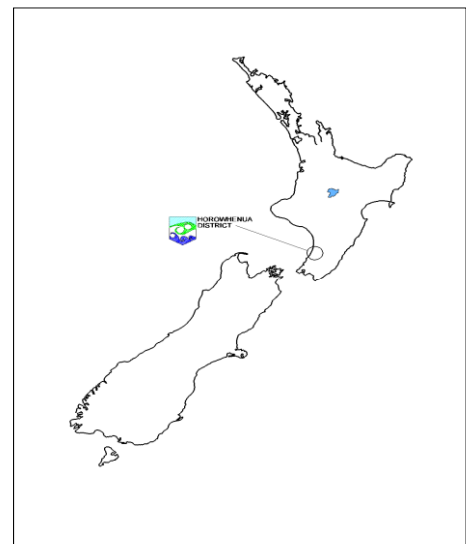
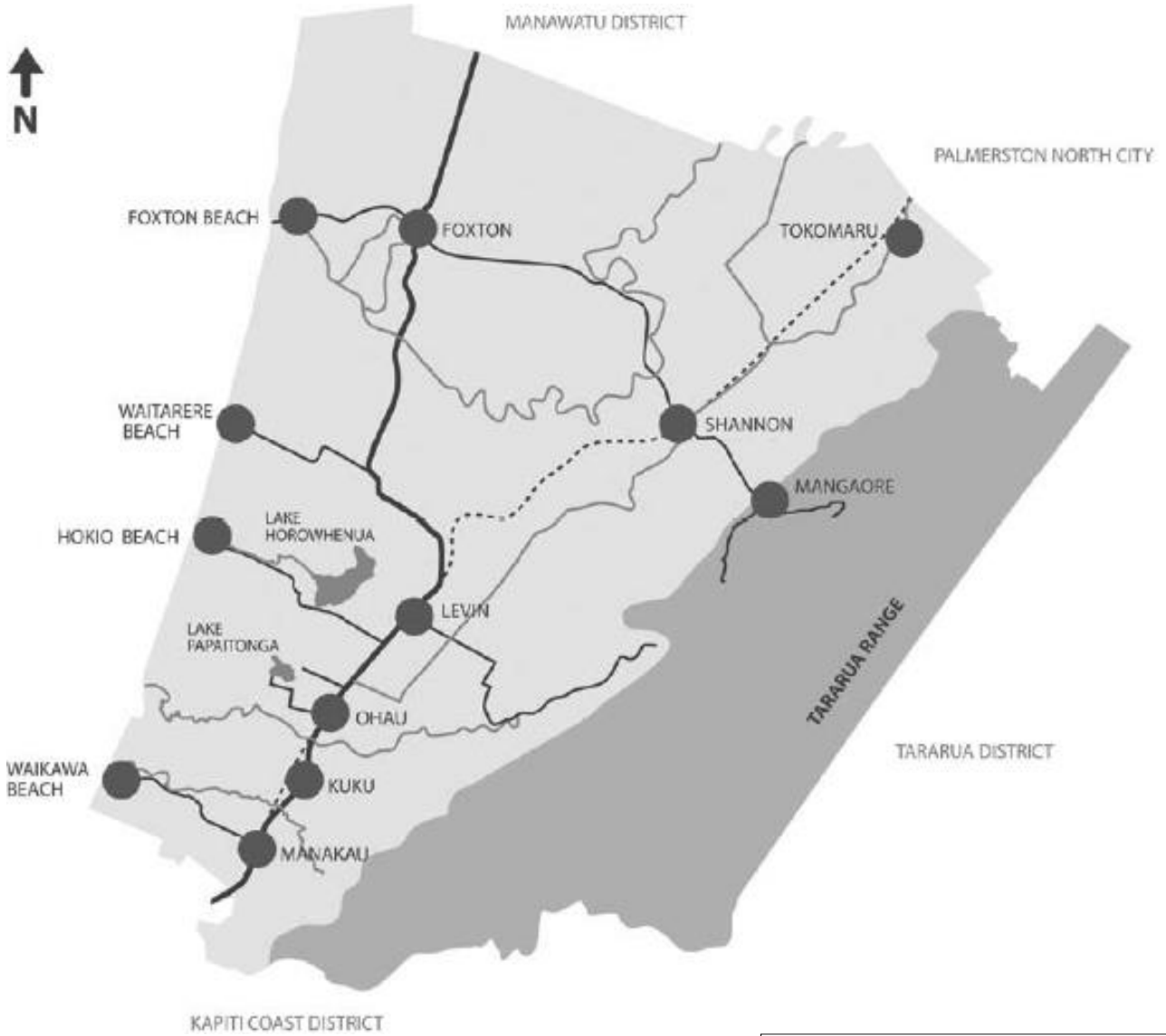




Horowhenua District Council
Annual Report
2014-2015

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 1,060 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 Mayor and Chief Executive

His Worship the Mayor, Brendan Duffy, 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.

Vision Statement

**“To make Horowhenua the best
rural lifestyle district in
New Zealand”**



Introduction from the Mayor and Chief Executive

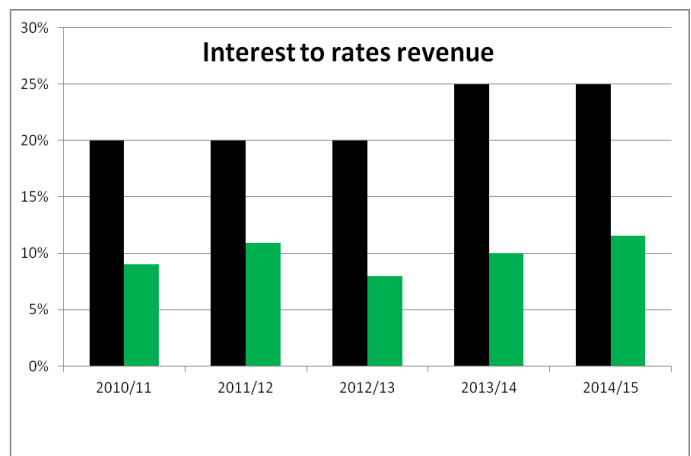
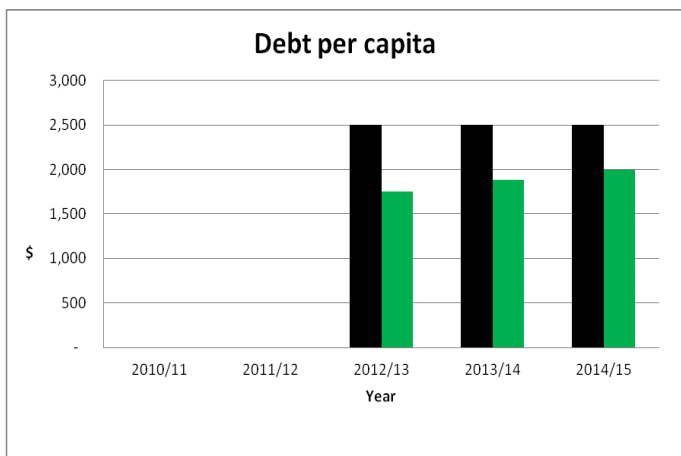
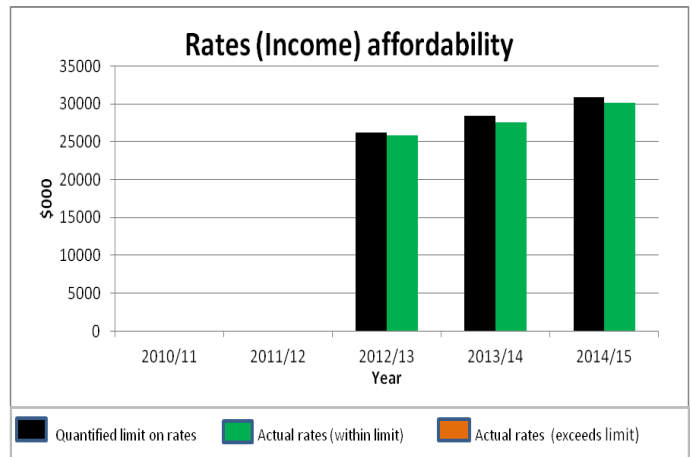
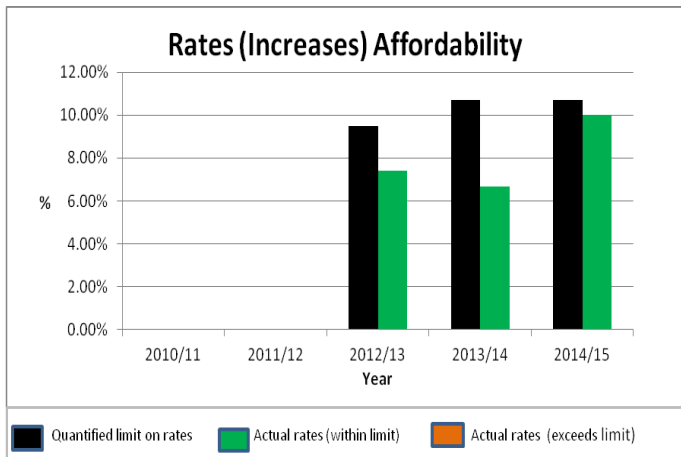
In the financial year ended 30 June 2015 has seen a continuation of Council achievements in providing a range of services within the Horowhenua District. The Annual Report contains considerable financial and non-financial information that indicates a significantly improved financial result for the year and the completion of several major water infrastructure renewal projects.

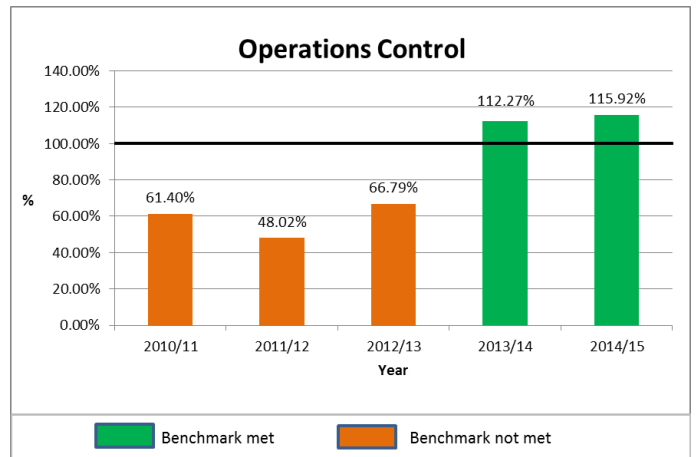
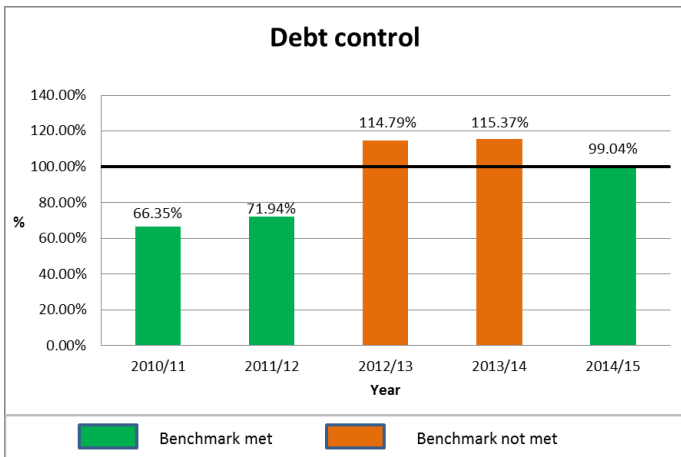
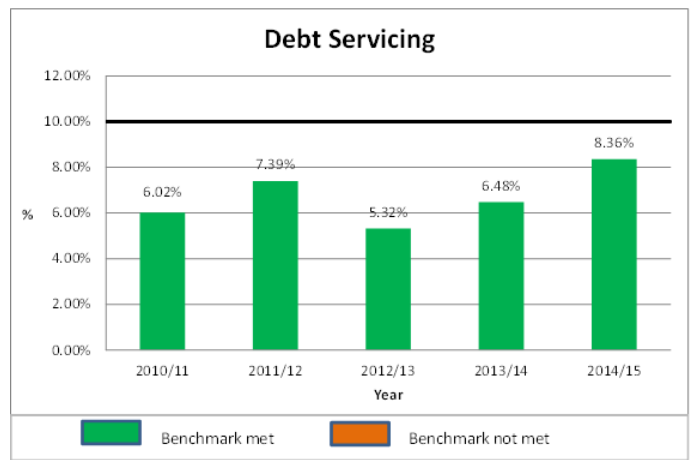
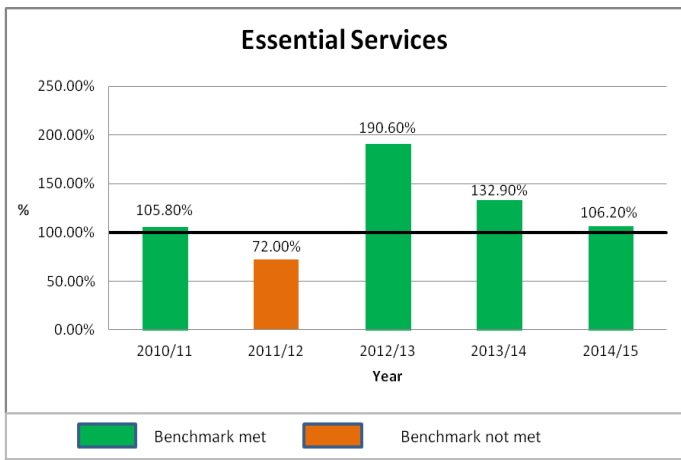
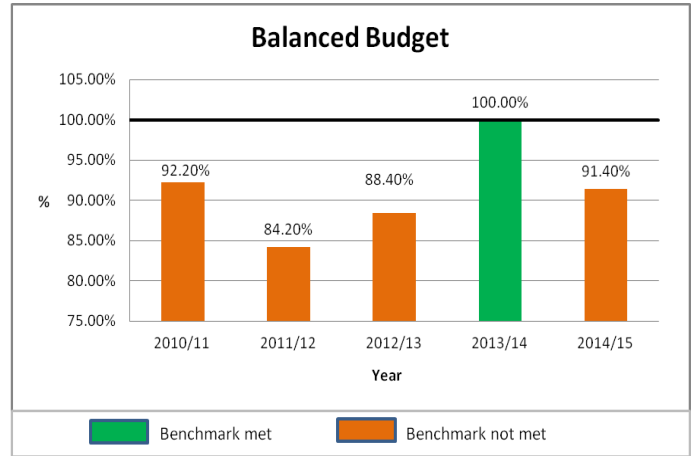
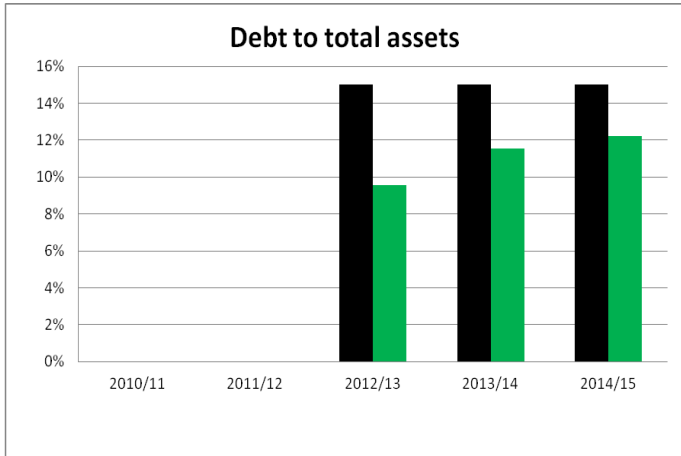
Financial Performance

Benchmarks

Revenue and expenditure went mostly to budget with minor negative variances in revenue with vested assets less than expected as a result of the slowdown in development activity. Expenditure had a small positive variance due to the amount of depreciation charged as a result of the decreased roading asset valuation last year.

With regard to the statement of position, there was a higher than expected cash balance as a result of some major capital projects being behind schedule and the surplus loans taken out to pay for them were invested. The value of the non-current assets was less as a result of the decrease in the roading asset valuation. Loan balances were also less than budget because of those capital projects that are behind schedule.





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

Lake Accord

The move to restore Lake Horowhenua's environmental health took another significant step forward with the launch of 34 key tasks to be undertaken over the next two years. The Lake Horowhenua Accord Action Plan 2014 – 2016 was launched in August 2014, commemorating the first anniversary since five signatory partners (the Lake Horowhenua Trust, Horowhenua Lake Domain Board, Horowhenua District Council, Horizons Regional Council, and the Department of Conservation) committed to the Accord. The Action Plan identifies the roles and responsibilities of the five partners, provides detail on the eight key issues impacting Lake Horowhenua, as well as the approaches for its restoration. The Accord highlights 34 tasks underpinning the Plan's 15 management actions.

Long Term Plan

Council's 2015-2025 Long Term Plan (LTP), was adopted on 24 June 2015. The LTP is the Council's key strategic planning document. It outlines the Council's financial situation as well as the levels of service Council is committed to for the activities it undertakes and the capital projects work programme for the next ten years, with a focus on the first three years.

In preparing our LTP 2015-2025 Council considered at length the major infrastructure investment that has been identified as being required in our recently reviewed asset management plans and the newly developed Infrastructure Strategy. These projects are required to meet a number of consenting processes, national standards and to respond to demand from within the District. The financial impact of the infrastructure programme is quite significant, both in terms of community priorities, our capacity to undertake the projects, the debt servicing operational and replacement costs and, above all, affordability for the residents within our District.

Council received 267 submissions to its Draft LTP 2015-2025. These were received and deliberated on at a series of meetings during May 2015. Council acknowledges the breadth and quality of submissions that it received to the Plan and takes this opportunity to thank all those who participated in the consultation process either through attendance at public open days, verbal engagement with Councillors and key staff or through formal submissions.

Joint Roading Contract

A collaborative regional approach taken by the Manawatu, Rangitikei, and Horowhenua District Councils to road infrastructure will see significant benefits for the three councils.

As a result of this collaboration the three District Councils invited road maintenance contractors to bid for work in each district or across the combined districts. As a result the Councils have approved a single contractor, Higgins Contractors Ltd, to provide road infrastructure services across their districts. Using a single contractor across the three districts will enable ratepayer contributions to be reinvested in maintaining and improving more of the road networks in each district.

Te Awahou Nieuwe Stroom Funding

The construction of Te Awahou Nieuwe Stroom is now a significant step closer with the project having received grants totalling \$1.25 million from New Zealand Lotteries. The funding comes from a Significant Projects Fund grant of \$750,000 and a Community Facilities Fund grant of \$500,000. This follows Horowhenua District Council adopting recommendations that allowed the Te Awahou Nieuwe Stroom project to move into the detailed design phase and applications to be made for third party funding.

Recreational Services

Horowhenua District Council has awarded its Open Spaces Maintenance contract to a new provider to the District – Recreational Services.

The Open Spaces contract includes both planned and reactive maintenance and minor capital works for Council's parks, playgrounds, sport grounds, cemeteries and gardens.

The awarding of this contract comes after a comprehensive two-stage tender and evaluation process, with seven companies initially submitting for this contract. Awarding the contract to Recreational Services was approved by Council at its meeting on 1 April 2015, and will begin from 1 July 2015, for a period of up to eight years.

Tokomaru Water Treatment plant

The Tokomaru Water Treatment Plant upgrade was officially opened on 1 April 2015, after a more financially-viable option allowed the project to be brought forward from 2025.

Last September Horowhenua District Council approved spending \$350,000 for the upgrade, significantly less expensive than the previously estimated options ranging from \$1.9 million to \$3 million.

Leadership – Good to Great

Horowhenua District Council has started the internal journey of seeing the organisation going from Good to Great. An internal strategy was launched providing the organisation with four pillars of excellence to work towards. These include Customer Service Excellence, Operations Excellence, Product Excellence and People Excellence. Along with the pillars of excellence, staff are now committed to work towards clear goals and objectives in the focus areas of Service Delivery, Financial Sustainability and Affordability, Alliances and Partnerships and Community Engagement.

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

SECTION B: FINANCIAL STATEMENTS

Section B provides information on the financial outcomes for the year ended 30 June 2015.

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 2014/15, 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 2014/15 (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 2015. 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 2014/15.

Funding Impact Statement

This shows the Council's operating and capital funding received and how it was applied during 2014/15.

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.

Independent Auditor's Report

To the readers of Horowhenua District Council and group's annual report for the year ended 30 June 2015

The Auditor-General is the auditor of Horowhenua District Council (the District Council) and group. The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2015 on page 20;
 - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 17,19 and 22;
 - the funding impact statement of the District Council on page 24;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 103 to 174; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 37 to 69 and 79 to 93;
- the statement of service provision (referred to as service performance) of the District Council on pages 98 to 173 and the funding impact statements in relation to each group of activities of the District Council on pages 105 to 175; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 70 to 78.

In addition, the Auditor-General has appointed me to report on whether the District Council and group's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 105 to 175
 - council-controlled organisations on page 32 to 34;
 - reserve funds on page 26 to 31;

- each group of activities carried out by the District Council on pages 94 to 175;
- remuneration paid to the elected members and certain employees of the District Council on page 57 to 58;
- employee staffing levels and remuneration on page 59;
- severance payments on page 59;
- rating base units on page 37; and
- insurance of assets on page 68;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 176 to 177; and
- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive on page 16.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group on pages 17 to 23 and pages 37 to 69 and 79 to 93:
 - present fairly, in all material respects:
 - the District Council and group's financial position as at 30 June 2015;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand.
- the funding impact statement of the District Council on page 24, present 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 statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 103 to 175, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- the service performance of the District Council on pages 98 to 173:
 - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:

- the levels of service as measured against the intended levels of service adopted in the long-term plan;
- the reasons for any significant variances between the actual service and the expected service; and
- o complies with generally accepted accounting practice in New Zealand.
- the funding impact statements in relation to each group of activities of the District Council on pages 105 to 175, present fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the disclosures on pages 70 to 78 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the other requirements of schedule 10

The District Council and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 28 October 2015. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

An audit also involves evaluating:

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

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

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

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

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and service performance that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the District Council and group's financial position, financial performance and cash flows;
 - present fairly its service performance, including achievements compared to forecast;
 - a funding impact statement that presents fairly 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;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, 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;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure

spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;

- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

Independence

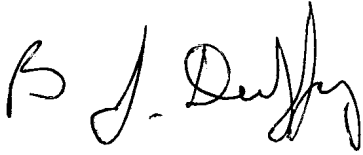
When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, the audit of the District Council's 2015-25 Long Term Plan and an independent assurance review of the District Council's Debenture Trust Deed, we have no relationship with or interests in the District Council or any of its subsidiaries.



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.



Brendan Duffy, JP
District Mayor
28 October 2015



David Clapperton
Chief Executive
28 October 2015

Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2015

| | Note | Council Actual \$ 30 June 2015 \$000 | Council Budget \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|----------|---|---|---|---|---|
| Revenue | | | | | | |
| Rates other than targeted rate for water supply | 1 | 30,105 | 30,183 | 27,494 | 30,105 | 27,494 |
| Interest revenue | 2a | 221 | 96 | 175 | 246 | 192 |
| Grants and subsidies | 2b | 2,232 | 2,034 | 5,325 | 2,232 | 5,325 |
| Fees, charges and targeted rates for water | 2c | 5,785 | 5,966 | 6,131 | 6,191 | 6,535 |
| Other revenue | 2d | 2,739 | 2,791 | 2,934 | 2,739 | 2,934 |
| Vested assets | 2e | 66 | 887 | 296 | 66 | 296 |
| Development contributions | 2f | 344 | 646 | 516 | 344 | 516 |
| Gain (loss) at fair value (forestry) | 3,13 | 275 | 12 | 45 | 275 | 45 |
| Gain on commercial land and buildings revaluations | 3 | - | 133 | - | - | - |
| Fair value revaluation gain financial assets | | - | - | - | - | - |
| Gain on disposal of assets | 3 | 641 | 174 | 383 | 641 | 383 |
| Total revenue | | 42,408 | 42,922 | 43,299 | 42,839 | 43,721 |
| Expenditure | | | | | | |
| Employee benefit expenses | 4 | 8,338 | 8,142 | 7,954 | 9,741 | 9,364 |
| Depreciation and amortisation | 11,12,34 | 11,483 | 12,518 | 10,708 | 11,662 | 10,886 |
| Finance costs | 6 | 3,487 | 3,405 | 2,751 | 3,487 | 2,751 |
| Loss on disposal of assets | 3 | 209 | - | 96 | 209 | 96 |
| Loss on commercial land and buildings revaluations | 3 | 59 | - | 280 | 59 | 280 |
| Present value for community loans | 3 | - | - | 16 | - | 16 |
| Loss on land and buildings revaluation | | - | - | 2,964 | - | 2,964 |
| Increase(decrease) in landfill provision | 17 | 125 | 102 | 240 | 125 | 240 |
| Other expenses | 5 | 21,658 | 21,565 | 20,509 | 20,438 | 19,405 |
| Total expenses | | 45,359 | 45,732 | 45,518 | 45,721 | 46,002 |
| Operating surplus / (deficit) before tax | | (2,951) | (2,810) | (2,219) | (2,883) | (2,281) |
| Income tax expense | | - | - | - | - | - |
| Operating surplus (deficit) after tax | | (2,951) | (2,810) | (2,219) | (2,883) | (2,281) |
| <i>Surplus/(deficit) attributable to:</i> | | | | | | |
| Horowhenua District Council | | (2,951) | (2,810) | (2,219) | (2,883) | (2,281) |
| Other comprehensive revenue and expense | | | | | | |
| Loss on infrastructural assets revaluations | | - | - | (63,392) | - | (63,392) |
| Gain on restricted assets revaluation | | - | - | 1,883 | - | 1,883 |
| Total net other comprehensive revenue and expense for the year | | - | - | (61,509) | - | (61,509) |
| Total comprehensive revenue and expense (deficit) for the year | | (2,951) | (2,810) | (63,728) | (2,883) | (63,789) |
| Total comprehensive revenue and expense attributable to: | | | | | | |
| Horowhenua District Council | | (2,951) | (2,810) | (63,728) | (2,883) | (63,789) |
| Interest as percentage of operating revenue | | 8% | 8% | 6% | 8% | 6% |
| Interest to rates | | 12% | 11% | 10% | 12% | 10% |

Explanations of major variances against budget are provided on page 19

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 2014-2015

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:

Interest revenue – This is above budget due to the investment of surplus loans borrowed for budgeted capital works that were not completed in the current year.

Grants and subsidies – This is higher than budget due to more subsidised work done than budget.

Vested assets – This was less than anticipated due to little subdivision activity in the year.

Development contributions – Lower than budgeted due to little subdivision activity in the year.

Gain in fair value (forestry) – The gain on forestry assets was higher than expected due to better log prices in the world market.

Gain on disposal of assets – This was above budget due to the gain on sale of the Foxtton Beach Holiday Park.

Expenditure

Employee benefit expenses – These are higher than budget because additional staff were recruited to provide in-house professional services instead of using external consultants.

Depreciation and amortisation – Depreciation was \$1.04M under budget as a result of the 2014 roading valuation which reduced the value of roading assets by \$70.8M after the budget was set.

Loss on disposal of assets – The unbudgeted loss on sale was largely due to the sale of the two show homes on the Forbes Road subdivision.

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 2015

| | Council Actual \$ 30 June 2015 \$000 | Council Budget \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|---|---|---|---|---|
| Balance at 1 July | 421,519 | 507,727 | 485,247 | 422,128 | 485,917 |
| Total comprehensive revenue and expense for the year | (2,951) | (2,810) | (63,728) | (2,883) | (63,789) |
| Balance at 30 June | 418,568 | 504,917 | 421,519 | 419,245 | 422,128 |
| <i>Total comprehensive revenue and expense attributable to:</i> | | | | | |
| Horowhenua District Council | (2,951) | (2,810) | (63,728) | (2,883) | (63,789) |
| Total comprehensive revenue and expense | (2,951) | (2,810) | (63,728) | (2,883) | (63,789) |

Explanations of major variances against budget are provided on page 19

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 2015

| ASSETS | Note | Council | Council | Council | Group | Group |
|---|------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | Actual \$ 30 June 2015 | Budget \$ 30 June 2015 | Actual \$ 30 June 2014 | Actual \$ 30 June 2015 | Actual \$ 30 June 2014 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 |
| Current assets | | | | | | |
| Cash and cash equivalents | 7 | 7,856 | 3,940 | 5,435 | 7,940 | 5,480 |
| Debtors and other receivables | 8 | 5,381 | 6,481 | 6,539 | 5,446 | 6,572 |
| Other financial assets | 9 | 470 | 10 | 360 | 477 | 362 |
| Non-current assets held for sale | 10 | 475 | 393 | 1,068 | 475 | 1,068 |
| Total current assets | | 14,182 | 10,824 | 13,402 | 14,338 | 13,482 |
| Non-current assets | | | | | | |
| Operational assets | 11 | 42,492 | 48,397 | 42,229 | 43,747 | 43,468 |
| Infrastructural assets | 11 | 386,465 | 479,072 | 385,807 | 386,465 | 385,807 |
| Restricted assets | 11 | 39,293 | 45,302 | 40,278 | 39,293 | 40,278 |
| Intangible assets | 12 | 1,680 | 1,911 | 1,871 | 1,693 | 1,892 |
| Forestry assets | 13 | 911 | 575 | 636 | 911 | 636 |
| Commercial property | 14 | 5,706 | 6,188 | 5,765 | 5,706 | 5,765 |
| <i>Other financial assets:</i> | | | | | | |
| - Investments in CCO's and other similar entities | 9 | 1,790 | 1,786 | 1,539 | 1,008 | 756 |
| - Investment in other entities | 9 | - | 116 | 110 | - | 110 |
| Total non-current assets | | 478,337 | 583,347 | 478,235 | 478,823 | 478,711 |
| Total assets | | 492,519 | 594,171 | 491,637 | 493,161 | 492,195 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Creditors and other payables | 16 | 8,070 | 8,438 | 8,314 | 7,888 | 8,135 |
| Provisions | 17 | 997 | 1,003 | 880 | 997 | 880 |
| Employee benefit liabilities | 18 | 1,004 | 585 | 651 | 1,088 | 716 |
| Borrowings and other financial liabilities | 19 | 2,000 | 2,000 | 10,750 | 2,000 | 10,750 |
| Total current liabilities | | 12,071 | 12,026 | 20,595 | 11,973 | 20,481 |
| Non-current liabilities | | | | | | |
| Provisions | 17a | 2,068 | 1,765 | 2,060 | 2,068 | 2,060 |
| Employee benefit liabilities | 18 | 178 | 224 | 156 | 241 | 219 |
| Borrowings and other financial liabilities | 19 | 58,000 | 74,000 | 46,000 | 58,000 | 46,000 |
| Other | 17b | 1,634 | 1,239 | 1,307 | 1,634 | 1,307 |
| Total non-current liabilities | | 61,880 | 77,228 | 49,523 | 61,943 | 49,585 |
| Total liabilities | | 73,951 | 89,254 | 70,118 | 73,916 | 70,067 |
| NET ASSETS | | 418,568 | 504,917 | 421,519 | 419,245 | 422,128 |
| EQUITY | | | | | | |
| Retained earnings | 20 | 264,909 | 266,527 | 269,134 | 265,586 | 269,743 |
| Revaluation reserves | | 147,449 | 231,405 | 147,449 | 147,449 | 147,449 |
| Other reserves | | 6,210 | 6,985 | 4,936 | 6,210 | 4,936 |
| Total equity | | 418,568 | 504,917 | 421,519 | 419,245 | 422,128 |
| Total equity attributable to: | | | | | | |
| Horowhenua District Council | | 418,568 | 504,917 | 421,519 | 419,245 | 422,128 |
| Total equity | | 418,568 | 504,917 | 421,519 | 419,245 | 422,128 |

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 2014-2015

Assets

Cash and cash equivalents – Cash and cash equivalents are above budget because there are more funds on deposit due to surplus loans borrowed for budgeted capital works that were not completed in the current year.

Debtors and other receivables – Debtors and other receivables are below budget because the budget was based on last years' balance that included a \$927k receivable from the Ministry of Health for a subsidy for the Shannon water treatment plant upgrade that has since been paid.

Other financial assets – Other financial assets are above budget as the budget does not include the \$350k deposit held for the Shannon Community Trust and \$120k community loan that was repaid after balance date.

Non-current assets held for sale – This reflects the expected sale of six (6) Forbes Road subdivision sections in the next year. The expected sale price is less than when the budget was set.

Non-current assets – The budget does not include the Roothing assets revaluation loss of \$70m from last year. In addition some budgeted capital work was not completed in the current year.

Liabilities

Borrowings – These are below budget by \$16M due to lower capital expenditure due to delays in a number of projects.

Other non-current liabilities – These are above budget due to the increased swap valuation as a result of the low interest rate environment.

Equity

Revaluation reserves – These are lower than budget due to the lower 2014 roading valuation (\$70m reduction) which was received after the budget was set.

Statement of Cash Flows

AS AT 30 JUNE 2015

| | Council Actual \$ 30 June 2015 \$000 | Council Budget \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|---|---|---|---|---|
| Cashflow from operating activities | | | | | |
| Cash was provided from: | | | | | |
| Revenue from rates | 29,893 | 30,182 | 27,442 | 29,893 | 27,442 |
| Other revenue | 11,642 | 11,437 | 14,109 | 12,153 | 14,583 |
| Interest received | 174 | 96 | 175 | 199 | 192 |
| Net GST movement | - | - | - | - | - |
| | <u>41,709</u> | <u>41,715</u> | <u>41,726</u> | <u>42,245</u> | <u>42,217</u> |
| Cash was disbursed to: | | | | | |
| Suppliers, services and employees | 28,696 | 29,706 | 28,374 | 28,891 | 28,726 |
| Interest paid | 3,130 | 3,405 | 2,900 | 3,310 | 2,900 |
| Net GST movement | (91) | - | 177 | (69) | 173 |
| | <u>31,735</u> | <u>33,111</u> | <u>31,451</u> | <u>31,952</u> | <u>31,799</u> |
| Net cashflow from operating activity | 31 | 9,974 | 10,275 | 10,293 | 10,418 |
| Cashflows from investing activities | | | | | |
| Cash was provided from: | | | | | |
| Proceeds from asset sales | 1,156 | 474 | 287 | 1,156 | 296 |
| Proceeds from investments | - | 10 | - | - | - |
| | <u>1,156</u> | <u>484</u> | <u>287</u> | <u>1,156</u> | <u>296</u> |
| Cash was disbursed to: | | | | | |
| Purchases of investments | 140 | 272 | 533 | 140 | 533 |
| Purchase of assets | 11,819 | 29,714 | 15,938 | 12,099 | 16,103 |
| | <u>11,960</u> | <u>29,986</u> | <u>16,470</u> | <u>12,239</u> | <u>16,636</u> |
| Net cashflow from investing activity | | (10,805) | (16,184) | (11,083) | (16,341) |
| Cashflows from financing activities | | | | | |
| Cash was provided from: | | | | | |
| Loans raised | 14,000 | 30,000 | 15,000 | 14,000 | 15,000 |
| | <u>14,000</u> | <u>30,000</u> | <u>15,000</u> | <u>14,000</u> | <u>15,000</u> |
| Cash was disbursed to: | | | | | |
| Repayment of public debt | 10,750 | 10,750 | 11,000 | 10,750 | 11,000 |
| | <u>10,750</u> | <u>10,750</u> | <u>11,000</u> | <u>10,750</u> | <u>11,000</u> |
| Net cashflow from financing activity | | 3,250 | 4,000 | 3,250 | 4,000 |
| Net increase (decrease) in cash held | 2,421 | (1,648) | (1,911) | 2,461 | (1,924) |
| Add opening cash brought forward | 5,435 | 5,588 | 7,346 | 5,479 | 7,404 |
| Closing cash balance | 7,856 | 3,940 | 5,435 | 7,940 | 5,480 |
| Closing balance made up of: | | | | | |
| Cash and cash equivalents | 7 | 7,856 | 3,940 | 7,940 | 5,480 |

Explanations of major variances against budget are provided on page 24

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 2014-2015

Cashflows from operating activities

Cash was provided from:

Rates revenues – Rate penalties were less than anticipated due to considerable work being undertaken to reduce outstanding rates arrears.

Other revenues – They were higher because of the timing of the Shannon water treatment plant upgrade subsidy from the Ministry of Health.

Interest received – This is higher due to the investment of surplus funds due to lower capital spending in the current year.

Cash was disbursed to:

Payment to suppliers, services and employees – This was higher than budgeted due to the increase in staffing numbers.

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

Cashflows from investment activities

Cash was provided from:

Proceeds from assets sales – This was above budget due to the sale of Foxton Beach Holiday Park.

Cash was disbursed to:

Purchase of assets – Lower expenditure on infrastructural projects, in particular Wastewater 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 2015

| | Annual Report 2014 \$000 | Annual Plan Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 |
|--|-----------------------------------|---|----------------------------------|---|-------------------------|---------------------------|
| Sources of operating funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | 7,742 | 7,655 | 7,619 | 8,394 | 8,310 | (84) |
| Targeted rates (other than a targeted rate for water by meter supply) | 19,752 | 19,779 | 22,637 | 21,789 | 21,795 | 6 |
| Subsidies and grants for operating purposes | 1,245 | 1,004 | 1,017 | 947 | 1,174 | 227 |
| Fees, charges and targeted rates for water by meter supply | 6,007 | 6,089 | 6,155 | 5,966 | 5,720 | (246) |
| Interest and dividends from investments | 175 | 99 | 102 | 96 | 222 | 126 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 2,947 | 2,737 | 2,534 | 2,791 | 2,802 | 11 |
| Total operating funding (A) | 37,868 | 37,363 | 40,064 | 39,983 | 40,023 | 40 |
| Applications of operating funding | | | | | | |
| Payments to staff and suppliers | 28,463 | 29,084 | 29,647 | 29,708 | 29,996 | 288 |
| Finance costs | 2,751 | 2,901 | 3,234 | 3,405 | 3,487 | 82 |
| Total applications of operating funding (B) | 31,214 | 31,958 | 32,881 | 33,113 | 33,483 | 370 |
| Surplus (deficit) of operating funding (A - B) | 6,654 | 5,378 | 7,183 | 6,870 | 6,540 | (330) |
| Sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | 4,191 | 2,409 | 1,087 | 1,088 | 1,059 | (29) |
| Development and financial contributions | 516 | 1,366 | 1,461 | 646 | 344 | (302) |
| Increase (decrease) in debt | 4,000 | 14,000 | 8,446 | 20,898 | 3,250 | (17,648) |
| Gross proceeds from sale of assets | 1,403 | 1,274 | 1,349 | 474 | 1,909 | 1,435 |
| Total sources of capital funding (C) | 10,110 | 19,049 | 12,343 | 23,106 | 6,562 | (16,544) |
| Applications of capital funding | | | | | | |
| Capital expenditure | | | | | | |
| - to meet additional demand | 1,051 | 1,714 | 2,860 | 3,568 | 471 | (3,097) |
| - to improve the level of service | 7,756 | 11,966 | 10,460 | 16,861 | 5,122 | (11,739) |
| - to replace existing assets | 7,645 | 10,886 | 6,925 | 9,285 | 6,460 | (2,825) |
| Increase (decrease) in reserves | (222) | (513) | - | - | 910 | 910 |
| Increase (decrease) of investments | 533 | 374 | (719) | 262 | 139 | (123) |
| Total applications of capital funding (D) | 16,764 | 24,427 | 19,526 | 29,976 | 13,102 | (16,874) |
| Surplus (deficit) of capital funding (C - D) | (6,654) | (5,378) | (7,183) | (6,870) | (6,540) | 330 |
| Funding balance ((A-B)+(C-D)) | - | - | - | - | - | - |
| Depreciation | 10,708 | 11,575 | 13,177 | 12,518 | 11,483 | (1,035) |
| Loans | | | | | | |
| | | External | | | | |
| | | \$000 | | | | |
| Loans as at 1/07/2014 | | 56,750 | | | | |
| Raised during year | | 14,000 | | | | |
| Repaid during Year | | (10,750) | | | | |
| Loans as at 30/06/2015 | | 60,000 | | | | |
| Interest expense | | 3,487 | | | | |

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 2015

| | Annual Report 2014 \$000 | Annual Plan Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 |
|---|-----------------------------------|---|----------------------------------|---|-------------------------|---------------------------|
| Revenue | | | | | | |
| Statement of comprehensive revenue and expense | | | | | | |
| Total operating revenue | 43,299 | 43,032 | 44,726 | 42,922 | 42,408 | (514) |
| Summary funding impact statement | | | | | | |
| Sources of operating funding | | | | | | |
| Total operating funding | 37,868 | 37,363 | 40,064 | 39,983 | 40,023 | 40 |
| Add sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | 4,191 | 2,409 | 1,087 | 1,087 | 1,059 | (28) |
| Development and financial contributions | 516 | 1,366 | 1,461 | 646 | 344 | (302) |
| Gain on disposal of assets | 383 | 473 | 502 | 174 | 641 | 467 |
| Gains on investments | 45 | 140 | 266 | 146 | 275 | 129 |
| Fair value revaluation gain -financial assets | - | - | - | - | - | - |
| Add vested assets | 296 | 1,281 | 1,346 | 887 | 66 | (821) |
| Total revenue | 43,299 | 43,032 | 44,726 | 42,922 | 42,408 | (515) |
| Expenditure | | | | | | |
| Statement of comprehensive revenue and expense | | | | | | |
| Operating expenditure | 45,518 | 43,560 | 46,058 | 45,732 | 45,359 | (373) |
| Summary funding impact statement | | | | | | |
| Total application of operating funding | 31,214 | 31,985 | 32,881 | 33,113 | 33,483 | 369 |
| Loss on disposal of assets and loss on changes in fair value of investment property and revaluation of financial assets | 3,356 | - | - | - | 268 | 268 |
| Increase(decrease) in landfill provision | 240 | - | - | 102 | 125 | 23 |
| Add depreciation and amortisation expense | 10,708 | 11,575 | 13,177 | 12,518 | 11,483 | (1,035) |
| Total expenditure | 45,518 | 43,560 | 46,058 | 45,732 | 45,359 | (373) |

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:

| RESTRICTED RESERVES - PURPOSE OF THE FUND | Opening Balance 1 July 2014 \$000s | Deposits for the period of the year \$000s | Withdrawals For the period of the year \$000s | Closing Balance 30 June 2015 \$000s |
|---|---|---|--|--|
| 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. | 1,668 | 1,900 | 816 | 2,752 |
| 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. | 92 | 3 | 0 | 95 |
| 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. | 687 | 24 | 0 | 711 |
| Old Boys' Cricket Club (Parks and Recreation) Money held in trust on behalf of the cricket club. | 0 | 0 | 0 | 0 |
| Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream. | 0 | 50 | 0 | 50 |
| Total Restricted Reserves | 2,447 | 1,976 | 816 | 3,607 |

Reserve Funds

| COUNCIL CREATED RESERVES PURPOSE OF THE FUND | Opening Balance 1 July 2014 \$000s | Deposits for the period of the year \$000s | Withdrawals For the period of the year \$000s | Closing Balance 30 June 2015 \$000s |
|--|---|---|--|--|
| Financial and Capital contributions for Rooding (Rooding Activity) To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime. | 180 | 6 | 0 | 187 |
| 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. | 499 | 17 | 0 | 516 |
| 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. | 123 | 4 | 0 | 128 |
| 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. | 590 | 21 | 15 | 596 |
| Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election. | 0 | 17 | 0 | 17 |
| Strategic Grants Fund (Community Support – Community Grants Activity) To enable Council to make grants to organisations that fit Council's criteria for the fund. | 0 | 0 | 0 | 0 |
| Capital Projects Fund (All Activities) To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund. | 806 | 28 | 0 | 834 |
| Foxton Citizens Fund (Community Support Activity) To provide a fund for awards in recognition of community service in Foxton. | 3 | 0 | 0 | 4 |

Reserve Funds

| COUNCIL CREATED RESERVES PURPOSE OF THE FUND | Opening Balance 1 July 2014 \$000s | Deposits for the period of the year \$000s | Withdrawals For the period of the year \$000s | Closing Balance 30 June 2015 \$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. | 135 | 30 | 0 | 164 |
| 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. | 117 | 4 | 0 | 121 |
| Driscoll Reserves Fund (Parks and Reserves) To fund selected parks and reserves development projects. | 13 | 0 | 0 | 13 |
| Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station. | 23 | 1 | 0 | 23 |
| Total Council Created Reserves These are not newly created reserves and were previously reported under retained earnings. | 2,489 | 129 | 15 | 2,602 |
| Total all Reserve Funds | 4,936 | 2,105 | 831 | 6,210 |

Reserve Funds

| RESTRICTED RESERVES - PURPOSE OF THE FUND | Opening Balance 1 July 2013 \$000s | Deposits for the period of the year \$000s | Withdrawals For the period of the year \$000s | Closing Balance 30 June 2014 \$000s |
|---|---|---|--|--|
| 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. | 1,476 | 790 | 598 | 1,668 |
| 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. | 90 | 2 | 0 | 92 |
| 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. | 665 | 22 | 0 | 687 |
| Old Boys' Cricket Club (Parks and Recreation) Money held in trust on behalf of the cricket club. | 75 | 3 | 78 | 0 |
| Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream. | 0 | 0 | 0 | 0 |
| Total Restricted Reserves | 2,306 | 817 | 676 | 2,447 |

Reserve Funds

| COUNCIL CREATED RESERVES PURPOSE OF THE FUND | Opening Balance 1 July 2013 \$000s | Deposits for the period of the year \$000s | Withdrawals For the period of the year \$000s | Closing Balance 30 June 2014 \$000s |
|--|---|---|--|--|
| 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. | 175 | 5 | 0 | 180 |
| 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. | 483 | 16 | 0 | 499 |
| 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. | 288 | 9 | 174 | 123 |
| 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. | 571 | 19 | 0 | 590 |
| Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election. | 72 | 2 | 74 | 0 |
| Strategic Grants Fund (Community Support – Community Grants Activity) To enable Council to make grants to organisations that fit Council's criteria for the fund. | 50 | 2 | 52 | 0 |
| Capital Projects Fund (All Activities) To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund. | 781 | 25 | 0 | 806 |
| Foxton Citizens Fund (Community Support Activity) To provide a fund for awards in recognition of community service in Foxton. | 3 | 0 | 0 | 3 |

Reserve Funds

| COUNCIL CREATED RESERVES PURPOSE OF THE FUND | Opening Balance 1 July 2013 \$000s | Deposits for the period of the year \$000s | Withdrawals For the period of the year \$000s | Closing Balance 30 June 2014 \$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. | 106 | 29 | 0 | 135 |
| 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. | 113 | 4 | 0 | 117 |
| Driscoll Reserves Fund (Parks and Reserves) To fund selected parks and reserves development projects. | 12 | 1 | 0 | 13 |
| Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station. | 22 | 1 | 0 | 23 |
| Total Council Created Reserves These are not newly created reserves and were previously reported under retained earnings. | 2,676 | 113 | 300 | 2,489 |
| Total all Reserve Funds | 4,982 | 930 | 976 | 4,936 |

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

Nature and scope of activities provided

Te Horowhenua Trust is contracted by Council to deliver a diverse range of functions from Te Takere Cultural and Community Centre and maintain a comprehensive library service in Shannon and Foxton. The current contract ends 30 June 2016. The Trust also acts as the Council's general service centre in Shannon.

Policies and objectives on ownership and control

In 1996 Council set up the Te Horowhenua Trust (formerly the Horowhenua Library Trust) and leased the library buildings to the Trust, vested its other library assets in the Trust and entered into a contract for the delivery of library services. The Trust is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957. The Trust is also a not-for-profit council controlled organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees.

The Trust receives an annual operating grant from Council but otherwise operates independently of Council. The Trust sets its own policies, employs its own staff, sets its budgets and generally has engaged in its activities without reference to Council.

The Trust is required, pursuant to section 6 of the Local Government Act 2002 and Schedule 8 of the Act, to prepare and deliver to Horowhenua District Council (Council) a draft Statement of Intent no later than the 1st of March in each year.

The Council appoints all the Trustees. Two of the trustees are Councillors.

The Council and the Trust have negotiated contracts which specify the annual grants from Council, a service arrangement for Council to provide all administration and IT services to the Trust and specific objectives for the success of Te Takere.

Monitoring of performance

The Trust submits an annual Statement of Intent which, once accepted by Council, forms the basis for Council to monitor the performance of Te Horowhenua Trust.

The Trust's key activities, over and above its principal activities, in 2012/2013 were to: establish the Te Takere Culture and Community Centre and work with the Horowhenua District Council and the Te Awahou-Nieuwe Stroom Trust to develop premises for the Foxton Library.

Te Horowhenua Trust will meet the key performance indicators (KPIs) as defined in its 2014/15 Statement of Intent approved by Horowhenua District Council on 1 July 2014.

Usage

1. Report of visitor counts.
2. Report on programmes delivered.
3. Report on booking counts for community facilities.
4. Report on website usage.

Strategic plan

5. Report progress on the actions identified in the strategic plan.

Progress against KPI's is reported quarterly to the Council and in the Annual Report, which includes the audited financial accounts, and is submitted to Council before 30 September each year.

| MEASURING PERFORMANCE | | | |
|-----------------------|----------------------|--|--|
| Service | Performance Measures | Attainment 2015 | Attainment 2014 |
| Te Takere Usage | Visitor counts | <p>Levin 530,653 Foxton 103,747 Shannon 36,464 A Total of 670,864 visits were made to the District's Libraries. This is 2.7% more than 2013/14.</p> <p>Visitor counts are determined by adding together all the entries and exits through all entrances at each site then then dividing by 2. Foxton visitors were tracking down but the relocation of the Council Service Centre to the Foxton Library during 2014 means that we cannot separately identify library foot traffic from Council.</p> | <p>Levin 553,693 Foxton 68,549 Shannon 31,015 A Total of 653,257 visits were made to the District's Libraries. This is 17% more than 2012/13.</p> <p>Visitor counts are determined by adding together all the entries and exits through all entrances at each site then then dividing by 2. There were periods when both the Levin and Foxton counters failed and the missing data was recreated by averaging the actual counts around the period.</p> |
| | Programmes delivered | 109 different programmes or events were run during the year. Over 1,057 sessions in total. | 107 different programmes or events were run during the year. Over 1,419 sessions in total. |
| | Website usage | <p>Unique visitors Library catalogue – This comprised www.kete.llibrary.org.nz which serves as a content management system for the main website www.library.org.nz. There were 133,790 visits. This was an increase of 0.9% on average per month on 2013/14.</p> <p>Te Takere Website – there were 71,736 visits recorded from an average of 5,172 unique visitors per month.</p> <p>Kete Horowhenua – there were 115,577 visits from an average of 5,172 unique visitors per month. The software has been patched to correct a security flaw in the underlying architecture as an interim step to moving the content over to a nationwide repository which is being developed. The new version has resulted in a loss of functionality and usage declined as visitors to the site struggle to adapt to the changes.</p> <p>Definitions – A 'unique visitor' is an ip address and is counted only once during the month regardless of how many times they visited a site. A 'visit' is each time an ip address visits a site. "Engage" means any click or story created while 'Reach' is the number of people who have seen any content associated with our Facebook page and can be equated with 'unique users'.</p> | <p>Unique visitors Library catalogue – This comprised www.kete.llibrary.org.nz which serves as a content management system for the main website www.library.org.nz. There were 132,577 visits. This was an increase of 27% on average per month on 2012/13.</p> <p>Te Takere Website – there were 100,593 visits recorded from an average of 6,323 unique visitors per month.</p> <p>Kete Horowhenua – there were 245,545 visits from an average of 9,424 unique visitors per month.</p> <p>Facebook – social media is increasingly supplementing the Trust websites as an engagement tool. The number of Facebook "Likes" was 677 in 2014. On average 428 users "engage" with our page content every 28 days.</p> <p>Definitions – A 'unique visitor' is an ip address and is counted only once during the month regardless of how many times they visited a site. A 'visit' is each time an ip address visits a site. "Engage" means any click or story created while 'Reach' is the number of people who have seen any content associated with our Facebook page and can be equated with 'unique users'.</p> |

| MEASURING PERFORMANCE | | | |
|------------------------------|--|--|---|
| Service | Performance Measures | Attainment 2015 | Attainment 2014 |
| Usage | Booking counts for community facilities | 541 meeting room bookings were made: 205 of these were community bookings, 145 were business bookings and 191 were for activities delivered or facilitated by Te Horowhenua Trust. | 388 meeting room bookings were made: 76 of these were community bookings and 312 were business bookings. |
| Awareness | Achieve at least 70%. A survey of Horowhenua residents testing awareness level of Te Takere and its functions. | Not a measure this year. | Horowhenua District Council carried out a survey of Horowhenua residents between April – June 2014. Preliminary results show that 71% of those surveyed were satisfied or very satisfied with libraries (including Te Takere). |
| Strategic plan | Report on the progress on the actions identified in the strategic plan. | A Business Plan was developed which contained objectives for each of the 14 areas contained in the Strategic Plan. Progress was monitored monthly by Te Takere's CEO and monthly reports to the Trustees are copied to the Council's Customer and Community Services Group Manger. | A Business Plan was developed which contained objectives for each of the 14 areas contained in the Strategic Plan. Progress was monitored monthly by Te Takere's CEO and monthly reports to the Trustees are copied to the Council's Strategic Service Manager. |

The Trust's annual accounts are audited by Audit NZ. The Council receives the Trust's audited annual report. The annual accounts are included in the Group financials for 30 June 2015.

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, but 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 2015.

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 CEO 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 \$1,000 share capital.

The company is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) to 30 June 2016.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

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**1. RATES OTHER THAN TARGETED RATE
FOR WATER SUPPLY**

| | Council and Group Actual \$ 30 June 2015 \$000 | Council and Group Budget \$ 30 June 2015 \$000 | Council and Group Actual \$ 30 June 2014 \$000 |
|--|---|---|---|
| General rates | | | |
| Uniform annual general charge | - | - | - |
| Differential general rates | 7,792 | 7,782 | 7,185 |
| Penalties | 518 | 612 | 557 |
| Total general-purpose rates | 8,310 | 8,394 | 7,742 |
| Targeted rates | | | |
| Solid waste rates | 297 | 288 | 334 |
| Roading rate | 4,471 | 4,468 | 4,802 |
| Library rate | 2,795 | 2,795 | 2,036 |
| Representation and governance rate | 2,675 | 2,676 | 2,712 |
| Swimming pool rate | 2,167 | 2,167 | 2,185 |
| Water rates: | | | |
| District wide | 3,187 | 3,189 | 2,990 |
| Foxton Beach | 343 | 343 | 320 |
| Horowhenua race | - | - | - |
| Kuku race | - | - | - |
| Waikawa race | 17 | 17 | 18 |
| Total targeted water rates | 3,547 | 3,549 | 3,328 |
| Sewer rates: | | | |
| District wide | 5,843 | 5,846 | 4,355 |
| Levin | - | - | - |
| Total sewer rates | 5,843 | 5,846 | 4,355 |
| Total rates revenue (net of remissions) | 30,105 | 30,183 | 27,494 |
| Total rates revenue (gross) | 30,206 | 30,207 | 27,565 |
| Rates remissions: | | | |
| Land owned by community groups | (54) | (24) | (14) |
| Penalty remissions | (47) | - | (57) |
| | (101) | (24) | (71) |
| Total rates revenue net of remissions | 30,105 | 30,183 | 27,494 |
| Exchange transaction | - | | - |
| Non exchange transaction | 30,105 | | 27,494 |
| | 30,105 | | 27,494 |
| Rateable properties | | | |
| | 30 June 2015 | 30 June 2014 | |
| Total properties | 18,329 | 18,030 | |
| Total land value | \$3,048,513,500 | \$3,046,241,900 | |
| Total capital value | \$5,865,501,150 | \$5,820,410,550 | |

Rates revenue is shown net of rates remissions. 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, 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 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|--|--|--|--|
| 2a. Finance Revenue | | | | |
| Interest revenue for financial assets not at fair value through profit and loss | | | | |
| Bank Deposits | 194 | 156 | 219 | 173 |
| Borrower notes | 27 | 19 | 27 | 19 |
| | 221 | 175 | 246 | 192 |
| Exchange transactions | 221 | 175 | 246 | 192 |
| Non exchange transactions | - | - | - | - |
| | 221 | 175 | 246 | 192 |
| Other revenue | | | | |
| 2b. Subsidies and grants | | | | |
| NZTA government grants | 2,184 | 2,193 | 2,184 | 2,193 |
| Water government grant | - | 1,862 | - | 1,862 |
| Wastewater government grant | - | 1,115 | - | 1,115 |
| Other government grants | 48 | 155 | 48 | 155 |
| | 2,232 | 5,325 | 2,232 | 5,325 |
| Exchange transactions | - | - | - | - |
| Non exchange transactions | 2,232 | 5,325 | 2,232 | 5,325 |
| | 2,232 | 5,325 | 2,232 | 5,325 |
| 2c. Fees, charges and targeted rates for water by meter supply | | | | |
| User charges | 4,248 | 4,630 | 4,654 | 5,034 |
| Rental revenue from commercial properties | 648 | 640 | 648 | 640 |
| Targeted rates for water supply | 889 | 861 | 889 | 861 |
| | 5,785 | 6,131 | 6,191 | 6,535 |
| Exchange transactions | 682 | 702 | 682 | 702 |
| Non exchange transactions | 5,103 | 5,429 | 5,509 | 5,833 |
| | 5,785 | 6,131 | 6,191 | 6,535 |
| 2d. Other Revenue | | | | |
| Infringements and fines | 441 | 408 | 441 | 408 |
| Rendering of services | 514 | 735 | 514 | 735 |
| Petrol tax | 199 | 190 | 199 | 190 |
| NZ Carbon Credits | - | - | - | - |
| Dividend revenue | 7 | 6 | 7 | 6 |
| Insurance recoveries: | | | | |
| - buildings | 47 | 4 | 47 | 4 |
| Regulatory revenue | 1,529 | 1,475 | 1,529 | 1,475 |
| Donations and private sector grants | - | 5 | - | 5 |
| Capital Grants | 2 | 111 | 2 | 111 |
| | 2,739 | 2,934 | 2,739 | 2,934 |
| Exchange transactions | 598 | 597 | 598 | 597 |
| Non exchange transactions | 2,141 | 2,337 | 2,141 | 2,337 |
| | 2,739 | 2,934 | 2,739 | 2,934 |

| | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| 2e. Vested Assets | 66 | 296 | 66 | 296 |
| 2f. Development Contributions | 344 | 516 | 344 | 516 |
| | 410 | 812 | 410 | 812 |
| Total other revenue | 11,166 | 15,202 | 11,572 | 15,606 |
| Exchange transactions | - | - | - | - |
| Non exchange transactions | 410 | 812 | 410 | 812 |
| | 410 | 812 | 410 | 812 |

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 Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|------|--|--|--|--|
| Non-financial instruments | | | | | |
| Gain on changes in fair value of forestry assets | 13 | 275 | 45 | 275 | 45 |
| Gain on disposal of property, plant and equipment | | 641 | 383 | 641 | 383 |
| Loss on disposal of property, plant and equipment | | (209) | (96) | (209) | (96) |
| Loss on changes in fair value of investment property | 14 | - | (280) | - | (280) |
| Loss on changes in fair value of commercial property | | (59) | - | (59) | - |
| | | 648 | 52 | 648 | 52 |
| Financial instruments | | | | | |
| Gain/(loss) on revaluation of financial liabilities | | - | - | - | - |
| Gain/(loss) on revaluation of financial assets | | - | (16) | - | (16) |
| Total gains/(losses) | | 648 | 36 | 648 | 36 |

4. EMPLOYEE BENEFIT EXPENSES

| | Note | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|------|--|--|--|--|
| Salaries and wages | | 7,904 | 7,484 | 9,244 | 8,940 |
| Increase/(decrease) in employee entitlements | | 52 | (7) | 71 | (63) |
| Other employee benefit expenses | | 230 | 304 | 242 | 314 |
| Employer contributions to superannuation schemes | | 152 | 173 | 185 | 173 |
| Total employee benefit expenses | | 8,338 | 7,954 | 9,741 | 9,364 |

5. OTHER OPERATING EXPENSES

| | | | | | |
|--|--|---------------|---------------|---------------|---------------|
| Audit fees for financial statement audit | | 138 | 148 | 154 | 165 |
| Audit fees for consultation document/LTP audit | | 83 | - | 83 | - |
| Audit Fees for FMIS | | - | - | - | - |
| Total fees to principal auditor | | 221 | 148 | 238 | 165 |
| Donations | | - | - | - | - |
| Debtors written off | | - | - | - | - |
| Impairment of receivables | | 113 | 222 | 113 | 222 |
| Impairment of property, plant and equipment | | - | - | - | - |
| Minimum lease payments under operating leases | | 546 | 547 | 546 | 547 |
| Professional services | | 2,932 | 2,275 | 2,943 | 2,275 |
| Asset maintenance contract expenditure | | 11,359 | 10,964 | 11,359 | 10,964 |
| General grants | | 2,602 | 2,298 | 904 | 439 |
| Expenditure on utilities | | 1,074 | 702 | 1,074 | 702 |
| Other | | 2,811 | 3,353 | 3,262 | 4,091 |
| Total Other Operating Expenses | | 21,658 | 20,509 | 20,438 | 19,405 |

6 FINANCE COSTS

Interest expense

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Interest on borrowings | 3,076 | 2,918 | 3,076 | 2,918 |
| Interest rate swaps (presented net) | 54 | - | 54 | - |
| Valuation of interest rate swap adjustment | 357 | (167) | 357 | (167) |
| Total interest expense | 3,487 | 2,751 | 3,487 | 2,751 |

7. CASH AND CASH EQUIVALENTS

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|---|---|---|---|
| Cash at bank and in hand | 3,856 | 5,435 | 3,940 | 5,480 |
| Term deposits with maturities less than three months | 4,000 | - | 4,000 | - |
| Total cash and cash equivalents | 7,856 | 5,435 | 7,940 | 5,480 |

Cash and cash equivalents for the purpose of the statement of cash flows

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Cash at bank and in hand | 3,856 | 5,435 | 3,940 | 5,480 |
| Term deposits with maturities less than three months | 4,000 | - | 4,000 | - |
| Bank overdrafts | - | - | - | - |
| Total cash and cash equivalents for the purpose of the statement of cash flows | 7,856 | 5,435 | 7,940 | 5,480 |

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 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|---|---|---|---|
| Rates receivables | 2,851 | 2,608 | 2,851 | 2,608 |
| Related party receivables | 23 | 1 | - | 1 |
| Prepayments | 43 | 95 | 43 | 95 |
| Other receivables | 4,874 | 5,740 | 4,941 | 5,773 |
| | 7,770 | 8,444 | 7,835 | 8,477 |
| Less provision for impairment of receivables | (2,389) | (1,905) | (2,389) | (1,905) |
| | 5,381 | 6,539 | 5,446 | 6,572 |
| Less non-current portion: | - | - | - | - |
| Total debtors and other receivables | 5,381 | 6,539 | 5,446 | 6,572 |

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.

Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.

| | | | | |
|--|--------------|--------------|--------------|--------------|
| | 5,314 | 6,447 | 5,379 | 6,480 |
| | 67 | 92 | 67 | 92 |
| | 5,381 | 6,539 | 5,446 | 6,572 |

Fair value

The carrying value of trade 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 2015 and 2014 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 2015 and 2014 are detailed below:

| | 2015 | | | 2014 | | |
|-------------------|----------------|---------------------|--------------|----------------|---------------------|--------------|
| | Gross \$000 | Impairment \$000 | Net \$000 | Gross \$000 | Impairment \$000 | Net \$000 |
| Council | | | | | | |
| Not past due | 2,975 | - | 2,975 | 4,443 | - | 4,443 |
| Past due < 1 year | 2,711 | 875 | 1,836 | 2,420 | 727 | 1,693 |
| Past due > 1 year | 2,084 | 1,514 | 570 | 1,581 | 1,178 | 403 |
| Total | 7,770 | 2,389 | 5,381 | 8,444 | 1,905 | 6,539 |
| Group | | | | | | |
| Not past due | 3,038 | - | 3,038 | 4,472 | - | 4,472 |
| Past due < 1 year | 2,713 | 875 | 1,838 | 2,424 | 727 | 1,697 |
| Past due > 1 year | 2,084 | 1,514 | 570 | 1,581 | 1,178 | 403 |
| Total | 7,835 | 2,389 | 5,446 | 8,477 | 1,905 | 6,572 |

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:

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---------------------------------------|--|--|--|--|
| Individual impairment | 989 | 876 | 989 | 876 |
| Collective impairment | 1,400 | 1,028 | 1,400 | 1,028 |
| Total provision for impairment | 2,389 | 1,904 | 2,389 | 1,904 |

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:

| | | | | |
|-------------------|------------|------------|------------|------------|
| Past due < 1 year | 113 | 222 | 113 | 222 |
| Past due > 1 year | 876 | 654 | 876 | 654 |
| Total | 989 | 876 | 989 | 876 |

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

| | | | | |
|--|--------------|--------------|--------------|--------------|
| At 1 July | 1,904 | 1,179 | 1,904 | 1,179 |
| Additional provisions made during the year | 113 | 222 | 113 | 222 |
| Debtors written off during period | - | - | - | - |
| Increase in infringement provision | 372 | 503 | 372 | 503 |
| At 30 June | 2,389 | 1,904 | 2,389 | 1,904 |

9. OTHER FINANCIAL ASSETS

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|--|--|--|--|
| Current portion | | | | |
| Loans and receivables: | | | | |
| Community loans | 120 | 10 | 120 | 10 |
| Term deposits with maturities of 4-12 months | 350 | 350 | 350 | 350 |
| Fair value through other comprehensive revenue and expense: | - | - | - | - |
| Held-to-maturity: | - | - | - | - |
| Total current portion | 470 | 360 | 470 | 360 |

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|--|--|--|--|
| Non-current portion | | | | |
| Investment in CCO's and similar entities: | | | | |
| Investment in Te Horowhenua Trust | 783 | 783 | - | - |
| Unlisted shares in NZLGIC Limited | 104 | 104 | 104 | 104 |
| Unlisted shares in MWLASS | 1 | 1 | 1 | 1 |
| Unlisted shares in LGFA | 100 | 100 | 100 | 100 |
| LGFA borrowers notes | 803 | 551 | 803 | 551 |
| Total investment in CCO's and similar entities | 1,790 | 1,539 | 1,008 | 756 |
| Investment in other entities | | | | |
| Community loans | - | 110 | - | 110 |
| Deposits with maturities of over 12 months | - | - | - | - |
| Investments carried at cost: | - | - | - | - |
| Total investment in other entities | - | 110 | - | 110 |
| Total non-current portion | 1,790 | 1,649 | 1,008 | 866 |

Fair value

All unlisted shares have been valued at cost and not fair value.

Term deposits

The carrying amount of term deposits approximates their fair value.

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|--|--|--|--|
| Maturity analysis and effective interest rates: | | | | |
| Short-term deposits with maturities 3 months or less | 4,000 | - | 4,000 | - |
| Average maturity | 45 days | - | 45 days | - |
| Weighted average effective interest rate | 3.39% | 0% | 3.39% | 0% |
| Short-term deposits with maturities of 4-12 months | - | - | 350 | 350 |
| Average maturity | - | - | 180 days | 180 days |
| Weighted average effective interest rate | 0% | 0% | 4.55% | 4.45% |
| | 4,000 | - | 4,350 | 350 |

Community loans

The fair value of community loans is \$120,000 (2014: \$98,948). Fair value is the same as the carrying value because the loan was repaid in full less than three months after balance date. Last year fair value was determined using cash flows discounted at 3.1%.

The face value of community loans is \$120,000 (2014: \$120,000).

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 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|---|---|---|---|
| Forbes Road Sub-Division | 285 | 828 | 285 | 828 |
| Foxton Beach Holiday Park assets (excl. land) | - | 240 | - | 240 |
| Surplus land / properties | 190 | - | 190 | - |
| Total assets held for sale | 475 | 1,068 | 475 | 1,068 |

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 six of the 41 sections remaining in the Forbes Road subdivision will be sold in the next 12 months.

11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2015

| 2015 | Cost / revaluation 1-Jul-14 | Accumulated depreciation and impairment charges 1-Jul-14 | Carrying amount 1-Jul-14 | Additions 2014/15 | Vested Assets 2014/15 | Disposals at Cost 2014/15 | Depreciation on Disposals 2014/15 | Depreciation 2014/15 | Revaluation 2014/15 | Transfers 2014/15 | Cost / revaluation 30-Jun-15 | Accumulated depreciation and impairment charges 30-Jun-15 | Carrying amount 30-Jun-15 |
|---|-----------------------------------|---|--------------------------------|----------------------|-----------------------------|---------------------------------|---|-------------------------|------------------------|----------------------|------------------------------------|--|---------------------------------|
| Council operational assets | | | | | | | | | | | | | |
| Land | 14,771 | - | 14,771 | - | - | (155) | - | - | - | (180) | 14,436 | - | 14,436 |
| Buildings | 25,816 | - | 25,816 | 1,109 | - | (114) | 33 | (506) | - | 162 | 26,973 | (473) | 26,500 |
| Plant and equipment | 3,269 | (1,628) | 1,641 | 258 | - | (240) | 170 | (273) | - | - | 3,287 | (1,731) | 1,556 |
| Total operational assets | 43,856 | (1,628) | 42,229 | 1,367 | - | (509) | 203 | (779) | - | (18) | 44,696 | (2,204) | 42,492 |
| Council infrastructural assets | | | | | | | | | | | | | |
| Wastewater Treatment | 24,151 | - | 24,151 | 2,339 | - | - | - | (851) | - | - | 26,490 | (851) | 25,639 |
| Wastewater Other | 53,427 | - | 53,427 | 1,647 | 29 | - | - | (1,608) | - | - | 55,103 | (1,608) | 53,495 |
| Water Supply Treatment | 15,164 | - | 15,164 | 1,705 | - | - | - | (592) | - | - | 16,869 | (592) | 16,277 |
| Water Supply Other | 42,251 | - | 42,251 | 1,136 | 37 | - | - | (1,349) | - | - | 43,424 | (1,349) | 42,075 |
| Stormwater Drainage | 31,345 | - | 31,345 | 284 | - | - | - | (488) | - | - | 31,629 | (488) | 31,141 |
| Solid Waste | 4,833 | - | 4,833 | 214 | - | - | - | (218) | - | - | 5,047 | (218) | 4,829 |
| Roads | 149,349 | - | 149,349 | 2,527 | - | - | - | (3,751) | - | - | 151,876 | (3,751) | 148,125 |
| Footpaths | 41,004 | - | 41,004 | 477 | - | - | - | (882) | - | - | 41,481 | (882) | 40,599 |
| Land under roads | 24,285 | - | 24,285 | - | - | - | - | - | - | - | 24,285 | - | 24,285 |
| Total infrastructural assets | 385,808 | - | 385,808 | 10,329 | 66 | - | - | (9,739) | - | - | 396,204 | (9,739) | 386,465 |
| Council restricted assets | | | | | | | | | | | | | |
| Cemeteries | 1,013 | - | 1,013 | 1 | - | - | - | (55) | - | - | 1,014 | (55) | 959 |
| Parks and reserves | 31,622 | - | 31,622 | 245 | - | - | - | (622) | - | 13 | 31,880 | (622) | 31,258 |
| Endowment properties | 7,642 | - | 7,642 | 14 | - | (418) | - | (14) | - | (148) | 7,090 | (14) | 7,076 |
| Total restricted assets | 40,278 | - | 40,278 | 260 | - | (418) | - | (691) | - | (135) | 39,984 | (691) | 39,293 |
| Total council PPE | 469,943 | (1,628) | 468,315 | 11,956 | 66 | (927) | 203 | (11,209) | - | (153) | 480,884 | (12,634) | 468,250 |
| Subsidiary plant, property and equipment | | | | | | | | | | | | | |
| Kete equipment | 16 | (16) | - | - | - | (11) | 11 | (0) | - | - | 5 | (5) | (0) |
| Furniture and fittings | 583 | (112) | 471 | 40 | - | (6) | 5 | (56) | - | - | 617 | (163) | 455 |
| IT equipment | 48 | (43) | 5 | 12 | - | (24) | 23 | (6) | - | - | 36 | (25) | 10 |
| Motor vehicle | - | - | - | 16 | - | - | - | (4) | - | - | 16 | (4) | 12 |
| Books | 1,324 | (575) | 749 | 167 | - | (180) | 84 | (82) | - | - | 1,311 | (573) | 738 |
| Other lending stock | 101 | (87) | 14 | 51 | - | (20) | 18 | (23) | - | - | 132 | (92) | 40 |
| Total subsidiary PPE | 2,072 | (833) | 1,239 | 286 | - | (241) | 141 | (171) | - | - | 2,117 | (863) | 1,255 |
| Total group PPE | 472,016 | (2,461) | 469,554 | 12,242 | 66 | (1,168) | 344 | (11,380) | - | (153) | 483,002 | (13,497) | 469,505 |

Work in progress

Work in progress at 30 June 2015 was \$1,885,568 in buildings (2014: \$915,266), \$4,828,789 in wastewater (2014: \$2,697,047), \$1,207,669 in water (2014: \$408,912), \$76,845 in parks (2014: \$Nil), \$216,080 in solid waste (2014: \$560,892) and \$134,873 in stormwater (2014 \$54,454). They are included in the above assets.

11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2014

| 2014 | Cost / revaluation 1-Jul-13 | Accumulated depreciation and impairment charges 1-Jul-13 | Carrying amount 1-Jul-13 | Additions 2013/14 | Vested Assets 2013/14 | Disposals at Cost 2013/14 | Depreciation on Disposals 2013/14 | Depreciation 2013/14 | Revaluation 2013/14 | Transfers 2013/14 | Cost / revaluation 30-Jun-14 | Accumulated depreciation and impairment charges 30-Jun-14 | Carrying amount 30-Jun-14 |
|---|-----------------------------------|---|--------------------------------|----------------------|-----------------------------|---------------------------------|---|-------------------------|------------------------|----------------------|------------------------------------|--|---------------------------------|
| Council operational assets | | | | | | | | | | | | | |
| Land | 16,186 | - | 16,186 | 117 | - | (193) | - | - | (1,339) | - | 14,771 | - | 14,771 |
| Buildings | 27,355 | (819) | 26,536 | 1,452 | - | (72) | 5 | (475) | (1,625) | - | 25,816 | - | 25,816 |
| Plant and equipment | 2,667 | (1,399) | 1,268 | 667 | - | (64) | 21 | (251) | - | - | 3,269 | (1,628) | 1,641 |
| Total operational assets | 46,208 | (2,218) | 43,990 | 2,236 | | (329) | 26 | (726) | (2,964) | - | 43,856 | (1,628) | 42,229 |
| Council infrastructural assets | | | | | | | | | | | | | |
| Wastewater Treatment | 25,025 | (1,308) | 23,717 | 2,471 | - | - | - | (650) | (1,387) | - | 24,151 | - | 24,151 |
| Wastewater Other | 52,180 | (2,676) | 49,504 | 1,964 | 78 | - | - | (1,344) | 3,225 | - | 53,427 | - | 53,427 |
| Water Supply Treatment | 13,401 | (1,061) | 12,340 | 3,419 | - | - | - | (534) | (61) | - | 15,164 | - | 15,164 |
| Water Supply Other | 40,466 | (2,394) | 38,072 | 802 | 53 | - | - | (1,198) | 4,522 | - | 42,251 | - | 42,251 |
| Stormwater Drainage | 32,863 | (1,022) | 31,841 | 346 | - | - | - | (531) | (311) | - | 31,345 | - | 31,345 |
| Solid Waste | 4,483 | (544) | 3,939 | 564 | - | - | - | (276) | 606 | - | 4,833 | - | 4,833 |
| Roads | 226,263 | (4,761) | 221,502 | 2,292 | 166 | - | - | (3,747) | (70,864) | - | 149,349 | - | 149,349 |
| Footpaths | 41,310 | (795) | 40,515 | 405 | - | - | - | (795) | 879 | - | 41,004 | - | 41,004 |
| Land under roads | 24,285 | - | 24,285 | - | - | - | - | - | - | - | 24,285 | - | 24,285 |
| Total infrastructural assets | 460,276 | (14,561) | 445,715 | 12,263 | 297 | - | - | (9,075) | (63,392) | - | 385,808 | - | 385,808 |
| Council restricted assets | | | | | | | | | | | | | |
| Cemeteries | 993 | (50) | 943 | 107 | - | - | - | (29) | (8) | - | 1,013 | - | 1,013 |
| Parks and reserves | 32,246 | (1,033) | 31,213 | 709 | - | (100) | - | (592) | 392 | - | 31,622 | - | 31,622 |
| Endowment properties | 6,915 | (26) | 6,889 | 587 | - | (713) | - | (20) | 1,498 | (599) | 7,642 | - | 7,642 |
| Total restricted assets | 40,154 | (1,109) | 39,045 | 1,403 | - | (813) | - | (641) | 1,883 | (599) | 40,278 | - | 40,278 |
| Total council PPE | 546,638 | (17,888) | 528,750 | 15,902 | 297 | (1,142) | 26 | (10,442) | (64,473) | (599) | 469,943 | (1,628) | 468,315 |
| Subsidiary plant, property and equipment | | | | | | | | | | | | | |
| Kete equipment | 16 | (16) | - | - | - | - | - | - | - | - | 16 | (16) | - |
| Furniture and fittings | 577 | (57) | 520 | 6 | - | - | - | (55) | - | - | 583 | (112) | 471 |
| IT equipment | 44 | (38) | 6 | 4 | - | - | - | (5) | - | - | 48 | (43) | 5 |
| Motor vehicle | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Books | 1,331 | (557) | 774 | 138 | - | (145) | 66 | (84) | - | - | 1,324 | (575) | 749 |
| Other lending stock | 105 | (91) | 14 | 25 | - | (29) | 26 | (22) | - | - | 101 | (87) | 14 |
| Total subsidiary PPE | 2,073 | (759) | 1,314 | 173 | - | (174) | 92 | (166) | - | - | 2,072 | (833) | 1,239 |
| Total group PPE | 548,711 | (18,647) | 530,064 | 16,075 | 297 | (1,316) | 118 | (10,608) | (64,473) | (599) | 472,016 | (2,461) | 469,554 |

Work in progress

Work in progress at 30 June 2014 was \$915,266 in buildings (2013: \$101,058), \$2,697,047 in wastewater (2013: \$11,990,373), \$408,912 in water (2013: \$1,335,797), \$Nil in parks (2013: \$107,708), \$560,892 in solid waste (2013: \$119,761) and \$54,454 in stormwater (2013 Nil). 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.

12. INTANGIBLE ASSETS

| 2015 | Cost / revaluation 1-Jul-14 | Accumulated amortisation and impairment charges 1-Jul-14 | Carrying amount 1-Jul-14 | Additions 2014/15 | Disposals 2014/15 | Depreciation on Disposals 2014/15 | Amortisation 2014/15 | Revaluation 2014/15 | Transfers 2014/15 | Cost / revaluation 30-Jun-15 | Accumulated amortisation and impairment charges 30-Jun-15 | Carrying amount 30-Jun-15 |
|-------------------------------------|-----------------------------------|---|--------------------------------|----------------------|----------------------|---|-------------------------|------------------------|----------------------|------------------------------------|--|---------------------------------|
| Council intangible assets | | | | | | | | | | | | |
| Easements | 235 | - | 235 | - | - | - | - | - | - | 235 | - | 235 |
| Carbon credits | - | - | - | - | - | - | - | - | - | - | - | - |
| Computer software | 3,364 | (1,728) | 1,636 | 84 | - | - | (275) | - | - | 3,448 | (2,003) | 1,445 |
| Total council intangibles | 3,599 | (1,728) | 1,871 | 84 | - | - | (275) | - | - | 3,683 | (2,003) | 1,680 |
| Subsidiary intangible assets | | | | | | | | | | | | |
| Computer software | 365 | (344) | 21 | - | - | - | (8) | - | - | 365 | (352) | 13 |
| Group intangible assets | 3,964 | (2,072) | 1,892 | 84 | - | - | (283) | - | - | 4,048 | (2,355) | 1,693 |

| 2014 | Cost / revaluation 1-Jul-13 | Accumulated amortisation and impairment charges 1-Jul-13 | Carrying amount 1-Jul-13 | Additions 2013/14 | Disposals 2013/14 | Depreciation on Disposals 2013/14 | Amortisation 2013/14 | Revaluation 2013/14 | Transfers 2013/14 | Cost / revaluation 30-Jun-14 | Accumulated amortisation and impairment charges 30-Jun-14 | Carrying amount 30-Jun-14 |
|-------------------------------------|-----------------------------------|---|--------------------------------|----------------------|----------------------|---|-------------------------|------------------------|----------------------|------------------------------------|--|---------------------------------|
| Council intangible assets | | | | | | | | | | | | |
| Easements | 235 | - | 235 | - | - | - | - | - | - | 235 | - | 235 |
| Carbon credits | 33 | - | 33 | - | (33) | - | - | - | - | - | - | - |
| Computer software | 3,128 | (1,467) | 1,661 | 236 | - | - | (261) | - | - | 3,364 | (1,728) | 1,636 |
| Total council intangibles | 3,396 | (1,467) | 1,929 | 236 | (33) | - | (261) | - | - | 3,599 | (1,728) | 1,871 |
| Subsidiary intangible assets | | | | | | | | | | | | |
| Computer software | 374 | (332) | 42 | - | (9) | 2 | (14) | - | - | 365 | (344) | 21 |
| Group intangible assets | 3,770 | (1,799) | 1,971 | 236 | (42) | 2 | (275) | - | - | 3,964 | (2,072) | 1,892 |

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

| | Council and Group Actual \$ 30 June 2015 \$000 | Council and Group Actual \$ 30 June 2014 \$000 |
|---|--|--|
| Balance at 1 July | 636 | 561 |
| Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes | 275 | 45 |
| Increases due to new planting and pruning | - | 30 |
| Balance 30 June | 911 | 636 |

Council owns 106.2 hectares of pinus radiata forest and other harvestable trees, which are at varying stages of maturity ranging from three to thirty years. This consists of the Ferry Reserve 13.6 ha, Hokio Landfill 39.7 ha, The POT Forest 30.1 ha (commercially viability 25.1 ha) and Target Reserve 22.8 ha.

Independent registered valuers, Forme Consulting Ltd, have valued the forestry assets as at 30 June 2015. Valuation assumptions adopted in determining the fair value of the forestry assets include:

* a pre-tax discount rate of 9% (2014: 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

| | Council and Group Actual \$ 30 June 2015 \$000 | Council and Group Actual \$ 30 June 2014 \$000 |
|--|--|--|
| Balance at 1 July | 5,765 | 5,760 |
| Additions | - | 285 |
| Transfer from/(to) operational assets | | |
| Disposals | - | - |
| Fair value gains/(losses) on valuation | (59) | (280) |
| Balance at 30 June | 5,706 | 5,765 |

Horowhenua District Council's investment properties are valued annually at fair value effective 30 June 2015. 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 2015 was \$5,706,000 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.

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

Contractual obligations in relation to investment properties at balance date but not recognised in the financial statements are as follows:

As at 30 June 2015 there were \$Nil contractual obligations for capital or operating expenditure (2014: \$Nil).

15. INVESTMENTS IN SUBSIDIARIES

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 |
|----------------------------------|---|---|
| Te Horowhenua Trust (100% owned) | 783 | 783 |

16. CREDITORS AND OTHER PAYABLES

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|---|---|---|---|
| | Note | | | |
| Trade payables | | 4,962 | 5,292 | 5,132 |
| Amounts due to related parties | 23 | 2 | 1 | - |
| Deposits and bonds | | 686 | 758 | 686 |
| Accrued expenses | | 964 | 890 | 964 |
| Rates and other revenue in advance | | 725 | 818 | 725 |
| Rates instalment | | - | - | - |
| Other | | 381 | 205 | 381 |
| Term deposit held for Shannon Community Trust | | 350 | 350 | - |
| Total trade and other payables | | 8,070 | 8,314 | 7,888 |
| Exchange transactions | | 6,709 | 7,368 | 6,527 |
| Non exchange transactions | | 1,361 | 946 | 1,361 |
| | | 8,070 | 8,314 | 7,888 |
| | | | | 8,135 |

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.

17a. PROVISIONS

| | Council and Group Actual \$ 30 June 2015 \$000 | Council and Group Actual \$ 30 June 2014 \$000 |
|---|---|---|
| Current provisions are represented by: | | |
| Landfill aftercare | 997 | 880 |
| Financial guarantees | - | - |
| Total current provisions | 997 | 880 |
| Non-current provisions are represented by: | | |
| Landfill aftercare | 2,068 | 2,060 |
| Financial guarantees | - | - |
| Total non-current provisions | 2,068 | 2,060 |
| Total provisions | 3,065 | 2,940 |

| | Landfill Aftercare Actual \$ 30 June 2015 \$000 | Landfill Aftercare Actual \$ 30 June 2014 \$000 |
|--|--|--|
| Provisions for each class are as follows: | | |
| Opening balance | 2,940 | 2,700 |
| Adjustment to provisions made during the year | 125 | 240 |
| Unwinding of discount | - | - |
| Amounts used during the year | - | - |
| Closing balance | 3,065 | 2,940 |

Provision for financial guarantees

Horowhenua District Council is listed as sole guarantor to a community organisation's bank loan. Under each of these 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 2015 (30 June 2014: \$Nil).

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% (2014: 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 2015 (2014: 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 709,000 cubic metres (2014: 747,000) (comprising: refuse, clean fill and cover).

The estimated remaining life is approximately 16 years (2014: 17 years).

17b. OTHER NON-CURRENT LIABILITIES

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|---|---|---|---|
| Development contributions | 458 | 485 | 458 | 485 |
| LGFA amortisations reserves | 609 | 613 | 609 | 613 |
| Swap derivatives | 566 | 209 | 566 | 209 |
| Total other non-current liabilities | 1,634 | 1,307 | 1,634 | 1,307 |

18. EMPLOYMENT BENEFIT LIABILITIES

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|--|--|--|--|
| Accrued pay | 504 | 181 | 520 | 183 |
| Annual leave | 500 | 470 | 568 | 533 |
| Long service leave | 110 | 86 | 110 | 86 |
| Retirement gratuities | 68 | 70 | 131 | 133 |
| Sick leave | - | - | - | - |
| Total employee benefit liabilities | 1,182 | 807 | 1,329 | 935 |
| Comprising: | | | | |
| Current | 1,004 | 651 | 1,088 | 716 |
| Non-current | 178 | 156 | 241 | 219 |
| Total employee benefit liabilities | 1,182 | 807 | 1,329 | 935 |

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 Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|-------------------------------------|--|--|--|--|
| Current | | | | |
| Bank overdraft | - | - | - | - |
| Secured loans | 2,000 | 10,750 | 2,000 | 10,750 |
| Total current borrowings | 2,000 | 10,750 | 2,000 | 10,750 |
| Non-current | | | | |
| Secured loans | 58,000 | 46,000 | 58,000 | 46,000 |
| Total non-current borrowings | 58,000 | 46,000 | 58,000 | 46,000 |

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 \$39,000,000 (2014: \$42,750,000) is issued at rates of interest fixed at time of issue.

Floating rate debt

Horowhenua District Council has \$21,000,000 on current floating rate (2014: \$14,000,000). The interest rate is reset quarterly based on the 90 day bill rate plus a margin for credit risk.

Security

Horowhenua District Council no longer has a bank overdraft facility (2014: There was a facility of \$500,000).

The secured loans are secured over the rates of the Council.

Maturity analysis and effective interest rates

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 |
| | 2015 | 2014 | 2015 | 2014 |
| | \$000 | \$000 | \$000 | \$000 |
| Less than one year | 2,000 | 10,750 | - | - |
| Effective weighted average interest rate | 4.78% | 6.14% | - | - |
| Later than one year but not more than five years | 25,000 | 27,000 | - | - |
| Effective weighted average interest rate | 4.99% | 5.03% | - | - |
| Later than five years | 33,000 | 19,000 | - | - |
| Effective weighted average interest rate | 4.83% | 5.28% | - | - |
| Total | 60,000 | 56,750 | - | - |

Fair value of non-current borrowings

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

| | Carrying amounts | | Fair values | |
|---------------|------------------|-----------|-------------|-----------|
| | Actual \$ | Actual \$ | Actual \$ | Actual \$ |
| | 30 June | 30 June | 30 June | 30 June |
| | 2015 | 2014 | 2015 | 2014 |
| | \$000 | \$000 | \$000 | \$000 |
| Secured Loans | 58,000 | 46,000 | 58,000 | 46,000 |

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 borrowing rates ranging from 3.905% to 7.05% (2014: 4.39% to 7.05%).

Internal borrowings

Information about internal borrowing per activity is provided on the activity funding impact statements on pages 106-176.

LGFA covenant compliance as at 30/06/15

| | 2015 | 2015 | 2015 |
|--|--------|---------------|---------------------|
| | Actual | Council limit | LGFA lending policy |
| Net debt to total operating revenue | 146% | | < 175% |
| Gross debt per capita | 1,993 | < 2,500 | |
| Gross debt as a percentage of total assets | 12% | < 15% | |
| Net interest to total operating revenue | 7% | | < 20% |
| Net interest to annual rates income | 10% | | < 25% |
| Gross interest to annual rates income | 10% | < 25% | |
| Available financial accommodation to external indebtedness | 117% | | > 110% |

20. EQUITY

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|--|--|--|--|
| Retained earnings | | | | |
| As at 1 July | 269,134 | 271,307 | 269,743 | 271,978 |
| Transfers to: | | | | |
| Special funds | (2,105) | (930) | (2,105) | (930) |
| Transfers from: | | | | |
| Special funds | 831 | 976 | 831 | 976 |
| Asset revaluation reserve on disposals | - | - | - | - |
| Surplus/(deficit) for the year | (2,951) | (2,219) | (2,883) | (2,281) |
| As at 30 June | 264,909 | 269,134 | 265,586 | 269,743 |
| Other reserve funds (refer to separate schedule on page 27) | | | | |
| As at 1 July | 4,936 | 4,982 | 4,936 | 4,982 |
| Transfers to: | | | | |
| Retained earnings | (831) | (976) | (831) | (976) |
| Transfers from: | | | | |
| Retained earnings | 2,105 | 930 | 2,105 | 930 |
| As at 30 June | 6,210 | 4,936 | 6,210 | 4,936 |
| Asset revaluation reserves | | | | |
| As at 1 July | 147,449 | 208,958 | 147,449 | 208,958 |
| Revaluation gains/(losses) | - | (61,509) | - | (61,509) |
| Transfers to: | | | | |
| Retained earnings on disposal of property, plant and equipment | - | - | - | - |
| As at 30 June | 147,449 | 147,449 | 147,449 | 147,449 |
| Asset revaluation reserves consist of: | | | | |
| Operational assets | | | | |
| Land and Buildings | - | - | - | - |
| Infrastructural assets | | | | |
| Sewerage system | 33,102 | 33,102 | 33,102 | 33,102 |
| Water system | 23,951 | 23,951 | 23,951 | 23,951 |
| Stormwater drainage system | 18,499 | 18,499 | 18,499 | 18,499 |
| Solid Waste | 1,028 | 1,028 | 1,028 | 1,028 |
| Roading network | 60,783 | 60,783 | 60,783 | 60,783 |
| Restricted assets | | | | |
| Cemeteries | 115 | 115 | 115 | 115 |
| Parks and reserves | 8,359 | 8,359 | 8,359 | 8,359 |
| Endowment property | 1,612 | 1,612 | 1,612 | 1,612 |
| Total | 147,449 | 147,449 | 147,449 | 147,449 |
| Total equity | 418,568 | 421,519 | 419,245 | 422,128 |

Refer to reserve funds statement, pages 27-32, for details on restricted reserves and Council created reserve funds

21. CAPITAL COMMITMENTS AND OPERATING LEASES

Capital expenditure contracted at balance date for (but not yet incurred for) property, plant and equipment:

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|----------------------------|--|--|--|--|
| Capital commitments | | | | |
| Wastewater Treatment | 279 | - | 279 | - |
| Water Treatment | 1,588 | 933 | 1,588 | 933 |
| Wastewater Other | 1,795 | 776 | 1,795 | 776 |
| Water Other | 154 | 111 | 154 | 111 |
| Total | 3,816 | 1,820 | 3,816 | 1,820 |

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:

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|--|--|--|--|
| Non-cancellable operating leases as lessee | | | | |
| Less than one year | 200 | 333 | 200 | 340 |
| Later than one year but not more than five years | 68 | 152 | 68 | 152 |
| Later than five years | - | - | - | - |
| Total non-cancellable operating leases | 267 | 485 | 267 | 492 |

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:

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|--|--|--|--|
| Non-cancellable operating leases as lessor | | | | |
| Less than one year | 651 | 961 | 651 | 961 |
| Later than one year but not more than five years | 1,108 | 1,892 | 1,108 | 1,892 |
| Later than five years | 1,332 | 1,483 | 1,332 | 1,483 |
| Total non-cancellable operating leases | 3,091 | 4,336 | 3,091 | 4,336 |

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.

22. CONTINGENCIES

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|------------------|---|---|---|---|
| Guarantees | 32 | 37 | 32 | 37 |
| Government grant | 5,219 | 5,219 | 5,219 | 5,219 |

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 \$65,000.

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. Currently Horowhenua District Council has no intention of selling the residential housing.

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.

The site of the Foxton Mitre 10 building is included in the designs for the new Te Awahou Nieuwe Stroom facility. The Mitre 10 building is partly constructed on land owned by neither Mitre 10 nor Horowhenua District Council. Horowhenua District Council has applied to the Māori Land Court for relief from this encroachment. The owners remain committed to reaching a negotiated outcome to this matter. The maximum potential liability for Horowhenua District Council is \$20,000 and a piece of land, being a purchase negotiated with the owners.

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+.

Council has several ongoing legal proceedings. The outcome of these remains uncertain at the end of the reporting period. The maximum financial exposure anticipated to be less than \$300,000.

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 2015, NZLGFA had borrowings totalling \$5,274M (2014: \$3,825M).

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.

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 one claim with the Weathertight Homes Resolution Service (WHRS claim 07477). This claim has been accepted as valid and will be liable for 25% of the value of repairs. This 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 2015 there were 24 facilities having an approximate value of \$8.02M (2014: 24 facilities, \$8.02M). 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.

23. RELATED PARTY TRANSACTIONS

Te Horowhenua Trust

In 1996 Council set up the Horowhenua Library Trust (HLT) and then on 4 of March 2011 changed its name to Te Horowhenua Trust (THT).

The primary objective of THT is the delivery of library services on behalf of the Council.

THT is considered to be a council controlled organisation under the Local Government Act 2002.

A description of the library activities and comparisons between the actual performance and the key performance measures set out in the LTP 2012-2022 is contained in Section 1 under the Community Support Group of Services.

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

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 |
|--|---|---|
| Te Horowhenua Trust | | |
| Grant received from Council | 1,698 | 1,500 |
| Contract income provided by HDC to Te Horowhenua Trust | 115 | 214 |
| Other grants and income received by Te Horowhenua Trust from HDC | 18 | 68 |
| Other services to Te Horowhenua Trust from HDC | 123 | 77 |
| Payment for services provided by HDC | - | 79 |
| Accounts payable to Te Horowhenua Trust | 2 | 1 |
| Accounts receivable by HDC | 14 | 7 |

The Council does not receive rental payments from Te Horowhenua Trust for the building Te Takere occupies and the Council owns.

Manawatu/Wanganui Local Authorities Shared Services Limited

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 \$1,000 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 2010/11, 2012/12, 2012/13, 2013/14 and 2014/15.

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 |
|--|---|---|
| Manawatu/Wanganui Local Authorities Shared Services Limited | | |
| E-Road hardware | 7 | 9 |
| Regional archives project | 54 | 59 |
| Benchmarking project | - | 4 |
| Valuation services and share of fixed charges | 12 | 5 |
| Consultant expenses share | - | 6 |
| Debt Collection Process | 26 | - |
| Insurance Review | 3 | - |
| Online Economic Profiles Subscription | 13 | - |

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:

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 |
|---|---|---|
| Canvasland Holdings Ltd (in which Mayor B Duffy is a shareholder) purchase of goods or services. | 2 | 11 |
| Canvasland Sunshades Ltd (in which Mayor B Duffy is a shareholder) purchase of goods or services. | 5 | 1 |

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2014: \$Nil).

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 |
|---|---|---|
| Key management personnel compensation | | |
| Councillors | | |
| <i>Remuneration</i> | 342 | 320 |
| Full-time equivalent members* | 11 | 11 |
| Senior Management Team, including the Chief Executive | | |
| <i>Remuneration</i> | 987 | 1,125 |
| Full-time equivalent members | 7 | 7 |

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

24. REMUNERATION

| | Council Actual \$ 30 June 2015 | Council Actual \$ 30 June 2014 |
|------------------------|---|---|
| Chief Executive | | |
| Salary | 222,514 | 215,000 |
| Vehicle (FBT) | 10,352 | 6,040 |
| | 232,866 | 221,040 |

For the period 1 July 2014 to 30 June 2015 the total annual cost of the remuneration package received by the Chief Executive is calculated as \$232,866 (2014: \$221,040) including FBT.

| | Council Actual \$ 30 June 2015 | Council Actual \$ 30 June 2014 |
|---|---|---|
| Elected representatives | | |
| Mayor B J Duffy | 94,090 | 89,812 |
| Councillors: | | |
| D Allan (Chair of the Hearings Committee) | - | 8,202 |
| G Good | 32,300 | 27,724 |
| A Hunt | - | 5,602 |
| B Judd | - | 8,202 |
| V Kaye-Simmons | 23,140 | 21,558 |
| L McMeeken | - | 5,682 |
| N Murray | - | 5,602 |
| A Rush | 25,688 | 23,015 |
| R Shaw | - | 5,682 |
| W Bishop | 28,235 | 22,277 |
| R Brannigan | 23,140 | 15,896 |
| R Campbell | 23,140 | 15,896 |
| M Feyen | 23,140 | 15,896 |
| J Mason | 23,140 | 16,615 |
| C Mitchell | 23,140 | 16,615 |
| P H Tukapua | 23,140 | 15,896 |
| | 342,293 | 320,172 |

Foxton Beach Community Board

| | | |
|-----------------|---------------|---------------|
| J Smart (Chair) | 11,440 | 7,877 |
| N Ellwood | - | 1,647 |
| G Gimblett | - | 4,728 |
| P Metcalf | 5,840 | 5,585 |
| D Roache | 5,840 | 5,585 |
| B Vertongen | 5,840 | 5,587 |
| A Street | 5,840 | 4,018 |
| | 34,800 | 35,027 |

| Council employees | Council Actual 30 June 2015 | Council Actual 30 June 2014 |
|--|--|--|
| Total annual remuneration by band | | |
| <60,000 | 86 | 80 |
| \$60,000 - \$79,999 | 31 | 23 |
| \$80,000 - \$99,999 | 12 | 11 |
| \$100,000 - \$119,999 | 6 | 6 |
| \$120,000 - \$240,000 | 7 | 5 |
| Total employees | 142 | 125 |

At balance date, the Council employed 106 (2014: 86) full-time employees, with the balance of staff representing 11 (2014: 21) full-time equivalent employees. A full-time employee is determined on the bases of a 40-hour working week.

25. SEVERANCE PAYMENTS

For the year ended 30 June 2015 Horowhenua District Council made seven severance payments to employees totalling \$106,428 (2014: \$30,790). The seven payments made were \$7,678, \$24,663, \$23,030, \$1,000, \$6,971, \$36,600 and \$6,486 (2014 three of \$21,727, \$6,000 and \$3,063).

26. EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance date.

27. FINANCIAL INSTRUMENTS

27a. FINANCIAL INSTRUMENT CATEGORIES

| | Note | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|-------------|---|---|---|---|
| FINANCIAL ASSETS | | | | | |
| Loans and receivables | | | | | |
| Cash and cash equivalents | 7 | 7,856 | 5,435 | 7,940 | 5,481 |
| Debtors and other receivables | 8 | 5,381 | 6,539 | 5,446 | 6,572 |
| Other financial assets: | | | | | |
| - term deposits | 9 | 350 | - | 350 | 350 |
| - community loans | 9 | 120 | 120 | 120 | 120 |
| - derivative interest rate swap | | - | - | - | - |
| Total loans and receivables | | 13,707 | 12,094 | 13,856 | 12,523 |
| Fair value through other comprehensive revenue and expense | | | | | |
| Unlisted shares in NZLGIC Limited | 9 | 104 | 104 | 104 | 104 |
| Unlisted shares in MWLASS | 9 | 1 | 1 | 1 | 1 |
| Unlisted shares in LGFA | 9 | 100 | 100 | 100 | 100 |
| LGFA borrowers notes | 9 | 803 | 551 | 803 | 551 |
| Total financial assets | | 14,715 | 12,850 | 14,864 | 13,279 |

| | Note | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|------|--|--|--|--|
| FINANCIAL LIABILITIES | | | | | |
| Fair Value through surplus or deficit – held for trading | | | | | |
| Derivative financial instrument liabilities | 33 | 566 | 208 | 566 | 208 |
| Financial liabilities at amortised cost | | | | | |
| Creditors and other payables | 16 | 8,070 | 8,314 | 7,888 | 8,135 |
| Borrowings: | | | | | |
| - bank overdraft | 7 | - | - | - | - |
| - secured loans | 19 | 60,000 | 56,750 | 60,000 | 56,750 |
| Total financial liabilities at amortised cost | | 68,636 | 65,272 | 68,454 | 65,093 |

27b. 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.

27c. 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 2015 | | | | |
| <i>Financial assets</i> | | | | |
| Shares | 205 | - | - | 205 |
| LGFA borrower notes | 803 | - | - | 830 |
| <i>Financial liabilities</i> | | | | |
| Swap derivatives | 566 | - | 566 | - |
| Group 2015 | | | | |
| <i>Financial assets</i> | | | | |
| Shares | 205 | - | - | 205 |
| LGFA borrower notes | 803 | - | - | 830 |
| <i>Financial liabilities</i> | | | | |
| Swap derivatives | 566 | - | 566 | - |
| Council 2014 | | | | |
| <i>Financial assets</i> | | | | |
| Shares | 205 | - | - | 205 |
| LGFA borrower notes | 551 | - | - | 551 |
| <i>Financial liabilities</i> | | | | |
| Swap derivatives | 208 | - | 208 | - |
| Group 2014 | | | | |
| <i>Financial assets</i> | | | | |
| Shares | 205 | - | - | 205 |
| LGFA borrower notes | 551 | - | - | 551 |
| <i>Financial liabilities</i> | | | | |
| Swap derivatives | 208 | - | 208 | - |

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 (2014:\$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 22.

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:

| | | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--------------------------------|------------|---|---|---|---|
| Cash at bank and term deposits | 7 | 8,206 | 5,785 | 8,290 | 5,830 |
| Debtors and other receivables | 8 | 5,381 | 6,539 | 5,446 | 6,572 |
| Community loans | 9 | 120 | 120 | 120 | 120 |
| Swap Derivatives | 17b | 566 | 209 | 566 | 209 |
| Total credit risk | | 14,273 | 12,653 | 14,422 | 12,731 |

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:

| | | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|---|--|--|--|--|
| Counterparties with credit ratings | | | | | |
| Cash at bank and term deposits: | | | | | |
| AA- | 7 | 8,206 | 5,785 | 8,290 | 5,829 |
| Total cash at bank and term deposits | | 8,206 | 5,785 | 8,290 | 5,829 |
| Counterparties without credit ratings | | | | | |
| Community loans: | | | | | |
| Existing counterparties with no defaults in the past | | | | | |
| | 9 | 120 | 120 | 120 | 120 |
| Existing counterparties with defaults in the past | | | | | |
| | | - | - | - | - |
| Total community loans | | 120 | 120 | 120 | 120 |

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.

Horowhenua District Council cancelled its overdraft facility this year. Last year it had an overdraft facility with a \$500,000 limit.

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

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

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 22.

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.

| | Note | Carrying Amount \$000 | Contractual Cash Flow \$000 | <1 Year \$000 | 1-2 Years \$000 | 2-5 Years \$000 | >5 Years \$000 |
|------------------------------|------|-----------------------------|-----------------------------------|---------------------|-----------------------|-----------------------|----------------------|
| Council 2015 | | | | | | | |
| Creditors and other payables | 16 | 8,070 | 8,070 | 8,070 | - | - | - |
| Secured loans | 19 | 60,000 | 74,188 | 2,083 | 9,724 | 18,535 | 43,846 |
| Swap derivatives | 33 | 566 | 518 | 192 | 172 | 154 | - |
| Total | | 68,636 | 82,776 | 10,345 | 9,896 | 18,689 | 43,846 |
| Group 2015 | | | | | | | |
| Creditors and other payables | 16 | 7,888 | 7,888 | 7,888 | - | - | - |
| Secured loans | 19 | 60,000 | 74,188 | 2,083 | 9,724 | 18,535 | 43,846 |
| Swap derivatives | 33 | 566 | 518 | 192 | 172 | 154 | - |
| Total | | 68,454 | 82,593 | 10,162 | 9,896 | 18,689 | 43,846 |
| Council 2014 | | | | | | | |
| Creditors and other payables | 16 | 8,314 | 8,314 | 8,314 | - | - | - |
| Secured loans | 19 | 56,750 | 59,322 | 11,389 | 2,080 | 26,162 | 19,691 |
| Swap derivatives | 33 | 209 | 155 | 93 | 62 | - | - |
| Total | | 65,273 | 67,791 | 19,796 | 2,142 | 26,162 | 19,691 |
| Group 2014 | | | | | | | |
| Creditors and other payables | 16 | 8,135 | 8,135 | 8,135 | - | - | - |
| Secured loans | 19 | 56,750 | 59,322 | 11,389 | 2,080 | 26,162 | 19,691 |
| Swap derivatives | 33 | 209 | 155 | 93 | 62 | - | - |
| Total | | 65,094 | 67,612 | 19,617 | 2,142 | 26,162 | 19,691 |

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 2015 | | | | | | | |
| Cash and cash equivalents | 7 | 7,856 | 7,856 | 7,856 | - | - | - |
| Debtors and other receivables | 8 | 5,381 | 5,381 | 5,381 | - | - | - |
| Other financial assets: | | | | | | | |
| * term deposits | 9 | 350 | 350 | 350 | - | - | - |
| * community loans | 9 | 120 | 120 | 120 | - | - | - |
| Total | | 13,707 | 13,707 | 13,707 | - | - | - |
| Group 2015 | | | | | | | |
| Cash and cash equivalents | 7 | 7,940 | 7,940 | 7,940 | - | - | - |
| Debtors and other receivables | 8 | 5,446 | 5,446 | 5,446 | - | - | - |
| Other financial assets: | | | | | | | |
| * term deposits | 9 | 350 | 350 | 350 | - | - | - |
| * community loans | 9 | 120 | 120 | 120 | - | - | - |
| Total | | 13,856 | 13,856 | 13,856 | - | - | - |
| Council 2014 | | | | | | | |
| Cash and cash equivalents | 7 | 5,435 | 5,435 | 5,435 | - | - | - |
| Debtors and other receivables | 8 | 6,539 | 6,539 | 6,539 | - | - | - |
| Other financial assets: | | | | | | | |
| * term deposits | 9 | - | - | - | - | - | - |
| * community loans | 9 | 120 | 167 | 17 | 17 | 46 | 87 |
| Total | | 12,094 | 12,141 | 11,991 | 17 | 46 | 87 |
| Group 2014 | | | | | | | |
| Cash and cash equivalents | 7 | 5,480 | 5,480 | 5,480 | - | - | - |
| Debtors and other receivables | 8 | 6,572 | 6,572 | 6,572 | - | - | - |
| Other financial assets: | | | | | | | |
| * term deposits | 9 | 350 | 350 | 350 | - | - | - |
| * community loans | 9 | 120 | 167 | 17 | 17 | 46 | 87 |
| Total | | 12,521 | 12,569 | 12,419 | 17 | 46 | 87 |

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 | 30 June 2015 Council & Group -100bps | 30 June 2015 Council & Group +100bps | 30 June 2014 Council & Group -100bps | 30 June 2014 Council & Group +100bps |
|------------------------------|---|---|---|---|
| Financial assets | | | | |
| Cash and cash equivalents | (79) | 79 | (56) | 56 |
| Financial liabilities | | | | |
| Borrowings | 190 | (190) | 140 | (140) |

Cash and cash equivalents include deposits at call totalling \$7,856,000 (2014: \$5,550,000) which are at floating rates. A movement of interest rates of plus or minus 1% has an effect on interest revenue of \$78,560 (2014: 55,500).

Borrowings include total debt of \$21,000,000 (2014: \$14,000,000) on current floating rates.

28. BUDGETS FOR YEAR ENDED 30 JUNE 2015

Budgets are as per the annual plan, 2014/2015

29. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

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

30. FINANCE LEASES

Council does not have any finance leases (30 June 2014:\$Nil).

31. RECONCILIATION OF SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|--|--|--|--|
| Surplus (deficit) | (2,951) | (2,219) | (2,883) | (2,281) |
| Add/(less) non-cash items: | | | | |
| Depreciation and amortisation | 11,483 | 10,708 | 11,662 | 10,888 |
| Bad and doubtful debts expense | - | - | - | - |
| Other including vested and donated assets | (66) | (296) | (73) | (304) |
| Net gains and losses and other non-current movements | (291) | 2,749 | (192) | 2,829 |
| Impairment of non-current assets | - | - | - | - |
| Add/(less) movements in working capital: | | | | |
| Increase/(decrease) in accounts receivable | 1,048 | 290 | 1,010 | 305 |
| Increase /(decrease) in current liabilities | 751 | (957) | 768 | (1,019) |
| Net cash flows from operating activities | 9,974 | 10,275 | 10,293 | 10,418 |

32. 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 27 - 32 for Council created reserves.

33. DERIVATIVE FINANCIAL INSTRUMENTS

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|---|---|---|---|---|
| Current portion | | | | |
| Interest rate swaps – fair value hedges | - | - | - | - |
| Non-current liability | | | | |
| Interest rate swaps – fair value hedges | (566) | (208) | (566) | (208) |
| Total derivative financial instrument assets | (566) | (208) | (566) | (208) |

Non-current liability

This is included under other non-current liability in the financial position on Page 21.

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 (2014 \$7,000,000 and \$4,000,000) and for the Horowhenua District Council Group were \$11,000,000 (2014 \$11,000,000). At 30 June 2015, the fixed interest rate of the cash flow hedge interest rate swap was 5.37% and 4.96% respectively (2014 5.37% and 4.96%).

34. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 |
|--------------------------|---|---|
| Community support | 130 | 108 |
| Environmental services | 72 | 65 |
| Parks and recreation | 695 | 642 |
| Property | 443 | 434 |
| Roading | 4,634 | 4,542 |
| Solid waste | 247 | 304 |
| Stormwater | 488 | 531 |
| Waste water | 2,460 | 1,994 |
| Water supply | 1,934 | 1,732 |
| Council operating assets | 382 | 356 |
| Total | 11,483 | 10,708 |

35. INSURANCE OF ASSETS

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 |
|--|---|---|
| Total value of assets covered by insurance contracts | 95,497 | 92,402 |
| Maximum amount of insurance | 183,130 | 166,033 |
| Total value of assets covered by financial risk sharing arrangements | 126,711 | 126,993 |
| Maximum amount available under those arrangements | 117,929 | 118,481 |
| Total value of assets that are self-insured | 254,814 | 258,258 |
| 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.

36. REPLACEMENT COST OF CORE INFRASTRUCTURAL ASSETS

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 |
|--|---|---|
| Waste water treatment plant and facilities | 36,424 | 34,085 |
| Water other | 81,367 | 80,231 |
| Water treatment plant and facilities | 28,787 | 27,082 |
| Wastewater other | 114,296 | 112,649 |
| Stormwater | 45,397 | 45,113 |
| Solid waste | 7,884 | 7,670 |
| Roading and footpaths | 303,977 | 300,973 |
| | 618,132 | 607,803 |

37. Tax

| | Council Actual \$ 30 June 2015 \$000 | Council Actual \$ 30 June 2014 \$000 | Group Actual \$ 30 June 2015 \$000 | Group Actual \$ 30 June 2014 \$000 |
|--|---|---|---|---|
| Components of tax expense | | | | |
| Current tax | - | - | - | - |
| Tax expense | - | - | - | - |
| Relationship between tax expense and accounting surplus | | | | |
| Surplus/(deficit) before tax | (2,951) | (2,219) | (2,883) | (2,281) |
| Tax at 28% | (826) | (621) | (807) | (639) |
| Plus/(less) tax effect of: | - | - | - | - |
| Non-deductible expense | 826 | 621 | 807 | 639 |
| Non-deductible revenue | - | - | - | - |
| Tax expense | - | - | - | - |

Benchmarks Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2015

The purpose of this statement is to disclose the Council's financial performance in relations to rates affordability, debt affordability, balanced budget, essential services, debt servicing, debt control, and operations control.

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

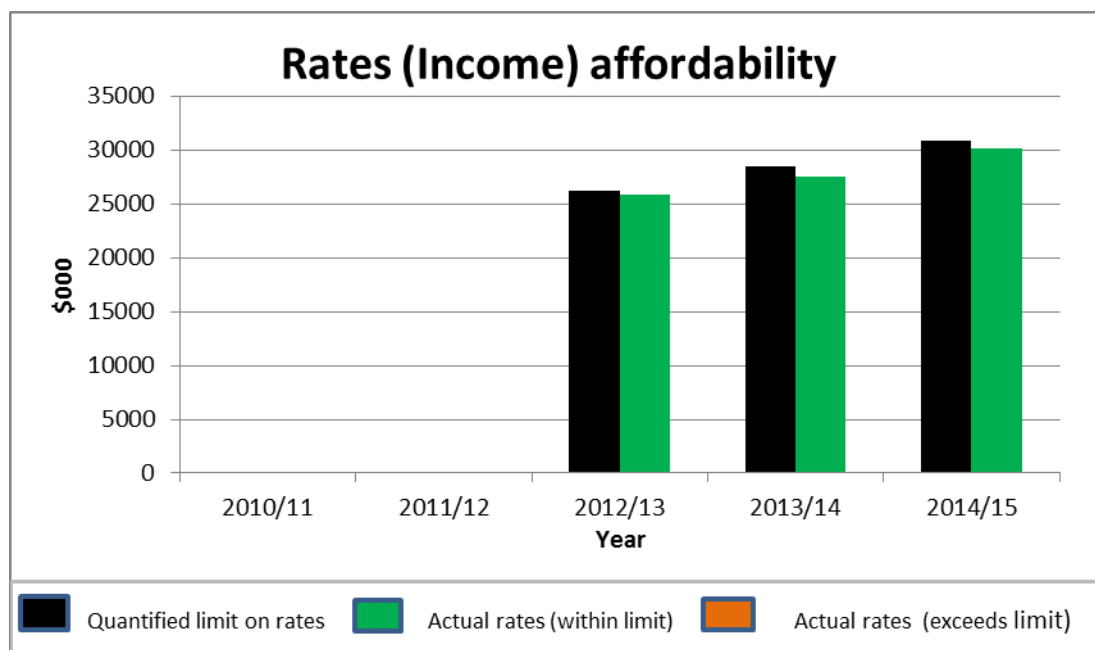
Rates affordability benchmarks

The Council meets the rates affordability benchmark if its:

- Actual or planned rates income for the year equals or is less than each qualified limit on rates; and
- Actual or planned rates increases for the year equal or are less than each qualified limit on rates increases.

Rates (income) affordability

The following graph compares the Council's actual rates income for 2012/13, 2013/14 and 2014/15 years with a quantified limit on rates contained in the financial strategy included in the Council's Long-Term Plan 2012-2022. All limits are based on the previous years' actual rates income adjusted for the projected maximum rates increase noted in rates increases affordability benchmark. The quantified limit in the 2012-2022 Long-Term Plan is \$26,216,000 (2012/13), \$28,465,000 (2013/14) and \$30,848,000 (2014/15). The financial strategy was adopted in the Long Term Plan 2012-2012 therefore no comparatives are available for 2011/12 and 2010/11.

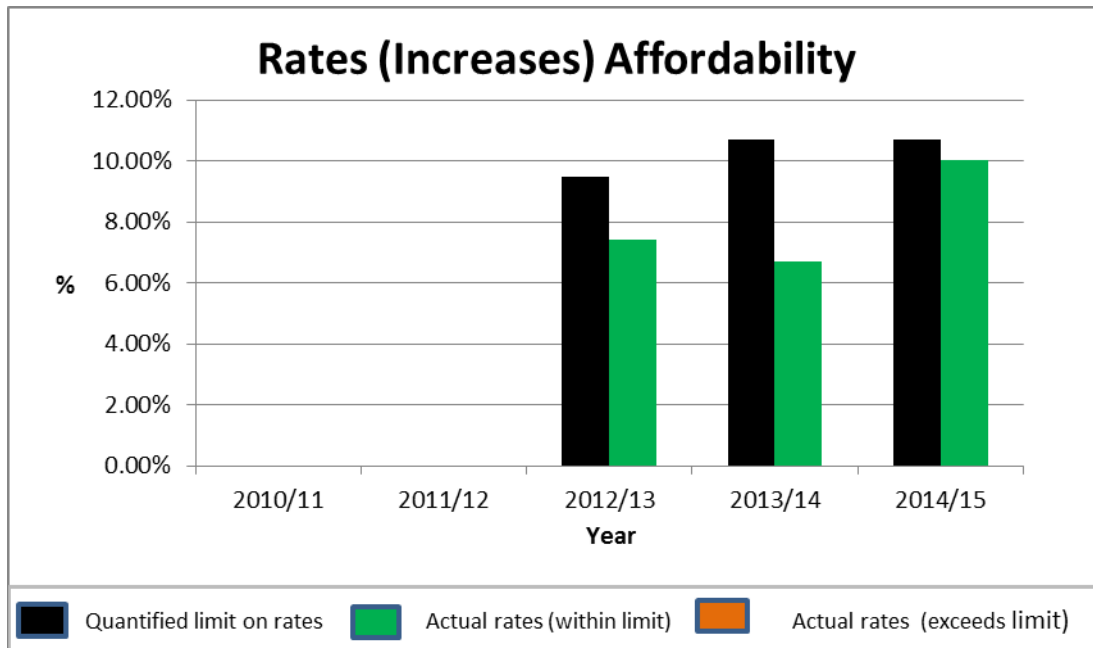


Rates (increases) affordability

The following graph compares the Council's actual rate increase for the 2012/13, 2013/14 and 2014/15 years with a quantified limit on rates increases contained in the financial strategy included on the Council's Long Term Plan 2012-2022. The financial strategy was adopted in the Long Term Plan 2012-2012 therefore no comparatives are available for 2011/12 and 2010/11.

The quantified limits are as follows:

- 2012/13 9.50%
- 2013/14 10.70%
- 2014/15 10.50%



Debt affordability benchmark

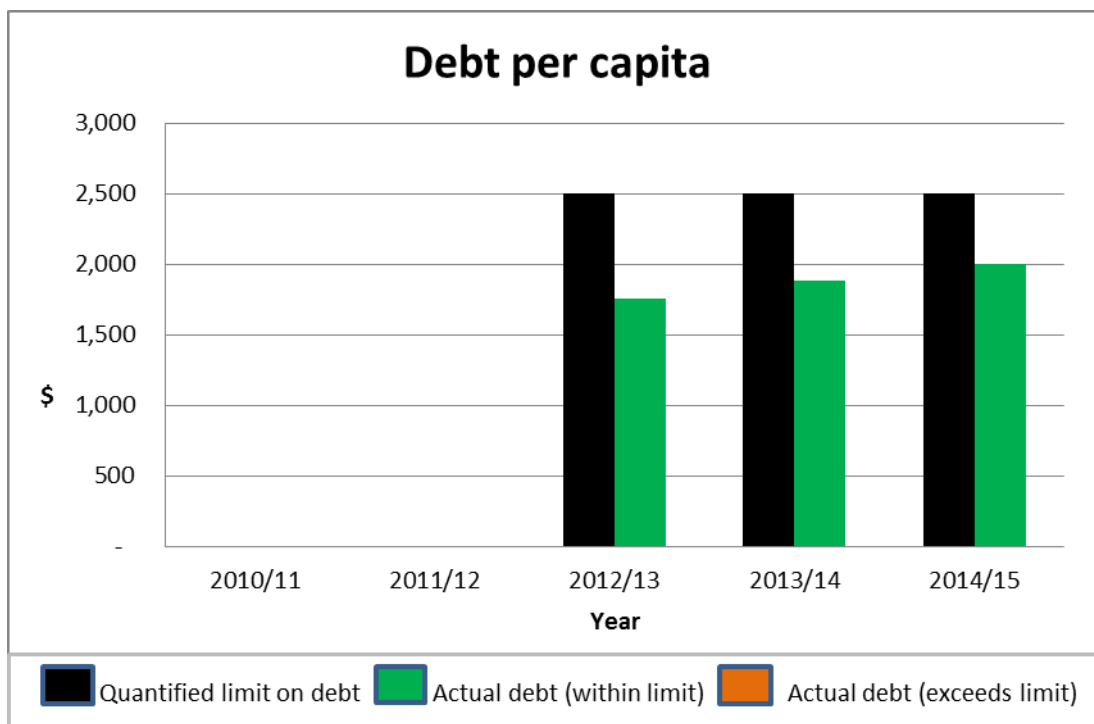
The Council meets the debt affordability benchmark for a year if actual or planned borrowing for the year is within each quantified limit on borrowing.

The Council quantified limits on borrowing are found in the liability management policy in the Long Term Plan 2012-2022 for 2012/13, 2013/14 and 2014/15. The two previous year limits are found in the liability management policy in the Long Term Council Community Plan 2009-2019. These limits are decided on by Council. Where previous years are not shown, it indicated a quantified limit had not been set at that time.

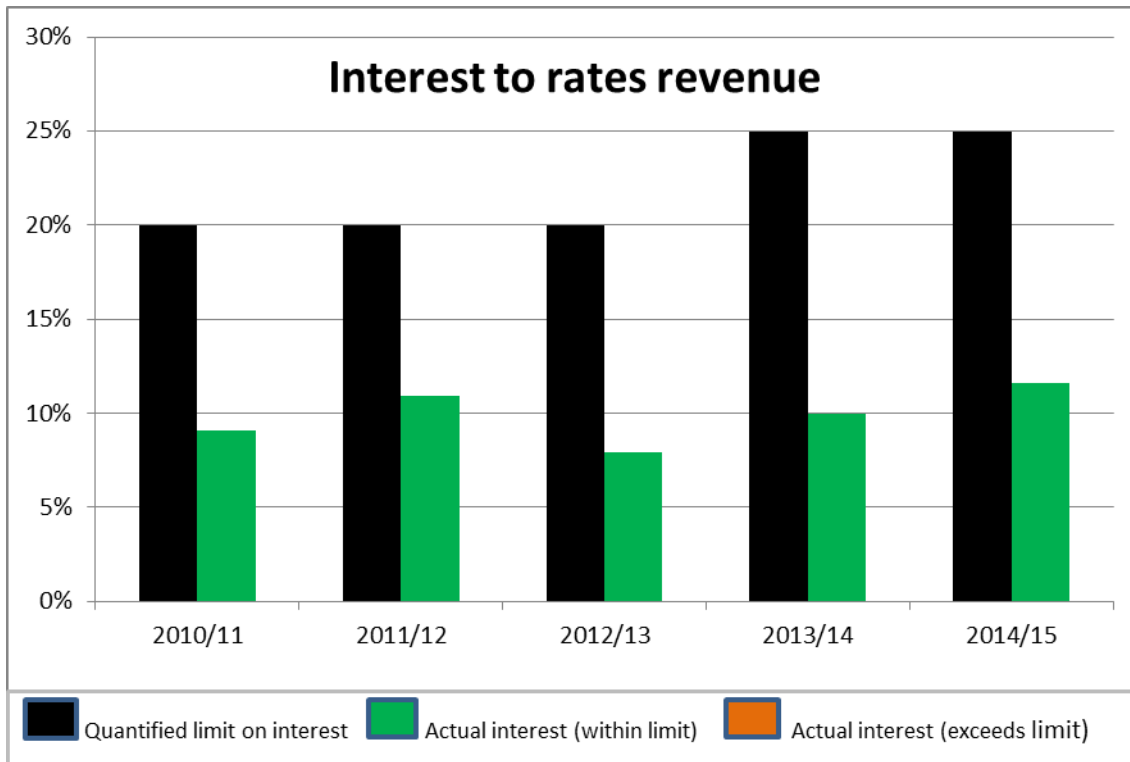
The limits are as follows:

- Debt per capita shall not exceed \$2,500.00
- Gross annual interest costs debt will not exceed 25% of total rates revenue
- Total debt as a percentage of total assets will not exceed 15%

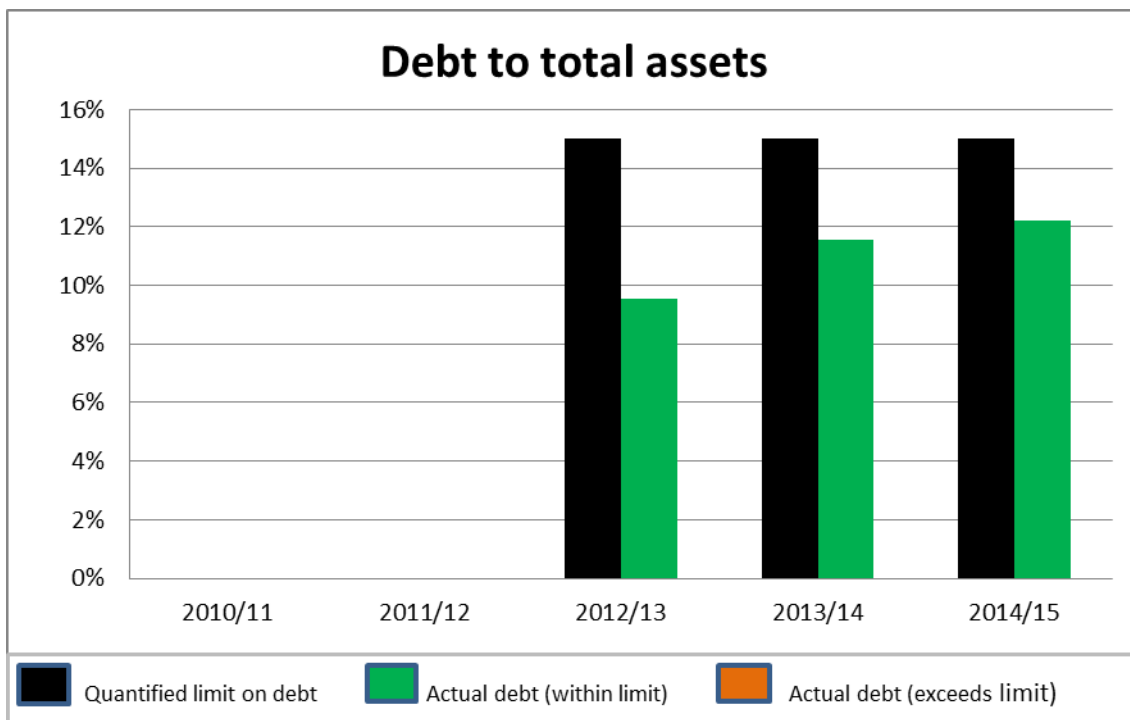
The following graph compares the Council's gross debt divided by the total population of the district to provide a per capita outcome.



The following graph compares the Council's gross annual interest cost as a proportion of annual rates income.



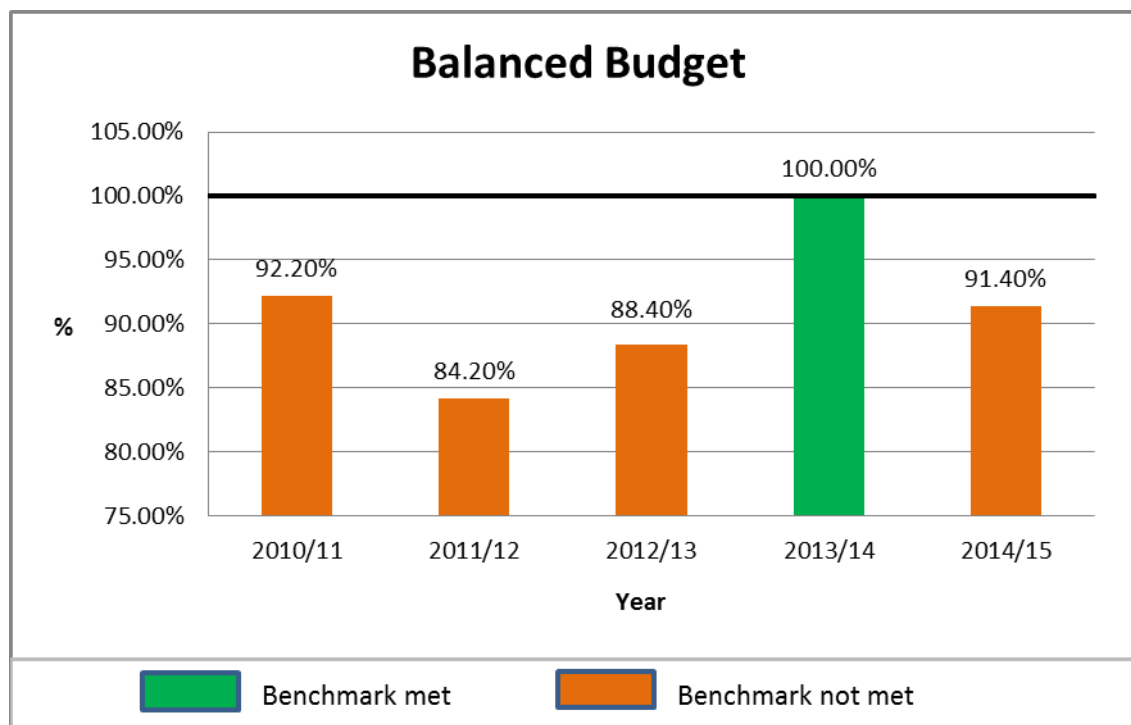
The following graph compares the Council's total debt divided by the total assets excluding trade and other receivables.



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

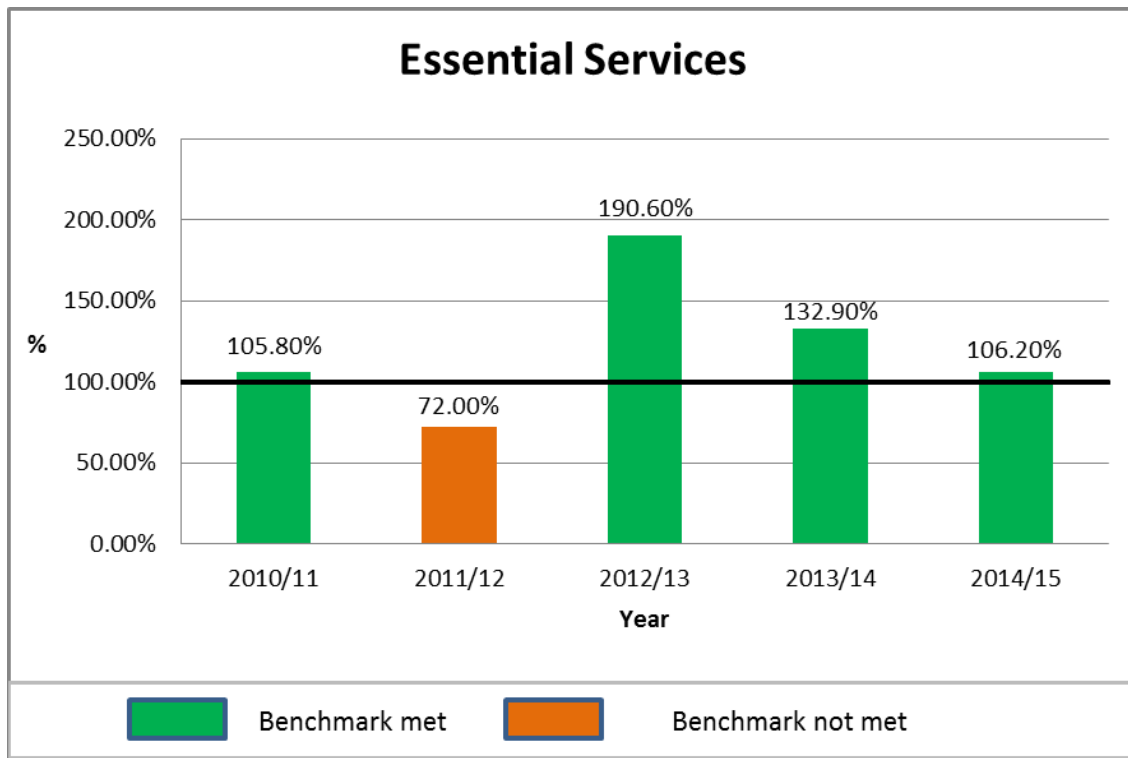
In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only 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.

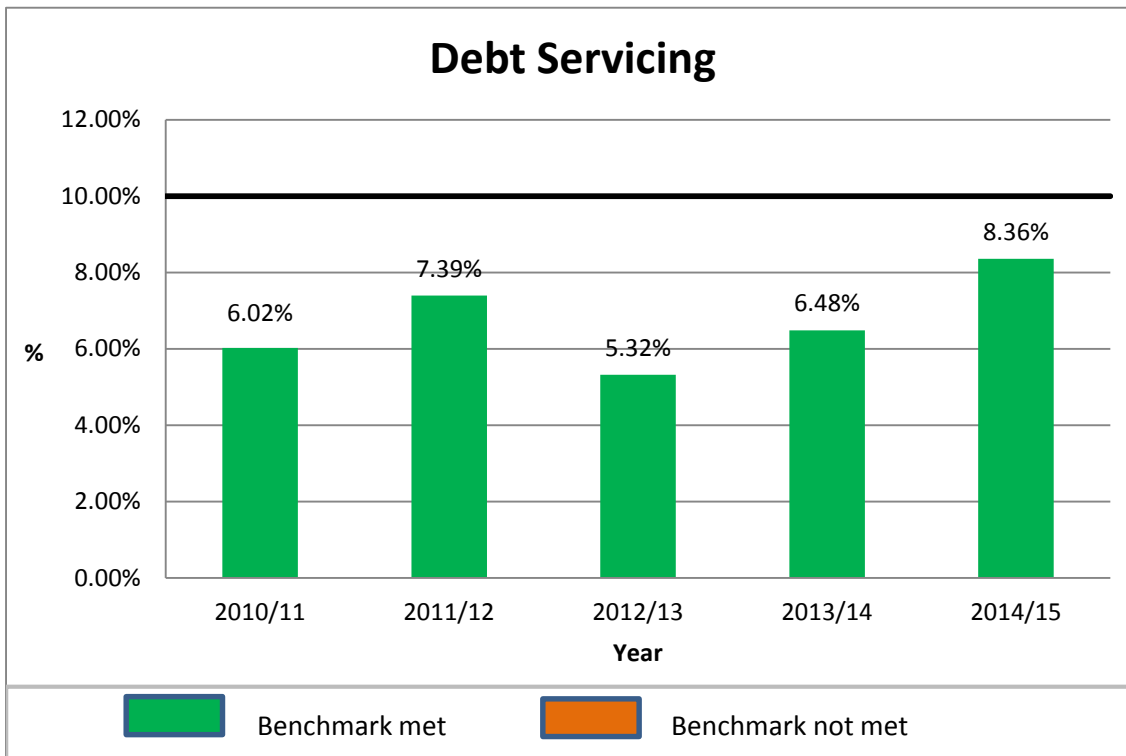
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

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.



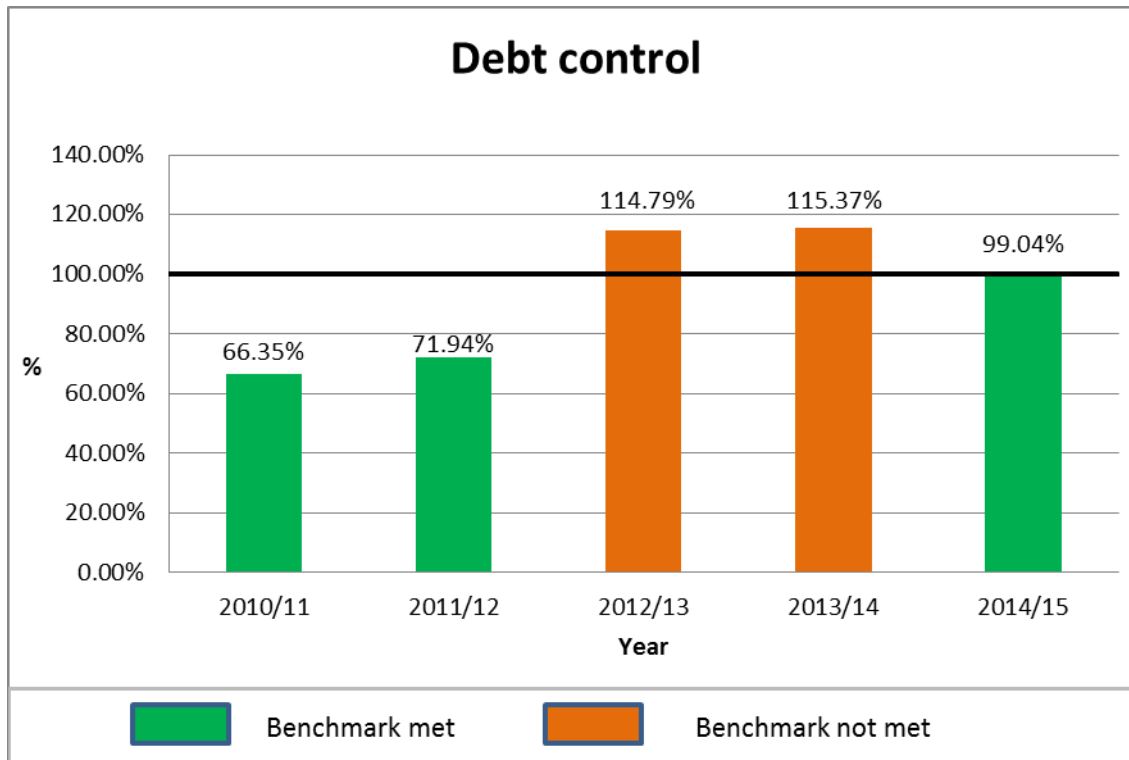
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt control benchmark if its borrowing costs are equal or less than 10% of its revenue, (excluding development contributions, financial contributions, vested 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 projected debt levels in 2009-2019 Long Term Council Community Plan 2009-2019 for the first two years and the Long Term Plan 2012-2022 for 2012/13, 2013/14 and 2014/15.



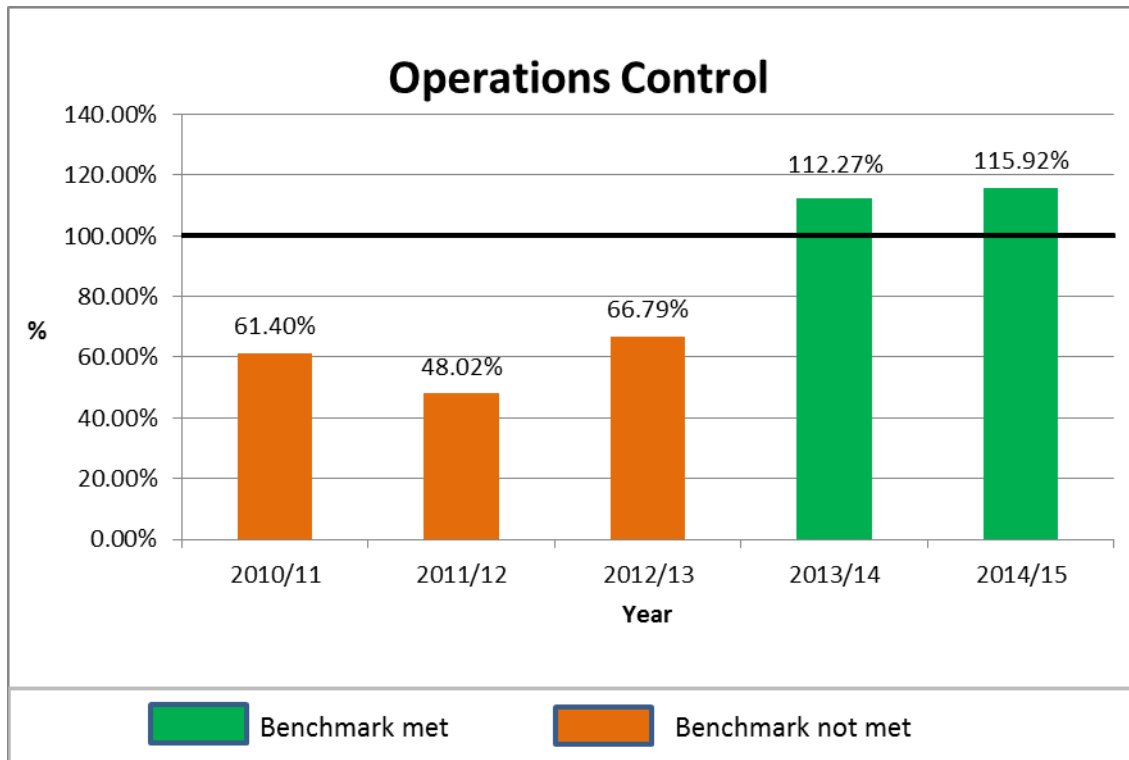
Explanation on debt control benchmark

The reason for not meeting the benchmark in the 2012/13 and 2013/14 financial years 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.



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, Te Horowhenua Trust (formerly Horowhenua Library Trust) and Shannon Community Development Trust, 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 2015. The financial statements were authorised for issue by Council on 28 October 2015.

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, Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (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.

This is the first set of financial statements of the Council and Group that is presented in accordance with PBE standards. There were no material adjustments arising on transition to the new PBE accounting standards.

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

In May 2013, the External Reporting Board (XRB) issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporated requirements and guidance for the not-for-profit sector. These updated standards apply to PBE's with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2016 financial statements. The Council expects there will be minimal or no change applying these updated accounting standards.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Consolidation

The consolidated financial statements are prepared by adding together the items as assets, liabilities, equity income 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 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% |
| | 40 years | 2.5% |

| | Useful Life | Depreciation Rate |
|--|-----------------|-------------------|
| OPERATIONAL ASSETS | | |
| Roofing 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 | 57 years | 1.76% |
| Crossings | 41 years | 2.43% |
| Streetlights | 12 years | 8.57% |
| Surfacing | 1 to 25 years | 4% to 100% |
| 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 2014.

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 2014.

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 30 June 2014 using unit rates reviewed by Robert Berghuis (NZCE, REA) of Beca and 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 2014.

Land under the roads is valued at deemed cost.

The landfill infrastructure was valued in two parts, both as at 30 June 2014. 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.

Emission Trading Scheme New Zealand Units (NZU's)

Council has been allocated and holds NZU's in respect of its forestry stands in the district. NZU's are initially recorded at cost and are subsequently measured at fair value each balance date. Any movement in fair value is recognised in surplus or deficit. Costs associated with maintaining NZU's are recognised as an expense when incurred.

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 27 to 32.

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 2014/15 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 four community outcomes specified in the Council's Strategic Plan:

THE VISION FOR THE ECONOMY

In 2015 the Horowhenua District will have:

- A greater range of employment opportunities and increased level of employment than exists at present.
- Increased economic activities as measured by a variety of local economic indicators.
- Increased average household income to at least the national average.
- Increased visitor numbers and visitor spending.

THE VISION FOR THE COMMUNITY

In 2015 the Horowhenua District will have:

- Sustained and sustainable urban growth focused on specifically identified areas.
- A strong, distinctive and widely recognised identity.
- Individual communities which have retained their unique characteristics and which complement the district.
- A vibrant, healthy, safe and friendly community.
- Vigorous leadership of, and advocacy for, the district in a democratic and participatory way.
- Opportunities for a balanced, healthy, stress free lifestyle with an abundance of outside recreational features.

THE VISION FOR THE INFRASTRUCTURE

In 2015 the Horowhenua District will have:

- Services and products which are capable of meeting the changing needs of, and are accessible to, communities, industry, and visitors. They must also meet environmental standards, and be affordable to the community.

THE VISION FOR THE ENVIRONMENT

In 2015 the Horowhenua District will have:

- Outstanding natural district features that are preserved at least in their present state, and can be appreciated and enjoyed. These include: mountains, rivers, lakes, rural landscapes, native forests and coastal areas.
- Urban environments with few, or no, neighbourhood hazards, unsightly features or other detractions which have adequate amenities with good access, and generous, attractive landscaping.
- All wastes disposed of - or reused - in a way that avoids any significant adverse effects on the environment and sustains the life supporting capacity of the natural environment.

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 LTP Year 3 2014/15. 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 LTP Year 3 2014/15.

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:

Environmental services: includes development and/or enforcement of bylaw and legislation to protect the environment and the health and safety of the community e.g. resource and building consents and health licensing.

Parks and recreation: facilities for recreation and the beautification of the environment e.g. swimming pools, sports grounds, passive reserves, beautification and also public cemeteries.

Roading: a safe efficient land transport infrastructure for the community e.g. roads, bridges, footpaths, stormwater drainage.

Water supply: safe drinking water for five townships and untreated water for two rural water races, important for the community's health and economy.

Wastewater disposal: the disposal of wastewater from five communities, for the health of the people and the protection of the environment.

Solid waste management: the management of refuse and other solid waste generated by the community e.g. transfer stations, landfill, recycling services.

Libraries: these activities provide a wide range of library services in three communities, which contributes to their education and cultural pursuits.

Community support: a range of services that help the community help itself, e.g. emergency management, community development, tourism and economic development, grants to community groups, arts and culture.

Properties: a variety of community property e.g. pensioner flats, public toilets, public halls, commercial property, endowment property.

Representation and governance: activities that provide the local governance for the district – elected representatives and framework for consultation and decision-making.

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 2014/15.

Environmental Services

STATEMENT OF SERVICE PERFORMANCE

1. RATIONALE

The Horowhenua District Council has determined a range of eight community outcomes to which its activities contribute. Those addressed by Environmental Services management include:

HEALTH: A community where all people have the opportunity to enjoy long and healthy lives.

ECONOMIC: A community where all people have access to a range of local business and employment opportunities and a community where all people have access to an adequate standard of living.

ENVIRONMENT: The natural and built environment in which people live is sustainable.

SAFETY: A community where all people enjoy personal safety and security within the community.

| Activity | Wellbeing | Community outcome | Council role |
|-----------------------------|-------------------------------|-------------------|--------------|
| District planning | Environmental | Environment | Regulator |
| Health and safety licensing | Social and cultural | Health, safety | Regulator |
| Building control | Social and cultural | Safety | Regulator |
| Animal control | Social and cultural | Safety | Regulator |
| Parking enforcement | Economic, social and cultural | Economic, safety | Regulator |

2. DESCRIPTION OF ACTIVITIES

2.1 District planning

Horowhenua has a rich, diverse natural environment:

- West coast beaches
- One of the largest and most complex dune-lands in the world
- Sensitive dune lakes
- Coastal lowlands
- Flora and fauna
- Māori culture and heritage
- Manawatu River Estuary
- Streams and rivers
- The Tararua Ranges to the east
- A fertile plain that permits intensive agriculture e.g. dairying, market gardening, orchards, flower growing.

Resource management planning is necessary to ensure that the growth of the district can take place whilst avoiding or mitigating activities, problems or nuisances that adversely affect this valued environment.

The Council encourages sustainable resource management practices that will preserve the potential of the natural environment for future generations by:

- Monitoring the state of the environment
- Developing and reviewing the District Plan
- Enforcing the District Plan
- Hearing, and granting or declining, applications for land use consents and subdivision consents
- Issuing land information memoranda (LIMs).

A major statutory undertaking is the preparation and review of the District Plan. Council has recently completed a review of the District Plan with the second generation District Plan becoming operative on 1 July 2015. Ongoing revisions and changes to the District Plan will be undertaken to recognise changing legislative requirements and local environmental pressures.

2.2 Health and safety licensing

Over the years central Government has passed legislation and regulations that set minimum standards of public health and safety.

These enable and/or require Council to monitor and mitigate problems, nuisances and threats to public health at the local level.

The activities necessary for this include:

- Registering, inspecting and investigating complaints about commercial food premises
- Considering and approving, or declining applications as the District Licensing Committee
- Providing a noise complaints service
- Disposing of abandoned vehicles
- Investigating the illegal dumping of rubbish.

2.3 Building control

Everyone needs to be able to assume that the buildings in which they live, work, shop, play and visit for any reason are not dangerous or unsanitary.

The Council's building control service has been accredited by the Department of Building and Housing to ensure that certain minimum standards of health and safety are met in all new building construction works.

This includes:

- Considering and approving, or declining, applications for building consents
- Issuing code of compliance certificates for buildings that comply with the building code
- Maintaining compliance schedules
- Receipting warrants of fitness
- Monitoring the work of independent building certifiers
- Inspecting the fencing of swimming pools
- Issuing Project Information Memoranda (PIMs)
- Providing free information and advice on building matters.

2.4 Animal control

There are 6,440 dogs in Horowhenua. Some are kept for companionship, some for security and some for business. The public has concerns about the risks associated with animals and with dogs, in particular:

- Fouling in public places
- Barking to the point of nuisance
- Dangerous or aggressive behaviour.

Wandering livestock can also be a problem - a danger to people, traffic and flora.

The Council is therefore involved in:

- The registration and micro-chipping of dogs
- Ranging, on the outlook for animal nuisances
- Responding to complaints about dangerous or wandering dogs and livestock
- Impounding stray dogs and livestock
- Educating the public on the responsibilities of dog ownership
- Protecting against damage to fragile areas.

2.5 Parking enforcement

The Council has parking meters in the Levin CBD as a means of rationing prime parking spaces.

These and other parking restrictions (e.g. car parks for the disabled) are enforced by Parking Enforcement Officers.

Traffic safety is also promoted by policing expired vehicle registrations and warrants of fitness.

3. MEASURING PERFORMANCE

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|--|--|--|---|
| <p>District planning - policy:</p> <p>A District Plan that responds to the needs of a modern community and its environment.</p> | To present to the Council any plan changes required to further complete the District Plan Review, reflect decisions on the District Plan Review, Plan Changes 20 and 22 or requirements arising from legislative amendments. | | Achieved. Proposed Plan Variations 1-3 were notified in August 2014. The hearings for these three Plan Variations were held in November 2014. The Decisions of the Hearings Committee were adopted by Council on 3 June 2015 and notified on 12 June 2015. One appeal has been received in relation to Plan Variation 1. | Not a measure last year. |
| | | To present the Proposed District Plan, following hearings, to Council for Adoption prior to the 2013 Local Government elections within the available budget. | Achieved. The Proposed District Plan decisions were adopted by Council for notification on 2 October 2013 prior to the elections ending on 12 October 2013. The decisions were notified on 16 October 2013. The appeals to the Environment Court have been resolved and on 3 June 2015 Council approved the Proposed District Plan to become operative on 1 July 2015. The Project was undertaken within the available budget. | Achieved. The period for appeals on the proposed District Plan closed during December 2013 with four appeals lodged with the Environment Court. Five parties have joined two of these appeals as interested parties. Officers have negotiated and reached settlements with appellants on two of the four appeals. The Environment Court has signed-off consent orders for both these appeals. Officers have commenced Environment Court assisted mediation on the remaining outstanding appeals. Those rules in the Proposed Plan that are not subject to appeal are now being treated as being operative. The project remained within budget prior to the 2013 Local Government elections. |
| | To resolve outstanding Environment Court appeals and make the Proposed District Plan operative. | | Achieved. The period for appeals on the Proposed District Plan closed during December 2013 with four appeals lodged with the Environment Court. Officers have negotiated and reached settlements with appellants on all four appeals. The Environment Court has signed-off consent orders for these appeals. Council approved the Operative District Plan on 3 June 2015 with the District Plan made operative 1 July 2015. | Not a measure last year. |
| | Ensure that the Council's webpage relating to the District Plan review is current at all times. | Ensure that the Council's webpage relating to the District Plan review is current at all times. | Achieved. The web pages for the District Plan have been updated regularly to ensure they were current at all times. | Achieved. The District Plan review webpage has been updated to reflect the current status of the project. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|---|---|---|---|
| District planning - policy: A District Plan that responds to the needs of a modern community and its environment. | To monitor and respond to all known and reported instances of non-compliance with the District Plan or any resource consent. | To monitor and respond to all known and reported instances of non-compliance with the District Plan or any resource consent. | Achieved. As at 30 June 2015, the number of Consents Monitored = 48 Response within two working days = 45 (95%) Response > 2 days = 3 (received over the Christmas period). | Achieved. 32 complaints were received with 32 complaints responded in two working days. |
| | To develop a State of the Environment Monitoring Strategy to inform future District Plan Monitoring Reports. | | Not achieved. The Environmental Monitoring Strategy was to be developed after the Proposed District Plan had been made operative. The Proposed Plan was made operative 1 July 2015. The Environmental Monitoring Strategy will therefore now be prepared and finalised in 2015/16 financial year. | Not a measure last year. |
| District planning - resource consenting: Applications under the Resource Management Act are processed efficiently, in time and in accordance with best practice. | All applications under the Resource Management Act will be processed within statutory timeframes and within budget. | All applications under the Resource Management Act will be processed within statutory timeframes and within budget. | Achieved. 125 applications have been accepted being 23 subdivision consents, 93 land use consents and 9 other RMA applications and all (100%) have been processed within statutory timeframes. | Achieved. 138 applications were accepted, being 38 subdivision consents, 85 land use consents and 15 other RMA applications have been approved and processed within the statutory time frames and budget. |
| | Resource consents will be monitored for compliance with conditions imposed and action will be taken as appropriate to ensure compliance. Target 100%. | Resource consents will be monitored for compliance with conditions imposed and action will be taken as appropriate to ensure compliance. Target 100%. | Achieved. 71 monitored consents, in which 49 complied, 21 enforcement warnings were issued and 1 abatement notice was issued. | Achieved. 93 monitored consents, in which 39 complied, and there are 54 warnings issued |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|---|--|---|
| <p>Food safety:</p> <p>Food services used by the community are healthy and safe.</p> | Compliance with food safety legislation is monitored and enforced in all relevant premises. | Compliance with Food Safety legislation is monitored and enforced in all relevant premises. | <p>Achieved. 158 premises required to comply with food safety requirements. Monitoring is undertaken by an inspection and/or audit process.</p> <p>As at 30 June 2015, 160 inspections have been conducted; however 1 premise was not audited/inspected for 2014/15 year as it delayed its audit at their request pending resolution of issues with regard to the future of the organisation.</p> <p>There are often more inspections in the year than registered premises if premises have opened or closed or changes hands during the year.</p> <p>The gradings at 30 June 2015 are: A Grade = 134 B Grade = 11 Ungraded = 1 New = 11 Grade Not Required = 1 Not Yet Graded = 0</p> | <p>Achieved. 154 premises required to comply with food safety requirements. Monitoring is undertaken by an inspection and/or audit process.</p> <p>As at 30 June 2014, 154 premises are registered.</p> <p>All food premises are graded annually: A Grade = 131 B Grade = 17 Ungraded = 1 New = 4 Grade Not Required = 1 Not Yet Graded = 0</p> |
| <p>Health and safety licensing:</p> <p>Bylaw and other legislative requirements are complied with.</p> | A noise complaints response service will be provided at all times. | A noise complaints response service will be provided at all times. | Achieved. A noise complaint service has been provided 24 hours a day, seven days a week. As at 30 June 2015, there have been 1,961 complaints, resulting in 261 verbal directions being given, 237 Noise Abatement Notices being issued, and 11 equipment seizures. Police assistance has been required on 19 occasions and no Infringements were issued. | Achieved. A noise complaint service has been provided 24 hours a day, seven days a week. As at 30 June 2014, there have been 2,298 complaints, resulting in 354 verbal directions being given, 198 Noise Abatement Notices being issued, and there were 13 equipment seizures. Police assistance has been required on 30 occasions and 2 Infringements were issued. |
| | Public safety bylaws and other legislation will be enforced as appropriate. | Public Safety bylaws and other legislation will be enforced as appropriate. | Achieved. These have been enforced as breaches occur. | Achieved. Public safety bylaws have been enforced as breaches occur. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|--|--|---|---|
| <p>Liquor licensing:</p> <p>Sale of liquor is controlled to ensure compliance with legislation.</p> | Monitoring of all licensed premises to ensure full compliance with the Sale of Liquor Act and license conditions. | Monitoring of all licensed premises to ensure full compliance with the Sale of Liquor Act and Licence conditions. | <p>Achieved. As at 30 June 2015, there were 71 licensed premises. All have been inspected (100%).</p> <p>A Controlled Purchase Operation (CPO) in conjunction with Police and Public Health partner agencies was conducted in September and one (1) "On Licence" premises sold to a minor.</p> <p>A second CPO was held in December where one (1) premises sold to a minor.</p> | <p>Achieved. As at 30 June 2014, there were 76 licensed premises. All have been inspected (100%).</p> <p>A Controlled Purchase Operation (CPO) in conjunction with police and public health partner agencies was conducted on 6 December 2013 of thirteen (13) "off" licence premises. One (1) premises sold to a minor. Enforcement action has resulted in the premises being unable to sell alcohol for a seven (7) day period.</p> <p>A second CPO was conducted on 2 May 2014 of fifteen (15) "off" Licence premises. All Complied.</p> |
| <p>Building control:</p> <p>Building consent applications are processed within statutory timeframes in accordance with statutory accredited requirements.</p> | Council will maintain its accredited status as a Building Consent Authority and act in accordance with accredited policies and procedures. | Council will maintain its accredited status as a Building Consent Authority and act in accordance with accredited policies and procedures. | <p>Achieved. Council is an accredited Building Consent Authority (BCA). The latest assessment was held on 28-30 April 2015 and the BCA received re-accreditation without receiving any Corrective Action Requirements.</p> <p>The next assessment is scheduled for 2017.</p> | <p>Achieved. Council is an accredited Building Consent Authority (BCA). The last assessment was held on the 16-18 April 2013 and the BCA received reassessment without receiving any corrective action requirements.</p> <p>Next BCA accreditation assessment is due in 2015/16.</p> |
| | The Council will meet all requirements of the Building Act in relation to the performance of Territorial Authorities. | The Council will meet all requirements of the Building Act in relation to the performance of Territorial Authorities. | Achieved. Applications for Code Completion Certificates (CCC's) will be assessed on whether to issue or not within statutory timeframes. The statutory timeframe is 20 working days. As at 30 June 2015, there were 413 CCC's received and all 100% have been processed in less than 20 working days. | Achieved. There were 439 CCC Applications received, with 439 issued within 20 working days (100%). |
| | 1/3 of Pools on the Council register will be inspected annually for compliance. | | Achieved. There are 230 pools on the register with 77 (33.35%) inspections carried out in the year. | Achieved. Currently there are 190 pools on the register with 89 (46.8%) inspections carried out in the year. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|--|--|--|---|
| Building control: Building consent applications are processed within statutory timeframes in accordance with statutory accredited requirements. | Building warrant of fitness | | There are 300 properties on the Building Warrant of Fitness (BWOF) Register which must be annually renewed. As at 30 June 2015 there have been 232 BWOF's renewed. | There are 335 properties on the Building Warrant of Fitness (BWOF) Register which must be annually renewed. As at 30 June 2014 there have been 241 BWOF's renewed. |
| | Earthquake-prone buildings | | There are 128 Earthquake-Prone Buildings listed on the register as potentially earthquake-prone or earthquake risk. | There are 94 earthquake-prone buildings listed on the register |
| Animal control: Animal nuisances will be responded to. | The registration and classification of all known dogs within the District in accordance with the requirements of the Dog Control Act. | The registration and classification of all known dogs within the District in accordance with the requirements of the Dog Control Act. | Achieved. As at 30 June 2015, there are 6,440 dogs which have been registered and 85 that were unregistered. Dogs are classified as follows: Dangerous = 19 Menacing by Breed = 188 Menacing by Deed = 65 | Achieved. As at 30 June 2014, there are 6,239 dogs which have been registered and 105 that were unregistered 405 infringement notices have been issued to owners of dogs. Dog classifications: Dangerous = 20 Menacing by breed = 188 Menacing by deed = 65 |
| | The application and enforcement of the Dog Control Bylaw and Stock Control Bylaw. | The application and enforcement of the Dog Control Bylaw and Stock Control Bylaw. | Achieved. Owners of known errant dogs will be prosecuted where appropriate. As at 30 June 2015, there is currently one (1) disqualified dog owner and one prosecution is pending. Stock impoundings = 29 Dog impoundings = 529 | Achieved. Owners of known errant dogs will be prosecuted where appropriate – five persecutions completed. There is currently one probationary dog owner and one disqualified dog owner. Stock impoundings = 8 Dog impoundings = 619 |
| Parking enforcement: People can access car parks in Levin. | All restricted parking spaces in the Levin CBD will be fully enforced under the provisions of the Council's Bylaw and the Transport Regulations. | All restricted parking spaces in the Levin CBD will be fully enforced under the provisions of the Council's Bylaw and the Transport Regulations. | Achieved. Enforcement was conducted each working day. | Achieved. Enforcement was conducted each working day. |

4. ACQUISITION AND RENEWAL OF ASSETS

The assets used in the provision of environmental services are mainly vehicles, pounds and parking meters. Renewal expenditure relating to these assets during the year ended 30 June 2015 was:

| | Annual Plan 2014/15 \$000 | Actual 2014/15 \$000 | Variance \$000 | Notes |
|--|--|-------------------------------------|---------------------------|--------------|
| Environmental Services | | | | |
| Primary Type Renewals (Replace existing assets) | | | | |
| Motor Vehicles Animal Control | 15 | 32 | 17 | 1 |
| Overheads | 1 | - | (1) | |
| | <u>16</u> | <u>32</u> | <u>16</u> | |
| | | | | |
| Make up of above projects by % of type | | | | |
| Renewals - replacing existing assets | 16 | 32 | 16 | |
| Improve Level of Service | - | - | - | |
| Growth - to meet additional demand | - | - | - | |
| | <u>16</u> | <u>32</u> | <u>16</u> | |

Notes

1. New vehicle purchased with tough deck and load lid added.

Significant acquisitions of assets

There were no significant acquisitions in the year

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

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 2015 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 for civil defence emergency management events and a volunteer rural fire capability as required.</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. |
| Environment | A full review of the District Plan was completed in 2015 with the final Environment Court appeals having been resolved. The Council's second generation District Plan was approved by Council in June 2015 to become operative on 1 July 2015. The District Plan review process has included a high degree of formal and informal public consultation. |

Environmental Services

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | Notes |
|--|--|--|--|----------------------------------|------------------------------------|-------|
| Sources of Operating Funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | 1,616 | 1,980 | 1,662 | 1,662 | - | |
| Targeted rates (other than a targeted rate for water by meter supply) | - | - | - | - | - | |
| Subsidies and grants for operating purposes | - | - | - | - | - | |
| Fees, charges and targeted rates for water by meter supply | 2 | 2 | 3 | 4 | 1 | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 2,189 | 2,250 | 2,175 | 1,998 | (177) | 1 |
| Internal charges and overheads recovered | - | - | - | - | - | |
| Total Operating Funding (A) | 3,807 | 4,232 | 3,840 | 3,664 | (176) | |
| Applications of Operating Funding | | | | | | |
| Payments to staff and suppliers | 781 | 591 | 603 | 525 | (78) | |
| Finance Costs | 108 | 141 | 155 | 143 | (12) | |
| Internal charges and overheads applied | 3,291 | 3,384 | 3,228 | 3,270 | 42 | |
| Total applications of operating funding (B) | 4,180 | 4,116 | 3,986 | 3,938 | (48) | |
| Surplus (deficit) of operating funding (A - B) | (373) | 116 | (146) | (274) | (128) | |
| Sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | |
| Development and financial contributions | - | - | - | - | - | |
| Increase (decrease) in debt | 504 | (39) | 162 | (127) | (289) | 3 |
| Gross proceeds from sale of assets | - | - | - | - | - | |
| Total sources of capital funding (C) | 504 | (39) | 162 | (127) | (289) | |
| Applications of capital funding | | | | | | |
| Capital expenditure | | | | | | |
| - to meet additional demand | - | 22 | - | - | - | |
| - to improve the level of service | - | - | - | - | - | |
| - to replace existing assets | 131 | 55 | 16 | 32 | 16 | |
| Increase (decrease) in reserves | - | - | - | (433) | (433) | |
| Increase (decrease) of investments | - | - | - | - | - | |
| Total applications of capital funding (D) | 131 | 77 | 16 | (401) | (417) | |
| Surplus (deficit) of capital funding (C - D) | 373 | (116) | 146 | 274 | 128 | |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | |
| Depreciation | 58 | 58 | 17 | 72 | 55 | |
| Loans attributable to this group of activities | | | | | | |
| | | | External \$000 | Internal \$000 | Total \$000 | |
| Loans as at 1/07/2014 | | | 2,600 | - | 2,600 | |
| Raised during year | | | 100 | 33 | 133 | |
| Repaid During Year | | | (250) | (10) | (260) | |
| Loans as at 30/06/2015 | | | 2,450 | 23 | 2,473 | |
| Interest attributable to Loans | | | 143 | - | 143 | |
| ACTIVITY EXPENDITURE | | | | | | |
| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | |
| Resource Management | 619 | 635 | 588 | 678 | (90) | 2 |
| Animal Control | 173 | 178 | 215 | 145 | 70 | |
| Dog Control | 358 | 371 | 560 | 600 | (40) | |
| Building Control | 792 | 815 | 729 | 849 | (120) | 4 |
| Building Policy | 344 | 354 | 167 | 105 | 62 | |
| Environmental Health | 182 | 186 | 188 | 281 | (93) | 2 |
| Health Policy | 74 | 76 | 31 | 41 | (10) | |
| Liquor Licensing | 95 | 97 | 193 | 311 | (118) | 2 |
| Liquor Policy | 6 | 7 | 14 | 2 | 12 | |
| Parking | 596 | 619 | 390 | 432 | (42) | |
| Planning Policy | 858 | 693 | 709 | 587 | 122 | 4 |
| Safety Licensing | 120 | 124 | 219 | 229 | (10) | |
| Total Expenditure | 4,217 | 4,155 | 4,003 | 4,260 | (257) | |

NOTES:

1. Consent fees were below budget due to lower than anticipated development activity and parking fines were down from budget due to the provision for tickets sent to Court. Revenue is recognised when the revenue is received from Court collections.
2. Internal costs were above budget due to general non-chargeable enquiries in the resource management area and additional resources allocated to both Health and Liquor as a result of legislation changes in these areas.
3. Debt decreased instead of increased because the repayment period changed from 25 years in the budget to 10 years and because new loans were \$130k less than expected.
4. Professional services relating to Building accreditation were higher than anticipated and professional services for Planning policy were below budget due to less appeals against the district plan.

Parks and Recreation

STATEMENT OF SERVICE PERFORMANCE

1. RATIONALE

The Horowhenua District Council has determined a range of eight community outcomes to which its activities contribute. Those addressed by parks and community facilities management include:

HEALTH: A community where all people have the opportunity to enjoy long and healthy lives.

ECONOMIC: A community where all people have access to a range of local business and employment opportunities and a community where all people have access to an adequate standard of living.

ENVIRONMENT: The natural and built environment in which people live is sustainable

CULTURE: A community where all people share a strong local heritage and identity and value cultural diversity and development.

SOCIAL: A community where all people enjoy constructive relationships with others and are able to participate fully with them in society.

| Activity | Wellbeing | Community outcome | Council role |
|----------------------------------|------------------------------------|--|----------------------------|
| Reserves | Environmental, social and cultural | Health, economic, environmental, culture, social, youth, positive ageing | Provider |
| Sports grounds | Social and cultural | Health, economic, environmental, culture, social, youth, positive ageing | Provider, funder, advocate |
| Aquatic centres | Social and cultural | Health, economic, environmental, culture, social, youth, positive ageing | Provider, funder |
| Cemeteries | Social and cultural | Health, economic, environmental, culture, social | Provider |
| Beautification | Environmental, social and cultural | Health, economic, environmental, culture, social | Provider |
| Forestry (excluding Cyrus Hills) | Economic | Economic, environmental | Provider |

2. DESCRIPTION OF ACTIVITIES

2.1. Reserves

The provision and protection of green areas recognises that attractive open spaces are important to the quality of life, especially in built-up areas.

They also allow a diversity of pursuits important to the enjoyment of healthy lifestyles, and are an attraction to visitors.

Reserves include:

- Neighbourhood reserves
- Riverside and lakeside picnic areas
- Beaches
- Children's playgrounds
- Protected bush
- Street trees
- Street gardens
- Public gardens
- Greenbelts

2.2. Sports grounds

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

| Assets | Quantity | Value \$m |
|--|----------|-----------|
| Reserves | 52 | \$15.7m |
| Sports grounds (including 3 grandstands) | 12 | \$6.8m |
| Aquatic centres | 2 | \$8.7m |
| Cemeteries | 6 | \$1.0m |

The main reserves have management and development plans, which have been developed with substantial community involvement. The reserves assets are maintained and replaced as required to maintain levels of service, as set out in the asset management plans.

2.3. Pools

Swimming pools provide recreational opportunities that play an important part in the promotion of and opportunities for healthy and safe lifestyles in the Horowhenua.

The Horowhenua District Council currently manages its aquatic facilities in-house, providing land and water based activities to the district's residents in Levin, Shannon and Foxton. Horowhenua Aquatics provides a number of services and programmes with a large focus on activities for young, elderly and physically impaired members of the community.

The Levin Aquatic Centre has 3 pools, a hydro slide and spa pools and is open all year round.

The Foxton Pool is comprised of a covered play area and a 25 metre indoor pool and a 33 1/3 outdoor pool which is open over summer months.

Council also runs the Shannon Summer Pool located at Shannon School on behalf of the community during the summer holidays.

2.4. Cemeteries

Human beings have always honoured their dead in one form or another. The ways in which we do so is sensitive to diverse and changing needs which are continually evolving and providing social commentary.

In recent years there has been a move away from large elaborate monuments, towards lawn cemeteries, memorial parks, cremation, and scattering ashes in places that the deceased was fond of, more often than not without having their names recorded at a cemetery. Genealogical research has never been more popular.

In response to genealogical research demand, Council this year finished a large cemetery project to compile all of its cemetery records into a single computer database. The result now, is that cemetery records and headstone photos are now available to the public on the district's website.

Most people still wish to have a special place such as a cemetery to visit for quiet contemplation and as a tangible reminder of their loved ones.

Local authorities have a legal responsibility to make provision for public cemeteries.

| Cemetery | First Burial | 1 July 2014 – 30 June 2015 | |
|------------|--------------|----------------------------|-------|
| | | Burials | Ashes |
| Tiro Tiro | 1894 | 2 | 7 |
| The Avenue | 1972 | 62 | 67 |
| Foxton | 1867 | 21 | 11 |
| Shannon | 1893 | 2 | 2 |
| Manakau | 1892 | 3 | - |
| Koputaroa | 1910 | - | - |

2.5. Parks and community facilities

The Council provides services through the provision of parks and community facilities including buildings on reserves and parks. The management of the buildings is included in the property section of the LTP, while all operations and the management of the other assets remain in the relevant section of the LTP.

3. MEASURING PERFORMANCE

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|---|--|---|
| Cemeteries: To provide sensitively managed cemetery facilities. | All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment. | All arrangements and interments at Council cemeteries carried out in a timely manner. | Achieved. All arrangements and interments were carried out in a timely manner. As at 30 June 2015, there were no justified complaints. | Achieved. All arrangements and interments were carried out in a timely manner. There have been no complaints in the year. |
| Aquatics: Council Aquatic facilities are safe and operate in accordance with nationally accepted guidelines and standards | Number of participants in learn to swim classes per school term will exceed 400. | Number of participants in learn to swim classes per school term will exceed 400. | Achieved. As at 30 June 2015, there were 440 participants in the Term 2 Learn-to Swim classes. | Achieved. As at 30 June 2014, there are 410 participants for Term 2 2014. |
| | Annual Customer Satisfaction Survey will be provided by CERM for Aquatic Centres and 85% will report to be 'satisfied' or 'very satisfied'. | Annual Customer Satisfaction Survey provided by CERM for Aquatic Centres and 85% will report to be 'satisfied' or 'very satisfied'. | Achieved. The annual Customer Satisfaction Survey provided by CERM, resulted in a 99.1% customer satisfaction report. | Not Achieved. The Annual Customer Satisfaction Survey was undertaken in July 2014, and the results have yet to be analysed. |
| | Water quality in indoor and outdoor pools meets 100% of Pool Safe Accreditation. | Water quality in indoor and outdoor pools meets 100% of Pool Safe Accreditation. | Achieved. As at 30 June 2015, the Levin and Foxton Pool are both 100% water compliant. Both pools have received "Pool Safe" accreditation for March 2015 until April 2016. Water testing results as at 30 June 2015 were 100% compliant. | Achieved. The Levin and Foxton pool is 100% compliant. Both pools have received Pool Safe Accreditation for March 2014 to April 2015 for the following: <ul style="list-style-type: none"> • Health and Safety • Pool Alone policy • Water quality/Cryptosporidium • Supervision standards and training • Emergency Action Plan |
| Sports fields: Council provides adequate play surfaces and facilities for sporting requirements. | Sports fields are available for use 95% of their opening hours. | Sports fields are available for use 95% of their opening hours. | Achieved. As at 30 June 2015, all sports fields were available for planned/normal use. | Achieved. As at 30 June 2014, sports fields were available 95% for the time for planned/normal use. |

4. ACQUISITION AND RENEWAL OF ASSETS

The assets used in the provision of parks and recreation services and facilities are mainly reserves, sports grounds, grandstands, pools and cemeteries. Capital and renewal expenditures adding to these assets during the year ended 30 June 2015 were:

| | Annual Plan 2014/15 \$000 | Actual 2014/15 \$000 | Variance \$000 | Notes |
|--|------------------------------------|----------------------------|-------------------|-------|
| Parks and Recreation | | | | |
| Primary Type Renewals (Replace existing assets) | | | | |
| Arapaepae Rd Beautification Strip Remedial Landscaping and Tree removal | 21 | - | (21) | |
| District Play Equipment | 42 | - | (42) | |
| District Play Equipment Bark mulch | 27 | - | (27) | |
| Foxton Tram Station Exterior Repair and Repaint | 16 | 30 | 14 | |
| Levin Domain Cycle Track Reseal | 281 | 50 | (231) | 1 |
| Levin Domain Pathways resurface | 51 | - | (51) | |
| Levin Domain Replace boundary fencing | 21 | - | (21) | |
| Waitarere Dune management Dune management - flatten recountour | 103 | - | (103) | 2 |
| Waitarere Foreshore Reserve Signage & Plants | 5 | - | (5) | |
| Donnelly Park Cricket Fields Renew artificial surface | 13 | - | (13) | |
| Reserve Carpark reseal | 30 | - | (30) | |
| Levin Repair and seal rear car park | 5 | - | (5) | |
| Levin Hydroslide rust prevention | 13 | - | (13) | |
| Motor Vehicles | 23 | 26 | 3 | |
| Overheads | 12 | - | (12) | |
| | <u>663</u> | <u>106</u> | <u>(557)</u> | |
| These Renewal Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | 663 | 106 | (557) | |
| Improve Level of Service | - | - | - | |
| Growth - to meet additional demand | - | - | - | |
| | <u>663</u> | <u>106</u> | <u>(557)</u> | |
| Recreation | | | | |
| Primary Type Level of Service | | | | |
| District Fencing Contingency | 32 | 31 | (1) | |
| Donnelly Park BMX Site: drainage, path, planting | 11 | 5 | (6) | |
| Foxton Beach Coastal Reserve Implement Actions of FB Coastal Management Plan | 16 | - | (16) | |
| Levin Public Gardens Landscaping | 7 | 6 | (1) | |
| Wairarawa Stream Walkway Development | 11 | - | (11) | |
| Target Reserve: Improve internal access tracks due to increased useage & to address safety issues | 25 | - | (25) | |
| Shannon Domain drainage, landscaping, pathway for improved pederstrain access between Shannon RFU building & Mavis | 7 | - | (7) | |
| Redevelopment Donnelly Park | 20 | - | (20) | |
| Waitarere Foreshore Accretion | 18 | 15 | (3) | |
| Driscoll Reserve Beautification of ex-Ravensdown Manakau site | 15 | - | (15) | |
| Foxton River Loop walkway, viewing and recreation activities | 32 | 32 | - | |
| Levin disable facilities upgrade, hydrotherapy pool, zero depth pool and play equipment, upgrade reception | 1,713 | - | (1,713) | 3 |
| Levin Pump VSD | 31 | - | (31) | |
| Cemetery - Foxton Ashes area | 26 | - | (26) | |
| Cemetery - Shannon Burial beams | 11 | - | (11) | |
| Foxton Wharf Project (DOC funded) | - | 56 | 56 | |
| Cemetery - Foxton Land Development | - | 1 | 1 | |
| Hartley St other improvements | - | 13 | 13 | |
| Recreation (inc Pools) Needs and Opportunity Analysis | - | 9 | 9 | |
| Overheads | 29 | 1 | (28) | |
| | <u>2,004</u> | <u>169</u> | <u>(1,835)</u> | |
| These LOS Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | 3 | 3 | - | |
| Improve Level of Service | 1,996 | 166 | (1,830) | |
| Growth - to meet additional demand | 5 | 0 | (5) | |
| | <u>2,004</u> | <u>169</u> | <u>(1,835)</u> | |
| Make up of above projects by % of type | | | | |
| Renewals - replacing existing assets | 666 | 109 | (557) | |
| Improve Level of Service | 1,996 | 166 | (1,830) | |
| Growth - to meet additional demand | 5 | 0 | (5) | |
| | <u>2,667</u> | <u>275</u> | <u>(2,392)</u> | |

NOTES:

1. Project to carried forward to 2015/16.
2. Project is dependent on the outcome of the Surf Lifesaving building project. Now included in 2015/16.
3. Expenditure on hydrotherapy pool deferred until 2016/17.

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

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 2015 included:

| Community outcomes | Effects of programmes in activity area |
|---------------------------|--|
| Social, Health and Safety | Across the district land and water based organised programmes and events at the district's aquatic centres have provided opportunities for young, elderly and physically impaired community members to be actively involved. Other examples are the heating of Foxton swimming pool and the renewal of the Waiopehu bush footbridge for safety & general access. |
| Economic | Parks and Reserves maintenance contract has been awarded to a new contractor from 1 July 2015. The Facilities maintenance of assets within Parks and Reserves activities have been split into smaller specialised contracts with reactive maintenance being undertaken by local contractors. |
| Cultural | A number of local parks and recreation projects have endeavoured to build on local heritage and cultural identity. Recent examples include the upgrading of Playford Park to a multisport park with flood lighting new changing rooms and the resurfacing of Levin Tennis Court. |
| Environmental | <p>Re-vegetation projects have been continued at a number of neighbourhood reserves but specifically Waitarere Foreshore Reserve with signage and plants and Levin Adventure Park oak tree maintenance and replanting.</p> <p>Beautification of CBD areas in Levin and Shannon have continued to be contributed to with the introduction of flowering hanging baskets in Shannon and upgraded street gardens in Levin.</p> |

Parks and Recreation

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | Notes |
|--|----------------------------------|----------------------------------|--|---------------------------|---------------------------|-------|
| Sources of Operating Funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | 3,338 | 3,481 | 3,626 | 3,625 | (1) | |
| Targeted rates (other than a targeted rate for water by meter supply) | 1,970 | 2,048 | 2,167 | 2,170 | 3 | |
| Subsidies and grants for operating purposes | 4 | 4 | 7 | 6 | (1) | |
| Fees, charges and targeted rates for water by meter supply | 725 | 746 | 754 | 728 | (26) | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 97 | 91 | 96 | 104 | 8 | |
| Internal charges and overheads recovered | - | - | - | - | - | |
| Total Operating Funding (A) | 6,134 | 6,370 | 6,650 | 6,633 | (17) | |
| Applications of Operating Funding | | | | | | |
| Payments to staff and suppliers | 4,573 | 4,691 | 4,656 | 4,422 | (234) | 1 |
| Finance Costs | 372 | 378 | 336 | 322 | (14) | |
| Internal charges and overheads applied | 530 | 545 | 944 | 1,025 | 81 | |
| Total applications of operating funding (B) | 5,475 | 5,614 | 5,936 | 5,769 | (167) | |
| Surplus (deficit) of operating funding (A - B) | 659 | 756 | 714 | 864 | 150 | |
| Sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | |
| Development and financial contributions | 105 | 108 | 47 | 33 | (14) | |
| Increase (decrease) in debt | 90 | 1,691 | 1,817 | (115) | (1,932) | 2 |
| Gross proceeds from sale of assets | - | - | - | 6 | 6 | |
| Total sources of capital funding (C) | 195 | 1,799 | 1,864 | (76) | (1,940) | |
| Applications of capital funding | | | | | | |
| Capital expenditure | | | | | | |
| - to meet additional demand | 44 | 9 | 5 | 0 | (5) | |
| - to improve the level of service | 451 | 1,899 | 1,995 | 166 | (1,829) | 2 |
| - to replace existing assets | 537 | 542 | 667 | 109 | (558) | 2 |
| Increase (decrease) in reserves | (178) | 105 | (89) | 513 | 602 | |
| Increase (decrease) of investments | - | - | - | - | - | |
| Total applications of capital funding (D) | 854 | 2,555 | 2,578 | 788 | (1,790) | |
| Surplus (deficit) of capital funding (C - D) | (659) | (756) | (714) | (864) | (150) | |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | |
| Depreciation | 584 | 688 | 675 | 695 | 20 | |
| Loans attributable to this group of activities | | | | | | |
| | | | External \$000 | Internal \$000 | Total \$000 | |
| Loans as at 1/07/2014 | | | 5,650 | 208 | 5,858 | |
| Raised during year | | | 121 | 32 | 153 | |
| Repaid During Year | | | (171) | (97) | (268) | |
| Loans as at 30/06/2015 | | | 5,600 | 143 | 5,743 | |
| Interest attributable to Loans | | | 311 | 11 | 322 | |
| ACTIVITY EXPENDITURE | | | | | | |
| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | |
| Cemeteries | 444 | 470 | 461 | 399 | (62) | 1 |
| Swimming Pools | 2,455 | 2,547 | 2,663 | 2,649 | (14) | |
| Beautification | 463 | 477 | 502 | 497 | (5) | |
| Reserves | 1,783 | 1,851 | 1,849 | 1,799 | (50) | |
| Sportsgrounds | 913 | 957 | 1,136 | 1,119 | (17) | |
| Total Expenditure | 6,058 | 6,302 | 6,611 | 6,463 | (148) | |

NOTES:

1. Less spent on cemetery maintenance than budget.
2. Major capital expenditure on hydrotherapy pool deferred until 2016/17 with a subsequent reduction in debt requirements.

Roading

STATEMENT OF SERVICE PERFORMANCE

1. RATIONALE

The Land Transport Activity enables movement of people and goods through the district.

The Horowhenua District Council has determined a range of 8 community outcomes to which its activities contribute. Those addressed by roading management include:

ECONOMIC: A community where all people have access to a range of local business and employment opportunities and a community where all people have access to an adequate standard of living.

ENVIRONMENT: The natural and built environment in which people live is sustainable.

SAFETY: A community where all people enjoy personal safety and security within the community.

| Activity | Wellbeing | Community outcome | Council role |
|-----------|-------------------------------|-------------------|--------------|
| Roads | Social, cultural and economic | Safety, economic. | Provider |
| Footpaths | Social and cultural | Safety | Provider |

2. DESCRIPTION OF ACTIVITIES

2.1 Roads

Roads are safe, convenient, comfortable and efficient systems for moving people and goods.

Mobility is important to the people in Horowhenua, who share the rest of the world's love affair with cars, so roads are important to:

- the quality of life
- the economy
- the accessibility of Horowhenua's natural environment

For a rural area, Horowhenua has a very high proportion of sealed roads:

| | | |
|-------------|----------|--------|
| Sealed | 522.9km | 89.81% |
| Unsealed | 59.35km | 10.19% |
| Total roads | 582.25km | 100.0% |

Roading is the largest single activity in Council's budget and includes:

- regular maintenance of carriageways, signs, markings, gutters, bridges and culverts, street lights and car parks
- cyclical maintenance, including reseals to maintain skid resistance and imperviousness to water, seal smoothing to reduce roughness, seal widening to prevent edge breaks
- safety improvements by way of speed humps, street islands, crossings and intersection improvements
- road safety education programmes

2.2 Footpaths

Footpaths provide pedestrians with safe and comfortable corridors of movement without conflict with the main flow of vehicular traffic.

3. MEASURING PERFORMANCE

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|--|---|---|--|
| <p>Roads: To maintain roads to a safe standard.</p> | <p>91% of roads that will be smooth to travel on – Urban / Rural.</p> <p>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.</p> | <p>91% of roads that will be smooth to travel on - Urban / Rural.</p> | <p>Not Achieved.</p> <p>The Annual Roughness Survey for 2014/15 was completed by Briken Ltd in January 2015 and covered half of the district. The other half of the district will be done in 2015/2016.</p> <p>The data is used to help with decision making when producing the 10yr Forward Works Plan.</p> <p>Urban Roads = 87%</p> <p>Rural Roads = 96%</p> <p>The measure of 91% is unattainable on Urban Roads without more expenditure.</p> | <p>Not Achieved.</p> <p>The Annual Roughness Survey has been completed. The data will be used to help with decision making when producing the 10yr Forward Works Plan.</p> <p>Urban Roads = 87%</p> <p>Rural Roads = 95%</p> <p>The latest Roughness Survey Contract was carried out by Briken & Associates of Palmerston North.</p> <p>The survey was performed by Briken Ltd in January 2014 and covered half of the district. The other half of the district will be done in 2014/2015.</p> |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|---|--|--|
| <p>Roads:</p> <p>To maintain roads to a safe standard.</p> | <p>99% of defects per 100m in sealed surface Urban / Rural, measured by RAMM condition index.</p> <p>This relates to the networks Surface Condition. To get it you use the Condition Index (CI). The CI is a combined index, a 'weighted sum', of the surface faults in sealed road surfaces. CI combines alligator cracking, scabbing, potholes, pothole patches and flushing. The CI figures are generated by running a report in RAMM. Using the formula "Surface Condition = 100 – CI".</p> | <p>99% of defects per 100m in sealed surface Urban / Rural, measured by RAMM condition index.</p> | <p>Not Achieved.</p> <p>The Annual Condition Survey for 2014/15 has been completed by Briken Ltd in January 2015 and covered half of the district. The other half of the district will be done in 2015/2016.</p> <p>The data will be used to help with decision making when producing the 10yr Forward Works Plan.</p> <p>Urban Roads = 99.2%</p> <p>Rural Roads = 98.1%</p> <p>The measure of 99% is unattainable without more expenditure.</p> | <p>Not Achieved.</p> <p>The Annual Condition Survey has been completed. The data will be used to help with decision making when producing the 10yr Forward Works Plan.</p> <p>Urban Roads = 99.2%</p> <p>Rural Roads = 98.6%</p> <p>The latest Roughness Survey Contract was carried out by Briken & Associates of Palmerston North.</p> <p>The survey was performed by Briken Ltd in January 2014 and covered half of the district. The other half of the district will be done in 2014/2015.</p> |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|--|--|---|---|
| <p>Roads:</p> <p>To maintain roads to a safe standard.</p> | <p>Integrity of pavements is maintained, measured at 99% of RAMM condition index.</p> <p>To get it you use the Pavement Integrity Index (PII). Pavement Integrity Index is a combined index of the pavement faults in sealed road surfaces. It is a 'weighted sum' of the pavement defects divided by total lane length. PII combines surface faults (CI) with rutting and shoving. The PII figures are generated by running a report in RAMM. Using the formula "Pavement Condition = 100 – PII".</p> | <p>Integrity of pavement is 99% of RAMM condition index - Urban / Rural.</p> | <p>Not Achieved.</p> <p>The Annual Condition Survey for 2014/15 has been completed by Briken Ltd in January 2015 and covered half of the district.</p> <p>The data will be used to help with decision making when producing the 10yr Forward Works Plan.</p> <p>Urban Roads = 95.4%</p> <p>Rural Roads = 92.4%</p> <p>The measure of 99% is unattainable without more expenditure.</p> | <p>Not Achieved.</p> <p>The Annual Condition Survey has been completed. The data will be used to help with decision making when producing the 10yr Forward Works Plan.</p> <p>Urban Roads = 96.4%</p> <p>Rural Roads = 93.3%</p> <p>Briken Ltd has provided Council with the condition ratings and is currently carrying out the 2013/14 roughness ratings.</p> |
| <p>Roads:</p> <p>All weather access available throughout the formed road network (urban and rural).</p> | <p>95% of weather events (floods and slips, or emergency incidents) responded to within 30 minutes of initial call to Council.</p> | <p>95% of weather events (floods and slips, or emergency incidents) responded to within 30 minutes of initial call to Council.</p> | <p>Achieved.</p> <p>As at 30 June 2015, 100% of calls were responded to within 30 minutes.</p> <p>100% of calls were responded to within 30 minutes with referral to the contractor. Response time of the contractor is monitored by Council Officers, but is not time measured due to the diversity and locations of events. The validity of this measure will be considered when reviewing the 2015-25 LTP.</p> | <p>Achieved.</p> <p>100% of calls were responded to within 30 minutes with referral to the contractor. Response time of the contractor is monitored by Council Officers, but is not time measured due to the diversity and locations of events. The validity of this measure will be considered when reviewing the 2015-25 LTP.</p> |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|---|---|---|
| <p>Roads:</p> <p>The services are managed at the lowest possible cost for the required level of service.</p> | <p>The roading network is managed within budget (to within plus or minus 5%).</p> | <p>The roading network is managed within budget (to within plus or minus 5%).</p> | <p>Not achieved.</p> <p>Overall the roading activity was 10.45% below budget. (\$7,990k actual vs \$8,923k budget).</p> <p>This was due to roading depreciation being \$1,118k below budget due to the lower 2014 roading revaluations which were updated after the budget was set.</p> | <p>As at 30 June 2014, the roading budget is on track as per NZTA.</p> |
| <p>Roads:</p> <p>Customer requests for service is prompt.</p> | <p>Customer requests for service are attended to within agreed timeframes. Target 100%.</p> | <p>Customer requests for service are attended to within agreed timeframes. Target 100%.</p> | <p>Achieved.</p> <p>As at 30 June 2015, all customer requests for service were attended to within the agreed timeframes.</p> | <p>Achieved.</p> <p>All customer requests for service were attended to within the agreed timeframes.</p> |
| <p>Reseals:</p> <p>To ensure integrity of the network.</p> | <p>Length of reseals per year is at least 21km.</p> | <p>Length of reseals per year is at least 21 km.</p> | <p>Achieved.</p> <p>27.9km of road resealing was completed.</p> | <p>Achieved.</p> <p>25km of resealing of roading was completed.</p> <p>Work was carried out in the district to maintain footpath safety during the year such as renewals due to injury or safety concerns, misalignment of footpath concrete sections, pedestrian ramps from footpath to the road, holes and other damage across the district</p> |
| <p>Roads:</p> <p>Adequate parking provided, parking controls appropriately implemented and enforced.</p> | <p>95% of customers satisfied with parking provision (measured by Regulatory Services).</p> | <p>95% of customers satisfied with parking provision.</p> | <p>Not Achieved.</p> <p>The Annual Customer Satisfaction Survey showed that only 70.78% were satisfied.</p> | <p>Not Achieved.</p> <p>The Annual Customer Satisfaction Survey was undertaken in July 2014, and the results have yet to be analysed.</p> |

4. ACQUISITION AND RENEWAL OF ASSETS

The assets used in the provision of roading facilities are mainly roads, bridges and culverts, footpaths and stormwater drainage. Level of service and renewal expenditures adding to these assets during the year ended 30 June 2015 were:

| | Annual Plan 2014/15 \$000 | Actual 2014/15 \$000 | Variance \$000 | Notes |
|--|--|-------------------------------------|---------------------------|--------------|
| Roading | | | | |
| Primary Type Renewals (Replace existing assets) | | | | |
| District, subsidised Seal Road (WC 212) | 900 | 834 | (66) | 1 |
| District, subsidised Drainage renewals (WC 213) | 70 | 115 | 45 | 1 |
| District, subsidised Pavement Rehabilitation (WC 214) | 690 | 748 | 58 | 1 |
| District, subsidised Structure component replacements (WC 215) | 40 | 72 | 32 | 1 |
| District, subsidised Traffic Services Renewals (WC 222) | 170 | 251 | 81 | 1 |
| District Footpath | 263 | 260 | (3) | 1 |
| Muhunoa West retaining wall (WC 215) | 61 | - | (61) | 1 |
| Liming Footpaths Tokomaru | 30 | 30 | - | 1 |
| District, subsidised UnSeal Road (WC 211) | 65 | 62 | (3) | 1 |
| Street Lighting Tokomaru | 15 | - | (15) | 1 |
| Retro fitting LED lighting into existing streetlights | 50 | 49 | (1) | 1 |
| UNSUBRD - Tokomaru Street Lighting Upgrade (\$15,000) | - | 11 | 11 | 1 |
| Overheads | 78 | - | (78) | 1 |
| | <u>2,432</u> | <u>2,432</u> | <u>-</u> | |
| These Renewal Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | 2,432 | 2,429 | (3) | |
| Improve Level of Service | - | 3 | 3 | |
| Growth - to meet additional demand | - | - | - | |
| | <u>2,432</u> | <u>2,432</u> | <u>(0)</u> | |
| Roading | | | | |
| Primary Type Level of Service | | | | |
| District, subsidised Associated Improvements (WC 231) | 40 | 50 | 10 | |
| District, subsidised Minor Improvements (WC 341) | 210 | 210 | - | |
| Foxton Townscape: Southern Gateway | 430 | 12 | (418) | 2 |
| Foxton Townscape: Main Street Central Area | 273 | 119 | (154) | 2 |
| Foxton Beach Edinburgh Terrace footpath [Free-hold acc] | - | 58 | 58 | |
| Foxton Medical Centre | - | 37 | 37 | |
| Overheads | 21 | 8 | (13) | |
| | <u>974</u> | <u>494</u> | <u>(480)</u> | |
| These LOS Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | - | - | - | |
| Improve Level of Service | 970 | 489 | (481) | |
| Growth - to meet additional demand | 4 | 5 | 1 | |
| | <u>974</u> | <u>494</u> | <u>(480)</u> | |
| Roading | | | | |
| Primary Type Growth | | | | |
| Levin, North East Development plan | 168 | - | (168) | 2 |
| Williams Road Seal Widening | 79 | 79 | - | |
| Overheads | 12 | - | (12) | |
| | <u>259</u> | <u>79</u> | <u>(180)</u> | |
| These LOS Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | - | - | - | |
| Improve Level of Service | - | - | - | |
| Growth - to meet additional demand | 259 | 79 | (180) | |
| | <u>259</u> | <u>79</u> | <u>(180)</u> | |
| Make up of above projects by % of type | | | | |
| Renewals - replacing existing assets | 2,432 | 2,429 | (3) | |
| Improve Level of Service | 970 | 492 | (478) | |
| Growth - to meet additional demand | 263 | 84 | (179) | |
| | <u>3,665</u> | <u>3,005</u> | <u>(660)</u> | |

NOTES:

1. Work levels were adjusted to maximise the level of subsidy obtained.
2. Work planned to be carried forward to 2015/16.

Significant acquisitions of assets

There were no significant acquisitions in the year.

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

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 2015 included:

| Community outcomes | Effects of programmes in activity area |
|---------------------------|---|
| Safety | Improvements to footpaths and roadways contributed to the safety of the people in the community. |
| Economic | All sealed roads are inspected every two years with roads with over 500 vehicles per day inspected yearly. At the same time a roughness rating is undertaken. |

Roading

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | Notes |
|--|--|--|--|----------------------------------|------------------------------------|-------|
| Sources of Operating Funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - | |
| Targeted rates (other than a targeted rate for water by meter supply) | 3,916 | 4,377 | 3,404 | 3,406 | 2 | |
| Subsidies and grants for operating purposes | 969 | 969 | 907 | 1,127 | 220 | 1 |
| Fees, charges and targeted rates for water by meter supply | - | - | - | - | - | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 297 | 328 | 365 | 342 | (23) | |
| Internal charges and overheads recovered | - | - | - | - | - | |
| Total Operating Funding (A) | 5,182 | 5,674 | 4,676 | 4,875 | 199 | |
| Applications of Operating Funding | | | | | | |
| Payments to staff and suppliers | 2,724 | 2,818 | 2,589 | 2,308 | (281) | 2 |
| Finance Costs | 3 | 15 | - | - | - | |
| Internal charges and overheads applied | 453 | 472 | 582 | 1,049 | 467 | 2 |
| Total applications of operating funding (B) | 3,180 | 3,305 | 3,171 | 3,357 | 186 | |
| Surplus (deficit) of operating funding (A - B) | 2,002 | 2,369 | 1,505 | 1,518 | 13 | |
| Sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | 1,026 | 978 | 1,088 | 1,057 | (31) | |
| Development and financial contributions | 512 | 529 | 250 | 115 | (135) | 3 |
| Increase (decrease) in debt | (202) | 349 | 839 | - | (839) | 5 |
| Gross proceeds from sale of assets | - | - | - | - | - | |
| Total sources of capital funding (C) | 1,336 | 1,856 | 2,177 | 1,172 | (1,005) | |
| Applications of capital funding | | | | | | |
| Capital expenditure | | | | | | |
| - to meet additional demand | 14 | 171 | 263 | 84 | (179) | 4 |
| - to improve the level of service | 278 | 740 | 970 | 492 | (478) | 4 |
| - to replace existing assets | 2,465 | 2,404 | 2,432 | 2,429 | (3) | |
| Increase (decrease) in reserves | 581 | 910 | 17 | (315) | (332) | |
| Increase (decrease) of investments | - | - | - | - | - | |
| Total applications of capital funding (D) | 3,338 | 4,225 | 3,682 | 2,690 | (992) | |
| Surplus (deficit) of capital funding (C - D) | (2,002) | (2,369) | (1,505) | (1,518) | (13) | |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | |
| Depreciation | 5,999 | 6,394 | 5,754 | 4,634 | (1,120) | |
| Loans attributable to this group of activities | | | | | | |
| | | | External \$000 | Internal \$000 | Total \$000 | |
| Loans as at 1/07/2014 | | | - | - | - | |
| Raised during year | | | - | 176 | 176 | |
| Repaid During Year | | | - | (176) | (176) | |
| Loans as at 30/06/2015 | | | - | - | - | |
| Interest attributable to Loans | | | - | - | - | |
| ACTIVITY EXPENDITURE | | | | | | |
| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | |
| Subsidised Roothing | 8,033 | 8,443 | 7,396 | 6,489 | (907) | 6 |
| Footpaths | 646 | 739 | 875 | 970 | 95 | |
| Unsubsidised Roothing | 499 | 517 | 652 | 531 | (121) | 7 |
| Total Expenditure | 9,178 | 9,699 | 8,923 | 7,990 | (933) | |

NOTES:

1. This reflects the additional OPEX work undertaken above budget.
2. Part of the roading administration is now being done in-house. As a result external costs are below budget but internal allocations are higher reflecting the additional resources now applying in this area.
3. This reflects the lower development activity within the district.
4. Foxton Townscape projects are on hold until the Te Awahou Nieuwe Stroom project goes ahead.
5. Funded from reserves not debt.
6. Depreciation is lower due to the reduction in the roading valuations in 2014, which was done after the budget was set.
7. Professional services were below budget due to the Roothing administration been done in house.

Stormwater

STATEMENT OF SERVICE PERFORMANCE

1. RATIONALE

The compulsion for Council involvement in the stormwater supply activity and ownership of assets comes from:

- The Local Government Act 2002 (section 130) which requires Council to continue to provide water services and maintain its capacity to do so, and
- The Health Act 1956 (section 25) which requires Council to provide 'sanitary works', the definition of which included stormwater drainage works.
- A reliable stormwater collection service.
- Operating stormwater resources in an efficient and sustainable way.
- Provision of stormwater collection services to residential and commercial areas of Levin, Foxton, Foxton Beach and Shannon.

The Horowhenua District Council has determined a range of a community outcome to which its activities contribute. Those addressed by stormwater management include:

ECONOMIC: A community where all people have access to a range of local business and employment opportunities and a community where all people have access to an adequate standard of living.

ENVIRONMENT: The natural and built environment in which people live is sustainable.

SAFETY: A community where all people enjoy personal safety and security within the community.

| Activity | Wellbeing | Community outcome | Council Role |
|---------------------|------------------------------------|---------------------|--------------|
| Stormwater drainage | Environmental, social and cultural | Environment, Safety | Provider |

2. DESCRIPTION OF ACTIVITIES

2.1 Stormwater drainage

The prompt drainage of stormwater from roads after heavy rainfall reduces the risk of:

- danger and inconvenience to people
- damage to property, roads, underground infrastructure, and the environment

3. MEASURING PERFORMANCE

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|--|--|---|---|
| Stormwater: Discharge compliance. | 100% compliance with the 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. | 100% Compliance with Regional Council resource consents. | Council's only stormwater consent is 104223 – Discharge of stormwater to Manawatu Estuary (Not currently used or monitored). | Achieved. As at 30 June 2014, there is 100% compliance with consents. One off consents (not monitored): 104442 – Construction and maintenance of stormwater discharge structure. 104795 – Disturbance of sand dunes for construction of stormwater discharge structure. 104223 – Discharge of stormwater to Manawatu Estuary (Not currently used). |
| Stormwater: Planning. | An Asset Management Plan will be adopted providing a 10-year planning horizon and reviewed every 3 years. | | Achieved: The Stormwater Asset Management Plan 2015 formed part of the Infrastructure Strategy which was adopted by Council. | Not a measure last year. |
| | An Infrastructure Strategy will be adopted providing a 30-year planning horizon and reviewed every 3 years. | | Achieved. The Infrastructure Strategy was adopted at the Council meeting on the 18th February 2015. | Not a measure last year. |
| Stormwater: Response time. | The median response time to attend a flooding event is one hour or less from the time that the territorial authority receives notification to the time that service personnel reach the site. | | There were no flooding events as a result of Council's stormwater network. | Not a measure last year. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|--|--|---|
| Stormwater: Customer satisfaction. | The number of complaints received by a territorial authority about the performance of its Stormwater system is less than 10, expressed per 1,000 properties connected to the territorial authority's Stormwater system. | | Achieved. As at 30 June 2015, there have been one hundred twenty (120) complaints received regarding the performance of Council Stormwater systems. This makes a total of 9.83 complaints per 1,000 connections. | Not a measure last year |
| Stormwater: To provide reliable stormwater drainage | To adopt a stormwater management strategy. | To adopt stormwater management strategy. | Not achieved. As at 30 June 2015, a stormwater management strategy is currently being developed. | Not Achieved. A Stormwater Management Strategy is expected to be completed in 2014/15. |
| | Number of flooding events that occur in a territorial authority district is less than five per year, per 1,000 properties connected to the territorial authority's Stormwater system. | | Achieved. There were no flooding events as a result of Council's stormwater network. | Not a measure last year. |
| | For each flooding event, the number of habitable floors affected is less than two, per 1,000 properties connected to the territorial authority's Stormwater system. | | Achieved. There were no flooding events as a result of Council's stormwater network. This makes a total of 0 events per 1,000 connections. | Not a measure last year. |

4. ACQUISITION AND RENEWAL OF ASSETS

The assets used in the provision of stormwater facilities are mainly stormwater drainage. Capital and renewal expenditures adding to these assets during the year ended 30 June 2015 were:

| | Annual Plan 2014/15 \$000 | Actual 2014/15 \$000 | Variance \$000 | Notes |
|--|--|-------------------------------------|---------------------------|--------------|
| Stormwater | | | | |
| Primary Type Renewals (Replace existing assets) | | | | |
| District General Renewals | 185 | 111 | (74) | 1 |
| Foxton Beach Pump Station | 12 | - | (12) | 1 |
| Levin Pump Station | 5 | - | (5) | 1 |
| Waitarere Beach Pump Station | 2 | 7 | 5 | 1 |
| Tawa Street Tokomaru | 30 | - | (30) | 1 |
| Overheads | 7 | - | (7) | |
| | <u>241</u> | <u>118</u> | <u>(123)</u> | |
| These Renewal Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | 232 | 112 | (120) | |
| Improve Level of Service | - | - | - | |
| Growth - to meet additional demand | 9 | 6 | (3) | |
| | <u>241</u> | <u>118</u> | <u>(123)</u> | |
| Stormwater | | | | |
| Primary Type Level of Service | | | | |
| District General | 37 | 77 | 40 | |
| District Telemetry (combined with waters) | 60 | - | (60) | |
| Levin Queen Street Drain C/fwd to 2013/14 | 133 | 10 | (123) | 2 |
| Boat Wash Down Facility | - | 9 | 9 | |
| Overheads | 3 | 4 | 1 | |
| | <u>233</u> | <u>100</u> | <u>(133)</u> | |
| These LOS Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | - | - | - | |
| Improve Level of Service | 230 | 92 | (138) | |
| Growth - to meet additional demand | 3 | 8 | 5 | |
| | <u>233</u> | <u>100</u> | <u>(133)</u> | |
| Stormwater | | | | |
| Primary Type Growth | | | | |
| Levin, North East Improvement works | 272 | 67 | (205) | 3 |
| Overheads | 8 | - | (8) | |
| | <u>280</u> | <u>67</u> | <u>(213)</u> | |
| These Growth Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | - | - | - | |
| Improve Level of Service | - | - | - | |
| Growth - to meet additional demand | 280 | 67 | (213) | |
| | <u>280</u> | <u>67</u> | <u>(213)</u> | |
| Make up of above projects by % of type | | | | |
| Renewals - replacing existing assets | 232 | 112 | (120) | |
| Improve Level of Service | 230 | 92 | (138) | |
| Growth - to meet additional demand | 292 | 80 | (212) | |
| | <u>754</u> | <u>285</u> | <u>(469)</u> | |

NOTES:

1. Reactive renewals budgeted but not required
2. Project to be carried forward to 2015/16.
3. Planned work has started with the remainder to be carried forward to 2015/16.

Significant acquisitions of assets

There were no significant acquisitions in the year.

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

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 2015 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 2015

| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | Notes |
|--|----------------------------------|----------------------------------|--|---------------------------|---------------------------|-------|
| Sources of Operating Funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - | |
| Targeted rates (other than a targeted rate for water by meter supply) | 1,091 | 1,187 | 1,064 | 1,064 | - | |
| Subsidies and grants for operating purposes | - | - | - | - | - | |
| Fees, charges and targeted rates for water by meter supply | - | - | - | - | - | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 92 | 97 | 95 | 91 | (4) | |
| Internal charges and overheads recovered | - | - | - | - | - | |
| Total Operating Funding (A) | 1,183 | 1,284 | 1,159 | 1,155 | (4) | |
| Applications of Operating Funding | | | | | | |
| Payments to staff and suppliers | 413 | 403 | 396 | 330 | (66) | 1 |
| Finance Costs | 192 | 194 | 137 | 126 | (11) | |
| Internal charges and overheads applied | 110 | 115 | 193 | 142 | (51) | |
| Total applications of operating funding (B) | 715 | 712 | 726 | 598 | (128) | |
| Surplus (deficit) of operating funding (A - B) | 468 | 572 | 433 | 557 | 124 | |
| Sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | |
| Development and financial contributions | - | - | - | 3 | 3 | |
| Increase (decrease) in debt | 27 | 252 | 431 | 71 | (360) | 2 |
| Gross proceeds from sale of assets | - | - | - | - | - | |
| Total sources of capital funding (C) | 27 | 252 | 431 | 74 | (357) | |
| Applications of capital funding | | | | | | |
| Capital expenditure | | | | | | |
| - to meet additional demand | 78 | 292 | 293 | 80 | (213) | |
| - to improve the level of service | 67 | 80 | 230 | 92 | (138) | |
| - to replace existing assets | 226 | 207 | 232 | 112 | (120) | |
| Increase (decrease) in reserves | 124 | 245 | 109 | 346 | 237 | |
| Increase (decrease) of investments | - | - | - | - | - | |
| Total applications of capital funding (D) | 495 | 824 | 864 | 631 | (233) | |
| Surplus (deficit) of capital funding (C - D) | (468) | (572) | (433) | (557) | (124) | |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | |
| Depreciation | 514 | 577 | 562 | 488 | (74) | |
| Loans attributable to this group of activities | | | | | | |
| | | | External \$000 | Internal \$000 | Total \$000 | |
| Loans as at 1/07/2014 | | | 2,300 | 2 | 2,302 | |
| Raised during year | | | 100 | 66 | 166 | |
| Repaid During Year | | | (100) | 5 | (95) | |
| Loans as at 30/06/2015 | | | 2,300 | 73 | 2,373 | |
| Interest attributable to Loans | | | 126 | - | 126 | |
| ACTIVITY EXPENDITURE | | | | | | |
| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | |
| Stormwater Drainage | 1,228 | 1,289 | 1,288 | 1,087 | (201) | 1 |
| Total Expenditure | 1,228 | 1,289 | 1,288 | 1,087 | (201) | |

NOTES:

- The stormwater contract (for repairs and maintenance) was below budget due to reactive repairs being less than expected.
- Delays in the Queen Street project, due to consenting issues, and the Levin North East improvement project resulting in less debt required.

Water Supply

STATEMENT OF SERVICE PERFORMANCE

1. RATIONALE

The need for Council involvement in the water supply activity and ownership of assets comes from:

- The Local Government Act 2002 (section 130) which requires Council to continue to provide water services and maintain its capacity to do so, and
- The Health Act (Drinking Water) Amended Act 2007 which sets out the legal requirements for water supplies

The water activity aims to provide a safe and reliable supply of water to residential and commercial properties.

The Horowhenua District Council has determined a range of community outcomes to which its activities contribute. Those addressed by water supply management include:

HEALTH: A community where all people have the opportunity to enjoy long and healthy lives.

ECONOMIC: A community where all people have access to a range of local business and employment opportunities; and - A community where all people have access to an adequate standard of living.

SAFETY: A community where all people enjoy personal safety and security within the community.

| Activity | Wellbeing | Outcome | Role |
|--------------|--|---|----------|
| Water supply | Social and cultural, economic, environmental | Health, economic, safety, environmental | Provider |

2. DESCRIPTION OF ACTIVITIES

The Council's main concern in supplying water is to make safe drinking water available to households, in lieu of water tanks or private bores.

The water is also used for:

- many other household purposes that do not necessarily require treated water (e.g. cleaning, sewage disposal)
- general industrial and commercial use
- recreation and fire fighting

A good system of extracting, treating, storing and distributing water is a major contribution to the quality of life of a community and contributes to all sectors of the economy.

The Council owns and operates several schemes:

| | Source | Average & peak demand (m ³ per day) |
|--------------|-----------------|--|
| Levin | Ohau River | 8,892 / 13,153 |
| Shannon | Mangaore Stream | 471 / 785 |
| Foxton | Bore | 1,645 / 2,537 |
| Foxton Beach | Bore | 523 / 962 |
| Tokomaru | Tokomaru River | 135 / 286 |

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.

3. MEASURING PERFORMANCE

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|--|---|---|---|
| <p>Water Supply</p> <p>To provide a reliable supply of safe water.</p> | <p>The extent to which the local authority's drinking water supply complies with part 5 of the drinking water standards (protozoa compliance criteria) complies as below:</p> <ul style="list-style-type: none"> • Levin: 0% • Shannon: 100% • Foxton: 100% • Foxton Beach: 100% • Tokomaru: 0% | <p>Compliance with appropriate Drinking Water Standards for New Zealand 2005 (revised 2008) Protozoa compliance criteria as below:</p> <ul style="list-style-type: none"> • Levin: 0% • Shannon: 100% • Foxton: 0% • Foxton Beach: 0% <p>Tokomaru: 0%</p> | <p>Achieved: As at 30 June 2015.</p> <ul style="list-style-type: none"> • Foxton Beach complied 100% • Shannon complied 100% • Foxton complied 100% <p>There were no protozoa treatment processes in place for both Levin and Tokomaru in 2014/15.</p> <p>Treatment process in Tokomaru will be in place for 2015/16 and in Levin for 2016/17.</p> | <p>Refer below.</p> |
| <p>Water Supply</p> <p>To provide a reliable supply of safe water.</p> | | <p>Compliance with appropriate Drinking Water Standards for New Zealand 2005 (revised 2008) Protozoa compliance criteria as below:</p> <ul style="list-style-type: none"> • Levin: 0% • Shannon: 0% • Foxton: 0% • Foxton Beach: 0% • Tokomaru: 0% | <p>Refer above.</p> | <p>Achieved.</p> <p>Foxton Beach water supplies were fully compliant for the year.</p> <p>Foxton and Shannon water supplies were fully compliant for the second half of the year.</p> <p>All practicable steps have been undertaken to ensure compliance for Levin and Tokomaru water supplies.</p> |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|--|--|---|
| <p>Water Supply</p> <p>To provide a reliable supply of safe water.</p> | <p>The extent to which the local authority's drinking water supply complies with part 4 of the drinking water standards (bacteria compliance criteria) complies 99% of the time</p> | <p>Compliance with appropriate Drinking Water Standards for New Zealand 2005 (revised 2008) bacterial compliance criteria 99% of the time.</p> | <p>Achieved.</p> <p>The target of 99% has been achieved regarding compliance with the 2005 Drinking Water Standards for New Zealand (revised 2008) for Levin, Foxton Beach, Foxton, Shannon and Tokomaru supply.</p> <p>Levin - complied fully with the LTP target and all practicable measures were taken to ensure compliance with Drinking Water Standards New Zealand as assessed by the Drinking Water Assessor.</p> <p>Foxton - complied fully with the LTP target and all practicable measures were taken to ensure compliance with Drinking Water Standards New Zealand as assessed by the Drinking Water Assessor.</p> <p>Foxton Beach - complied fully with the LTP target and all practicable measures were taken to ensure compliance with Drinking Water Standards New Zealand as assessed by the Drinking Water Assessor.</p> <p>Shannon - complied fully with the LTP target and all practicable measures were taken to ensure compliance with Drinking Water Standards New Zealand as assessed by the Drinking Water Assessor.</p> <p>Tokomaru – complied fully with the LTP target and all practicable measures were taken to ensure compliance with Drinking Water Standards New Zealand as assessed by the Drinking Water Assessor.</p> | <p>Achieved.</p> <p>The target of 99% has been achieved regarding compliance with the 2005 Drinking Water Standards for New Zealand (revised 2008) for Levin, Foxton Beach, Shannon and Tokomaru supply.</p> <p>Plant Grading Levin – we have not fully complied with the drinking water standard due to lack of treatment for the Protozoa. However, complied fully with the LTP target and all practicable measures were taken to ensure compliance with Drinking Water Standards New Zealand as assessed by the Drinking Water Assessor.</p> <p>Foxton – the upgraded Foxton water supply has been fully compliant with Drinking Water Standards New Zealand for part of the year (March to June 2014) as assessed by the Drinking Water Assessor. A Project completion report was issued to the Ministry of Health in May 2014.</p> <p>Foxton Beach – the upgraded Foxton Beach water supply has been fully compliant with Drinking Water Standards New Zealand for the year 2013/14 as assessed by the Drinking Water Assessor.</p> <p>Shannon – the new Shannon treatment plant was commissioned in December 2013 and has been fully compliant with Drinking Water Standards New Zealand for part of the year (February to June 2014) as assessed by the Drinking Water Assessor.</p> <p>Tokomaru – we have not fully complied with the drinking water standard due to lack of treatment for the Protozoa. However, complied fully with the LTP target and all practicable measures were taken to ensure compliance with Drinking Water Standards New Zealand as assessed by the Drinking Water Assessor.</p> |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|---|---|---|
| Water Supply Firefighting. | 70% of urban residential areas meet the requirements for firefighting flows, as defined in NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008. | All urban fire District fire hydrants tested will provide flows in accordance with the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2003. Target 0%. | Achieved. As at 30 June 2015, 97% of fire hydrants tested met the target. 3% are on rural 50mm mains and are mainly used for flushing purposes and for fire trucks during fire-fighting in the rural areas. The total number of hydrants tested across the district for 2014/15 financial year was 1,066. Levin = 557 Foxton = 200 Foxton Beach = 149 Shannon = 134 Tokomaru = 26 | Refer below |
| | | All urban fire district fire hydrants tested will provide flows in accordance with the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2003. Target 0% (flow should be 25.5 litres per second or more). Where hydrants are on the edge or cusp of the urban supply it is expected that a lower flow will be tested. In these cases the cost to increase the flow significantly outweighs the benefit. | This was a LTP Yr2 measure used for the 2013/14 annual report. | Achieved. As at 30 June 2014, of the 1,413 fire hydrants tested this year, 1,017 (72%) had flows above 25 litres per second. |
| Water Supply Supply pressure. | Supply pressure at the property boundary is not less than 250kPa for on demand connections and 150KPa for restricted flow connections. Target 100%. | Supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections. Target 100%. | Achieved. As at 30 June 2015, 100% of all properties assessed exceeded 250kPa. | Achieved. As at 30 June 2014, 100% of all properties assessed exceeded 250kPa. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|---|---|---|
| Water Supply Water take. | 100% compliance with water take limits of resource consents. | 100% compliance with water take limits of resource consents. | Achieved. As at 30 June 2015, 100% of water takes complied with consent limits. There are 12 water take consents. This does not include consents for park bores as this is not under Water activity. | Achieved. As at 30 June 2014, 100% of water takes complied with consent limits. There are ten water take consents. This does not include consents for park bores as this is not under Water activity. |
| Water Supply Shutdowns. | No more than two shutdowns each year, causing disruption to two or more properties for six or more hours. | No more than two shutdowns each year causing disruption to two or more properties for six or more hours. | Achieved. As at 30 June 2015. There were only 2 shutdowns that affected more than two properties: The total shutdowns were 20. The maximum shut time was 7.5 hours with the average shutdown time length being 3 hours. Most reason for shutdown – burst mains. Shutdown by area: Levin – 15 shutdowns Shannon – 4 shutdowns Tokomaru – 1 shutdown. Foxton – 0 shutdown. | Achieved. As at 30 June 2014 the Total shutdowns were 20. The maximum shut time was 2.25 hours with the average shutdown length being 2.25 hours. Most reason for shutdowns – burst pipes. Shutdown by area: Levin – 13 shutdowns Foxton Beach – one shutdowns Shannon – six shutdowns |
| Water Supply Risk management plans. | Compliance with the Health (DW) Amendment Act 2007. Number of water supplies with approved Public Health Risk Management plans is five. | Compliance with the Health (DW) Amendment Act 2007. 5 water supplies with approved Public Health Risk Management plans. | Achieved. As at 30 June 2015, all five (5) water supplies have a Public Health Risk Management plan approved by the Department of Health. | Achieved. As at 30 June 2014, all five water supplies have approved Public Health Risk Management plans. |
| Water Supply Maintenance of the reticulation network. | The percentage of real water loss from the local authority's networked reticulation system as estimated by minimum night flow measurement shall reduce. | | Not measured. The method to be used for this measurement is the international benchmarking method Infrastructure Leakage Index (ILI). Calculations are being undertaken using Water NZ's Benchloss template. The calculations are still being developed. | Did not have this measure last year. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|--|-----------------------------|---|--------------------------------------|
| Water Supply Customer satisfaction. | No more than 5 complaints per 1000 connections received by local authority about each of the following: <ul style="list-style-type: none"> • drinking water clarity • drinking water taste • drinking water pressure or flow • continuity of supply, and • the local authority's response to any of these issues. | | Partly achieved. As at 30 June 2015. This based on 12,207 connections. <ul style="list-style-type: none"> • 66 complaints = 5 per 1,000 connections • 7 complaints = 0.6 per 1,000 connections • Not measured in CRM – will change to ensure captured in 2015/16 • 55 complaints = 5 per 1,000 connections • Not measured in CRM – will change to ensure it is captured in 2015/16. | Did not have this measure last year. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|--|-----------------------------|---|---|
| <p>Water Supply</p> <p>Fault response.</p> | <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <ul style="list-style-type: none"> • attendance for urgent call-outs; from the time that the local authority 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 the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption is 12 hours or less | | <p>Not measured.</p> <p>We are currently reviewing reporting measure to better capture this information for the next financial year and will endeavour to capture this information in 2015/16.</p> <p>Not measured.</p> <p>We are currently reviewing reporting measure to better capture this information for the next financial year and will endeavour to capture this information in 2015/16.</p> | <p>Did not have this measure last year.</p> |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|-----------------------------|---|---|
| <p>Water Supply</p> <p>Fault response.</p> | <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <ul style="list-style-type: none"> • attendance for non-urgent call-outs: from the time that the local authority 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 the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption is 5 days or less. | | <p>Not measured.</p> <p>We are currently reviewing reporting measure to better capture this information for the next financial year and will endeavour to capture this information in 2015/16.</p> <p>Not measured.</p> <p>We are currently reviewing reporting measure to better capture this information for the next financial year and will endeavour to capture this information in 2015/16. Not achieved.</p> | <p>Did not have this measure last year.</p> |
| <p>Water Supply</p> <p>Demand Management</p> | <p>Average consumption of drinking water per day per resident within the territorial authority district is measured and reported.</p> | | <p>Achieved.</p> <p>Average for total water supply for the entire district is = 342 litres/day/person.</p> | <p>Not a measure last year.</p> |

4. ACQUISITION AND RENEWAL OF ASSETS

The assets used in the provision of water supply are mainly water treatment plants, storage reservoirs, pipelines and service connections. Capital and renewal expenditures adding to these assets during the year ended 30 June 2015 were:

| Water | Annual | Actual | Variance | Notes |
|--|--------------|--------------|--------------|-------|
| | Plan | 2014/15 | | |
| Primary Type Renewals (Replace existing assets) | 2014/15 | 2014/15 | | |
| | \$000 | \$000 | \$000 | |
| Levin Reticulation- RENEWAL | 893 | 520 | (373) | |
| Foxtton Reticulation- RENEWAL | 47 | 42 | (5) | |
| Foxtton Beach Reticulation- RENEWAL | 58 | 17 | (41) | |
| Tokomaru Reticulation- RENEWAL | 74 | 3 | (71) | |
| Shannon - Mangaore Reticulation- RENEWAL | 57 | 322 | 265 | |
| Tokomaru Treatment Plant | 22 | 16 | (6) | |
| Foxtton Beach Treatment Plant | 74 | 15 | (59) | |
| Foxtton Water Treatment Plant | 30 | 13 | (17) | |
| Levin Treatment Plant | 190 | 114 | (76) | |
| Reactive renewals | 10 | 2 | (8) | |
| Shannon reservoir structural work | 100 | - | (100) | |
| Levin Backwash Ponds Consent | - | 30 | 30 | |
| Levin WS Consent New | - | 99 | 99 | |
| Foxtton Beach Bore Equipment Renewals | - | 1 | 1 | |
| Water Reticulation Renewal 2015-16 District Wide | - | - | - | |
| Water Reticulation Renewal Alice Place WS4C | - | 28 | 28 | |
| WS4D Water Reticulation Renewal John Street | - | 44 | 44 | |
| Levin Treatment Plant Components | - | - | - | |
| Bryce Street Bore | - | - | - | |
| Overheads | 45 | 141 | 96 | |
| | <u>1,600</u> | <u>1,407</u> | <u>(193)</u> | |

These Renewal Projects contain the following elements:

| | | | |
|--------------------------------------|--------------|--------------|--------------|
| Renewals - replacing existing assets | 1,544 | 1,362 | (182) |
| Improve Level of Service | - | - | - |
| Growth - to meet additional demand | 56 | 45 | (11) |
| | <u>1,600</u> | <u>1,407</u> | <u>(193)</u> |

Water

Primary Type Level of Service

| | | | | |
|--|--------------|--------------|----------------|---|
| Levin Bore exploration, new reservoir, treatment plant upgrade | 3,365 | 33 | (3,332) | 1 |
| Levin Telemetry (combined with waste water) | 32 | - | (32) | |
| Foxtton Telemetry (combined with waste water) | 33 | - | (33) | |
| Foxtton Beach Telemetry (combined with waste water) | 34 | - | (34) | |
| Tokomaru Telemetry (combined with waste water) | 34 | - | (34) | |
| Shannon Telemetry (combined with waste water) | 29 | - | (29) | |
| Levin New connections (recoverable income offset) | 10 | 16 | 6 | |
| Foxtton New connections (recoverable income offset) | 4 | 8 | 4 | |
| Foxtton Beach New connections (recoverable income offset) | 6 | - | (6) | |
| Shannon New connections (recoverable income offset) | 3 | 1 | (2) | |
| Water demand management project | 10 | - | (10) | |
| Tokomaru WTP Upgrade | - | 311 | 311 | |
| Levin WTP Reservoir New | - | 817 | 817 | 1 |
| Levin WTP Master Plan | - | 11 | 11 | |
| Shannon New WTP | - | 92 | 92 | |
| Foxtton Beach WS Bore & Treatment Plant Upgrade | - | 8 | 8 | |
| Foxtton Bore & treatment Plant Upgrade CAPNEW | - | 12 | 12 | |
| Levin New Meters | - | 2 | 2 | |
| Water Foxtton Backwash Pump Upgrade | - | 46 | 46 | |
| Water Foxtton Filter Capacity Upgrade | - | 15 | 15 | |
| Overheads | 82 | 61 | (21) | |
| | <u>3,642</u> | <u>1,433</u> | <u>(2,209)</u> | |

These LOS Projects contain the following elements:

| | | | |
|--------------------------------------|--------------|--------------|----------------|
| Renewals - replacing existing assets | - | - | - |
| Improve Level of Service | 2,633 | 1,423 | (1,210) |
| Growth - to meet additional demand | 1,009 | 10 | (999) |
| | <u>3,642</u> | <u>1,433</u> | <u>(2,209)</u> |

| Water | Annual | Actual | Variance | Notes |
|---|---------------|----------------|-----------------|--------------|
| Primary Type Growth | Plan | 2014/15 | | |
| Overheads | 37 | - | (37) | |
| | <u>37</u> | <u>-</u> | <u>(37)</u> | |
| These Growth Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | - | - | - | |
| Improve Level of Service | - | - | - | |
| Growth - to meet additional demand | 37 | - | (37) | |
| | <u>37</u> | <u>-</u> | <u>(37)</u> | |
| Make up of above projects by % of type | | | | |
| Renewals - replacing existing assets | 1,544 | 1,362 | (182) | |
| Improve Level of Service | 2,633 | 1,423 | (1,210) | |
| Growth - to meet additional demand | 1,104 | 55 | (1,049) | |
| | <u>5,281</u> | <u>2,840</u> | <u>(2,441)</u> | |

NOTES:

1. Project started in 2014/15 with the remainder to be carried forward to 2015/16.

Significant acquisitions of assets

Significant acquisitions were:

- The Shannon Water treatment plant upgrade has been completed.
- All renewals are completed to replace aging assets to maintain the levels of service for all water schemes.

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

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 2015 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 2015

| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | Notes |
|--|----------------------------------|----------------------------------|--|---------------------------|---------------------------|-------|
| Sources of Operating Funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | 47 | 44 | (3) | |
| Targeted rates (other than a targeted rate for water by meter supply) | 3,397 | 3,763 | 3,549 | 3,550 | 1 | |
| Subsidies and grants for operating purposes | - | - | - | - | - | |
| Fees, charges and targeted rates for water by meter supply | 835 | 864 | 939 | 935 | (4) | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 108 | 114 | 130 | 118 | (12) | |
| Internal charges and overheads recovered | - | - | - | - | - | |
| Total Operating Funding (A) | 4,340 | 4,741 | 4,665 | 4,647 | (18) | |
| Applications of Operating Funding | | | | | | |
| Payments to staff and suppliers | 1,797 | 1,859 | 1,800 | 1,866 | 66 | |
| Finance Costs | 366 | 405 | 353 | 294 | (59) | |
| Internal charges and overheads applied | 716 | 742 | 706 | 568 | (138) | |
| Total applications of operating funding (B) | 2,879 | 3,006 | 2,859 | 2,728 | (131) | |
| Surplus (deficit) of operating funding (A - B) | 1,461 | 1,735 | 1,806 | 1,919 | 113 | |
| Sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | 373 | 109 | - | - | - | |
| Development and financial contributions | 331 | 342 | 169 | 70 | (99) | |
| Increase (decrease) in debt | 610 | 3,358 | 3,343 | 1,149 | (2,194) | 1 |
| Gross Proceeds from Sale of assets | - | - | - | - | - | |
| Total sources of capital funding (C) | 1,314 | 3,809 | 3,512 | 1,219 | (2,293) | |
| Applications of capital funding | | | | | | |
| Capital expenditure | | | | | | |
| - to meet additional demand | 304 | 1,080 | 1,104 | 55 | (1,049) | |
| - to improve the level of service | 1,091 | 2,260 | 2,633 | 1,423 | (1,210) | |
| - to replace existing assets | 1,234 | 1,259 | 1,544 | 1,362 | (182) | |
| Increase (decrease) in reserves | 146 | 945 | 37 | 298 | 261 | |
| Increase (decrease) of investments | - | - | - | - | - | |
| Total applications of capital funding (D) | 2,775 | 5,544 | 5,318 | 3,138 | (2,180) | |
| Surplus (deficit) of capital funding (C - D) | (1,461) | (1,735) | (1,806) | (1,919) | (113) | |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | |
| Depreciation | 1,770 | 1,906 | 1,931 | 1,934 | 3 | |
| Loans attributable to this group of activities | | | | | | |
| | | | External \$000 | Internal \$000 | Total \$000 | |
| Loans as at 1/07/2014 | | | 5,250 | 97 | 5,347 | |
| Raised during year | | | 1,400 | 33 | 1,433 | |
| Repaid During Year | | | (350) | 66 | (284) | |
| Loans as at 30/06/2015 | | | 6,300 | 196 | 6,496 | |
| Interest attributable to Loans | | | 289 | 5 | 294 | |
| ACTIVITY EXPENDITURE | | | | | | |
| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | |
| Foxton Water | 613 | 670 | 739 | 804 | 65 | |
| Foxton Beach Water | 715 | 746 | 718 | 585 | (133) | 2 |
| Levin Water | 2,447 | 2,565 | 2,349 | 2,486 | 137 | |
| Moutoa Water | - | - | 5 | - | (5) | |
| Shannon Water | 575 | 613 | 690 | 578 | (112) | 2 |
| Tokomaru Water | 267 | 282 | 219 | 174 | (45) | |
| Water Races | 32 | 36 | 70 | 35 | (35) | |
| Total Expenditure | 4,649 | 4,912 | 4,790 | 4,662 | (128) | |

NOTES:

1. Less debt required as the Levin Reservoir project has been carried forward to 2015/16.
2. The Water Contract (for repairs and maintenance) was below budget due to reactive repairs being less than expected.

Wastewater Disposal

STATEMENT OF SERVICE PERFORMANCE

1. RATIONALE

The compulsion for Council involvement in the wastewater activity and ownership of assets comes from:

- The Local Government Act 2002 (section 130) which requires Council to continue to provide water services and maintain its capacity to do so (“water” in the context of this section if the LGA includes Wastewater services), and
- The Health Act 1956 (section 25) which requires Council to provide ‘sanitary works’, the definition of which includes “works for the disposal of sewage”.

A sustainable future for the Horowhenua District has four well-being themes as specified in the Council’s strategic plan:

The Horowhenua District Council has determined a range of 8 community outcomes to which its activities contribute. Those addressed by wastewater disposal management include:

HEALTH: A community where all people have the opportunity to enjoy long and healthy lives.

ECONOMIC: A community where all people have access to a range of local business and employment opportunities and a community where all people have access to an adequate standard of living.

ENVIRONMENT: The natural and built environment in which people live is sustainable.

SAFETY: A community where all people enjoy personal safety and security within the community.

| Activity | Wellbeing | Outcomes | Role |
|---------------------|--|---------------------------------------|----------|
| Wastewater disposal | Economic, social and cultural, environmental | Health, environment, safety, economic | Provider |

2. DESCRIPTION OF ACTIVITIES

Systems that collect, treat and dispose of wastewater

- neutralise solids and organisms that would be harmful to waterways, groundwater and soils
- benefit public health
- provide infrastructure support for economic development

The Council owns and operates several schemes:

| | 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 Mangaore Stream |
| 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.

3. MEASURING PERFORMANCE

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | | | | | Attainment 2014 |
|--|--|--|---|--|-----------------|--|--|---|
| Wastewater To provide a reliable system of wastewater disposal with minimal disruption to the environment. | Treated effluent will be in compliance with the effluent quality standards as defined in relevant resource consents. | Treated effluent will be in compliance with the effluent quality standards as defined in relevant resource consents. | Achieved: <ul style="list-style-type: none"> • Tokomaru • Foxton Beach • Shannon | | | | | Council through the resource consent conditions provides compliance data to Horizons on a frequent basis. The Levin, Shannon and Waitarere wastewater consents require preparation and presentation of Annual Compliance Reports. The following consents were assessed by Horizons Regional Council and complied: 102220 – Waitarere – Discharge to Land 102249 – Foxton Beach Discharge to Land 103925 & 103926 – Foxton – Discharge to Water and Discharge to Land 6920 – Levin – Discharge to Air 6624 – Levin – Discharge to Land 103285 – Levin – Discharge to Air 6921 – Levin – Discharge to Air The following consents were not assessed by Horizons Regional Council: 105893 & 105894 – Shannon – These consents were applied for the discharge of wastewater into the Manawatu River and not granted, therefore not in use. The following consents were assessed by Horizons Regional Council and were assessed non-compliant: 6610 – Levin – Discharge to Land. This is a Technical non-compliance as a result of a failure to supply a report. This will be reassessed in a year. 101227 & 101228 – Tokomaru – Discharge to Land and Water. Exceeded the consented discharge volume of 250m ³ /day from 15 July 2013 to 29 July 2013. |
| | | | Not achieved at: <ul style="list-style-type: none"> • Waitarere • Foxton • Levin See below | | | | | |
| | | | Asset Location | Description | Consent # | Type | Comment | |
| | | | Waitarere | Forest Road | 102220 | Discharge to Land | Assessed as non-compliant due to late filing of report .It was sent on time but not filed in time by Horizons. | |
| | | | Foxton | Matakarapa Island | 103925 & 103926 | Discharge to Water and discharge to Land | Significant Non- Compliance due to effluent discharge exceeding 2,000m ³ /day on 10 January 2015 (volume was 2,298m ³ that day or 14.9% exceedance). Also, Significant Non- Compliance due to E.coli levels in test samples exceeding 550MPN. 100ml on eight occasions and Non-Compliance due to Ammonia Cal Nitrogen levels exceeding 0.4mg/m ³ on one occasion in the receiving water downstream of the WWTP. | |
| Levin | The 'Pot' Hokio Sands Rd | 6610 | Discharge to Land | Compliance Report Received in 19 May 2015. Non-Compliance due to Herbaceous Plant assessment not submitted - the report was submitted to Horizons on 18 May 2015. Also, Non-Complied due to sample test results data not being submitted monthly to Horizons. Measures are being put in place to ensure monthly sample test results data reports are sent to Horizons. | | | | |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|--|--|---|
| Wastewater Discharge compliance. | Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by receiving none of the below: <ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement orders, and • convictions | | Achieved. As at 30 June 2015, there was 100% compliance with the territorial authority's resource consents for discharge from its sewerage system. Abatement notices = 0 Infringement notices = 0 Enforcement orders = 0 Convictions = 0 | Did not have this measure last year. |
| Wastewater Customer satisfaction. | The total number of complaints received by the territorial authority about any of the following: <ul style="list-style-type: none"> • sewage odour: 15 or less • sewerage systems faults: 10 or less • sewerage system blockages: 10 or less • the territorial authority's response to issues with its sewerage system: 10 or less. <p>These measures are all based on number per 1,000 connections.</p> | | Partly achieved. As at 30 June 2015. This based on 11,680 connections. <ul style="list-style-type: none"> • 12 odour complaints = 1 per 1,000 connections • 85 faults = 7 per 1,000 connections • Not measured in CRM – will change to ensure captured in 2015/16 • Not measured in CRM – will change to ensure captured in 2015/16 | Did not have this measure last year. |
| Wastewater Customer satisfaction. | Percentage of customers satisfied with their wastewater services is at least 95%, provided by customer survey. | Percentage of customers satisfied with their wastewater services is at least 95%, provided by customer survey. | Not achieved. Only 61% were satisfied. Capital investment outlined in the 2015-25 LTP is being done to increase customer satisfaction. | Not Achieved. The Annual Customer Satisfaction Survey was undertaken in July 2014, and the results have yet to be analysed. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|--|---|--|--|
| Wastewater Planning. | An Asset Management Plan will be adopted providing a 10-year planning horizon and reviewed every 3 years. | | Achieved. The Asset Management Plan review for Wastewater has been completed and the proposed programmes incorporated into the Horowhenua District Council Infrastructure Strategy 2015-2045. | Did not have this measure last year. |
| | | The Wastewater Asset Management Plan provides a 20 year planning horizon and is reviewed on a three yearly basis. The target was 100% completion. | Achieved. The Asset Management Plan review for Wastewater has been completed and the proposed programmes incorporated into the Horowhenua District Council Infrastructure Strategy 2015-2045. | Did not have this measure last year. |
| | | The Wastewater Asset Management Plan provides a 20 year planning horizon and is reviewed on a three yearly basis. The target was 75% completion. | This was a LTP Yr2 measure used for the 2013/14 annual report. | The Asset Management Plan is to be reviewed. This was held over to be reviewed as part of the LTP. |
| | An Infrastructure Strategy will be adopted providing a 30-year planning horizon and reviewed every 3 years. | | Achieved. The Infrastructure Strategy was adopted by Council on 18 February 2015. | Did not have this measure last year. |
| Wastewater System and adequacy. | The number of dry weather overflows from territorial authority's sewerage system is less than two per 1,000 connections. | | Not measured in accordance with DIA guidelines. There were 20 properties affected by dry weather overflows. This equates to 1.6 overflows per 1,000 connections. | Did not have this measure last year. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--------------------------------------|---|-----------------------------|---|--------------------------------------|
| Wastewater Fault response. | Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times (in hours) measured: <ul style="list-style-type: none"> • attendance time will be one hour or less, from the time that the territorial authority receives notification to the time that service personnel reach the site, and • resolution time will be no more than 12 hours from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. | | <p>Not achieved.</p> <p>We are currently reviewing reporting measure to better capture this information for the next financial year and will endeavour to capture this information in 2015/16.</p> <p>Not achieved.</p> <p>We are currently reviewing reporting measure to better capture this information for the next financial year and will endeavour to capture this information in 2015/16.</p> | Did not have this measure last year. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|--|---|--|--|
| <p>Wastewater</p> <p>To provide a reliable system of wastewater disposal with minimal disruption to the environment</p> | <p>99.5% of connected properties will be protected from system related overflow during the year.</p> | <p>99.5% of connected properties will be protected from system related overflows during the year.</p> | <p>Achieved.</p> <p>As at 30 June 2015, there have been fifty-two (52) properties affected by overflows. 11,680 properties are connected to the Council's wastewater network. This gives a percentage of 99.5% connected properties which are protected from system-related overflows.</p> <p>The types of blockages reported were commonly fat and other materials, roots, sand, collapsed pipe and unknown causes of overflow.</p> | <p>81 properties were affected by overflow. The total number of connected properties is 11,488 as per the rating data base at 30 June 2014. This gives a percentage of 99.3% connected properties protected from system-related overflows.</p> <p>The types of blockages reported were commonly fat and other materials, roots, sand, collapsed pipe and unknown causes of overflow.</p> |

4. ACQUISITION AND RENEWAL OF ASSETS

The assets used in the provision of wastewater disposal are mainly connections, pipelines, wastewater treatment plants and effluent disposal facilities. Capital and renewal expenditures adding to these assets during the year ended 30 June 2015 were:

| Wastewater | Annual Plan 2014/15 \$000 | Actual 2014/15 \$000 | Variance \$000 | Notes |
|---|--|-------------------------------------|---------------------------|--------------|
| Primary Type Renewals (Replace existing assets) | | | | |
| Mangaore Pump Station | 13 | - | (13) | |
| Foxtton Beach Pump Station | 23 | 29 | 6 | |
| Foxtton Treatment Plant | 49 | 3 | (46) | |
| Waitarere Beach Pump Station | 20 | - | (20) | |
| Waitarere Beach Treatment Plant | 40 | - | (40) | |
| Levin Pump Station | 41 | 5 | (36) | |
| Levin Treatment Plant | 416 | 410 | (6) | |
| Levin Reticulation Renewal | 2,110 | 1,145 | (965) | 1 |
| Levin Sewage Treatment Plant painting and external maintenanc | 22 | - | (22) | |
| Foxtton Reticulation Renewal | 60 | - | (60) | |
| Foxtton Beach Reticulation Renewal | 38 | - | (38) | |
| Shannon - Mangaore Reticulation Renewal | 369 | 49 | (320) | |
| Tokomaru Wastewater Treatment Plant | 20 | - | (20) | |
| Tokomaru WWTP Desludging | 100 | - | (100) | |
| Tokomaru WWTP Oxidation Pond Relining | 62 | - | (62) | |
| Waitarere Reticulation Renewal | 33 | - | (33) | |
| Shannon WW Retic New CAPEX | - | 7 | 7 | |
| Shannon Treatment Plant | - | - | - | |
| Wastewater Reticulation Renewals 2015-16 District Wide | - | 3 | 3 | |
| Foxtton Beach WW Retic New CAPEX | - | 2 | 2 | |
| Foxtton Beach WS Treatment Plant | - | 3 | 3 | |
| Levin WW Retic New CAPEX | - | 29 | 29 | |
| Overheads | 82 | 89 | 7 | |
| Total Renewal Projects | 3,498 | 1,774 | (1,724) | |
| These Renewal Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | 3,368 | 1,714 | (1,654) | |
| Improve Level of Service | - | - | - | |
| Growth - to meet additional demand | 130 | 60 | (70) | |
| | 3,498 | 1,774 | (1,724) | |

| Wastewater | Annual Plan | Actual | Variance | Notes |
|---|--------------------|----------------|-----------------|--------------|
| Primary Type Level of Service | 2014/15 | 2014/15 | | |
| | \$000 | \$000 | \$000 | |
| Levin strategic upgrade Pipeline to POT & Pump Station, improvements to irrigation area | 269 | 53 | (216) | |
| Foxtton strategic upgrade Treatment Plant | 3,031 | 210 | (2,821) | 2 |
| Levin Telemetry (combined with water supply) | 31 | 1,000 | 969 | 4 |
| Foxtton Telemetry (combined with water supply) | 15 | 1 | (14) | |
| Foxtton Beach Telemetry (combined with water supply) | 139 | - | (139) | |
| Foxtton Beach strategic upgrade Treatment Plant | 1,949 | 3 | (1,946) | 2 |
| Shannon - Mangaore Telemetry (combined with water supply) | 23 | - | (23) | |
| Waitarere Telemetry (combined with water supply) | 74 | 1 | (73) | |
| Levin New connections (recoverable income offset) | 8 | 21 | 13 | |
| Foxtton New connections (recoverable income offset) | 4 | 12 | 8 | |
| Foxtton Beach New connections (recoverable income offset) | 6 | - | (6) | |
| Shannon - Mangaore New connections (recoverable income offset) | 3 | - | (3) | |
| Waitarere New connections (recoverable income offset) | 6 | - | (6) | |
| Shannon Disposal System | 5,430 | 524 | (4,906) | 3 |
| Tokomaru Telemetry (combined with water supply) C/fwd to 2013/14 | 8 | - | (8) | |
| Levin WW Strategic Capital Projects | - | 82 | 82 | |
| Shannon Wastewater WW61 Irrigation Project | - | 195 | 195 | |
| Overheads | 153 | 86 | (67) | |
| Total LOS Projects | 11,149 | 2,188 | (8,961) | |
| These LOS Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | 182 | 28 | (154) | |
| Improve Level of Service | 9,401 | 2,060 | (7,341) | |
| Growth - to meet additional demand | 1,565 | 100 | (1,465) | |
| | 11,149 | 2,188 | (8,960) | |
| Wastewater | | | | |
| Primary Type Growth | | | | |
| Levin, North East Development plan | 111 | 25 | (86) | |
| Overheads | 39 | - | (39) | |
| | 150 | 25 | (125) | |
| These Growth Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | - | - | - | |
| Improve Level of Service | - | - | - | |
| Growth - to meet additional demand | 150 | 25 | (125) | |
| | 150 | 25 | (125) | |
| Make up of above projects by % of type | | | | |
| Renewals - replacing existing assets | 3,550 | 1,742 | (1,808) | |
| Improve Level of Service | 9,401 | 2,060 | (7,341) | |
| Growth - to meet additional demand | 1,845 | 185 | (1,660) | |
| | 14,796 | 3,987 | (10,809) | |

NOTES:

1. \$861k was carried forward to 2015/16.
2. These two projects have been combined and \$2.88M carried forward to 2015/16.
3. \$4.636M has been carried forward to 2015/16.
4. Telemetry is a multi-activity wide project. The initial costs have been recorded in the wastewater activity.

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

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 2015 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 | Waste water treated in an effective way to minimise harm to the community. |
| Economic | Levels of service were maintained during 2014/15 to the community. |

Wastewater Disposal

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | Notes |
|--|--|--|--|----------------------------------|------------------------------------|-------|
| Sources of Operating Funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - | |
| Targeted rates (other than a targeted rate for water by meter supply) | 4,516 | 5,097 | 5,846 | 5,847 | 1 | |
| Subsidies and grants for operating purposes | - | - | - | - | - | |
| Fees, charges and targeted rates for water by meter supply | 673 | 741 | 850 | 635 | (215) | 1 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 25 | 23 | 39 | 118 | 79 | |
| Internal charges and overheads recovered | - | - | - | - | - | |
| Total Operating Funding (A) | 5,214 | 5,861 | 6,735 | 6,600 | (135) | |
| Applications of Operating Funding | | | | | | |
| Payments to staff and suppliers | 2,379 | 2,468 | 2,354 | 2,572 | 218 | 2 |
| Finance Costs | 701 | 897 | 883 | 768 | (115) | 3 |
| Internal charges and overheads applied | 614 | 638 | 821 | 600 | (221) | 4 |
| Total applications of operating funding (B) | 3,694 | 4,003 | 4,058 | 3,940 | (118) | |
| Surplus (deficit) of operating funding (A - B) | 1,520 | 1,858 | 2,677 | 2,660 | (17) | |
| Sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | |
| Development and financial contributions | 324 | 336 | 118 | 83 | (35) | |
| Increase (decrease) in debt | 3,025 | 5,661 | 11,937 | 1,571 | (10,366) | 3 |
| Gross proceeds from sale of assets | - | - | - | - | - | |
| Total sources of capital funding (C) | 3,349 | 5,997 | 12,055 | 1,654 | (10,401) | |
| Applications of capital funding | | | | | | |
| Capital expenditure | | | | | | |
| - to meet additional demand | 316 | 1,280 | 1,847 | 185 | (1,662) | |
| - to improve the level of service | 1,219 | 4,520 | 9,401 | 2,060 | (7,341) | |
| - to replace existing assets | 3,381 | 1,993 | 3,549 | 1,742 | (1,807) | |
| Increase (decrease) in reserves | (47) | 62 | (65) | 327 | 392 | |
| Increase (decrease) of investments | - | - | - | - | - | |
| Total applications of capital funding (D) | 4,869 | 7,855 | 14,732 | 4,314 | (10,418) | |
| Surplus (deficit) of capital funding (C - D) | (1,520) | (1,858) | (2,677) | (2,660) | 17 | |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | |
| Depreciation | 2,023 | 2,223 | 2,211 | 2,460 | 249 | |
| Loans attributable to this group of activities | | | | | | |
| | | | External \$000 | Internal \$000 | Total \$000 | |
| Loans as at 1/07/2014 | | | 13,700 | 290 | 13,990 | |
| Raised during year | | | 2,200 | 13 | 2,213 | |
| Repaid During Year | | | (550) | (91) | (641) | |
| Loans as at 30/06/2015 | | | 15,350 | 212 | 15,562 | |
| Interest attributable to Loans | | | 753 | 15 | 768 | |
| ACTIVITY EXPENDITURE | | | | | | |
| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | |
| Foxton Wastewater | 504 | 540 | 559 | 658 | 99 | |
| Foxton Beach Wastewater | 635 | 659 | 602 | 507 | (95) | |
| Levin Wastewater | 3,360 | 3,721 | 3,518 | 3,737 | 219 | 5 |
| Shannon Wastewater | 578 | 626 | 1,012 | 994 | (18) | |
| Tokomaru Wastewater | 173 | 179 | 191 | 124 | (67) | |
| Waitare Beach Wastewater | 467 | 500 | 388 | 380 | (8) | |
| Total Expenditure | 5,717 | 6,225 | 6,270 | 6,400 | 130 | |

NOTES:

- 1 User fees are below budget due to changes in the calculation of Trade Waste charges .
- 2 Expenditure is above budget due to increased maintenance costs at Foxton and additional consultant costs in relation to the Trade Waste Bylaw.
- 3 Reduced debt and finance costs due to some major capital works not being completed in 2014/15 and being carried forward to 2015/16.
- 4 Internal costs were below budget due to lower staff resources allocated to this activity as a result of changes to personnel during the year.
- 5 Expenditure is above budget due to additional consultant costs in relation to the Trade Waste Bylaw.

Solid Waste Management

STATEMENT OF SERVICE PERFORMANCE

1. RATIONALE

Council's involvement in the solid waste supply activity and ownership of assets comes from:

- The Health Act 1956, which requires Council to provide 'sanitary works', the definition of which includes works for the collection and disposal of refuse,
- The Local Government Act 2002 (section 97) precludes Council from transferring ownership or control of a strategic asset, or construct, replace or abandon a strategic asset, unless it has first consulted with the community and included the proposal in the LTP, and
- The Waste Minimisation Act 2008.

The Horowhenua District Council has determined a range of community outcomes to which its activities contribute. Those addressed by solid waste management include:

HEALTH: A community where all people have the opportunity to enjoy long and healthy lives.

| Activity | Wellbeing | Outcome | Role |
|-------------------------|---------------|---------------------|----------|
| Landfill | Environmental | Health, environment | Provider |
| Waste transfer stations | Environmental | Health, environment | Provider |
| Recycling | Environmental | Health, environment | Provider |
| Roadside collection | Environmental | Health, environment | Provider |

Sound procedures for the management and disposal of solid waste:

- Protect the environment both above the ground and below it.
- Contribute to public health.

2. DESCRIPTION OF ACTIVITIES

2.1 Landfill

The Council owns and has 35-year resource consent to operate the only landfill in the District. The Council also monitors its former, smaller landfills in Shannon, Foxton and Foxton Beach, which were closed in 1995 and 1996.

2.2 Waste transfer stations

The Council owns and operates waste transfer stations at Shannon and Foxton. The refuse from these is trucked to the landfill.

2.3 Recycling

The Council provides recycling centres at Levin, Waitarere Beach, Shannon, Foxton, Foxton Beach, Tokomaru and Opiki.

The Council also provides for the weekly roadside collection of recyclables in urban areas and undertakes public education on waste minimisation.

2.4 Roadside collection

The Council provides weekly roadside collection of prepaid refuse bags (in built-up areas, in competition with private refuse collectors).

3. MEASURING PERFORMANCE

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|---|---|--|--|
| <p>Landfill</p> <p>Landfill operated in an environmentally friendly way.</p> | <p>The Levin Landfill will be fully compliant with the annual consent inspection report.</p> | <p>The Levin Landfill will be fully compliant with the annual consent inspection report.</p> | <p>As per the annual consent inspection report:</p> <ul style="list-style-type: none"> • Achieved: <ul style="list-style-type: none"> ○ Consent 6009 discharge solid waste to land. Comply – full. • Achieved: <ul style="list-style-type: none"> ○ Consent 6010 discharge leachate to land. Comply – full. • Achieved: <ul style="list-style-type: none"> ○ Consent 6011 discharge landfill gas, odour and dust to air. Comply – at risk. • Achieved: <ul style="list-style-type: none"> ○ Consent 6012 divert stormwater. Comply – full. • Achieved: <ul style="list-style-type: none"> ○ Consent 102259 discharge to land. Comply – full. • Achieved: <ul style="list-style-type: none"> ○ Consent 106798 flaring of landfill gas. Comply – full. | <p>Achieved.</p> <p>Council provides compliance reports to Horizons quarterly as well as an annual comprehensive compliant.</p> <p>Consents fully complied for the following:</p> <p>Consent 7289 discharge to liquefied waste to land. Currently there is no liquid waste being discharged to land.</p> <p>Consent 6009 discharge solid waste to land.</p> <p>Consent 6010 discharge leachate to land.</p> <p>Consent 6012 divert stormwater.</p> <p>Consent 102259 discharge to land.</p> <p>Consent 106129 discharge to air, expired.</p> |
| <p>Recycling</p> <p>Refuse and recycling collection services are provided and recycling is actively promoted.</p> | <p>Council will collect at least 2000 tonnes of recyclable material from the kerbside and static recycling schemes.</p> | <p>Council will collect at least 2000 tonnes of recyclable material from the kerbside and static recycling.</p> | <p>Not achieved.</p> <p>As at 30 June 2015, there has been 1,907 tonnes of recycling collected.</p> | <p>Achieved.</p> <p>As at 30 June 2014, there has been 2,295 tonnes of recycling collected.</p> |

| | | | | |
|--|--|---|--|--|
| <p>Recycling</p> <p>Refuse and recycling collection services are provided and recycling is actively promoted.</p> | <p>Kerbside recycling shall be offered to 91% of all serviceable households.</p> | <p>Kerbside recycling shall be offered to 91% of all serviceable households.</p> | <p>Achieved.</p> <p>As at 30 June 2015, kerbside recycling services are offered to 95.3% of serviceable households in the District.</p> | <p>Achieved.</p> <p>As at 30 June 2014, kerbside recycling services are offered to 95.3% of serviceable households in the District</p> |
| <p>Roadside Collection</p> <p>To provide a reliable system of roadside collection of refuse bags.</p> | <p>Level of satisfaction with kerbside collection of recycling and refuse is measured by receiving less than 15 justified calls per month.</p> | <p>Level of satisfaction with kerbside collection of recycling and refuse measured by receiving less than 15 justified calls per month.</p> | <p>Achieved.</p> <p>20 complaints on rubbish bags = 1.67 average per month.</p> | <p>Council has over 13,000 recycling creates in service throughout the district and collects on average 6,700 rubbish bags per month.</p> <p>Achieved.</p> <p>71 justified complaints have been received between July 2013 - June 2014, being a monthly average of 5.9 complaints per month.</p> |
| <p>All Solid Waste</p> <p>To measure all solid waste and undertake community education.</p> | <p>Council will measure the amount of Recycling and Rubbish per Resident.</p> | <p>Council will measure the amount of Recycling and Rubbish per Resident.</p> | <p>Achieved.</p> <p>As at 30 June 2015, the average person diverted 64kg of recycling.</p> <p>As at 30 June 2015, the average person disposed of 439kg of rubbish.</p> | <p>Achieved.</p> <p>As at 30 June 2014, the average person diverted 80.91kg of recycling.</p> <p>As at 30 June 2014, the average person disposed of 330kg of rubbish.</p> |
| | <p>Council will carry out waste education within the community.</p> | <p>The Council will carry out waste education within the community.</p> | <p>Achieved.</p> <p>Waste Education is being carried out in Schools throughout the District.</p> | <p>Achieved.</p> <p>Waste Education being successfully carried out in Schools throughout the District.</p> |

4. ACQUISITION AND RENEWAL OF ASSETS

The assets used in the provision of solid waste management are mainly the landfill, waste transfer stations and recycling centres. Capital and renewal expenditures adding to these assets during the year ended 30 June 2015 were not completed as noted below.

| | Annual Plan 2014/15 \$000 | Actual 2014/15 \$000 | Variance \$000 | Notes |
|--|------------------------------------|----------------------------|-------------------|-------|
| Solid Waste | | | | |
| Primary Type Renewals (Replace existing assets) | | | | |
| Closed Levin Landfill Capping shape correction | 13 | - | (13) | 1 |
| Levin Landfill Programmed renewals | 6 | - | (6) | |
| Shannon Recycle Station Repair and Repaint container Overheads | 5 | - | (5) | |
| | 1 | - | (1) | |
| Total Renewals | 25 | - | (25) | |
| These Renewal Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | 25 | - | (25) | |
| Improve Level of Service | - | - | - | |
| Growth - to meet additional demand | - | - | - | |
| | 25 | - | (25) | |
| Solid Waste | | | | |
| Primary Type Level of Service | | | | |
| Foxton Transfer Station Roads | 21 | 1 | (20) | |
| Levin Landfill Consents | 107 | 26 | (81) | 4 |
| Levin Landfill Energy Recovery / Flare | 250 | 10 | (240) | 2 |
| Levin Landfill Cell, Gas Lines, Etc | 296 | 171 | (125) | |
| Levin Landfill Leachate pre-treatment | 129 | - | (129) | 3 |
| Overheads | 12 | 6 | (6) | |
| | 815 | 214 | (601) | |
| These LOS Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | - | - | - | |
| Improve Level of Service | 813 | 214 | (599) | |
| Growth - to meet additional demand | 2 | 0 | (2) | |
| | 815 | 214 | (601) | |
| Make up of above projects by % of type | | | | |
| Renewals - replacing existing assets | 25 | - | (25) | |
| Improve Level of Service | 813 | 214 | (599) | |
| Growth - to meet additional demand | 2 | 0 | (2) | |
| | 840 | 214 | (626) | |

NOTES:

1. \$13k carried forward to 2015/16.
2. \$200k carried forward to 2015/16.
3. \$129k carried forward to 2015/16.
4. \$79k carried forward to 2015/16.

Significant acquisitions of assets

To comply with consent conditions, some investment in the Levin Landfill infrastructure is required to protect the environment.

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

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 2015 included:

| Community outcomes | Effects of programmes in activity area |
|---------------------------|---|
| Environmental | The introduction of kerbside recycling has had a significant effect on the amount of waste being transferred to the Levin landfill. |

Solid Waste Management

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | Notes |
|--|--|--|--|----------------------------------|------------------------------------|-------|
| Sources of Operating Funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - | |
| Targeted rates (other than a targeted rate for water by meter supply) | 1,071 | 1,122 | 288 | 298 | 10 | |
| Subsidies and grants for operating purposes | - | - | - | - | - | |
| Fees, charges and targeted rates for water by meter supply | 1,845 | 1,904 | 1,753 | 1,780 | 27 | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 31 | 25 | 26 | 32 | 6 | |
| Internal charges and overheads recovered | - | - | - | - | - | |
| Total Operating Funding (A) | 2,947 | 3,051 | 2,067 | 2,110 | 43 | |
| Applications of Operating Funding | | | | | | |
| Payments to staff and suppliers | 2,129 | 2,208 | 1,441 | 1,214 | (227) | 1 |
| Finance Costs | 352 | 370 | 275 | 250 | (25) | 2 |
| Internal charges and overheads applied | 354 | 367 | 211 | 157 | (54) | |
| Total applications of operating funding (B) | 2,835 | 2,945 | 1,927 | 1,621 | (306) | |
| Surplus (deficit) of operating funding (A - B) | 112 | 106 | 140 | 489 | 349 | |
| Sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | |
| Development and financial contributions | - | - | - | - | - | |
| Increase (decrease) in debt | 285 | 548 | 610 | 31 | (579) | 2 |
| Gross proceeds from sale of assets | - | - | - | - | - | |
| Total sources of capital funding (C) | 285 | 548 | 610 | 31 | (579) | |
| Applications of capital funding | | | | | | |
| Capital expenditure | | | | | | |
| - to meet additional demand | - | 2 | 2 | 0 | (2) | |
| - to improve the level of service | 502 | 769 | 813 | 214 | (599) | 4 |
| - to replace existing assets | 32 | 12 | 26 | - | (26) | |
| Increase (decrease) in reserves | (137) | (129) | (91) | 306 | 397 | |
| Increase (decrease) of investments | - | - | - | - | - | |
| Total applications of capital funding (D) | 397 | 654 | 750 | 520 | (230) | |
| Surplus (deficit) of capital funding (C - D) | (112) | (106) | (140) | (489) | (349) | |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | |
| Depreciation | 391 | 427 | 412 | 247 | (165) | |
| Loans attributable to this group of activities | | | | | | |
| | | | External \$000 | Internal \$000 | Total \$000 | |
| Loans as at 1/07/2014 | | | 4,500 | 56 | 4,556 | |
| Raised during year | | | 200 | 13 | 213 | |
| Repaid During Year | | | (150) | (32) | (182) | |
| Loans as at 30/06/2015 | | | 4,550 | 37 | 4,587 | |
| Interest attributable to Loans | | | 247 | 3 | 250 | |
| ACTIVITY EXPENDITURE | | | | | | |
| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | |
| Roadside Collection Bags | 320 | 331 | 186 | 146 | (40) | 1 |
| Landfill | 1,708 | 1,805 | 1,284 | 922 | (362) | 3 |
| Recycling Centres | 859 | 887 | 676 | 604 | (72) | |
| Waste Transfer Stations | 339 | 350 | 295 | 198 | (97) | 1 |
| Total Expenditure | 3,226 | 3,373 | 2,441 | 1,870 | (571) | |

NOTES:

- Overall maintenance expenditure in running this activity was well down from budget.
- Lower debt and finance costs, as a number of projects were not completed in 2014/15 and were carried forward to 2015/16.
- Landfill depreciation is less than expected.
- A number of projects have been carried forward to 2015/16.

Community Support

STATEMENT OF SERVICE PERFORMANCE

1. RATIONALE

The Horowhenua District Council has determined a range of community outcomes to which its activities contribute. Those addressed by community support management include:

EDUCATION: A community where all people have the knowledge and skills they need to participate fully in a knowledge society.

ECONOMIC: A community where all people have access to a range of local business and employment opportunities and a community where all people have access to an adequate standard of living.

CULTURE: A community where all people share a strong local heritage and identity and value cultural diversity and development.

SAFETY: A community where all people enjoy personal safety and security within their community.

SOCIAL: A community where all people enjoy constructive relationships with others and are able to participate fully with them in society.

| Activity | Wellbeing | Outcomes | Role |
|-------------------------------------|-------------------------------|--|-------------|
| Community centres and libraries | Economic, social and cultural | Youth, positive ageing, education, culture, social | Provider |
| Emergency management and rural fire | Social and cultural | Safety | Provider |
| Marketing | Economic | Economic | Facilitator |
| Community development | Social and cultural | Culture, social, youth, positive ageing | Facilitator |
| Safer community councils | Social and cultural | Safety | Provider |
| Grants | Social and cultural | Culture, social, youth, positive ageing | Facilitator |
| Arts and culture | Social and cultural | Culture, social | Facilitator |
| Tourism and economic development | Economic | Economic | Facilitator |

2. DESCRIPTION OF ACTIVITIES

2.1 Libraries

Public libraries are an important educational, cultural and recreational resource. They enrich the economic, social and intellectual life of the community.

The Council owns the Levin Culture and Community Centre (Te Takere) and library buildings in Shannon and Foxton.

In 1996 Council set up the Te Horowhenua Trust (formerly the Horowhenua Library Trust) and leased the library buildings to the Trust, vested its other library assets in the Trust and entered into a contract for the delivery of library services.

There are capacity issues in the current size limitations of the Foxton library, and provision is made to expand it.

The libraries:

- provide ready access to a very wide range of books, magazines, CDs, videos, archives, files and genealogical material by way of borrowing, reference or internet access.
- target the special needs of Māori, children, the housebound, the sight-impaired and schools and support the volunteer libraries in Waitarere Beach and Tokomaru.

2.2 Emergency management

Parts of Horowhenua are vulnerable to civil emergencies caused by natural disasters (e.g. earthquake, flooding or tsunami) or by accidents (e.g. spills or explosions of hazardous substances) as well as risks from rural fires.

In the event of civil emergencies that are beyond the capabilities of the permanent emergency services, Council can help gain access to extra resources and co-ordinate support, to help save lives, treat the injured and alleviate stress. This activity is one that may be more effectively delivered by way of joint services arrangements with other organizations that have similar roles.

It is impossible to predict when, where, or the degree of emergencies that might occur, so preparedness is the key. The Council has an important planning role in:

- reducing the likelihood of disasters occurring
- reducing the social and economic disruption from those that do occur maintaining the Horowhenua Emergency Management Committee and the emergency management and recovery plans
- maintaining links with emergency services, welfare organisations and other agencies through the Manawatu Wanganui Civil Defence Emergency Management Group Joint Committee
- assisting other organisations in the community in the preparation of their own emergency plans
- providing public education about what to do in an emergency.

Emergency management also involves:

- issuing rural fire permits
- arranging rural fire-fighting coverage.

From 1 July 2009 emergency management has been delivered under a shared services arrangement with the Horizons Regional Council.

2.3 Marketing

These activities help keep residents and ratepayers informed of the Council's activities.

2.4 Community development

The Council:

- administers the Horowhenua Youth Voice, Youth Council, Arts Culture and Heritage Network, Education Horowhenua, Older Person's Network, Disability Leadership Forum and Pride and Vibrancy.
- helps community groups generally
- encourages participation in Council affairs.

2.5 Safer communities

The Council provides support for safer communities via its Community Wellbeing Committee.

2.6 Grants

Community groups make a significant contribution to Horowhenua's well-being, whether in welfare, recreational, cultural or social activities.

These groups are usually run by volunteers whose unselfish efforts create opportunities for others and add to Horowhenua's sense of identity.

The Council operates several grant schemes including:

- grants on behalf of Creative New Zealand
- grants for the maintenance of community halls
- grants to community groups generally
- grants of \$10,000 to \$100,000 towards sporting, environmental or cultural developments of a capital nature.

2.7 Arts and culture

The Council has a small budget for grants towards artistic and cultural products and events and has adopted an arts, culture and heritage strategy which may lead to the development of a slightly wider role in this area.

2.8 Tourism and economic development

Although not directly involved in the development of business ventures, a broad range of proactive strategies to encourage new investment and strengthen present industries has the potential to provide greater economic security for the District and lower levels of unemployment.

The Council's main activity is to provide:

- promotion of Horowhenua as a place to invest in
- visitor information centres
- marketing programmes, visitor guides and heritage trails that promote the district's brand, strengths, events and attractions to metropolitan audiences.

Other activities include:

- sponsoring the Horowhenua-Kapiti Business Award for Manufacturer of the Year.
- maintaining sister town relationships with the Japanese towns, Ashiro and Shimofusa.

2.9 Customer services

The Council provides a main customer services facility in Levin and service centre support in Shannon and Foxton for the convenience of people in the areas more distant from Council's main office in Levin.

3. MEASURING PERFORMANCE

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|---|---|---|--|
| <p>Libraries:</p> <p>There is a range of library stock including up to date material.</p> | <p>Te Horowhenua Trust will meet all Performance Indicators defined in a Management Agreement with Council.</p> | <p>Te Horowhenua Trust will meet 100% of Performance Indicators defined in a Management Agreement with Council.</p> | <p>Key performance measures for Te Takere and other library services have been received by the Te Horowhenua Trust and considered by Council. The Statement of Intent for 2015/2016 has been adopted.</p> | <p>For details of this please see Pages 33 and 34.</p> |
| <p>Emergency management & rural fires:</p> <p>To reduce the potential impact of Civil Defence emergencies on.</p> | <p>Five media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.</p> | <p>Five media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.</p> | <p>Achieved.</p> <p>We have / or will be undertaking CDEM advertising in the following:</p> <ul style="list-style-type: none"> • 2015 Neighbourhood Support Wall Planner. • Palmerston North / Horowhenua / Manawatu Neighbourhood Support Handbook - 2015 edition. • Horowhenua A-Z Business Directory 2015. • Horowhenua Chronicle Emergency Services feature (& other features throughout the year). • Newspaper & radio advertising re our Get Ready Week display at Te Takere - date to be confirmed (usually week of 16 September). • Various CDEM features in Community Connection throughout the year. • Plus various other opportunities as they arise. | <p>Achieved.</p> <p>Undertaking CDEM advertising in the following:</p> <ul style="list-style-type: none"> • 2014 Neighbourhood Support Wall Planner • Palmerston North / Horowhenua / Manawatu Neighbourhood Support Handbook - 2014 edition • Horowhenua A-Z Business Directory 2014 • Horowhenua Chronicle Emergency Services feature (& other features throughout the year) • Newspaper & radio advertising re our Get Ready Week display at Te Takere - date to be confirmed (usually week of 16 September) • Various CDEM features in Community Connection throughout the year • Plus various other opportunities as they arise. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|--|--|--|---|
| Marketing: To keep residents and ratepayers informed about Council. | Eleven monthly Council newsletters ('Community Connection') will be published each year. | Eleven monthly Council newsletters will be published each year. | Achieved. As at 30 June 2015, there have been eleven (11) Community Connections published and distributed to 23,000 ratepayers and residents. | Not Achieved. As at 30 June 2014, there have been six Community Connections published and distributed to 23,000 ratepayers and residents. A review of the Community Connection has taken place, with the result being the Community Connection is now being published in a local newspaper once a month, resulting in significant cost savings. The first copy was published in the local newspaper in October 2013. Six editions have now been published and positive feedback continues to be received. A Summary of the 2014/2015 Draft Annual Plan has also been published. |
| | Four quarterly 'ElderBerries' newsletters will be published each year, targeting Horowhenua's older residents. | | Achieved. As at 30 June 2015, there have been four (4) editions of Elderberries published. | Did not have this measure last year. |
| Community Development To keep residents and ratepayers informed about Council. | 97% of requests for information and advice will be responded to within 48 hours. | 97% of requests for information and advice will be responded to within 48 hours. | Achieved. The Council achieved 100%. | Not Achieved. The Council continues to work towards achieving this goal. |
| Community Development To keep residents and ratepayers informed about Council. | Community contact details will be included in the Community Directory. | Community contact details will be included in the Community Directory. | Achieved. The Community Directory is current. | Achieved. Community Directory has been updated for 2013/14 |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|--|--|--|---|
| <p>Grants:</p> <p>To promote participation in and display of arts and cultural activities.</p> | <p>The various grant schemes will be implemented effectively based on feedback from Creative NZ and grant applicants as to the timeliness of decisions and processing of grants.</p> | <p>The various grant schemes will be implemented effectively based on feedback from Creative NZ and grant applicants as to the timeliness of decisions and processing of grants.</p> | <p>Achieved.</p> <p>Round one of grants for 2014/2015 were ratified by Council on 1 October 2014 and successful recipients have completed their projects.</p> <p>Round two of grants for 2014/2015 were ratified by Council in April, and successful recipients have uplifted all funds for projects during the remainder of 2015.</p> | <p>Achieved.</p> <p>Grants that have been allocated to 30 June 2014 have been done in accordance to guidelines and policy with no negative feedback from recipients or Creative NZ.</p> <p>The new Community Grants and Funding framework is in the implementation phase, and the Rural Halls Grant closed at the end of June for the 2014/2015 year.</p> |
| <p>Tourism and Economic Development</p> <p>Increase in number of visitors to the District. Resources allocated to gain greatest economic benefit.</p> | <p>Council's Economic Development Business Unit will meet all Performance Indicators, as defined in the Horowhenua Economic Development Strategy.</p> | <p>Council's Economic Development Business Unit will meet Performance Indicators defined in the Horowhenua Economic Development Strategy.</p> | <p>Achieved.</p> <p>The Economic Development Strategy implementation has commenced. Portfolio based initiatives have been developed, and wide ranging actions are currently being implemented. Quarterly update results from Infometrics show that economic conditions in Horowhenua are improving across many key areas.</p> | <p>Achieved.</p> <p>The Economic Development Strategy has commenced. Portfolio based initiatives have been developed, and wide ranging actions are currently being implemented. Quarterly update results from Infometrics show that economic conditions in Horowhenua are improving across many key areas.</p> |

4. ACQUISITION AND RENEWAL OF ASSETS

The assets used in the provision of community support services are mainly vehicles and service centre buildings. Capital and renewal expenditures adding to these assets during the year ended 30 June 2015 were:

| Community Support Primary Type Level of Service | Annual Plan 2014/15 | Actual 2014/15 | Variance | Notes |
|--|---------------------------|-------------------|------------|-------|
| | \$000 | \$000 | \$000 | |
| Te Awahou Nieuwe Stroom | 808 | 970 | 162 | 1 |
| Levin Library Extension C/fwd to 2013/14 | 46 | 67 | 21 | |
| Overheads | 10 | - | (10) | |
| | <u>864</u> | <u>1,037</u> | <u>173</u> | |
| Make up of above projects by % of type | | | | |
| Renewals - replacing existing assets | 360 | 432 | 72 | |
| Improve Level of Service | 449 | 539 | 90 | |
| Growth - to meet additional demand | 55 | 66 | 11 | |
| | <u>864</u> | <u>1,037</u> | <u>173</u> | |

NOTES:

1 Further design work was undertaken.

Significant acquisitions of assets

There were no significant acquisitions of assets.

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

Council's Community Wellbeing function provides overall strategic leadership, facilitation and coordination to community organisations, who work together towards our achieving a socially, culturally, environmentally and physically well community.

Programmes that had identifiable impacts on Council's community outcomes during the year ended 30 June 2015 included:

| Community outcomes | Effects of programmes in activity area |
|----------------------------------|---|
| Social | Major grants were made to community groups to enable them to improve services and facilities, which offer the public greater opportunities for positive community wellbeing |
| Economic, cultural and education | Planning continues for Te Awahou Nieuwe Stroom, which will become a multi-purpose culture and heritage centre based in Foxton. |
| Safety | The Council sponsors and provides funding support for community groups that increase safety within the community, including neighbourhood support, surf lifesaving and beach wardens. |

Community Support

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | Notes |
|--|----------------------------------|----------------------------------|--|---------------------------|---------------------------|-------|
| Sources of Operating Funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | 1,576 | 1,631 | 1,595 | 1,589 | (6) | |
| Targeted rates (other than a targeted rate for water by meter supply) | 2,055 | 2,265 | 2,795 | 2,801 | 6 | |
| Subsidies and grants for operating purposes | 36 | 37 | 24 | 27 | 3 | |
| Fees, charges and targeted rates for water by meter supply | - | - | - | - | - | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 53 | 57 | 140 | 249 | 109 | 1 |
| Internal charges and overheads recovered | - | - | - | - | - | |
| Total Operating Funding (A) | 3,720 | 3,990 | 4,554 | 4,666 | 112 | |
| Applications of Operating Funding | | | | | | |
| Payments to staff and suppliers | 2,644 | 3,001 | 3,090 | 3,182 | 92 | |
| Finance Costs | 392 | 395 | 414 | 394 | (20) | |
| Internal charges and overheads applied | 531 | 543 | 793 | 937 | 144 | 2 |
| Total applications of operating funding (B) | 3,567 | 3,939 | 4,297 | 4,513 | 216 | |
| Surplus (deficit) of operating funding (A - B) | 153 | 51 | 257 | 153 | (104) | |
| Sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | 2 | 2 | |
| Development and financial contributions | 14 | 15 | 6 | 2 | (4) | |
| Increase (decrease) in debt | 46 | (31) | 601 | 749 | 148 | 3 |
| Gross proceeds from sale of assets | - | - | - | - | - | |
| Total sources of capital funding (C) | 60 | (16) | 607 | 753 | 146 | |
| Applications of capital funding | | | | | | |
| Capital expenditure | | | | | | |
| - to meet additional demand | 4 | 4 | 55 | 66 | 11 | |
| - to improve the level of service | 36 | 37 | 449 | 539 | 90 | |
| - to replace existing assets | 113 | 31 | 360 | 432 | 72 | |
| Increase (decrease) in reserves | 60 | (37) | - | (131) | (131) | |
| Increase (decrease) of investments | - | - | - | - | - | |
| Total applications of capital funding (D) | 213 | 35 | 864 | 906 | 42 | |
| Surplus (deficit) of capital funding (C - D) | (153) | (51) | (257) | (153) | 104 | |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | |
| Depreciation | 90 | 70 | 156 | 130 | (26) | |
| Loans attributable to this group of activities | | | | | | |
| | | | External \$000 | Internal \$000 | Total \$000 | |
| Loans as at 1/07/2014 | | | 6,900 | 277 | 7,177 | |
| Raised during year | | | 999 | 39 | 1,038 | |
| Repaid During Year | | | 101 | (390) | (289) | |
| Loans as at 1/07/2015 | | | 8,000 | (74) | 7,926 | |
| Interest attributable to Loans | | | 380 | 14 | 394 | |
| ACTIVITY EXPENDITURE | | | | | | |
| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | |
| Community Development | 116 | 119 | 223 | 246 | 23 | |
| Economic Development | 476 | 490 | 420 | 458 | 38 | |
| Arts, Culture & Heritage | 7 | 7 | 9 | 5 | (4) | |
| Community Grants | 277 | 391 | 358 | 285 | (73) | |
| District Marketing | 267 | 275 | 201 | 186 | (15) | |
| Libraries | 2,055 | 2,265 | 2,765 | 2,982 | 217 | 1 |
| Road Safety | 13 | 13 | - | - | - | |
| Safer Communities | - | - | - | - | - | |
| Emergency Management | 448 | 469 | 479 | 480 | 1 | |
| Total Expenditure | 3,659 | 4,029 | 4,455 | 4,642 | 187 | |

NOTES:

1. Flood damage at Te Takere offset by insurance recovery.
2. Internal charges were higher as a result of increased staff resources being allocated to this activity.
3. Increase in debt due to above budget expenditure on Te Awahou Nieuwe Stroom.

Properties

STATEMENT OF SERVICE PERFORMANCE

1. RATIONALE

A sustainable future for the Horowhenua District has four well-being themes as specified in the Council's strategic plan:

The Horowhenua District Council has determined a range of community outcomes to which its activities contribute. Those addressed by property management include:

HEALTH: A community where all people have the opportunity to enjoy long and healthy lives.

ECONOMIC: A community where all people have access to a range of local business and employment opportunities and a community where all people have access to an adequate standard of living.

CULTURE: A community where all people share a strong local heritage and identity and value cultural diversity and development.

SOCIAL: A community where all people enjoy constructive relationships with others and are able to participate fully with them in society.

| Activity | Wellbeing | Outcome | Role |
|-----------------------------|---------------------|--|----------|
| Motor camps | Economic | Economic | Provider |
| Community halls and centres | Social and cultural | Social, education | Provider |
| Residential housing | Economic | Economic, positive ageing | Provider |
| Endowment property | Economic | Economic | Provider |
| Commercial property | Economic | Economic | Provider |
| Forestry | Economic | Economic, environment | Provider |
| Public toilets | Social and cultural | Health | Provider |
| General | Social and cultural | Culture, social, education, youth, positive ageing | Provider |
| Water, wastewater | Social and cultural | Health | Provider |

2. DESCRIPTION OF ACTIVITIES

2.1 Motor camps

Motor camps provide accommodation opportunities for family groups, sports teams and others from casual visits and leased term semi-permanent caravan sites.

Council owns two camps: the Waitarere Beach Motor Camp and Playford Park Holiday Camp

The Waitarere and Playford Park Camps are on a ground lease basis only, meaning Council only owns the land, not the buildings or business.

The Waitarere Beach Motor Camp competes with another private camp in the township.

2.2 Halls

Public halls are focal points for assembly for communities to hold meetings, dances, displays, celebrations, community group activities and a range of other social events.

The public halls provided by Council are:

- Levin Memorial Hall
- Shannon Memorial Hall
- Foxton Memorial Hall
- Coronation Hall
- Mangaore Hall

A significant refurbishment of the Shannon Memorial Hall was undertaken during the period, significantly improving the level of service provided at this site.

The three memorial halls have a special status in the remembrance of those who fell in war. The other two are small rural halls.

There are many other halls in the District belonging to schools, sports clubs and other community groups.

2.3 Residential housing

Council provides residential housing in Levin, Shannon and Foxton owning 115 pensioner flats and three residential houses.

Council has specific a policy for the rental of pensioner flats, ensuring that accommodation is provided to those members of the community that have a low or little income or are sickness beneficiaries.

Council's Pensioner Housing Redevelopment Project has recently been completed seeing all 115 of Council's pensioner flats being refurbished.

2.4 Endowment property

The 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 and some vacant land is developed for residential subdivision.

The revenue from sales and leases is set aside in the Foxton Beach Free Holding Account. Funds from the Free Holding Account are spent in accordance with the expenditure policy for the account.

2.5 Commercial property

Council owns a number of commercial properties in Levin including the Work and Income building. The WINZ building houses two of the largest employers in the Levin CBD and the long term leases of the building covers the costs of maintenance and building renewal.

Council also owns several land blocks in Levin's CBD, all of which are leased by commercial tenants with long term land leases. The revenue from these leases is returned back into Council's Levin Town Centre Fund for CBD development.

2.6 Forestry

Forestry is seen as a long term investment that will eventually provide substantial revenue and enable Council to diversify its revenue base.

3. MEASURING PERFORMANCE

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|---|---|--|---|
| Halls: To maintain low-cost public halls. | The Foxton and Shannon Memorial Halls are utilised 3 times per fortnight. | The Foxton and Shannon Memorial Halls are utilised at least 3 times per fortnight. | Achieved. As at 30 June 2015, the Foxton Memorial Hall was used one hundred and three (103) times, equating to 3.96 times per fortnight. As at 30 June 2015, the Shannon Memorial Hall was used one hundred and ninety-nine (199) times, equating to 7.65 times per fortnight. | Did not have this measure last year. |
| | | Foxton Memorial Hall and Shannon Memorial Hall to be used at least twice per fortnight. | This was a LTP Yr2 measure used for the 2013/14 annual report. | Achieved. As at 30 June 2014, the Foxton Memorial Hall was used 113 times, equating to 2.17 times per week. Shannon Memorial Hall was used 222 times, equating to 4.27 times per week. |
| | The Levin Memorial Hall is utilised at least 8 times per week. | The Levin Memorial Hall is utilised at least 8 times per week. | Not achieved. As at 30 June 2015, the Levin Memorial Hall was used two hundred and six (206) times, equating to 3.96 times per week. | Did not have this measure last year. |
| | | The Levin Memorial Hall is utilised at least 7 times per week. | This was a LTP Yr2 measure used for the 2013/14 annual report. | Achieved. As at 30 June 2014, the Levin Memorial Hall was used 418 times. This equates to being used 8 times per week. |
| Residential Housing: To provide low cost housing to people over 60 years old. | That Pensioner accommodation will achieve at least 95% occupancy rate. | That Pensioner accommodation will achieve at least 95% occupancy rate. | Achieved. As at 30 June 2015, there has been 95.67% occupancy. We are currently working through applications. | Did not have this measure last year. |

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|---|--|--|--|--|
| <p>Residential Housing:</p> <p>To provide low cost housing to people over 60 years old.</p> | | The pensioner accommodation will achieve at least 94% occupancy. | This was a LTP Yr2 measure used for the 2013/14 annual report. | <p>Achieved.</p> <p>As at 30 June 2014 there has been 97.31% occupancy.</p> <p>We are currently working through applications.</p> |
| <p>Endowment Property:</p> <p>To optimise returns from endowment property.</p> | 20 sections of endowment property are released by Council for purchase. | 20 sections of endowment property are released by Council for purchase. | <p>Achieved.</p> <p>As at 30 June 2015, there are currently 36 sections available for sale as part of the Forbes Road Subdivision.</p> <p>This excludes the five sections exchanged for Seabury Avenue Land. Of the 36 sections six sections are due for settlement (all six are unconditional).</p> | Did not have this measure last year. |
| <p>Endowment Property:</p> <p>To optimise returns from endowment property.</p> | | The rate of endowment property released by Council for purchase over the next ten years. Target 40 sections available. | This was a LTP Yr2 measure used for the 2013/14 annual report. | <p>At as 30 June 2014, there are currently 44 sections available for sale as part of the Forbes Road Subdivision.</p> <p>This takes account of the five sections exchanged for Seabury Avenue Land and five sections due for settlement later in 2014, and two sections due at the latest 31 August 2015 (Spec Builder).</p> |
| <p>All Property:</p> <p>All Council owned property will comply with appropriate standards.</p> | 100% of Council owned buildings with Compliance Schedules will have current Building Warrant of Fitness. | All Horowhenua District Council owned buildings with Compliance Schedules will have current Building Warrant of Fitness. | <p>Achieved.</p> <p>All buildings with Compliance Schedules have current BWOFS. This means 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.</p> | All buildings with compliance schedules have current BWOFS. This means 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. |

4. ACQUISITION AND RENEWAL OF ASSETS

The assets used in the provision of property services are mainly motor camps, public halls, residential flats, Foxton Beach endowment properties, leasehold commercial property in Levin, forestry blocks, public toilets and other property holdings. Capital and renewal expenditures adding to these assets during the year ended 30 June 2015 were:

| Properties | Annual | Actual | Variance | Notes |
|---|------------|-----------|--------------|-------|
| | Plan | 2014/15 | | |
| Primary Type Renewals (Replace existing assets) | 2014/15 | 2014/15 | | |
| | \$000 | \$000 | \$000 | |
| Community Buildings Programmed renewals | 20 | 25 | 5 | |
| District Replacement of water heaters | 11 | - | (11) | |
| District Halls & Pavilions Reactive works (including vandalism) | 15 | - | (15) | |
| Pensioner Flats Programmed Renewals | 22 | 26 | 4 | |
| Public Toilets Programmed Renewals | 20 | 3 | (17) | |
| Overheads | 10 | - | (10) | |
| | <u>98</u> | <u>54</u> | <u>(44)</u> | |
| These Renewal Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | 98 | 54 | (44) | |
| Improve Level of Service | - | - | - | |
| Growth - to meet additional demand | - | - | - | |
| | <u>98</u> | <u>54</u> | <u>(44)</u> | |
| Properties | | | | |
| Primary Type Level of Service | | | | |
| Seismic Strengthening of WINZ Building | 9 | - | (9) | |
| Thompson House Improvement Works | 124 | 27 | (97) | 1 |
| Levin Landfill Pruning | 14 | - | (14) | |
| Ferry Reserve Thinning and Pruning | 5 | - | (5) | |
| Cousins Avenue Pruning | 3 | - | (3) | |
| Target Reserve Pruning | 8 | - | (8) | |
| 1 Oxnam Place Development Contribution | - | 14 | 14 | |
| Overheads | 2 | - | (2) | |
| | <u>165</u> | <u>41</u> | <u>(124)</u> | |
| These LOS Projects contain the following elements: | | | | |
| Renewals - replacing existing assets | - | - | - | |
| Improve Level of Service | 165 | 41 | (124) | |
| Growth - to meet additional demand | - | - | - | |
| | <u>165</u> | <u>41</u> | <u>(124)</u> | |
| Make up of above projects by % of type | | | | |
| Renewals - replacing existing assets | 98 | 54 | (44) | |
| Improve Level of Service | 165 | 41 | (124) | |
| Growth - to meet additional demand | - | - | - | |
| | <u>263</u> | <u>95</u> | <u>(168)</u> | |

NOTES:

1. \$100k carried forward to 2015/16.

Significant acquisitions of assets

There were no significant acquisitions of assets.

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

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 2015 included:

| Community Outcomes | Effects of programmes in activity area |
|---------------------------|---|
| Social and cultural | <p>During the period the completion of the Pensioner Housing Refurbishment project has provided rental accommodation to pensioners and those with disabilities, now in a modern refurbished setting.</p> <p>The provision of community halls, where refurbishment has occurred, has seen a continued increase in their utilisation, providing spaces for recreational, social, family and cultural activities to occur.</p> |
| Economic | <p>Property contracts were recently consolidated into one large contract, providing greater scope for continued and consistent property and facilities maintenance contract work to the market for the first time in years.</p> |
| Health and safety | <p>To maintain the Council owned property to ensure community safety and health requirements are met</p> |

Property

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | Notes |
|--|----------------------------------|----------------------------------|--|---------------------------|---------------------------|-------|
| Sources of Operating Funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | 1,330 | 1,376 | 1,540 | 1,534 | (6) | |
| Targeted rates (other than a targeted rate for water by meter supply) | - | - | - | - | - | |
| Subsidies and grants for operating purposes | - | - | - | - | - | |
| Fees, charges and targeted rates for water by meter supply | 1,798 | 1,898 | 1,667 | 1,639 | (28) | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 79 | 97 | 140 | 83 | (57) | |
| Internal charges and overheads recovered | 582 | 625 | 595 | 576 | (19) | |
| Total Operating Funding (A) | 3,789 | 3,996 | 3,942 | 3,832 | (110) | |
| Applications of Operating Funding | | | | | | |
| Payments to staff and suppliers | 2,217 | 2,305 | 2,137 | 1,998 | (139) | 1 |
| Finance Costs | 1,091 | 1,108 | 865 | 794 | (71) | |
| Internal charges and overheads applied | 714 | 740 | 720 | 660 | (60) | |
| Total applications of operating funding (B) | 4,022 | 4,153 | 3,722 | 3,452 | (270) | |
| Surplus (deficit) of operating funding (A - B) | (233) | (157) | 220 | 380 | 160 | |
| Sources of capital funding | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | |
| Development and financial contributions | 128 | 131 | 57 | 38 | (19) | |
| Increase (decrease) in debt | (798) | (1,243) | 419 | (354) | (773) | 2 |
| Gross proceeds from sale of assets | 1,311 | 1,349 | 474 | 1,852 | 1,378 | 2 |
| Total sources of capital funding (C) | 641 | 237 | 950 | 1,536 | 586 | |
| Applications of capital funding | | | | | | |
| Capital expenditure | | | | | | |
| - to meet additional demand | - | - | - | - | - | |
| - to improve the level of service | 451 | 15 | 165 | 41 | (124) | |
| - to replace existing assets | 255 | 325 | 98 | 54 | (44) | |
| Increase (decrease) in reserves | 427 | 449 | 907 | 1,821 | 914 | |
| Increase (decrease) of investments | (725) | (709) | - | - | - | |
| Total applications of capital funding (D) | 408 | 80 | 1,170 | 1,916 | 746 | |
| Surplus (deficit) of capital funding (C - D) | 233 | 157 | (220) | (380) | (160) | |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | |
| Depreciation | 426 | 523 | 463 | 443 | (20) | |
| Loans attributable to this group of activities | | | | | | |
| | | | External \$000 | Internal \$000 | Total \$000 | |
| Loans as at 1/07/2014 | | | 14,350 | 117 | 14,467 | |
| Raised during year | | | 53 | 81 | 134 | |
| Repaid During Year | | | (453) | (35) | (488) | |
| Loans as at 30/06/2015 | | | 13,950 | 163 | 14,113 | |
| Interest attributable to Loans | | | 788 | 6 | 794 | |
| ACTIVITY EXPENDITURE | | | | | | |
| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | |
| Public Toilets | 328 | 340 | 292 | 285 | (7) | |
| Council Building | 667 | 715 | 405 | 415 | 10 | |
| Camping Grounds | 56 | 59 | 19 | 32 | 13 | |
| Commercial Properties | 346 | 353 | 389 | 364 | (25) | |
| Endowment Property | 256 | 264 | 257 | 293 | 36 | |
| Forestry | 57 | 56 | 26 | 9 | (17) | |
| General Property | 639 | 681 | 751 | 589 | (162) | 1 |
| Halls | 334 | 348 | 315 | 275 | (40) | |
| Residential Housing | 1,184 | 1,233 | 1,134 | 1,057 | (77) | |
| Total Expenditure | 3,867 | 4,049 | 3,588 | 3,319 | (269) | |

NOTES:

1. Reactive maintenance expenditure was less than expected.
2. Proceeds of asset sales used to repay debt.

Representation and Governance

STATEMENT OF SERVICE PERFORMANCE

1. RATIONALE

A sustainable future for the Horowhenua District has four well-being themes as specified in the Council's strategic plan:

The Horowhenua District Council has determined a range of community outcomes to which its activities contribute. Those addressed by Representation and Governance management include:

DEMOCRACY: A community where all people enjoy civil and political rights and opportunities.

| | Outcome | Role |
|-------------------------------|-----------|----------|
| Representation and governance | Democracy | Provider |

2. DESCRIPTION OF ACTIVITIES

The purpose of the Horowhenua District Council is to enable democratic local decision making to promote the community's vision for its social, economic, environmental and cultural well-being in the present and for the future.

In fulfilling its purpose, the Council exercises powers and fulfils responsibilities conferred on it by legislation, administering a number of its powers through specific bylaws.

2.1 Governance role

The Mayor and Councillors of the Horowhenua District Council have the following roles:

- Setting the policy direction of Council
- Monitoring the performance of the 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 judgement in the best interests of the District)
- Wherever and whenever possible, facilitating solutions to local needs generally
- 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).

The Council fulfils its role by:

- Holding regular meetings, 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 of regional and central Government
- Keeping abreast of issues, legislation and best practice
- Balancing the books.

2.2 Governance structure

All actions, goals and themes that will help the Council achieve its vision will be guided by a set of values. These values will be constant reminders to ensure the actions taken under the annual plan reinforce the vision statement.

These values will guide all the following strategies and be taken into account whenever the long term financial strategy is revised and business plans are developed to implement the strategies. These overriding values are:

- To promote the holistic wellbeing of the total community.
- To fund activities as equitably as possible across generations.
- To respect the needs of different age groups within the community.
- To respect the needs of different ethnic groups within the community.
- To recognise the community's ability to pay for services and capital development.
- To recognise the principles of sustainability.
- To recognise the role of the community in key planning and decision-making processes.
- To prioritise resources according to where the need is greatest.
- To ensure every community in the District has access to basic facilities.

2.3 Governance values

The Council comprises:

- A Mayor elected at large
- Ten Councillors representing four wards, and
- The Foxton Community Board, five members and one Councillor.

At the time of the October 2013 triennial elections there were 22,437 electors eligible to vote for people to fill the positions of Mayor and ten Councillors. In addition, electors in Foxton and Foxton Beach were eligible to vote for the Foxton Community Board, which has five elected members and one Council appointee.

3. MEASURING PERFORMANCE

| Service Area | Performance measure AP 2014-15 | Performance measure LTP Yr3 | Attainment 2015 | Attainment 2014 |
|--|--|--|--|--|
| Representation and Governance: To provide open, accessible 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. Compliant local body elections were held in October 2013. | Achieved. Compliant local body elections were held in October 2013. |
| | The Annual Plan will be adopted before 30 June annually. | The Annual Plan will be adopted before 30 June annually. | Achieved. The 2015-2025 Long Term Plan was adopted by Council on 24 June 2014. | Achieved. The Annual Plan was adopted by Council on 4 June 2014. |
| | The Annual Report will include an unqualified audit opinion. | The Annual Report will include an unqualified audit opinion. | Achieved. The 2013/14 Annual Report was adopted by Council at an Extraordinary Council Meeting on 29 October 2014. An Unqualified Audit Opinion was received. | Achieved. An unqualified 2012/13 Annual Report adopted by Council on 6 November 2013. |

4. 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 2015 nor were any shown in the LTP for the year.

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

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 2015 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 Governance

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | Notes |
|--|--|--|--|----------------------------------|------------------------------------|-------|
| Sources of Operating Funding | | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - | |
| Targeted rates (other than a targeted rate for water by meter supply) | 2,701 | 2,777 | 2,676 | 2,681 | 5 | |
| Subsidies and grants for operating purposes | - | - | - | - | - | |
| Fees, charges and targeted rates for water by meter supply | - | - | - | - | - | |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 70 | 2 | - | 2 | 2 | |
| Internal charges and overheads recovered | - | - | - | - | - | |
| Total Operating Funding (A) | 2,771 | 2,779 | 2,676 | 2,683 | 7 | |
| Applications of Operating Funding | | | | | | |
| Payments to staff and suppliers | 832 | 738 | 1,403 | 1,538 | 135 | 1 |
| Finance Costs | - | - | - | - | - | |
| Internal charges and overheads applied | 1,968 | 2,027 | 1,751 | 2,202 | 451 | 2 |
| Total applications of operating funding (B) | 2,800 | 2,765 | 3,154 | 3,740 | 586 | |
| Surplus (deficit) of operating funding (A - B) | (29) | 14 | (478) | (1,057) | (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 | 1 | - | - | - | - | |
| Total sources of capital funding (C) | 1 | (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 | (28) | 13 | (478) | (1,057) | (579) | |
| Increase (decrease) of investments | - | - | - | - | - | |
| Total applications of capital funding (D) | (28) | 13 | (478) | (1,057) | (579) | |
| Surplus (deficit) of capital funding (C - D) | 29 | (14) | 478 | 1,057 | 579 | |
| Funding Balance ((A-B)+(C-D)) | - | - | - | - | - | |
| Depreciation | - | - | - | - | - | |
| Loans attributable to this group of activities | | | | | | |
| | | | External \$000 | Internal \$000 | Total \$000 | |
| Loans as at 1/07/2014 | | | - | - | - | |
| Raised during year | | | - | - | - | |
| Repaid During Year | | | - | - | - | |
| Loans as at 30/06/2015 | | | - | - | - | |
| Interest attributable to Loans | | | - | - | - | |
| ACTIVITY EXPENDITURE | | | | | | |
| | LTP Forecast 2014 \$000 | LTP Forecast 2015 \$000 | Annual Plan Forecast 2015 \$000 | Actual 2015 \$000 | Variance 2015 \$000 | |
| Community Board | 129 | 132 | 161 | 127 | (34) | |
| Elections | 115 | - | 1 | 6 | 5 | |
| Governance | 2,048 | 2,110 | 1,903 | 2,210 | 307 | 1 |
| External Reporting | 508 | 523 | 1,089 | 1,397 | 308 | 2 |
| Total Expenditure | 2,800 | 2,765 | 3,154 | 3,740 | 586 | |

NOTES:

- Professional services were \$167k over budget in the Governance activity.
- Staff time on the LTP and Annual Report are well above budget reflecting the additional resources allocated to this activity.

Report On Contribution of Māori to Decision Making

1. 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.

2. YEAR ENDED 30 JUNE 2015

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 2015 Council continued to make good progress in its pursuit of enhanced relationships with a view to establishing Memorandums of Understanding/Partnership with Iwi representation 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.

These Memoranda 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.

Horowhenua District Council continues to put focus and emphasis on building relationships 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 November 2014 sets out what the Community including Māori can expect from Horowhenua District Council 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, December 2014) in relation to land or a body of water and this is consistent with the requirements of section 77 of the LGA.

Council is also developing and entering into 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 formalised memorandums of partnership with the following Iwi and facilitates regular hui:

- Muaūpoko Tribal Authority
- Ngāti Tukorehe
- Rangitaane O Manawatu
- Te Kotahitanga o Te Iwi o Ngāti Wehi Wehi

Council is committed to encourage, develop and enter in to formal relationships with other Iwi, hapū or marae. Ngāti Raukawa ki te Tonga is another local iwi with strong ties to the Horowhenua District. While Council does not have an official Memorandum of Partnership with Ngāti Raukawa, they are a key stakeholder in our District and are often involved in consultation with them.

Council continues to build a relationship with Ngati Whakatere through Te Roopu Taiao o Ngati Whakatere. Council looks forward to continue strengthening this relationship in the future.

In addition to those Iwi that Council has a formal relationship with, senior Council officers have been formally invited on to the following marae within the district, Matau, Huia, Kikopiri and Kereru, as part of developing relationships between the Council and these Iwi, which may in time be formalised through Memorandum of Partnership.

Horowhenua District Council in its journey from good to great has put focus on building capacity within the organisation to ensure its people have 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 an intensive Cultural Awareness Training facilitated by Ngati Tukorehe. Council and senior staff have also participated in two development workshops on the Treaty of Waitangi and its local government context.

The following is a précis of the significant iwi consultation matters during 2014/15:

1. Te Awahou Nieuwe Stroom Project - Foxton
2. Shannon Wastewater Treatment Plant (WWTP)
3. Levin Water Supply
4. Foxton Wastewater Treatment Plant (WWTP)

This consultation 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;
- Participation in stakeholder focus groups;
- Survey responses on preferred site options.

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 Brendan Duffy

Phone: 0274 433 516

Email: Mayor@horowhenua.govt.nz

Council Committees: ex officio on all committees, Civic Honours Special Judging Panel (Chairperson), Community Wellbeing Executive (Chairperson), Chief Executive's Performance Review Panel (Chairperson), Community Grants and Funding Committee (Chairperson), Projects Committee, Civic Honours Special Judging Panel (Chairperson)

Represents Council on: Older Person's Network (Chairperson), Zone 3 Sector Meeting - Local Government New Zealand Association (Chairperson), Horowhenua Lake Domain Board, Regional Transport Committee - Horizons Regional Council, Manawatu-Wanganui Region Civil Defence Management Group, Mayors' Task Force for Jobs, Life to the Max Horowhenua Trust (Chairperson), Horowhenua Lake Accord (He Hokioi Rerenga Tahī), Social Sector Trial Advisory Group (Chairperson), Children's Action Plan – Local Government New Zealand (Vice President), LGNZ Sector Performance Advisory Group (Chairperson), Manawatu River Leaders Forum.

Deputy Mayor Garry Good

Ward: Levin

Phone: 027 235 9195

Email: cr.garry.good@horowhenua.govt.nz

Council Committees: Chief Executive's Performance Review Panel (Deputy Chairperson), Hearings Committee (Deputy Chairperson), Community Wellbeing Executive (Deputy Chairperson), Community Grants and Funding Committee (Deputy Chairperson), Tertiary Scholarships Judging Panel (Chairperson).

Represents Council on: Older Person's Network (Deputy Chairperson), Te Horowhenua Trust, Education Horowhenua, Jack Allen Community House.

Cr Victoria Kaye-Simmons

Ward: Levin

Phone: 027 601 1014

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

Council Committees: Creative New Zealand Funding Allocation Special Committee (Chairperson), Civic Honours Special Judging Panel, Youth Scholarships Judging Panel, Community Wellbeing Executive.

Represents Council on: Horowhenua Lake Domain Board, Thompson House Executive, Horowhenua District Health Transportation Trust, Crime Prevention Camera Trust, Horowhenua Lake Accord (He Hokioi Rerenga Tahī), Keep Levin Beautiful (Chairperson), Youth Voice.

Cr Tony Rush

Ward: Levin

Phone: 027 241 6262

Email: cr.tony.rush@horowhenua.govt.nz

Council Committees: Hearings Committee (Chairperson), Finance Subcommittee (Deputy Chairperson), District Licensing Committee, Chief Executive's Performance Review Panel, Tertiary Scholarships Judging Panel, Projects Committee.

Represents Council on: Horowhenua Lake Domain Board, Manawatu/Wanganui Regional Disaster Relief Fund Trust, Te Horowhenua Trust, Lake Accord (He Hokioi Rerenga Tahī), Disability Leadership Forum, Keep Levin Beautiful.

Cr Wayne Bishop

Ward: Waiopēhu

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

Phone: 0274 474611

Council Committees: Finance Subcommittee (Chairperson), Chief Executive's Performance Review Panel, Projects Committee.

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

Cr Ross Brannigan

Ward: Kere Kere

Phone: 021 247 7338

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

Council Committees: District Licensing Committee (Chairperson), Community Grants and Funding Committee, Civic Honours Special Judging Panel, Foxton Community Board, Projects Committee, Hearings Committee.

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

Cr Ross Campbell

Ward: Miranui

Phone: 027 253 3956

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

Council Committees: Community Grants and Funding Committee, Civic Honours Special Judging Panel.

Represents Council on: Manawatu River Users Advisory Group, Shannon Progressive Association Inc., Shannon Community Action Committee, Shannon Community Development Trust, Mangaore Village Assn.

Cr Jo Mason

Ward: Levin

Phone: 027 248 6643

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

Council Committees: Hearings Committee, Community Wellbeing Executive, Community Grants and Funding Committee.

Represents Council on: Manawatu River Users Advisory Group, Horowhenua Neighbourhood Support Management Committee, Horowhenua Health Workforce Trust, Disability Leadership Forum.

Cr Michael Feyen

Ward: Kere Kere

Phone: 027 441 9923

Email: cr.michael.feyen@horowhenua.govt.nz

Council Committees: Creative New Zealand Funding Allocation Special Committee, Youth Scholarships Judging Panel.

Represents Council on: Passenger Transport Committee-Horizons Regional Council, Coast Access Radio-Horowhenua District Trustee, Save our River Trust.

Cr Piri-Hira Tukapua

Ward: Levin

Phone: 027 529 4883

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

Council Committees: Finance Subcommittee, Youth Scholarships Judging Panel, Economic Development Board.

Represents Council on: Horowhenua Learning Centre Trust, Education Horowhenua, Youth Voice

Cr Christine Mitchell

Ward: Waiopehu

Phone: 027 318 7703

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

Council Committees: Hearings Committee, Finance Subcommittee.

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

FOXTON COMMUNITY BOARD

| | |
|-----------------------------|---|
| Janine Smart (Chair) | Ph: 027 546 0090 Email: janines@horowhenua.govt.nz |
| Tricia Metcalf | Ph: 021 447 711 Email: pmetcalf@vodafone.co.nz |
| David Roache | Ph: 027 442 5691 Email: roachesconcrete@xtra.co.nz |
| Basil Vertongen | Ph: 027 449 8734 Email: basil.lorna@xtra.oc.nz |
| Amanda Street | Ph: 021 920 067 |

Management Structure and Personnel

| | |
|---|---|
| Chief Executive David Clapperton | Governance Relationships Employer of Council Staff Organisational Effectiveness and Efficiency Economic Development |
| Group Manager Infrastructure Services Gallo Saidy | Water Supply Wastewater Disposal Solid Waste Management Roading and Stormwater |
| Group Manager Finance Doug Law | Financial Policy and Financial Services Accounting Services Financial Planning and Reporting Rates revenue |
| Group Manager Customer & Community Services Monique Davidson | Administration Strategic Planning Committees' Administration Secretarial Services 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 |
| Senior Manager People & Capability Meredith Blackler | HR Policies and Administration Recruitment Payroll |
| Senior Manager Business Services Nicki Brady | Records Management Information Technology Services Risk Management |
| Senior Manager Strategic Planning David McCorkindale | District Plan Review Long Term Plan Review Annual Plan Review Special Projects |

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, 10 Bath Street, Levin | Phone | (06) 368 1953 |
| | 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 |
|---------------------|-------|---------------|

| | | |
|---------------------|-------|---------------|
| Main Street, Foxton | Phone | (06) 363-6123 |
|---------------------|-------|---------------|

TE HOROWHENUA TRUST INC

| | | |
|-----------------------|-------|---------------|
| 10 Bath Street, Levin | Phone | (06) 368 1953 |
| | Fax | (06) 367 9218 |

| | | |
|----------------------|-------|---------------|
| Clyde Street, Foxton | Phone | (06) 363 5571 |
| | Fax | (06) 363 5571 |

| | | |
|--------------------------|-------|---------------|
| Plimmer Terrace, Shannon | Phone | (06) 362 7030 |
| | Fax | (06) 362 7030 |

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.

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

Financial debts to third parties. 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

Income: Examples are rates, dog registration fees, building permit fees, subsidies, rental income 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 2014

| | |
|-------------------------------|-----------------|
| Area, sq.km ² | 1,063.60 |
| Capital value | \$5,865,501,150 |
| Land value | \$3,048,513,500 |
| Rateable land value | \$2,986,065,000 |
| Number of rateable properties | 18,329 |

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% |

Contact Us

Horowhenua District Council
126 Oxford Street
Levin 5510
Private Bag 4002, Levin 5540

Ph: 06 366 0999
Fax: 06 366 0983
enquiries@horowhenua.govt.nz
www.horowhenua.govt.nz



HOROWHENUA DISTRICT COUNCIL
Horowhenua - Ōtautau

Horowhenua 
DISTRICT COUNCIL