000	\$000	\$000	\$000	\$000
Foxton Wastewater	510	754	615	585	(30)
Foxton Beach Wastewater	561	578	516	594	78
Levin Wastewater	3,745	3,908	3,715	3,918	203
Shannon Wastewater	1,036	1,299	1,055	1,309	254
Tokomaru Wastewater	165	183	169	183	14
Waitarere Beach Wastewater	411	419	353	368	15
Total Expenditure	6,428	7,141	6,423	6,957	534

Solid Waste

STATEMENT OF SERVICE PERFORMANCE

The Solid Waste group of activities consists of Council providing services to collect and safely dispose of residential and commercial solid waste. Council also provides education to the Community on how to reduce total solid waste output.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- Council provides for the collection and disposal of solid waste produced in the Horowhenua and Kapiti Coast Districts. To provide for the disposal of solid waste Council manages kerbside recycling and refuse bag collection at specified times each week for urban areas in the District, it also operates waste transfer stations (for disposal of general and green waste as well as recycling), and it operates numerous static and temporary recycling stations (for recycling only).
- Council owns a landfill and associated assets, waste transfer stations, and recycling stations. Council also undertakes public education (on an ad hoc basis) in waste minimisation at local primary and intermediate schools in the District. The operation and maintenance of this group of activities is externally contracted.
- Council also ensures that the Levin Landfill is managed in a way that it complies with resource consents and so that it has sufficient air and land space available for the future requirements.
- Legislative requirements that this group of activities operates within include, but are not limited to:
 - The Health Act 1956, which requires Council to provide for sanitary works including the collection and disposal of refuse;
 - The Waste Minimization Act 2008;
 - The Hazardous Substances and Noxious Organisms (HSNO) 2004; and
 - The Climate Change (Emissions Trading) Amendment Act 2008.

Rationale

Activity	Community outcome	Council role
Provision of landfill and static recycling stations. These help reduce waste and minimise its negative environmental effects.	<ul style="list-style-type: none"> • A sustainable environment • Safe, resilient and healthy communities 	Provider
Provision of waste transfer stations, recycling, and refuse collection. These help reduce waste and minimise its negative environmental effects.	<ul style="list-style-type: none"> • A sustainable environment • Safe, resilient and healthy communities 	Provider
Provision of waste minimisation education to the Community.	<ul style="list-style-type: none"> • A sustainable environment 	Provider/advocate

2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Waste transfer stations: To ensure Waste Transfer Stations are available at convenient times.	To ensure waste transfer stations are available on agreed days at agreed times.	To ensure waste transfer stations are available on agreed days at agreed times.	Not achieved. 95 % – One early closure occurred in Shannon on the 11th October 2016 due to the fact that the bins were full.
Solid waste: To ensure Solid Waste Activities are undertaken in a healthy and safe manner.	To ensure no reported incidences of injury or illness attributable to use of the Council's waste transfer or recycling station facilities.	To ensure no reported incidences of injury or illness attributable to use of the Council's waste transfer or recycling station facilities.	Achieved.
Waste transfer and recycling stations: To ensure Waste Transfer and Recycling Stations have a minimal impact on the immediate and surrounding environment.	To ensure the number of odour complaints and reports of solid waste are minimal in or around: <ul style="list-style-type: none"> • Waste transfer stations: Less than 3 per month • Recycling stations: Less than 3 per month 	To ensure the number of odour complaints and reports of solid waste are minimal in or around: <ul style="list-style-type: none"> • Waste transfer stations: Less than 3 per month • Recycling stations: Less than 3 per month 	Not achieved. The breakdown is as follows: One (1) odour complaints. Eight (8) reports of solid waste in or around waste transfer/recycling stations.
Response times: To ensure response to service requests regarding Council's Solid Waste Activities is timely.	To ensure that all requests are responded to within three (3) days.	To ensure that all requests are responded to within three (3) days.	Not achieved. 317 service requests received. 244 (77%) of these were responded to within 3 days. It must be noted that despite the fact that some CRMs do not have a close out date or have been closed out well outside the 3 day period, this does not mean that the requests were not responded to within the 3 day timeframe. Some close out dates longer than the 3 actual day period, include weekends and public holidays. The contractors also tend to close resolved CRM's in bulk, leaving many open or outside the 3 day period.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Levin landfill:	The Levin Landfill will be fully compliant with the annual resource consent inspection report.	The Levin Landfill will be fully compliant with the annual resource consent inspection report.	<p>Not achieved. As at 30 June 2017: 50%.</p> <p>Only received 3 reports from Horizons (1 for the month of August 2016, 1 for the month of February 2017 and 1 for the month of June 2017).</p> <p>In the August 2016 report a total of 5 consent conditions were monitored across 2 consents. Of the 5 conditions monitored, 3 were graded as non-complying.</p> <p>In the February 2017 report, 1 was graded as significantly non-compliant.</p> <p>On 27 June an abatement notice was issued regarding odour discharge into the air. This has been appealed in the Environment Court.</p> <p>The latest quarterly report from MWH shows the leachate groundwater consents are all compliant.</p>
Kerbside recycling: To ensure Kerbside recycling and refuse collection service is available.	Kerbside recycling shall be offered to 91% of all serviceable households.	Kerbside recycling shall be offered to 91% of all serviceable households.	<p>Achieved. We are currently servicing approximately 95% of households based on the serviceable areas within the District.</p>
Recycling: To ensure recycling and refuse is collected on time and in a sanitary manner.	<p>To ensure the number of complaints about non-collection of:</p> <ul style="list-style-type: none"> • Kerbside recycling: Less than 5 per month • Kerbside refuse: Less than 5 per month 	<p>To ensure the number of complaints about non-collection of:</p> <ul style="list-style-type: none"> • Kerbside recycling: Less than 5 per month • Kerbside refuse: Less than 5 per month 	<p>Achieved. 53 complaints were received regarding Kerbside recycling (equates to 4.42 per month). Many of these confused the refuse truck for the recycling truck and reported it erroneously</p> <p>33 complaints were received regarding Kerbside refuse (equates to 2.75 per month).</p>
Recycling stations: To ensure recycling and refuse is collected on time and in a sanitary manner.	To ensure recycling stations are available at the agreed locations on the agreed days and times.	To ensure recycling stations are available at the agreed locations on the agreed days and times.	<p>Achieved. Recycling stations are available at all agreeable locations.</p>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017				
Solid Waste Information: To ensure information on Council's recycling and refuse services is available from service centres and on the website.	Up-to-date brochures will be available at all offices and on the HDC website.	Up-to-date brochures will be available at all offices and on the HDC website.	Not achieved. Brochures are handed out by the recycling collectors when their recycling crates contain non-recyclables. However, these are not currently available at the offices. Additionally, other means of information dispersion are being looked into such as fridge magnets or stickers for the recycling crates/wheelie bins. Council is utilising other communication mediums as brochures are not proving to be an effective method of information dissemination. This performance measure will be reviewed as part of the 2017/18 Annual Plan process as it is no longer considered appropriate.				
Affordability: To ensure an affordable recycling service is available.	No user charge is set.	No user charge is set.	Achieved.				
Customer Satisfaction: To ensure customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	To ensure the percentage of customers satisfied with their solid waste service, based on the Annual Customer Satisfaction Survey is at least 75%.	To ensure the percentage of customers satisfied with their solid waste service, based on the Annual Customer Satisfaction Survey is at least 75%.	Achieved. The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows: <table border="1" data-bbox="1317 775 1771 839"> <thead> <tr> <th>Dissatisfied %</th> <th>Satisfied %</th> </tr> </thead> <tbody> <tr> <td>16.0%</td> <td>84.0%</td> </tr> </tbody> </table>	Dissatisfied %	Satisfied %	16.0%	84.0%
Dissatisfied %	Satisfied %						
16.0%	84.0%						
Education: To ensure customers are educated on waste minimisation practices.	To ensure that education services are provided in local schools.	To ensure that education services are provided in local schools.	Achieved. Waste Education is provided in local schools through Zero Waste Education.				

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
Waste transfer stations: To ensure Waste Transfer Stations are available at convenient times.	To ensure waste transfer stations are available on agreed days at agreed times.	Achieved. Transfer stations were open on agreed days.
Solid waste: To ensure Solid Waste Activities are undertaken in a healthy and safe manner.	To ensure no reported incidences of injury or illness attributable to use of the Council's waste transfer or recycling station facilities.	Achieved. No reported incidents of injury or illness for Foxton and Shannon for the year. No reports from unmanned recycling stations received for the year.
Waste transfer and recycling stations: To ensure Waste Transfer and Recycling Stations have a minimal impact on the immediate and surrounding environment.	To ensure the number of odour complaints and reports of solid waste are minimal in or around: <ul style="list-style-type: none"> • Waste transfer stations: Less than 3 per month • Recycling stations: Less than 3 per month 	Achieved. During the year ended 30 June 2016 no complaints regarding odour. Regarding solid waste dumping, Council in the past had experienced issues at the Shannon Recycling Station. Since relocating the station and installing a security camera we have had none.
Response times: To ensure response to service requests regarding Council's Solid Waste Activities is timely.	To ensure that all requests are responded to within three (3) days.	Unable to report. Council is currently developing response performance criteria for inclusion in the new contract.
Levin landfill:	The Levin Landfill will be fully compliant with the annual resource consent inspection report.	Achieved. The consent condition requires no odour over the boundary. Both Horizons six (6) monthly compliance reports received gave a Comply – Full assessment. Twenty nine (29) odour complaints were received for the year. The Landfill consent review is under way. No adverse effects as they cannot be confirmed by Horizons.
Kerbside recycling: To ensure Kerbside recycling and refuse collection service is available.	Kerbside recycling shall be offered to 91% of all serviceable households.	Achieved. During the year ended 30 June 2016, kerbside recycling services are offered to 95.3% of serviceable households in the District.

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Recycling: To ensure recycling and refuse is collected on time and in a sanitary manner.</p>	<p>To ensure the number of complaints about non-collection of:</p> <ul style="list-style-type: none"> • Kerbside recycling: Less than 5 per month • Kerbside refuse: Less than 5 per month 	<p>Not achieved. During the year ended 30 June 2016:</p> <ul style="list-style-type: none"> • Kerbside recycling 42. • Kerbside refuse 84. <p>For kerbside rubbish highest month was September 2015 being 17 and lowest was February 2016 being 3.</p> <p>For kerbside recycling highest months were January and April 2016 being 6 and lowest was May 2016 being 1.</p> <p>Many complaints regarding rubbish collection are that the complaints are before the truck has been. A new contract this year will also help address these complaints.</p>
<p>Recycling stations: To ensure recycling and refuse is collected on time and in a sanitary manner.</p>	<p>To ensure recycling stations are available at the agreed locations on the agreed days and times.</p>	<p>Achieved. Note: the Shannon static recycling station has relocated from Ballance Street to Thompson Street.</p>
<p>Solid Waste Information: To ensure information on Council's recycling and refuse services is available from service centres and on the website.</p>	<p>Up-to-date brochures will be available at all offices and on the HDC website.</p>	<p>Not achieved. Council considers it more effective to make this information available electronically via its website.</p>
<p>Affordability: To ensure an affordable recycling service is available.</p>	<p>No user charge is set.</p>	<p>Achieved.</p>
<p>Customer Satisfaction: To ensure customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.</p>	<p>To ensure the percentage of customers satisfied with their solid waste service, based on the Annual Customer Satisfaction Survey is at least 75%.</p>	<p>Not achieved. 75% of customers were satisfied with recycling services. 72% of customers were satisfied with kerbside rubbish collection services.</p>
<p>Education: To ensure customers are educated on waste minimisation practices.</p>	<p>To ensure that education services are provided in local schools.</p>	<p>Achieved. During the year ended 30 June 2016, Waste Education is being carried out in Schools throughout the District.</p>

3. ACQUISITION AND RENEWAL OF ASSETS

Solid Waste	AP Forecast 2016/17 \$000	Actual 2016/17 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Cap shape correction	-	13	(13)	
Tokomaru recycling station - Renewals	-	(7)	7	
Other renewal asset costs	2	-	2	
Total renewal projects	2	6	(4)	
Level of service portion of project				
Leachate pre treatment	60	(21)	81	
Levin Landfill energy recovery / flare	150	339	(189)	1
Relocate Shannon recycling stations	-	(10)	10	
Other level of service asset costs	6	-	6	
Total LOS projects	216	308	(92)	
Growth portion of project				
Landfill development	214	16	198	2
Other growth asset costs	10	-	10	
Total growth projects	224	16	208	
Make up of above projects by % of type				
Renewals - Replacing existing assets	2	6	(4)	
Improve level of service	216	308	(92)	
Growth - To meet additional demand	224	16	208	
Total Solid Waste projects	442	330	112	

NOTES:

- Design, build, delivery and installation contract signed.
- Completion of sump biofilter done, cap reshaping etc. progressing. \$198K to be carried forward into 2017/18.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in Part one above.

Programmes that had identifiable impacts on the community outcomes during the year ended 30 June 2017 included:

Community outcomes	Effects of programmes in activity area
Environmental	Ongoing kerbside recycling has had a significant effect on the amount of waste being transferred to the Levin landfill.
Environmental	Operation of the Levin landfill minimises greenhouse gas emissions by reducing trucking distances to a waste disposal facility in addition to the capture and destruction of methane produced onsite.
Knowledge	Waste reduction is taught in various schools throughout the year.

Solid Waste

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		321	356	458	461	3
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges	1	1,741	1,785	1,785	2,131	346
Local authorities fuel tax, fines, infringement fees, and other receipts		22	18	13	13	-
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		2,084	2,159	2,256	2,605	349
Applications of operating funding						
Payments to staff and suppliers		1,371	1,415	1,614	1,693	79
Finance costs	2	285	324	267	215	(52)
Internal charges and overheads applied		216	220	219	222	3
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		1,872	1,959	2,100	2,130	30
Surplus (deficit) of operating funding (A-B)		212	200	156	475	319
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	3	654	(143)	233	143	(90)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		654	(143)	233	143	(90)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	3	420	71	224	16	(208)
- to improve the level of service	4	446	10	216	308	92
- to replace existing assets		92	3	2	6	4
Increase (decrease) in reserves	5	(92)	(27)	(53)	288	341
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		866	57	389	618	229
Surplus (deficit) of capital funding (C-D)		(212)	(200)	(156)	(475)	(319)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		289	327	269	286	17
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016		4,550	198	4,748		
Raised during year		440	-	440		
Repaid during year		(190)	(107)	(297)		
Loans as at 30/06/2017		4,800	90	4,890		
Interest expense		208	7	215		

NOTES:

1. Increased revenue from Tipping Fees at the Landfill and unbudgeted waste rebate.
2. Less than budget as a result of less loans required due to delays in various projects.
3. Less than budget primarily to the delay of the landfill development project.
4. The recovery flare project over budget.
5. More transferred to reserves as a result of the larger than expected operational surplus.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2016	2017	2017	2017	2017
	\$000	\$000	\$000	\$000	\$000
Roadside Collection Bags	196	200	201	176	(25)
Landfill	1,014	1,107	1,198	1,314	116
Recycling Centres	667	689	685	641	(44)
Waste Transfer Stations	284	290	286	286	-
Total Expenditure	2,161	2,286	2,370	2,417	47

Community Support

STATEMENT OF SERVICE PERFORMANCE

This group of activities comprises of activities that provide for the Community's social and economic wellbeing including ensuring that the Community will be able to respond to and recover from an emergency event, providing Community support, providing grants and funding to Community groups, providing visitor information, and encouraging economic development within this District.

1. DESCRIPTION OF ACTIVITIES

1.1. Emergency management and rural fire

As part of this activity Council is an active member of the Manawatu-Wanganui Civil Defence Emergency Management Group. This group is a consortium of local authorities in the region with a vision to build a resilient and safer region for our communities in the event a civil defence emergency. This activity also covers Council's responsibility for rural fire.

What does this activity involve?

- Ensuring that the Community is properly prepared for and educated about emergency events.
- Providing a fully functional Emergency Operating Centre (EOC) and ensuring that trained staff are available and ready to assist our Community to respond to/recover from emergency events.
- Ensuring that people, property and the environment are protected from the impact of rural fire.

Rationale

Activity	Community outcome	Council role
Emergency management and rural fire services are provided for the Community.	<ul style="list-style-type: none"> • Safe, resilient and healthy communities • Positive leadership and effective partnerships 	Provider

1.2. Community engagement

The Community Engagement Activity helps to provide a platform for community engagement and social wellbeing within the Horowhenua District. This includes the implementation of Council's community wellbeing strategies, grants and funding schemes, public communications, media engagement, and District marketing.

What does this activity involve?

- Council leading the development and implementation of the Horowhenua Community Wellbeing Strategy as well as the education, youth, disability, arts culture and heritage, pride and vibrancy, and positive ageing action plans.
- Council taking a lead role in advocating, facilitating and coordinating on behalf of the Community to assist Community groups or find solutions to respond to local needs.
- Advocating on behalf of the Community for better health, transport and social outcomes through the Community Wellbeing Executive and Community Wellbeing Forum.
- Providing funding support to surf lifesaving, Waitare and Foxton Beach wardens and neighbourhood support, on contract.
- Funding and operating several small contestable grant schemes which are:
 - Community development grant.
 - Community consultation grant.
 - International representation grant.
 - Rural halls grant.
 - Vibrant communities fund (new).
- Administrating or providing administrative support to externally funded contestable grant schemes which are:
 - Horowhenua creative communities scheme.
 - Shannon Community Development Trust.
- Facilitating a community capacity building programme, providing free or subsidised training to the not-for-profit sector with the aim to increase the capability at a governance and operational level.
- Produce and distribute Council publications.
- Produce sector specific publications, such as resource consent guides.
- Monitor and update social and traditional media.
- Provide communications support to internal staff and departments.
- Maintain and update Council's website presence, namely www.horowhenua.govt.nz.
- Respond and provide information to media outlets, as required.

Rationale

Activity	Community outcome	Council role
Facilitate a youth council and Community networks and forums.	<ul style="list-style-type: none"> A community of knowledge, culture and diversity where people are proud to live Positive leadership and effective partnerships 	Provider
Advocate for transport, health and community wellbeing.	<ul style="list-style-type: none"> A healthy local economy and a District that is growing A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Advocate
Contestable grant schemes are provided.	<ul style="list-style-type: none"> A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities 	Funder
Administration of externally funded grant schemes.	<ul style="list-style-type: none"> A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Provider
Contracted services are managed.	<ul style="list-style-type: none"> Safe, resilient and healthy communities Positive leadership and effective partnerships 	Funder
Capabilities training for the non-profit sector is provided.	<ul style="list-style-type: none"> A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Funder
Perform Council's communication function.	<ul style="list-style-type: none"> A healthy local economy and a District that is growing A sustainable environment A community of knowledge, culture and diversity where people are proud to live Safe, resilient and healthy communities Positive leadership and effective partnerships 	Provider

1.3. Visitor information

As part of this activity the Council's manages the provision of visitor information services in Levin, Foxton, and Shannon.

What does this activity involve?

As part of this activity the Council manages contracts which provide the following services:

- Domestic travel ticketing;
- Horowhenua attraction, activity and accommodation bookings;
- Local and regional visitor information, travel maps and resources; and
- Integrated communications and working partnerships with local service providers.

Rationale

Activity	Community outcome	Council role
Visitor information services are offered throughout the District.	<ul style="list-style-type: none"> A healthy local economy and a District that is growing A community of knowledge, culture and diversity where people are proud to live Positive leadership and effective partnerships 	Funder

1.4. Economic development

The purpose of this activity is to facilitate economic growth and improved social and economic wellbeing in the Horowhenua District through the support and implementation of strategies targeting increased investment, job growth, skill growth, income growth and an enhanced reputation for the District. Horowhenua District is poised for significant change and has the opportunity to considerably advance its economy wellbeing and prosperity over the next 10 years.

What does this activity involve?

Economic development advocacy, support and facilitation across the following service areas:

- Business sector growth and performance;
- Sustainable natural resource utilisation;
- Infrastructure and policy development/implementation;
- Workforce skill development, training and education; and
- Horowhenua as a vibrant and sustainable place to live and visit.

Rationale

Activity	Community outcome	Council role
Business sector support and advocacy.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • Positive leadership and effective partnerships 	Provider/advocate
Sustainable natural resource utilisation.	<ul style="list-style-type: none"> • A sustainable environment • Positive leadership and effective partnerships • A healthy local economy and a District that is growing 	Advocate
Infrastructure and policy development/ implementation.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A sustainable environment • Safe, resilient and healthy communities • Positive leadership and effective partnerships 	Advocate
Workforce skill development, training and education.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A community of knowledge, culture and diversity where people are proud to live • Safe, resilient and healthy communities • Positive leadership and effective partnerships 	Advocate
Horowhenua as a vibrant and sustainable place to live and visit.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A community of knowledge, culture and diversity where people are proud to live • Safe, resilient and healthy communities • Positive leadership and effective partnerships 	Provider/advocate/ funder

2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<p>Emergency management & rural fires: To promote and encourage community awareness.</p>	<p>5 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.</p>	<p>5 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.</p>	<p>Achieved. 21 media releases / public advertising promoting preparedness for an emergency.</p> <p>The year-to-date is broken down as follows:</p> <ul style="list-style-type: none"> • Emergency Planning Facebook post 03/01/2017 • How to Get Ready Facebook post 03/01/2017 • Get Ready Facebook post 30/12/2016 • Drop Cover Hold Facebook post 27/12/2016 • Get Thru Facebook post 23/12/2016 • Tsunami Evacuation Information Facebook post 19/12/2016 • Getaway Kit Facebook Post 14/12/2016 • Tsunami Information sign instalment Community Connection 07/12/2016 • Drop, Cover, Hold Facebook post 05/12/2016 • Never Happens, Happens Facebook post 24/11/2016 • Drop, Cover Hold Facebook post 16/11/2016 • What would you do Facebook post 14/11/2016 • World Tsunami Awareness Day Facebook post 05/11/2016 • Promoting World Tsunami Awareness Day Facebook post 01/11/2016 • What would you do? Facebook post 19/10/2016 • Get Ready Week Facebook post 13/10/2016 • Never happens? Happens Facebook post 12/10/2016 • What's the plan Stan? Facebook post 11/10/2016 • Get Ready Week Community Connection 05/10/2016 • What would you do? Facebook post 3/09/2016 • Exercise Tangaroa media release 01/09/2016

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<p>Emergency management & rural fires: Council maintains a functional EOC and trained staff.</p>	<p>To ensure Civil defence and emergency management assessment of readiness and capability of 95% of Council staff.</p>	<p>To ensure Civil defence and emergency management assessment of readiness and capability of 95% of Council staff.</p>	<p>EMIS TRAINING (Emergency Management Information Systems) 92 current staff members are trained to at least the Foundation level of EMIS. 2 external agency staff have participated in EMIS.</p> <p>ITF TRAINING (Integrated Training Framework) 77 current staff members are trained to the Foundational level of EMIS. Three (3) staff members are trained to the Intermediate level. No external agency staff have participated in ITF training.</p> <p>OTHER CIVIL DEFENCE AND EMERGENCY MANAGEMENT TRAINING 55 HDC staff have participated in other CDEM Training (Exercise Tangaroa). 12 external agency staff have participated in other CDEM Training year-to-date: 12 (Exercise Tangaroa).</p> <p>A Section 17A (Local Government Act 2002) Review is currently taking place investigation cost effectiveness and efficiency of the current delivery of civil defence emergency services and the fit of the current model for the future. This Review is being undertaken in partnership with Rangitikei and Manawatu Councils.</p>
<p>Emergency management & rural fires: To ensure rural fire services are provided.</p>	<p>To ensure 100% of call outs are responded to.</p>	<p>To ensure 100% of call outs are responded to.</p>	<p>Achieved.</p> <p>Total Rural Fire Service Callouts for the year: 113</p> <p>All fires were responded to in a timely manner. Nil claims on the National Rural Fire Fighting Fund have been made over the reporting period.</p> <p>Rural Fire Activity: Structure: 9 Vegetation: 29 Vehicle: 20 Rubbish: 34 False Alarm: 8 Other: 13</p> <p>HDC Permits issued: 23 HDC Horo VRFF: 1 HDC Tanker: 6</p>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Community engagement: To ensure Council provides effective leadership in advocating, co-ordinating and facilitating on behalf of community needs.	There are to be five (5) Community Wellbeing Executive meetings per year. (Note: the schedule for 2015 onwards has changed from 6 weekly to bi-monthly).	There are to be five (5) Community Wellbeing Executive meetings per year. (Note: the schedule for 2015 onwards has changed from 6 weekly to bi-monthly).	Achieved. Five (5) Community Wellbeing Executive meetings were held.
Community engagement: Council supports the vision that young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of Youth Voice meetings per year. Target is 8.	Number of Youth Voice meetings per year. Target is 8.	Achieved. Ten (10) Youth Voice meetings were held.
	Number of programmes or projects implemented by Youth Voice. Target is 4.	Number of programmes or projects implemented by Youth Voice. Target is 4.	Achieved. Seven (7) programmes/projects have been implemented by Youth Voice as follows: <ul style="list-style-type: none"> • Young Leaders Day in August 2016 • Canteen Fundraising in September 2016 • Reverse Colour Run as part of White Ribbon Horowhenua in November 2016 • Consultations with Kapiti and Wellington Youth Councils on Youth Spaces and Programmes for Youth Councils in December 2016 • The Wall of Voices in May 2017 • Youth Week in June 2017 • Foxton Reserve Management Plan Youth Consultation in June 2017 Youth Voice also contributed to five (5) events: a fundraiser for Delhi Slum Schools; the Amazing Race; the kids TRYathlon, ANZAC Day celebrations and the mid-winter pool party.
	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly). Target is 6.	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly). Target is 6.	Achieved. Eight (8) Youth Network meetings were held.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Community engagement: Council supports the vision that Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Person Network meetings per year. Target is 10.	Number of Older Person Network meetings per year. Target is 10.	Achieved. Ten (10) Older Persons Network meetings were held.
	Number of Elder Berries magazine publications annually. Target is 4.	Number of Elder Berries magazine publications annually. Target is 4.	Achieved. Four (4) issues were published. The latest issue can be found at: http://www.horowhenua.govt.nz/Community/Positive-Ageing/Elderberries
Community engagement: Council supports the vision that Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year. Target is 2.	Number of Creative Communities funding rounds per year. Target is 2.	Achieved. The Creative Communities Grant Committee met mid-September for Round 1, which awarded \$12,549. The Creative Communities Grant Committee met again in late March for Round 2, which allocated the remaining \$14,451. Therefore the measure is reported as "Achieved", as the target for the year 2016/2017 has been met.
Community engagement: Council supports the vision that Horowhenua is New Zealand's foremost region in taking joint responsibility for the success of our community through education.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly). Target is 4.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly). Target is 4.	Achieved. Six (6) Education Horowhenua meetings were held.
Community engagement: Council supports the vision that the Horowhenua is fully accessible to all people.	Number of Disability Leadership forums per year. Target is 4.	Number of Disability Leadership forums per year. Target is 4.	Achieved. Four (4) Disability Leadership Forums were held.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<p>Community engagement: Council promotes community empowerment and provides opportunities for community driven initiatives and projects.</p>	<p>Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria. Target is 100%.</p>	<p>Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria. Target is 100%.</p>	<p>Achieved. The Community Development Grant Round 1 had 36 successful applicants, totalling \$44,122.20, and of those 36 applicants, 100% have been notified of their success.</p> <p>The Community Development Grant round 2 of 2016/17 closed on 28 February 2017. A total of \$25,887.80 was available for distribution.</p> <p>20 Community Development Applications were received and were considered. Of the 20 applications, 14 were approved; 3 were given partial funding and 3 were declined.</p> <p>The total allocated was \$25,130.12. The decisions were ratified by Council on 6 April 2017.</p> <p>A total of 53 organisations have been beneficiaries of Community Development Funding in Rounds 1 and 2.</p>
<p>Community engagement: Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.</p>	<p>Number of Community Capacity and Capability Building Programme workshops or trainings offered. Target is 10.</p>	<p>Number of Community Capacity and Capability Building Programme workshops or trainings offered. Target is 10.</p>	<p>Achieved. As at 30 June 2017, seventeen (17) Community Capacity and Capability Building workshops/trainings have been held YTD. These are as follows:</p> <ul style="list-style-type: none"> • Professional Speaking Course – September 2016 – 15 attendees • Treasurer 101 Training – October 2016 – 12 attendees • Secretary Training (Minute Taking) – November 2016 – 10 attendees • Chairpersons Training – December 2016 • St John’s First Aid Refresher Course – February 2017 – 10 Attendees • St John’s First Aid Level 1 Course – February 2017 – 20 Attendees • Kiwisport Workshop – February 2017 – 26 Attendees • Public Speaking Workshop – February 2017 – 10 Attendees • Social Media Workshop – March 2017 – 9 Attendees • Youth Engagement Toolkit – March 2017 – 12 Attendees • Youth Engagement Strategies & Principles – March 2017 – 10 Attendees • Customer Service – April 2017 – 16 Attendees • Child Protection in Sport – April 2017 – 14 Attendees • Team Development – April 2017 – 8 Attendees • History/Heritage Funding Clinic – May 2017 – 13 Attendees • One-on-one Community Funding Clinics – May 2017 – 26 Attendees • Kiwisport Workshop – May 2017 – 12 Attendees

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Community engagement: Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Percent of satisfaction with Capacity and Capability Building Programme workshops or training. Target is 80%.	Percent of satisfaction with Capacity and Capability Building Programme workshops or training. Target is 80%.	Achieved. In the 2016/2017 survey of participants, 100% of respondents have indicated that they were 'Satisfied' with the Community Capacity Building Programmes, with 72% of respondents indicating that they were 'Extremely Satisfied'. Note: Surveys are distributed to participants after every 2nd programme.
	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year. Target is 100.	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year. Target is 100.	Achieved. 236 individuals have participated in Capacity and Capability Building Programme workshops or training.
Community engagement: Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitarere Beaches. Target is 6.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitarere Beaches. Target is 6.	Achieved. The funding related to the service agreement for the 2016/2017 summer season was paid. The Schedule for the six weeks was: Monday to Friday, 11am to 6pm. Starting: Monday, 19 December 2016 Finishing: Friday, 27 Jan 2017. The six week contract has now concluded. An end of season report has been provided by the Club, and contract discussions are underway for possible contract renewal.
Community engagement: Council effectively communicates with its ratepayers and residents.	Number of Council "Community Connections" newsletters published annually. Target is 10.	Number of Council "Community Connections" newsletters published annually. Target is 10.	Achieved. Thirteen (13) Community Connections have been published. Copies can be found at: http://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection
	Number of media releases published annually. Target is 100.	Number of media releases published annually. Target is 100.	Achieved. 143 Media Releases have been published.
	Council provides a 24/7 telephone contact centre operation for people to phone. Target is 100%.	Council provides a 24/7 telephone contact centre operation for people to phone. Target is 100%.	Achieved. Council's 06 366 0999 telephone number is operational 24/7.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<p>Visitor information: Council supports the promotion of Horowhenua as a tourism destination.</p>	<p>To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.</p>	<p>To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.</p>	<p>Achieved. Levin: A Visitor information service is provided through Te Takere o Kura-Hau-Po (Te Takere). Foxton and Shannon: A contract has been established with De Molen Foxton and Shannon Progressive Association to deliver Visitor Information in Foxton and Shannon.</p>
<p>Visitor information: Council supports the promotion of Horowhenua as a tourism destination.</p>	<p>Percent of key performance indicators achieved by providers of visitor information as set out in annual service level agreement. Target is >85%.</p>	<p>Percent of key performance indicators achieved by providers of visitor information as set out in annual service level agreement. Target is >85%.</p>	<p>Achieved. Visitor Information centres are being supported and kept up to date through the Visitor Information Centre group which consists of Council representatives, Foxton, Shannon and Levin Visitor information representatives, with occasional presentations from local Tourism groups. All centres provided quarterly reports, apart from one that was missed by DeMolen due to staff turnover.</p>
	<p>Percent of key performance indicators achieved by Destination Manawatu (regional tourism organisation) as set out in annual service level agreement. Target is >85%.</p>	<p>Percent of key performance indicators achieved by Destination Manawatu (regional tourism organisation) as set out in annual service level agreement. Target is >85%.</p>	<p>Achieved. Destination Manawatu attended 2 Visitor Information meetings and provided advice and support onsite to the Shannon Visitor Information Centre; particularly in regards to merchandise and venue layout. Advice was also provided in regards to creating the best practice model for the Levin Visitor Information Centre and Te Awahou Nieuwe Stroom Visitor Information Centre. Minimal guidelines were provided on operations, policies, procedures and staff management. However when applying for an i-site in Foxton, support and guidelines were provided to make this happen. 85% of performance measures were achieved.</p>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017				
<p>Economic development: Council provides strategic leadership in coordinating economic development activities across the District.</p>	<p>Council's economic development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy. Target is 90% of annual work plan is completed.</p>	<p>Council's economic development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy. Target is 90% of annual work plan is completed.</p>	<p>Achieved. 90% of the annual work plan has been completed. Major milestones completed are:</p> <ul style="list-style-type: none"> • Completion of Action Plan development per Regional Economic Action Plan (Accelerate25) for Quality Care and Lifestyles for Older People initiative resulting in first stage Government funding of \$250,000. • An Economic Development rebranding and the establishment of the Quarterly Economic Update. • The website was re-organised to provide higher quality information in regards to Horowhenua's Economy, Council services/resources, connections to broader service providers. • A number of business relocations took place with the assistance of the Economic Development Unit. • Recruitment of an Economic Development Support Officer. 				
	<p>Number of Economic Development Board meetings held per year. Target is 10.</p>	<p>Number of Economic Development Board meetings held per year. Target is 10.</p>	<p>Achieved. Eleven (11) Economic Development Board meetings were held.</p>				
<p>Economic development: Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.</p>	<p>Number of business networking meetings held per year. Target is 10.</p>	<p>Number of business networking meetings held per year. Target is 10.</p>	<p>Achieved. Ten (10) Business Networking meetings were held.</p>				
<p>Economic development: Council advocates for and facilitates business development and new business investment in the Horowhenua.</p>	<p>Percent of the District's business community that are satisfied or more than satisfied with the Council's overall performance in the economic development activity. Target is >75%.</p>	<p>Percent of the District's business community that are satisfied or more than satisfied with the Council's overall performance in the economic development activity. Target is >75%.</p>	<p>Not achieved. The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows:</p> <table border="1" data-bbox="1317 1082 1771 1145"> <thead> <tr> <th data-bbox="1317 1082 1563 1118">Dissatisfied %</th> <th data-bbox="1563 1082 1771 1118">Satisfied %</th> </tr> </thead> <tbody> <tr> <td data-bbox="1317 1118 1563 1145">25.3%</td> <td data-bbox="1563 1118 1771 1145">74.8%</td> </tr> </tbody> </table>	Dissatisfied %	Satisfied %	25.3%	74.8%
Dissatisfied %	Satisfied %						
25.3%	74.8%						

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Emergency management & rural fires: To promote and encourage community awareness.</p>	<p>5 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.</p>	<p>Achieved.</p> <p>CDEM advertising / promotion in the following:</p> <ul style="list-style-type: none"> • 2016/17 Neighbourhood Support Wall Planner • 2016/17 Manawatu-Horowhenua Medical Practitioners Wall Planner • Palmerston North / Horowhenua / Manawatu Neighbourhood Support Handbook – 2016/17 edition • Horowhenua A-Z Business Directory 2016/17 • Horowhenua Chronicle Emergency Services feature (plus other features throughout the year) • Various CDEM features in Community Connection throughout the year • Homelink Road Safety Booklet for Horowhenua Schools 2016 • Continuing to circulate the Horowhenua Emergency Planning Guide (Get Ready Get Thru) <p>Community Presentations – at least four presentations to community organisations or local businesses are given annually.</p> <ul style="list-style-type: none"> • Local Welfare Committee • Community Wellbeing Executive • Neighbourhood Support Group • Horowhenua Greypower • Horowhenua Disability Leadership Forum • Horowhenua Youth Network • Horowhenua Older Persons Network • Horowhenua Schools via Junior Neighbourhood Support programme <p>Tsunami Signage – There have been delays. This is a Contract with Horizons Regional Council. The design phase of Tsunami signage is now complete and all aspects of signage currently under construction. Delivery scheduled to CDEM Group office on around 18 July. Next phase of signage planning is to consult on locations and installation of signage as well as communications. Tsunami brochures and A3 Posters for each community have also been developed and to form part of communications package.</p> <p>Community Meetings - EMO has met with Hokio, Waikawa, and Waitarere Beach Committee's to present the project and to gain their endorsement which has been fully achieved. The Waitarere Committee have requested a public meeting to present the project and discuss and questions residents may have. This meeting has been set down for 13 August at the Waitarere Beach Bowling Club. The Foxton Beach Community engagement still being planned.</p> <p>Community Response Plans -- There have been delays.</p> <p>This is a Contract with Horizons Regional Council. There has been a delay in finalising the Community Response Plans for Foxton Beach, Waitarere, Hokio, and Waikawa-Manakau</p>

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
Emergency management & rural fires: To promote and encourage community awareness.	5 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	(continued) communities due to the re-modelling of the West Coast Tsunami risk by GNS Science. EMO has met with the Hokio and Waikawa Committee's and discussed Community Response Plans (part of which will be aligned to the Tsunami Signage project). Hokio CRP is currently in draft and will be finalised by end of July prior to going to print after receiving endorsement of the local Committee. Development of the Waikawa- Manakau document will follow.
Emergency management & rural fires: Council maintains a functional EOC and trained staff.	To ensure Civil defence and emergency management assessment of readiness and capability of 90% of Council staff.	Not achieved. 85 out of 160 (53%) HDC Staff members have been trained in EMIS to varying degrees. 3 x Council EOC Personnel attended an ITF Intermediate (2 day) course in Fielding in 15/16. CIMS Training (ITF Foundational Course Training) will be completed by new staff joining HDC in the 16/17 period.. The Integrated Training Framework (ITF) Foundational course will continue to be rolled out to existing and new staff in 16/17. Alternate EOC – Te Takere is to be tested as an alternative EOC location during an exercise – To be tested in 2016/2017.
Emergency management & rural fires: To ensure rural fire services are provided.	To ensure 100% of call outs are responded to.	Achieved. All fires were responded to in a timely manner. No claims on the National Rural Fire Fighting Fund have been made over the reporting period.
Community engagement: To ensure Council provides effective leadership in advocating, co-ordinating and facilitating on behalf of community needs.	There are to be five (5) Community Wellbeing Executive meetings per year. (Note: the schedule for 2015 onwards has changed from 6 weekly to bi-monthly).	Achieved. The Community Wellbeing Executive has met six times since the beginning of the financial year. RBA Workshop in May 2016. Working Group meeting to incorporate RBA results in to Strategy in June 2016.
Community engagement: Council supports the vision that young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of Youth Voice meetings per year. Target is 8.	Not achieved. Seven (7) meetings have been held. Monthly Youth Voice meetings continue with numerous sub-group meetings to deliver Youth Voice projects. Further meetings are scheduled for May and June. The 2015 Youth Council disbanded in December. The 2016 Youth Council was selected and inducted in March. The first official meeting was held.
	Number of programmes or projects implemented by Youth Voice. Target is 4.	Achieved. Youth Voice has helped to implement: 1) Listen to the Music; 2) The Lower North Island Youth Councils Conference; 3) The Reverse Colour Run event with HALT; and is currently awaiting confirmation of; 4) the revised Youth Action Plan. Youth Voice has this month helped with Foxton Pool Teen Rave (report being prepared).

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Community engagement: Council supports the vision that young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.</p>	<p>Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly). Target is 6.</p>	<p>Achieved. Six (6) meetings have occurred since the beginning of the financial year. There are two more meetings scheduled for this financial year.</p>
<p>Community engagement: Council supports the vision that Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.</p>	<p>Number of Older Person Network meetings per year. Target is 10.</p>	<p>Achieved. The Older Persons Network has met ten (10) times since the beginning of the financial year. An additional working party formed from the network met several times over and above this to work on the draft Positive Ageing Action Plan during 2015.</p>
	<p>Number of Elder Berries magazine publications annually. Target is 4.</p>	<p>Achieved. Four (4) were produced. The latest issue can be found at: http://www.horowhenua.govt.nz/News/Elderberries/Elderberries-Template-20151/</p>
<p>Community engagement: Council supports the vision that Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.</p>	<p>Number of Creative Communities funding rounds per year. Target is 2.</p>	<p>Achieved. Two funding rounds have been held. For the second round; Creative Communities Grants funding was approved by Council at the April meeting. All applicants have uplifted funding.</p>
<p>Community engagement: Council supports the vision that Horowhenua is New Zealand's foremost region in taking joint responsibility for the success of our community through education.</p>	<p>Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly). Target is 4.</p>	<p>Achieved. Eight (8) meetings have occurred since the beginning of the financial year. The last meeting was in June.</p>
<p>Community engagement: Council supports the vision that the Horowhenua is fully accessible to all people.</p>	<p>Number of Disability Leadership forums per year. Target is 4.</p>	<p>Achieved. The Disability Leadership Forum continues to meet quarterly and met four (4) times this year. The last meeting was June 2016.</p>
<p>Community engagement: Council promotes community empowerment and provides opportunities for community driven initiatives and projects.</p>	<p>Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria. Target is 100%.</p>	<p>Achieved. Unspent (but budgeted) Neighbourhood Support Contract funding and Community Consultation Grant funding was re-directed to the Community Development Grant.</p>

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016																		
<p>Community engagement: Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.</p>	<p>Number of Community Capacity and Capability Building Programme workshops or trainings offered. Target is 10.</p>	<p>Achieved. Nineteen (19) have been held for the 2015/2016 financial year, including the latest workshop on Social Media for Non-profits in April. The series is now closed for the financial year and a report was prepared, reviewing the activity in the last twelve (12) months and recommending programme activity for 2016/2017.</p>																		
	<p>Percent of satisfaction with Capacity and Capability Building Programme workshops or training. Target is 80%.</p>	<p>Achieved. 93.70% of survey respondents felt the speaker was "OK" or "Better". 71.59% rated the speaker as "Above Average", "Quite Good" or "Excellent" with 40.00% selecting the highest possible response, "Excellent". 87.36% of survey respondents felt that the seminar topic was "OK" or "Better" 74.73% rated the topic as "Above Average", "Quite Good" or "Excellent" with 44.21% selecting the highest possible response, "Excellent". 80% of respondents felt that the topic they took part in should be offered in the programme at least once a year. Over 90% of respondents indicated that they would be likely or highly likely to attend future Community Capacity Building Programme workshops. Over 90% of respondents indicated that they would be likely or highly likely to recommend Horowhenua Community Capacity Building Programme workshops to other people.</p>																		
<p>Community engagement: Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.</p>	<p>Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year. Target is 100.</p>	<p>Achieved. Nineteen (19) have been held for the 2015/2016 financial year, including the latest workshop on Social Media for Non-profits in April. 173 individuals participated in the workshops.</p>																		
<p>Community engagement: Council supports beach safety initiatives within communities by providing financial support.</p>	<p>Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitarere Beaches. Target is 6.</p>	<p>Achieved. Council awarded the contract to Levin Waitarere Surf Lifesaving Club. Statistics for the 6 week period are as follows:</p> <table border="1" data-bbox="1055 1046 1966 1217"> <thead> <tr> <th>Beach</th> <th>Rescues</th> <th>First Aid</th> <th>Search</th> <th>Preventative Actions</th> <th>Public Inv.</th> </tr> </thead> <tbody> <tr> <td>Waitarere</td> <td>5</td> <td>4</td> <td>0</td> <td>127</td> <td>635</td> </tr> <tr> <td>Foxton</td> <td>4</td> <td>19</td> <td>1</td> <td>256</td> <td>1,083</td> </tr> </tbody> </table>	Beach	Rescues	First Aid	Search	Preventative Actions	Public Inv.	Waitarere	5	4	0	127	635	Foxton	4	19	1	256	1,083
Beach	Rescues	First Aid	Search	Preventative Actions	Public Inv.															
Waitarere	5	4	0	127	635															
Foxton	4	19	1	256	1,083															
<p>Community engagement: Council effectively communicates with its ratepayers and residents.</p>	<p>Number of Council "Community Connections" newsletters published annually. Target is 10.</p>	<p>Achieved. The Community Connection was printed in every month apart from January. So 11 are printed in total.</p>																		
	<p>Number of media releases published annually. Target is 100.</p>	<p>Achieved. 102 Media releases have been produced YTD.</p>																		

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
Community engagement: Council effectively communicates with its ratepayers and residents.	Council provides a 24/7 telephone contact centre operation for people to phone. Target is 100%.	Achieved. Council's 06 366 0999 telephone number is operational 24/7.
Visitor information: Council supports the promotion of Horowhenua as a tourism destination.	To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.	Achieved. Contracts for the Levin, Shannon and Foxton Visitor Information centres have been created agreed upon and signed off by all parties. Quarterly payments have gone to all centres.
	Percent of key performance indicators achieved by providers of visitor information as set out in annual service level agreement. Target is >85%.	Achieved. Visitor information centres are being supported through the Experience Horowhenua group which consists of Council representatives, Tourism Horowhenua, Foxton Tourism and Development organisation and key stakeholders including Destination Manawatu. All centres provided quarterly reports for the YTD. A two year action plan has been developed and approved by all parties; this will give us a framework to work towards moving forward.
	Percent of key performance indicators achieved by Destination Manawatu (regional tourism organisation) as set out in annual service level agreement. Target is >85%.	Achieved. Destination Manawatu has been assisting with the following projects; Main Street Foxton, Community Signage, Experience Horowhenua forum, Summer Promotion, Cycleway and walkways promotion. 85% of performance measures have been achieved.
Economic development: Council provides strategic leadership in coordinating economic development activities across the District.	Council's economic development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy. Target is 90% of annual work plan is completed.	Achieved. Council's Economic Development Manager and the Horowhenua Economic Development Board have delivered strategic priorities as identified in the Economic Development Strategy, as well as additional work associated with the Manawatu-Whanganui Regional Growth Study / Accelerate25 and Councils Growth Response.
	Number of Economic Development Board meetings held per year. Target is 10.	Achieved. Ten (10) Board meetings were held in addition to special topic workshops and related Board / Industry / Community engagements.
Economic development: Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of business networking meetings held per year. Target is 10.	Achieved. More than 10 meetings have been held. Council has continued to deliver the Business After 5 events as well as additional events associated with special interest groups, regional work programmes, and the Kapiti-Horowhenua business awards.
Economic development: Council advocates for and facilitates business development and new business investment in the Horowhenua.	Percent of the District's business community that are satisfied or more than satisfied with the Council's overall performance in the economic development activity. Target is >75%.	Not achieved. The most recent Annual Resident Satisfaction Survey conducted in 2016 showed customer satisfaction of this activity at 57.83%.

3. ACQUISITION AND RENEWAL OF ASSETS

No assets are used exclusively for the purposes of Community Support, and there were therefore no significant asset acquisitions or replacements during the year ended 30 June 2017 nor were any shown in the LTP for the year.

NOTES:

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

Council's Community Wellbeing function provides overall strategic leadership as well as monitors and reports on progress towards social, health and safety results. A range of community networks and forums are informed by this strategic direction and facilitate, coordinate and communicate the activities of a broad range of government and community organisations, to achieve better outcomes for target populations and contribute to ensuring all people within the District thrive.

Programmes that had identifiable impacts on Council's community outcomes during the year ended 30 June 2017 included:

Community outcomes	Effects of programmes in activity area
Social	A wide range of community capacity building workshops were offered to provide backing to various community organisations as well as upskilling the community in general. A number of events were delivered to the community that enhanced community interaction and promoted communities supporting themselves. To enable community groups to deliver services, events or upkeep facilities, a number of community grants were offered throughout the district to successful applicants.
Cultural and education	Library services were provided throughout the district with a range of digital, literacy and heritage programmes delivered. Once finished, the new, Te Awahou Nieuwe Stroom facility will add another cultural and community centre to the district and provide specific offerings not currently delivered in the district in partnership with Te Taitoa Māori o Te Awahou Trust and The Dutch connection Trust including; culture, heritage, arts, conference facilities, community information and events. Te Takeretanga o Kura-hau-po has successfully delivered a wide range of community programmes and services including visitor information, youth services and activities, social lounges and cafes, events, exhibitions and performances, meetings, functions and conventions.
Economic	Council has successfully delivered a comprehensive range of programmes that have impacted positively across Horowhenua's economic wellbeing. Programmes have ranged from large strategic initiatives such as the development of the Accelerate25 Regional Growth Programme with Central and Regional Government, through to locally driven engagement programmes such as the Electra Business After 5 initiative which has delivered a platform for greater cohesion and information exchange across the District's business/economic sector. The Council have also fostered a strong working relationship with Horowhenua Economic Development Board who have collectively provided advocacy, facilitation and enablement in direct support of Horowhenua's improved economic wellbeing and prosperity.
Safety	Civil defence emergency management services, including increasing readiness and resilience programmes are delivered across the district. Horowhenua District Council funding of community groups that enhance safety throughout the District includes; surf lifesaving and beach wardens.

Community Support

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Note					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,835	1,885	2,101	2,105	4
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	27	28	28	27	(1)
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1 13	14	131	60	(71)
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	1,875	1,927	2,260	2,192	(68)
Applications of operating funding					
Payments to staff and suppliers	2 931	957	1,108	940	(168)
Finance costs	-	-	-	-	-
Internal charges and overheads applied	911	936	1,112	1,138	26
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,842	1,893	2,220	2,078	(142)
Surplus (deficit) of operating funding (A-B)	33	34	40	114	74
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding ©	-	-	-	-	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	33	34	40	114	74
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	33	34	40	114	74
Surplus (deficit) of capital funding (C-D)	(33)	(34)	(40)	(114)	(74)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	33	33	39	31	(8)
Loans					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016	-	-	-		
Raised during year	-	-	-		
Repaid during year	-	-	-		
Loans as at 30/06/2017	-	-	-		
Interest expense	-	-	-		

NOTES:

1. Income was below budget due to being unable to secure additional external investment in the Economic Development activity.
2. \$66k of Professional Services was under budget for Economic Development in order to offset the reduced external funding and Community Development under spent the other expenses budget by \$42k.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2016	2017	2017	2017	2017
	\$000	\$000	\$000	\$000	\$000
Community Development	280	294	237	244	7
Economic Development	537	544	915	804	(111)
Community Grants and Funding	339	349	336	323	(13)
District Communication	177	183	201	193	(8)
Rural Fire	222	230	234	220	(14)
Emergency Management	319	326	335	327	(8)
Total Expenditure	1,874	1,926	2,258	2,111	(147)

Property

STATEMENT OF SERVICE PERFORMANCE

The Property activity supports all activities of Council that are dependent on physical land and buildings. Council holds a selection of property assets to support the delivery of Council's activities which also contribute to the wellbeing of the Community. This ranges from direct support e.g. provision of a community centre, to indirect support e.g. through investment and endowment property which contributes revenue to rates or facilities. Council also provides tenancy services to a wide range of stakeholders and customers.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- The Council owns various properties throughout the District and through the Property activity the Council ensures that these properties are managed and maintained.
- Council owns the following properties:
 - The Council building in Levin;
 - Commercial properties which are leased to tenants;
 - Endowment property e.g. Council owns land in Foxton Beach that was formerly owned by the Foxton Harbour Board. Much of this land is leased for residential purposes with rights of purchase. Some of the land has been subdivided to create 70 residential sections down Forbes Road;
 - Other community facilities including motor camps, historic and cultural buildings, and depots and carparks.

Rationale

Activity	Community outcome	Council role
Management and maintenance of Council owned properties.	<ul style="list-style-type: none">• A healthy local economy and a District that is growing• A community of knowledge, culture and diversity where people are proud to live• Safe, resilient and healthy communities• Positive leadership and effective partnerships	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Property: Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review. Target is 8 hours per day and review annually.	Facilities availability (hrs) and hire charges by annual review. Target is 8 hours per day and review annually.	Achieved. Council had three Memorial Hall facilities available for hire. As at 30 June 2017, all were available for at least eight (8) hours per day.
Property: Residential housing is provided for the elderly.	Occupancy Rate (Percent). Target is 95%.	Occupancy Rate (Percent). Target is 95%.	Achieved. There was 99.22% occupancy.
Property: Endowment property is appropriately managed.	Number of sections available for sale. Target is 20 sections.	Number of sections available for sale. Target is 20 sections.	Not achieved. As at 30 June 2017, there are zero (0) sections available for sale. There has been an increase in the sales of sites and all have now been sold. There is a need to revise this performance measure down or to put additional sections on the market.
Property: Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current building WOF.	All buildings with compliance schedules will have current building WOF.	Achieved. All Council buildings with Compliance Schedules have current BWOFF's. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.
Property: Commercial property is appropriately managed.	Rent is within a percentage range of current market rentals at time of review/renewal. Target is 10%.	Rent is within a percentage range of current market rentals at time of review/renewal. Target is 10%.	Achieved. The renewal of 199-201 Oxford Street, Levin for four consecutive terms of five years each from 14 March 2016 was completed. The annual rental was set via market valuation undertaken by an independent registered valuer. Current commercial leases are within 10% of the market rate.

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
Property: Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review. Target is 8 hours per day and review annually.	Achieved. All District Memorial Halls were available for hire for at least eight hours per day.
Property: Residential housing is provided for the elderly.	Occupancy Rate (Percent). Target is 95%.	Achieved. During the year ended 30 June 2016, there has been 96.37% occupancy.
Property: Endowment property is appropriately managed.	Number of sections available for sale. Target is 20 sections.	Achieved. During the year ended 30 June 2016, there are 23 sections available for sale.
Property: Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current building WOF.	Achieved. During the year ended 30 June 2016, all buildings with Compliance Schedules have current BWOF's. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.
Property: Commercial property is appropriately managed.	Rent is within a percentage range of current market rentals at time of review/renewal. Target is 10%.	No rent reviews were undertaken during the year ended 30 June 2016. The process for obtaining market rent is lease specific, however, the usual process is for Council to appoint an independent registered valuer to determine market rental and the rental is generally set at 100% of market value. Council currently has one property set at between 5-8% of market value this is because the lessee is required to make some capital investment in the property leased.

3. ACQUISITION AND RENEWAL OF ASSETS

Property	AP Forecast 2016/17 \$000	Actual 2016/17 \$000	Variance \$000	Notes
Renewals (replace existing assets) portion of projects				
Community buildings programmed renewals	46	18	28	
Focal Point Cinema air conditioning	197	201	(4)	
Focal Point Cinema exterior fire exit doors	23	9	14	
Focal Point Cinema replacement of internal membrane gutter	23	-	23	
General property renewals	287	98	189	1
Jack Allen Centre exterior renewals & paint	38	24	14	
Levin depot pole shed reroof	51	-	51	
Pensioner residential property reactive renewals	26	31	(5)	
Pottery shed exterior repaint	15	-	15	
Thompson House exterior renew & paint	54	5	49	
Other renewal asset costs	56	-	56	
Total renewal projects	816	386	430	
Level of service portion of project				
Levin depot new sewer connection	58	-	58	
Thompson House exterior fire escape, egress improvements and disability access including toilet provision	40	10	30	
Thompson House interior refurbishment, including kitchen (with renewal contribution from Thompson House)	80	343	(263)	2
Other level of service asset costs	6	-	6	
Total LOS projects	184	353	(169)	
Growth portion of project				
Tararua industrial development	502	85	417	3
Other growth asset costs	14	-	14	
Total growth projects	516	85	431	
Make up of above projects by % of type				
Renewals – Replacing existing assets	816	386	430	
Improve level of service	184	353	(169)	
Growth – To meet additional demand	516	85	431	
Total Property projects	1,516	824	692	

NOTES:

1. Work not done but the remaining budget has been carried forward to allow for completion in 2017/18.
2. The total Thompson House budget was \$174k. The overspend was the result of a number of structure timbers found to be rotten following the removal of wall and roof linings.
3. Detailed design work has been completed to date. \$142k has been carried forward to 2017/18.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes being as noted in part one above.

Programmes that had identifiable impacts on the Council's community outcomes during the year ended 30 June 2017 included:

Community outcomes	Effects of programmes in activity area
Economic	<p>Council has recently sold its remaining residential sections at Forbes Road in Foxton Beach and is currently exploring opportunities to partner with a private developer to develop a further subdivision. This is being undertaken via an EOI.</p> <p>Council is currently considering the feasibility of undertaking a sub-division at its Roe Street property to which an out of town business will be relocating bringing 15-20 new jobs.</p> <p>Officers are considering divesting a number of properties that are non-core or of little strategic value to its operation via the Property Strategy framework.</p> <p>A commercial leasing policy has been developed to facilitate the provision of commercial leases. The policy was adopted in April 2017.</p> <p>Council currently provides old age pensioner units for senior residents. It has entered a stock transfer process with a community housing provider to facilitate further development and provide a wrap-round service. Council will continue to advocate for this sector.</p>
Sustainability	<p>Council officers are looking at the potential to incorporate LED lighting in a range of premises to reduce energy demand and improve service.</p> <p>Council's cleaning contractors utilise organic/citrus based cleaning products to reduce potential damage to the environment.</p> <p>Council works with its energy provider to monitor energy use in its properties</p>
A community of knowledge and culture	<p>Council grants a range of community leases to groups requiring assistance to deliver on community outcomes. Community outcomes delivered by community groups range from social services (CAB; alcoholics anonymous etc), through to premises for model railway and sports clubs. A Community Leasing Policy has been developed describing the outcomes indicated which was adopted in April 2017 by Council.</p> <p>The property function is responsible for ensuring that Council's community hubs are in a state fit for purpose by managing, repairs, maintenance and cleaning, and a range of other services via its tendered contracts.</p> <p>In the year just gone the property function upgraded Thompson House HDC's art and cultural centre and similarly arranged for an upgrade of Jack Allen House (insulation and property maintenance).</p>
Safe and resilient communities	<p>Council is in receipt of a proposal to develop a new medical centre on land it currently owns.</p> <p>Council currently provides old age pensioner units for senior residents. It has entered a stock transfer process with a community housing provider to facilitate further development and provide a wrap-round service. Council will continue to advocate for this sector.</p> <p>The Parks and Property team works with Police in 'at risk' communities to improve social outcomes eg Solway Park and Morgan Crescent.</p> <p>Council offers community leases to various organisations that facilitate services for the elderly and young.</p> <p>Council offers community rates on a number of its facilities to ensure access is affordable to its population.</p>
Positive Leadership and partnerships	<p>The Parks and Property section works with stakeholders including local interest groups and residents associations to deliver community focused outcomes.</p>

Property

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		664	326	230	231	1
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		1,625	1,657	1,637	1,645	8
Local authorities fuel tax, fines, infringement fees, and other receipts	1	119	137	118	163	45
Internal charges and overheads recovered	2	556	511	394	557	163
Total operating funding (A)		2,964	2,631	2,379	2,596	217
Applications of operating funding						
Payments to staff and suppliers		1,583	1,282	1,729	1,682	(47)
Finance costs		821	765	598	597	(1)
Internal charges and overheads applied		417	408	393	405	12
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		2,821	2,455	2,720	2,684	(36)
Surplus (deficit) of operating funding (A-B)		143	176	(341)	(88)	253
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	3	(1,895)	(1,585)	(835)	114	949
Gross proceeds from sale of assets	3	640	655	2,640	1,985	(655)
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding ©		(1,255)	(930)	1,805	2,099	294
Applications of capital funding						
Capital expenditure						
- to meet additional demand	4	11	513	516	85	(431)
- to improve the level of service	5	165	63	184	353	169
- to replace existing assets	6	254	647	816	386	(430)
Increase (decrease) in reserves	7	458	71	41	1,187	1,146
Increase (decrease) of investments		(2,000)	(2,048)	(93)	-	93
Total applications of capital funding (D)		(1,112)	(754)	1,464	2,011	547
Surplus (deficit) of capital funding (C-D)		(143)	(176)	341	88	(253)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		362	369	362	358	(4)
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016		13,000	178	13,178		
Raised during year		530	56	586		
Repaid during year		(380)	(92)	(472)		
Loans as at 30/06/2017		13,150	142	13,292		
Interest expense		591	6	597		

NOTES:

1. Internal interest earned on Endowment fund more than budget as a result of a larger fund balance due to more sales of Forbes Road subdivision than expected.
2. Internal recovery revenue is more than budgeted due to an increase in costs associated with the Council Building as a result of the higher costs of maintenance.
3. The annual plan assumed sales of investment properties of \$2m that would be used to repay debt; this did not occur, however, Council did sell some industrial land that was used to repay debt.
4. The Tararua Road Industrial land development project was brought forward to 2016/17 and will continue into the next financial year.
5. The Thompson House project which includes exterior fire escape, egress improvements and disability access including toilet provision, interior refurbishment, including kitchen project was designed and tendered in 2015/16 but was completed in 2016/17 \$184k over budget.
6. The renewal project for the Levin Depot pole shed reroof (\$51k) was decided to be cancelled and General Properties renewal programme had \$187k carried over into next year's budget.
7. The increase in reserves relates primarily to the increase in the Foxton Beach Freeholding Fund around the extra sales from the Forbes Road subdivision.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2016	2017	2017		
	\$000	\$000	\$000	\$000	\$000
Council Building	377	347	344	220	(124)
Camping Grounds	14	14	14	2	(12)
Commercial Properties	315	238	230	329	99
Endowment Property	245	249	843	315	(528)
General Property	604	383	279	571	292
Residential Housing	1,074	1,083	978	1,051	73
Total Expenditure	2,629	2,314	2,688	2,488	(200)

Representation and Community Leadership

STATEMENT OF SERVICE PERFORMANCE

This group of activities comprises of how Council meets its responsibility to represent the Community as well as to provide leadership for the Community and to involve it in decision making processes and long term strategic planning.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

The Council is elected every three years by those eligible to vote in the District. The Council is made up of a Mayor (elected at large) and 10 Councillors (representing four Wards). The Council is supported at a governance level by the Foxton Community Board and a number of subcommittees. The core functions of the Representation and Community Leadership activity are:

- Setting the policy direction of Council.
- Monitoring the performance of Council.
- Representing the interests of the District (on election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgment in the best interests of the District).
- Wherever and whenever possible, facilitating solutions to local needs/issues.
- Employing the Chief Executive (under the Local Government Act 2002, the local authority employs the Chief Executive who in turn employs all other staff on its behalf).

These core functions are achieved by:

- Holding regular meetings which are open to the public.
- Preparing the key policy and planning documents.
- Consulting the public on major decisions.
- Providing Council representation on a wide range of community groups.
- Holding civic functions, including citizenship ceremonies.
- Advocating the District's interests to agencies at regional and national levels.
- Keeping abreast of issues, legislation, and best practice.
- Balancing the books.

RATIONALE

Activity	Community outcome	Council role
A fair representation and community leadership programme is operated within the District.	<ul style="list-style-type: none"> • A healthy local economy and a District that is growing • A sustainable environment • A community of knowledge, culture and diversity where people are proud to live • Safe, resilient and healthy communities • Positive leadership and effective partnerships 	Provider/advocator

2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
Representation and community leadership: Council provides open, accessible processes to local government.	Local body elections will be held in compliance with relevant legislation.	Local body elections will be held in compliance with relevant legislation.	Achieved. Local body elections were held in October 2016.
	Number of complaints upheld against the election process. Target is 0.	Number of complaints upheld against the election process. Target is 0.	Achieved. Zero (0) complaints were upheld following the October 2016 election.
Representation and community leadership: Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making. Target is >50%.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making. Target is >50%.	Not measured. This measure was not included in the customer satisfaction survey for the 2016/2017 financial. It will be included next year's survey.
	Council's Community Engagement Strategy is implemented and reviewed every 3 years. Target is 90% annual work plan is completed.	Council's Community Engagement Strategy is implemented and reviewed every 3 years. Target is 90% annual work plan is completed.	On track. Councils' Community Engagement Strategy is in the implementation phase. It will be reviewed again in 2017.
Representation and community leadership: Council's planning documents meet statutory requirements and meet Audit NZ standards.	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act. Target is to be adopted before 30 June (every 3 years).	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act. Target is to be adopted before 30 June (every 3 years).	Achieved. Council adopted the Long Term Plan and Financial Strategy on 24 June 2015.
	The Annual Plan will be adopted annual before 30 June, annually.	The Annual Plan will be adopted annual before 30 June, annually.	Achieved. The 2016/2017 Annual Plan was adopted at a Council meeting held on 1 June 2016.
	The Annual Report will include an unmodified audit opinion.	The Annual Report will include an unmodified audit opinion.	Achieved. The 2016 Annual Report received an unqualified audit opinion.

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
Representation and community leadership: Council provides open, accessible processes to local government.	Local body elections will be held in compliance with relevant legislation.	Unable to report. Local body elections were held in October 2013. The next Local Body Elections will be held in October 2016.
	Number of complaints upheld against the election process. Target is 0.	Unable to report. 2016 Local Body Election process commenced 8 th July 2016 and will be reported in the 16/17 period.
Representation and community leadership: Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making. Target is >50%.	Unable to report. This is a new measure identified in the Long Term Plan 2015-2025 and will be assessed during Councils annual resident satisfaction survey in May 2017. It was not assessed in the 2016 survey.
	Council's Community Engagement Strategy is implemented and reviewed every 3 years. Target is 90% annual work plan is completed.	Achieved. Councils Community Engagement Strategy is in the implementation phase. It will be reviewed again in 2017.
Representation and community leadership: Council's planning documents meet statutory requirements and meet Audit NZ standards.	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act. Target is to be adopted before 30 June (every 3 years).	Achieved. Council adopted the Annual Plan on 1 June 2016.
	The Annual Plan will be adopted annual before 30 June, annually.	Achieved. Council adopted the Annual Plan on 1 June 2016.
	The Annual Report will include an unmodified audit opinion.	Achieved. The 2014/2015 Annual Report received an unmodified audit opinion.

3. ACQUISITION AND RENEWAL OF ASSETS

No assets are used exclusively for the purposes of representation and governance, and there were therefore no significant asset acquisitions or replacements during the year ended 30 June 2017 nor were any shown in the LTP for the year.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in Part One above.

Programmes that had identifiable impacts on the Community's outcomes during the year ended 30 June 2017 are those mentioned in other activities, it having been the governance arm of the Council that set the priorities, made the key decisions and arranged the provision of funding (mainly through rates) that they may proceed in a democratic manner.

Representation and Community Leadership

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

		LTP Forecast 2016 \$000	LTP Forecast 2017 \$000	Annual Plan Forecast 2017 \$000	Actual 2017 \$000	Variance 2017 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		2,846	2,891	3,036	3,049	13
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	3	2	99	97
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		2,847	2,894	3,038	3,148	110
Applications of operating funding						
Payments to staff and suppliers	2	890	1,002	1,125	1,361	236
Finance costs		-	-	-	-	-
Internal charges and overheads applied	3	1,915	1,952	1,974	2,427	453
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		2,805	2,954	3,099	3,788	689
Surplus (deficit) of operating funding (A-B)		42	(60)	(61)	(640)	(579)
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt		-	1	-	-	-
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		-	1	-	-	-
Applications of capital funding						
Capital expenditure						
- to meet additional demand		-	-	-	-	-
- to improve the level of service		-	-	-	-	-
- to replace existing assets		-	-	-	-	-
Increase (decrease) in reserves	4	42	(60)	(61)	(640)	(579)
Increase (decrease) of investments		-	1	-	-	-
Total applications of capital funding (D)		42	(59)	(61)	(640)	(579)
Surplus (deficit) of capital funding (C-D)		(42)	60	61	640	579
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		-	-	-	-	-
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2016		-	-	-		
Raised during year		-	-	-		
Repaid during year		-	-	-		
Loans as at 30/06/2017		-	-	-		
Interest expense		-	-	-		

NOTES:

1. Contribution towards the costs of the election held in November from Mid-central District Health Board and Horizons Regional Council not budgeted for.
2. Expenditure is higher than anticipated due to expenditure for Levin Town Centre Strategy and Horowhenua Growth Strategy not budgeted for.
3. Increased overheads are mainly from the CEO budget. The CEO spend is more than budget largely due to consultant fees for the Horowhenua 2030 Strategy.
4. A larger reduction of reserves is due to a larger operational deficit to fund.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2016	2017	2017	2017	2017
	\$000	\$000	\$000	\$000	\$000
Community Board	150	158	156	193	37
Elections	18	125	125	131	6
Governance	1,594	1,630	1,711	2,281	570
External Reporting	1,043	1,042	1,106	1,182	76
Total Expenditure	2,805	2,955	3,098	3,787	689

Report On Contribution of Māori to Decision Making

BACKGROUND AND POLICY

Parts 2 and 6 of the Local Government Act 2002 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes. In particular, the role of local authorities as defined in Part 2 of the Act is, inter alia, to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. The principles relating to local authorities in performing their role include providing for opportunities for Māori to contribute to local authorities' decision-making processes.

Part 6 of the Act relates to Council's planning, decision-making and accountability requirements. Section 81 requires a local authority to:

1. Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority.
2. Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority.
3. Provide relevant information to Māori for the purposes of (1) and (2) above.

Section 77 of the Act requires a local authority, in the course of its decision-making process, to take into account the relationship of Māori and the culture and traditions with their ancestral land, water, sites, wahi tapu, valued flora and fauna, and other taonga if any of the options identified in its decision-making process involves a significant decision in relation to land or a body of water.

Schedule 10 of the Local Government Act specifically requires Council to include in its LTP any steps that the local authority intends to take, having considered ways in which it might foster the development of Māori capacity to contribute to the decision-making processes of the local authority, over the period covered by that Plan.

Council proposes to address this matter by consulting with Iwi using the mechanisms defined in its current Memoranda of Understanding to determine the issues, if any, that are limiting their capacity to participate more fully in Council's decision-making processes and to discuss options for resolving or reducing these issues.

The reasoning behind this approach is that until Council has a better understanding of the issues that may or may not be impacting on the ability of Māori to participate at a higher level than at present in Council's decision-making processes, any decision on this matter may be premature and/or presumptive.

YEAR ENDED 30 JUNE 2017

Schedule 10 Part 3 (21) requires Council to report on activities it has taken in the year to establish and maintain processes to provide for opportunities for Māori to contribute to Council's decision-making processes.

During the year ended 30 June 2017 Council continued to make good progress in its pursuit of enhanced relationships with Iwi representatives, throughout our District. Regular meetings at both formal and informal level were held throughout the year with a number of different Iwi and hapū groups.

Te Kaunihera o Horowhenua continues to put focus and emphasis on building relationships and partnerships with Māori.

Through its decision-making processes Council recognises the principles of the Treaty of Waitangi and kaitiakitanga. Council's Significance and Engagement Policy adopted in June 2017 sets out what the Community including Māori can expect from Te Kaunihera o Horowhenua regarding consultation and ways they can influence and participate in Council's decision-making processes. The Council endeavours to provide for the relationship of Māori and their traditions with their ancestral lands, water sites, waahi tapu and other taonga, when it is considering a significant decision (as per Council's Significance and Engagement Policy, June 2017) in relation to land or a body of water and this is consistent with the requirements of section 77 of the LGA. This has included Council enabling the preparation of Cultural Impact Assessments in relation to Council's infrastructure consent applications and in the Shannon Wastewater Treatment Plant project involved Iwi in the successful design of a Land passage system to prevent treated wastewater effluent from being piped directly into a water body.

Council has developed Memorandums of Partnership to help facilitate Māori involvement in local decision-making processes. Memorandums of Partnership are enabling documents which have already provided significant benefit to the respective parties and their ongoing communication on a number of matters of mutual interest. These documents are becoming increasingly important as Council seeks closer and meaningful working relationships with the Māori community, to achieve effective consultation and engagement on a wide range of issues affecting the Horowhenua District.

Council currently has Memorandum of Partnerships with:

- Muaūpoko Tribal Authority
- Rangitāne O Manawatū
- Te Iwi o Ngāti Tukorehe Trust – representing Ngāti Tukorehe, Te Mateawa, Ngāti Te Rangitawhia and Ngāti Kapu (Ngāti Raukawa)
- Te Kotahitanga o Te Iwi o Ngāti Wehi Wehi (Ngāti Raukawa)

Council does not have Memorandum of Partnership with Ngāti Apa or Ngāti Raukawa ki te Tonga (the overarching mandated iwi body) or with Ngāti Huia and Ngāti Whakatere (Ngāti Raukawa). However, Council recognises that they are key stakeholders in the District, and are often involved in both formal and informal consultation.

Council continues to build a relationship with Ngāti Huia, Ngāti Rakau, Ngāti Te Au, Ngāti Turanga, Ngāti Whakatere. Council looks forward to continue strengthening this relationship in the future. Elected Member and Senior Council officers and have been formally invited on to Motuiti Marae, as part of developing relationships between the Council and these Iwi.

Council is committed to encourage, develop and enter in to formal relationships with other Iwi and hapū.

Provision has been made within the new Council Committee structure for an Iwi advisory forum (Name yet to be confirmed) with the intention that it would have a clear connection to the Council and provide an opportunity for Iwi across the district to be represented as part of a collective discussion between Council and Iwi.

Horowhenua District Council in its journey from good to great has put focus on building capacity within the organisation to ensure its people are informed and supported to understand the Māori world view and to better enable Māori engagement in local government.

In the last 12 months, staff have participated in Cultural Awareness Training facilitated by Ngāti Tukorehe and an internal Māori Cultural Group has been created.

The following is a précis of the significant iwi engagement and consultation matters during 2016/17:

1. Te Awahou Nieuwe Stroom – This fantastic facility, currently under construction, has come about through a bi-cultural management approach to create both a bi-cultural and multicultural facility that celebrates and helps tell the stories of the people of the land. Te Taitoa Māori o Te Awahou is actively engaged in the development of Piriharakeke Generation Inspiration Centre within the Te Awahou Nieuwe Stroom complex. The gallery will share the stories of Ngāti Raukawa ki te Tonga. The bi-cultural approach was key to the successful fundraising campaign undertaken, and in particular ensure our project received significant support from Lotteries Significant Projects, Lotteries Community Fundraising, Eastern and Central Community Trust and Lotteries Environment and Heritage WW1.
2. Te/Maire/Shannon wastewater treatment plant (WWTP) – removal of treated wastewater discharge from water to land - completed
3. Taitoko/Levin water supply – water take from Ōhau River consent
4. Te Awahou/Foxton wastewater treatment plant (WWTP) – including planning for proposal to move discharge to land as opposed to water
5. Tararua Traverse project – working with iwi, Department of Conservation and local government bodies in Wairarapa to plan for the creation of a track across the ranges.
6. Lake Horowhenua Water Quality Improvement project – Queen Street drain wetland (stormwater treatment)
7. Ōtaki to North Levin Road of National Significance
8. Taitoko/Levin town centre redevelopment consultation
9. Reserve Management plan reviews
10. Hokio Landfill consent review
11. Taitoko/Levin North East stormwater
12. Seaview Gardens Reserve, Te Awahou/Foxton development planning
13. Waitarere wastewater treatment plant consent renewal
14. Taitoko/Levin wastewater discharge consent renewal for the Pot (including securing funding for the removal of the pine plantation and replacement with native trees)
15. The renewal of the lease for The Pot belonging to Muaūpoko
16. Te Maire/Shannon water treatment plant (water take resource consent from Mangahao River)
17. Tokomaru wastewater treatment plant consent renewal – including planning for discharge to land as opposed to water.

This consultation and engagement has included a range of inputs to the decision-making process, these include (but are not limited to):

- Preparation of site specific cultural impacts assessments;
- Submissions on consent applications;
- Meetings and conversations between Iwi and Council officers;
- Collaborative decision-making on the construction, design of the Te Awahou Nieuwe Stroom building and the internal fit-out of the facility;
- Participation in stakeholder focus groups;
- Participating and providing support to iwi in their environmental projects such as tree planting along the Manawatū River banks.

Alongside this, Te Kaunihera o Horowhenua has provided services to the following groups to aid capability:

- Horowhenua Lake Domain Board – provision of secretary, treasurer as unpaid Board Members. Maintenance of the reserve is carried out by Te Kaunihera o Horowhenua
- Te Mana o te Wai – provision of secretary, treasurer and governance/project management expertise as unpaid Board Members.

While not directly related to decision-making, Te Kaunihera o Horowhenua is committed to aiding and improving existing relationships with Māori and supporting aspirations. During the past year Council and Council Officers have undertaken a number of projects to aid that:

The process of ensuring the full name of Te Takeretanga o Kura-Hau-Pō is used in branding materials is underway – this has been done to honour of the name that was bestowed by Muaūpoko and to show respect for Te Reo.

The Youth Space within Te Takeretanga o Kura-Hau-Pō caters for all youth, including rangatahi.

Events held at Te Takeretanga o Kura-Hau-Pō have included specific events aimed at Māori:

- Waitangi Day – Muaūpoko event at Horowhenua Moana, partly funded by Te Kaunihera o te Horowhenua with Officer volunteers helping out throughout the day.
- Festival of Stories included Tamati Waaka's Te Reo Storyteller and Taaniko Nordstrom's Kau wai au? An exploration of cultural identity (workshop and presentation) and singer songwriter Kerehi Wi Warena.
- Matariki:
- Week-long celebration including pōwhiri, hākari, concert, movie and weaving demonstrations
- Stargazing at Te Awahou/Foxton
- Starlab in Te Maire/Shannon.
- Māori Language Week – programme of events aimed at pre-schools including one-day dedicate to Te Reo only for Kohanga throughout the District
- Tamariki Playgroup run by Te Runanga o Ngāti Raukawa.

SECTION D: APPENDICES

Section D provides additional useful information about the Council.

Governance structure and personnel

Shows the ward representation and lists elected representatives and their special responsibilities.

Management structure and personnel

Lists the senior staff and their responsibilities.

Directory and contacts

Lists the Council's key associated bodies and how they can be contacted.

Glossary

Provides short definitions of the jargon that creeps into local authority documents.

Governance Personnel

Committee membership and representation responsibilities are:

Mayor Michael Feyen

Phone: 027 441 9923

Email: mayor@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee (Chairperson), Chief Executive's Performance Agreement Review Committee, Chief Executive Relationship Committee, Cultural Portfolio

Represents Council on: Horizons Regional Council – Passenger Transport Committee, Horowhenua Lake Domain Board, Lake Accord (He Hokioi Rerenga Tahī), Manawatu River Users Advisory Group, Manawatu-Wanganui Region Civil Defence Emergency, Mayor's Task Force for Jobs, Save Our River Trust.

Deputy Mayor Wayne Bishop

Ward: Waiopēhu

Email: cr.wayne.bishop@horowhenua.govt.nz

Phone: 0274 474611

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Review Panel, Chief Executive Relationship Committee (Chairperson), Projects Committee, Tenders Committee (Chairperson), Economic Portfolio

Represents Council on: Hokio Progressive Association Inc, Manakau District Community Association, Waikawa Beach Ratepayers Association, Waitarere Beach Progressive and Ratepayers Association Inc.

Cr Ross Brannigan

Ward: Kere Kere

Phone: 021 247 7338

Email: cr.Ross.Brannigan@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Tenders Committee, Creative New Zealand Funding Allocation Committee, District Licensing Committee (Chairperson)

Represents Council on: Crime Prevention Camera Trust, National Museum of Audio Visual Arts & Sciences Trust Board.

Cr Ross Campbell

Ward: Miranui

Phone: 027 253 3956

Email: cr.ross.campbell@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Community Recognition & Funding Committee, Tenders Committee, Cultural Portfolio

Represents Council on: Horizons Regional Council – Regional Transport Committee, Lake Accord (He Hokioi Rerenga Tahī), Manawatu River Users Advisory Group, Mangaore Village Residents' Association, Shannon Community Development Trust, Shannon Progressive Association Inc, Shannon Sewerage Working Party.

Cr Victoria Kaye-Simmons

Ward: Levin

Phone: 027 601 1014

Email: cr.victoria.kaye@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Chief Executive Relationship Committee, Creative New Zealand Funding Allocation Committee

Represents Council on: Crime Prevention Camera Trust, Horowhenua District Health Transportation Trust, Horowhenua Lake Domain Board, Jack Allen Community House, Keep Levin Beautiful Committee, Lake Accord (He Hokioi Rerenga Tahī), Thompson House Committee.

Cr Jo Mason

Ward: Levin

Phone: 027 248 6643

Email: cr.jo.mason@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Hearings Committee (Chairperson), Community Recognition & Funding Committee, Community Wellbeing Committee

Represents Council on: Disability Leadership Forum, Horowhenua Health Workforce Trust, Horowhenua Neighbourhood Support Management Committee.

Cr Christine Mitchell

Ward: Waiopahu

Phone: 027 318 7703

Email: cr.christine.mitchell@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Tenders Committee, Environmental Portfolio

Represents Council on: Hokio Progressive Association Inc., Manakau District Community Association, Waikawa Beach Ratepayers Association, Waitarere Beach Progressive and Ratepayers Association Inc.

Cr Piri-Hira Tukapua

Ward: Levin

Phone: 027 529 4883

Email: cr.piri-hira.tukapua@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Hearings Committee, Community Recognition & Funding Committee, Cultural Portfolio

Represents Council on: Education Horowhenua, Horowhenua Lake Domain Board, HLC Trust, Youth Voice.

Cr Neville Gimblett

Ward: Kere Kere

Phone: 021 121 2214

Email: cr.neville.gimblett@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Community Recognition & Funding Committee (Chairperson), Tenders Committee, Environmental Portfolio, District Licensing Committee

Represents Council on: Foxton Area Community Medical Trust, Horizons Regional council – Passenger Transport Committee.

Cr Bernie Wanden

Ward: Levin

Phone: 027 291 5546

Email: cr.bernie.wanden@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Hearings Committee, Community Recognition & Funding Committee, Economic Portfolio

Represents Council on: Manawatu/Wanganui Regional Disaster Relief Fund Trust.

Cr Barry Judd

Ward: Levin

Phone: 027 367 2030

Email: cr.barry.judd@horowhenua.govt.nz

Council Committees: Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Community Wellbeing Committee (Chairperson)., Cultural Portfolio

Represents Council on: Education Horowhenua, Coast Access Radio – Horowhenua District Trustee

FOXTON COMMUNITY BOARD

David Roache (Chair) Ph: 027 442 5691
Email: roachesconcrete@xtra.co.nz

Tricia Metcalf Ph: 021 447 711
Email: pmetcalf@vodafone.co.nz

David Allan Ph: 021 031 1812
Email: davidallan1@gmail.com

John Girling Ph: 021 0257 5080
Email: john@girling.ws

Jenny Lundie Ph: 027 600 0475
Email: jenny4foxton@gmail.com

Management Structure and Personnel

Personnel	Activity
Chief Executive David Clapperton	Governance relationships Employer of Council staff Organisational effectiveness and efficiency
Group Manager Infrastructure Services Gallo Saidy	Water supply Wastewater disposal Solid waste management Roading and stormwater Asset management
Chief Financial Officer Doug Law	Financial policy and financial services Financial planning and reporting
Group Manager Customer & Community Services Monique Davidson (vacated position 26 May 2017)	Governance services and administration Civic and ceremonial functions Libraries Community development Communications Service centres Planning services Building control Environmental health Animal control Parking enforcement Emergency management Property and parks
Group Manager Business Services Nicki Brady	Records management Information technology services Risk management Accounting services Rates revenue
Senior Manager Strategic Planning David McCorkindale	District Plan review Long Term Plan review Annual Plan review Special projects HR policies and administration Recruitment Payroll
Economic Development Manager Shanon Grainger	Economic development
Project Coordination Mark Lester	Project coordination

Directory and Contacts

AUDITORS

Audit New Zealand (on behalf of the Auditor General)
49 Victoria Avenue, Palmerton North

BANKERS

BNZ

SOLICITORS

Todd Whitehouse
27 Queen Street, Levin 5510

COUNCIL OFFICES

Main Office	Phone	(06) 366 0999 (all hours)
126-148 Oxford St, Levin 5510	Fax	(06) 366 0977
(or Private Bag 4002, Levin 5540)	Email	enquiries@horowhenua.govt.nz

Foxton Service Centre	Phone	(06) 363 5018
Foxton Library, Clyde Street, Foxton		

Shannon Service Centre	Phone	(06) 362 7030
Plimmer Terrace, Shannon	Fax	(06) 362 7030

VISITOR INFORMATION CENTRE

Te Takere Culture and Community Centre,	Phone	(06) 368 1953
10 Bath Street, Levin	Fax	(06) 367 9218

EMERGENCY MANAGEMENT AND RURAL FIRES

126-148 Oxford Street, Levin	Phone	(06) 366 0999
	Fax	(06) 368 7110

SWIMMING POOLS

Queen Street, Levin	Phone	(06) 368 0070
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Main Street, Foxton	Phone	(06) 363-6123
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Glossary

ADVOCATE

Council acts as an advocate when it represents the views and interests of the community to a range of organisations including Government Agencies and the Regional Council.

ASSET

An asset is an item of value owned by the Council on behalf of the people of Horowhenua. Examples are bank accounts, amounts owing by debtors, parks, roads, land, buildings, vehicles, computers and the water, wastewater and stormwater networks.

ASSET MANAGEMENT PLAN (AMP)

This is a long-term plan for managing an asset to ensure that capacity to provide a service is kept up, and that costs over the life of the asset are kept to a minimum. The Council has such plans for all of its major assets including roading, water supply, wastewater disposal, parks and solid waste assets. The plans cover things like service standards, maintenance regimes and future developments.

CAPITAL EXPENDITURE

Money spent with effect on the long-term rather than the short-term. Examples are to buy or build a new asset, or to improve the potential of an existing asset. Capital expenditure is generally expected to lead to a higher level of service to the community.

COMMUNITY OUTCOMES

Statements of the community's vision and goals for the future of the District. It is intended that these outcomes inform and co-ordinate the activities and planning of all sectors of the community (including the Council).

COUNCIL-CONTROLLED ORGANISATION (CCO)

An organisation that manages facilities and/or provides services on behalf of the Horowhenua community, in which Council directly or indirectly controls more than 50% of either the votes or the appointments of directors or trustees.

DEBT

The amount owed for borrowed funds.

DEPRECIATION

The allocation of the cost of an asset over its estimated useful life.

DISTRICT PLAN

The Plan prepared by Council under the Resource Management Act that manages, through rules, potential adverse impacts of subdivisions and land use on the environment.

FINANCIAL YEAR

Council's financial year starts on 1 July and ends on 30 June of the following year.

PROJECTED FINANCIAL STATEMENT

The 10-year plan for Council's revenue and expenditure, cash flows and borrowing.

FUNDING IMPACT STATEMENT

An explanation of how Council's funding requirements are planned to be met through various mechanisms including rates.

GOVERNANCE

The way in which Council engages with the community, how it makes decisions and the ways in which citizens can influence these processes.

INFRASTRUCTURE

Assets that form inalienable physical links between or within communities. Examples are roading, water supply systems, wastewater disposal systems and stormwater drainage systems.

LAND VALUE

The value of land, excluding any improvements. For rating purposes, Council contracts Quotable Value New Zealand to assess the land value of all properties every three years.

LIABILITY

Present obligation arising from past events. Current liabilities are those due for payment within one financial year, and non-current liabilities are those due in the longer-term.

LONG TERM PLAN (LTP)

A long-term (10-year) plan (reviewed every three years) that describes community outcomes and the activities of the Council, and provides a long-term focus for the decisions and activities of the Council.

OPERATING COSTS

The costs of running Council in the short-term. Examples are the costs of maintaining assets, employing staff and the interest costs of loans.

PERFORMANCE TARGET

A measure that shows how well Council is doing in achieving the goals that it set for itself.

RATES

Property taxes collected by Council, which help fund the services that the Council provides to the community.

RENEWAL EXPENDITURE

The cost of replacing components of existing assets to restore them to their original condition. Examples are the replacement of old water mains and the resealing of roads.

REVENUE

The amount earned from operations: Examples are rates, dog registration fees, building permit fees, subsidies, rental revenue and interest on investments.

SIGNIFICANCE

The degree of importance of an issue under consideration, as assessed by Council, in terms of its likely consequences for the current and future well-being of the community.

STORMWATER

Rain that runs off properties and roads.

SUSTAINABILITY

The use of natural, social and physical resources in such a way that takes care of current needs and allows for the ongoing use of those resources for future generations.

TARGETED RATES

Any rate other than a general rate, targeted at users or beneficiaries of a particular service. Examples are rates for solid waste, water supply and wastewater.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A fixed-sum rate payable by all properties as part of their contribution to general rates. There are statutory rules whereby the UAGC is not payable on contiguous properties – where two or more properties are next to each other, owned by the same ratepayer, used for a common purpose.

WASTEWATER

The liquid waste from a property. Examples are sewage, grey water and trade waste.

Statistics

Rating And Valuation 1 July 2016	
Area, sq.km ²	1,063.60
Capital value	\$6,618,165,250
Land value	\$3,316,552,250
Rateable land value	\$2,870,439,650
Number of rateable properties	17,959
Census 2013	
Demographics	
Population	30,099
Population aged 65 years and over (national average 14.3%)	23.7%
Population aged 15 years and under (national average 20.4%)	19.1%
Average age in the District (nation average 38 years)	46 years
Ethnicity	
European	82.4%
Māori	22.8%
Pacific peoples	4.8%
Asian	3.4%
African	0.3%
Other (New Zealander)	1.8%
Households	
Number of Dwellings	15,099
Average household size (national average 2.7)	2.3
Households with access to the internet (national average 76.8%)	64.7%

Horowhenua
DISTRICT COUNCIL



-  06 366 0999
-  Private Bag 4002, Levin 5540
-  126 Oxford St, Levin 5510
-  www.horowhenua.govt.nz
-  enquiries@horowhenua.govt.nz