

Horowhenua 
DISTRICT COUNCIL

Annual Report

2015-2016



WELCOME TO HOROWHENUA

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



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SECTION A: SUMMARY

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

[Introduction from the 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

Horowhenua District Council
Vision Statement

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

Introduction from the Mayor and Chief Executive

The financial year ended 30 June 2016 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 satisfactory financial result for the year compared to budget and the completion of several major infrastructure renewal projects.

Financial performance

The total expenditure of the Council in the 2015/2016 year was over \$46.8 million between 17,880 rateable properties.

What was the money spent on? In the 2015/2016 year Council has spent \$46.8 million across eleven activities as outlined in this graph:

Overall Council shows a deficit of \$0.826m against a budget of \$1.595m surplus. The main reason for the budgeted surplus was due to expecting to receive \$2.2m in third party revenue for the funding of Te Awahou Nieuwe Stroom. Te Awahou Nieuwe Stroom is expected to finish in June 2017 and the expected funding effort is progressing.

The financial strategy (on page 160 of the 2015/25 LTP) explains that as this 'revenue' was not in the nature of operational revenue, it cannot be spent on funding operational activities. The Council was facing an operational deficit of \$675k.

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

Council shows 99.24% against a target of 100% for the Balanced Budget prudential bench mark, which is higher than the 97.9% predicted for the 2015/16 financial year if the capital subsidies for Te Awahou were excluded.

Council has met all the other prudential benchmarks except Operations Control which is at 96.58% against a target of 100%. This benchmark compares budgeted net cash flow from operations against actual net cash flow from operations. Again this variance was caused by the delay in receiving the third party funding for the Te Awahou Nieuwe Stroom building project.

Other variances were;

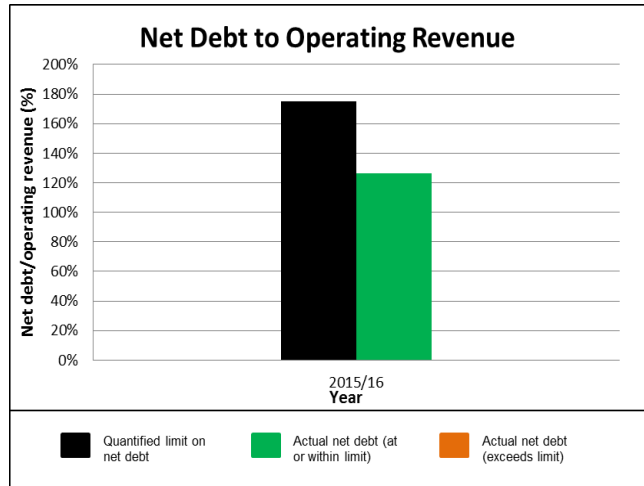
- Shortfall in capital subsidies \$1,901 mainly Te Awahou Nieuwe Stroom.
- Fees and charges revenue was higher due to increased pensioner housing occupancy and increased revenue from the landfill, while other revenue is higher due to the increased number of consents.
- Development contributions of \$381k (unbudgeted) were received mainly from the sale of Forbes Road subdivision sections and from debts collected.
- Finance costs show an increase due to the valuation of derivative contracts where Council has fixed loan interest above the market interest rates.
- Other expenditure increases were due to higher than budgeted legal costs in the governance activity, extra provisions for doubtful debts and debt collection costs, and increase in rates remissions from the implementation of the new rates remissions policy. However, savings were made in District planning review costs due to the lower submissions received.



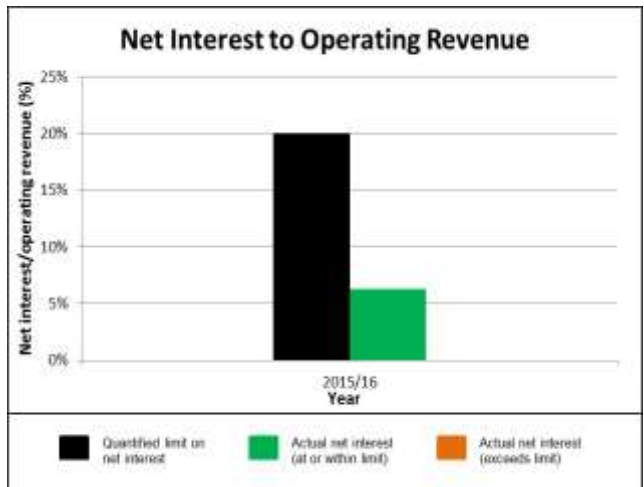
	Planning and Regulatory Services	\$3,664,000
	Community Support	\$1,920,000
	Community Facilities and Services	\$9,631,000
	Property	\$2,014,000
	Treasury and Support	\$4,583,000
	Representation and Community Leadership	\$3,249,000
	Land Transport (Roading & Footpaths)	\$8,845,000
	Stormwater	\$943,000
	Solid Waste Management	\$2,098,000
	Water Supply	\$4,825,000
	Waste Water Management	\$5,090,000
	TOTAL	\$46,862,000

Debt affordability benchmarks

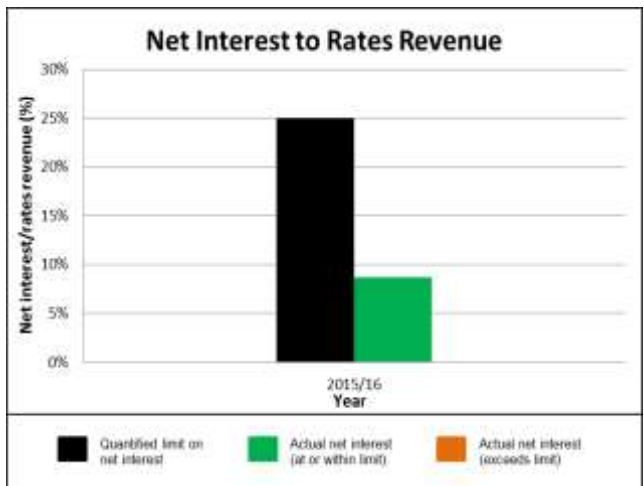
The following graph compares the Council's forecast net debt to total operating revenue. Council meets this benchmark if actual or planned borrowing for the year is within each quantified limit on borrowing found in the Liability Management Policy in the 2015-25 LTP.



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

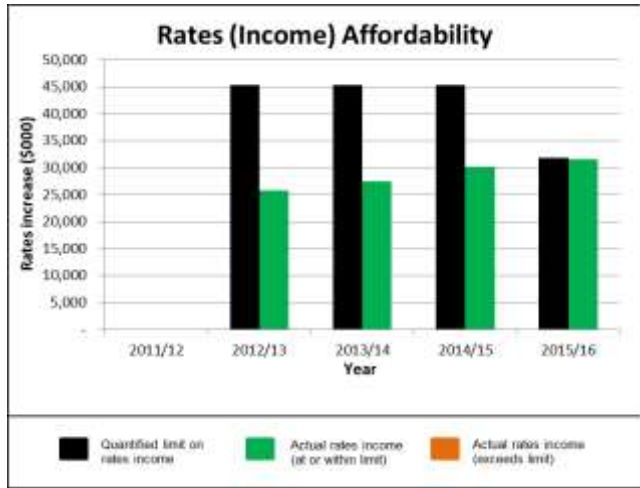


The following graph compares the Council's interest to rates revenue. Council meets this benchmark if actual or planned net interest is less than or equal to 25% of rates revenue.

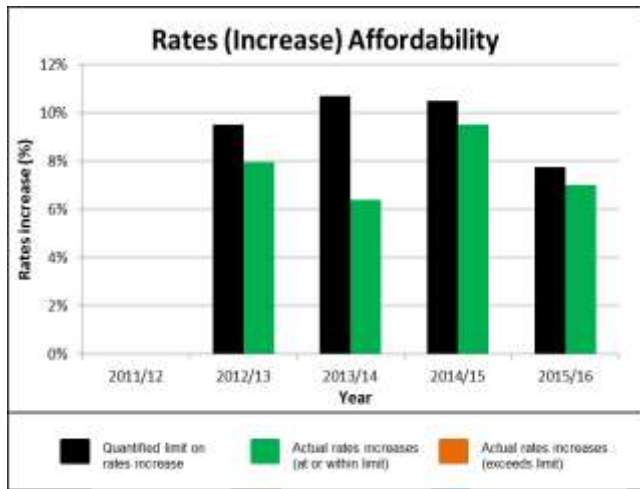


Rates affordability benchmarks

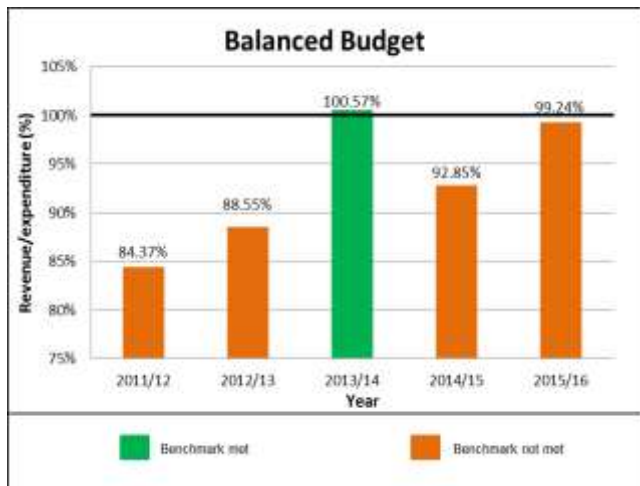
The following graph compares the Council's proposed rates income with a quantified limit on rates contained in the Financial Strategy included in the Council's Long Term Plans 2012-22 (2013-15) and 2015-2025 (2015-20). The Council meets the rates income affordability benchmark if its actual or planned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



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



The balanced budget measure shows income excluding development contributions, vested assets, asset revaluation gains as a proportion of operating expenses excluding asset revaluation losses. Council meets the balance budget benchmark if its revenue equals or is greater than its operating expenses.



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

Shannon Wastewater treatment plant

Horowhenua is leading the way with land-irrigated wastewater. The successfully-completed upgrade of the Shannon Wastewater Treatment Plant takes Horowhenua a significant step closer to seeing nearly all of the District's wastewater irrigated to land.

The treatment plant upgrade was celebrated when it was officially opened by Minister for the Environment, the Hon. Dr Nick Smith on 20 April 2016.

The new 10,000 cubic-metre storage capacity and land irrigation system will result in 80 percent of the treated wastewater discharge not entering the nearby waterway. Previously, and ever since 1969 when the plant was built, all the treated wastewater had been discharged to water, via Stansells Drain that fed into the Mangaore Stream and into the Manawatu River.

Online land information memorandums (LIMS)

In a year we have improved the LIM process and we can now deliver LIMS much faster than ever before. Because we have streamlined the system and made it more online, we can turn a LIM report out in a few hours, if all the relevant information is easily found during research. We are able to deliver LIMs much faster than most councils in New Zealand and because of this customer and real estate sector feedback has been overwhelmingly positive.

Levin aquatics centre

The long awaited redevelopment of the Levin Aquatic Centre, which will include a hydrotherapy pool being added as well as general upgrades to the existing facilities, has started and is taking place between May and September 2016. The Foxton Pool will stay open for an extended season over the period May to September 2016.

Levin water treatment plant upgrade

Phase one of the upgrade was completed in early 2016 and features the construction of a new six-million-litre reservoir tank, measuring 31 metres in diameter and nine metres high. It adds to two existing concrete reservoirs - a four-million-litre tank built in 1965, and a 2.5-million-litre tank built in 1943.

This will provide the town with at least 24 hours of water storage capacity. Previously storage capacity had been 19 hours typically, but only 13 hours during peak demand in summer. Manufactured in the United Kingdom, the components were shipped to New Zealand and then assembled on site at the water treatment plant. Future phases of the upgrade to be carried out in the next year include a new clarifier and UV treatment system.

Te Awahou Nieuwe Stroom

The construction of Te Awahou Nieuwe Stroom has started and the project has received grants totalling \$1.92m. The funding comes from a Lotteries Significant Projects Fund grant of \$750,000, a Lotteries Community Facilities Fund grant of \$500,000, a \$170,000 grant from Eastern and Central Community Trust and \$500,000 from the Foxton Beach Freeholding Account. This follows Horowhenua District Council adopting recommendations that allowed the Te Awahou Nieuwe Stroom project start construction with Caldwell Builders being given the contract to build and a blessing taking place on 5th June 2016.

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 held 1 April 2015, and will begin from 1 July 2015, for a period of up to eight years.

District growth

Over the past 10 years 80% of territorial local authorities (TLAs) grew faster than Horowhenua; with the District also being ranked 62 out of 66 TLAs for slowest growth in employment. Recently released analysis by New Zealand Institute of Economic Research (NZIER) has confirmed that this is about to change because of the improved roading connection between Horowhenua and Wellington.

If the investment works as intended, population growth, employment and economic activity will be significantly higher than otherwise would occur. The growth is anticipating:

- 1,000 more jobs in 20 years
- 10,000 more people in 20 years

A challenge for Council is to ensure that it is adequately resourced to be able to respond to and support the anticipated growth opportunities.

Community housing

In April Council announced its plans to transfer its own 115 pensioner housing units to a Community Housing Provider. Having one provider managing Community Housing in the District will bring many benefits to existing and future tenants. The Government announced in May 2016 that it will explore an opportunity to include approximately 250 Housing New Zealand properties and tenancies in the region with Horowhenua District Council's pensioner housing units in a joint transfer to a Community Housing Provider.

As part of the condition of sale, any Community Housing Provider will be required to retain all properties as community housing for the District, and to ensure all existing tenants enjoy the same terms and conditions of tenancy.

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 2016.

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 2015/16, 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 2015/16 (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 2016. 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 2015/16.

Funding Impact Statement

This shows the Council's operating and capital funding received and how it was applied during 2015/16.

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 2016

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, on her behalf, to:

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

Opinion on the audited information

In our opinion:

- the financial statements on pages 16 to 22 and pages 33 to 64, and pages 75 to 87:
 - present fairly, in all material respects:
 - the District Council and group's financial position as at 30 June 2016;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 23, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council and group's Long-term plan;
- the statement of service provision (referred to as measuring service) on pages 93 to 183:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;

- the statement about capital expenditure for each group of activities on pages 99 to 177, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council and group's Long-term plan;
- the funding impact statement for each group of activities on pages 100 to 185, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council and group's Long-term plan.

Compliance with requirements

The District Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 16 to 186 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and group's audited information.

Our audit was completed on 5 October 2016. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;

- determining the appropriateness of the reported statement of service provision and within the District Council's framework for reporting performance; and
- the overall presentation of the information we audited.

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

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

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

Responsibilities of the Council

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

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

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

Responsibilities of the Auditor

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

Independence

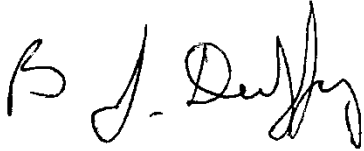
When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. In addition to this audit, which includes our report on the Other Requirements, we carried out the audit of the amendment to the Long Term Plan and an assurance review of the District Council's Debenture Trust Deed, which are compatible with those independence requirements. Other than these assignments we have no relationship with or interests in the District Council 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
5 October 2016



David Clapperton
Chief Executive
5 October 2016

Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Council Actual \$ 30 June 2016 \$000	Council Budget \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Revenue						
Rates	1	33,219	33,300	30,994	33,219	30,994
Interest revenue	2a	127	150	221	146	246
Grants and subsidies	2b	3,578	5,479	2,232	3,578	2,232
Fees and charges	2c	5,290	4,880	4,896	5,702	5,302
Other revenue	2d	2,927	2,643	2,739	2,927	2,739
Vested assets	2e	100	-	66	100	66
Development contributions	2f	381	-	344	381	344
Gain on forestry assets at fair value	3,13	42	15	275	42	275
Gain on commercial land and buildings revaluations	3	216	127	-	216	-
Gain on disposal of assets	3	156	180	641	156	641
Total revenue		46,036	46,774	42,408	46,467	42,839
Expenditure						
Employee benefit expenses	4	9,532	9,382	8,338	11,216	9,741
Depreciation and amortisation	11,12,34	11,536	11,619	11,483	11,717	11,662
Finance costs	6	4,087	3,300	3,487	4,087	3,487
Loss on disposal of assets	3	147	-	209	147	209
Loss on commercial land and buildings revaluations	3	-	-	59	-	59
Increase / (decrease) in landfill provision	17a	115	(13)	125	115	125
Other expenses	5	21,445	20,891	21,658	20,087	20,438
Total expenses		46,862	45,179	45,359	47,369	45,721
Surplus / (deficit) before tax		(826)	1,595	(2,951)	(902)	(2,883)
Income tax expense		-	-	-	-	-
Surplus / (deficit) after tax		(826)	1,595	(2,951)	(902)	(2,883)
Surplus / (deficit) attributable to: Horowhenua District Council		(826)	1,595	(2,951)	(902)	(2,883)
Other comprehensive revenue and expense						
Gain / (loss) on infrastructural assets revaluations		-	-	-	-	-
Gain / (loss) on restricted assets revaluation		-	-	-	-	-
Total other comprehensive revenue and expense for the year		-	-	-	-	-
Total comprehensive revenue and expense (deficit) for the year		(826)	1,595	(2,951)	(902)	(2,883)
Total comprehensive revenue and expense attributable to Horowhenua District Council		(826)	1,595	(2,951)	(902)	(2,883)
Interest as percentage of operating revenue		9%	7%	8%	9%	8%
Interest to rates		12%	10%	12%	12%	12%

Explanations of major variances against budget are provided on page 17

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

Explanations of significant variances between the Council's actual results and the Council's budget for 2015-2016

Revenue

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

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

Fees and charges – This is higher than budgeted due to increased rent and occupancy for pensioner housing and tipping fees for the land fill were up due increase tonnage from Kapiti.

Other revenue – This is above budget mainly due to building consents being up as a result of the increase activity in the region.

Vested assets – There was no budget due to little subdivision activity expected in the year.

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

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.

Finance Costs – This is higher than budget due to the movement in swap valuations being included here. The movement in swap valuations is an accounting entry and not what was actually paid out.

Loss on disposal of assets – The unbudgeted loss on sale was largely due to the sale of the two properties that were surplus to requirements.

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 2016

	Council Actual \$ 30 June 2016 \$000	Council Budget \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Balance at 1 July	418,568	419,891	421,519	419,245	422,128
Total comprehensive revenue and expense for the year	(826)	1,595	(2,951)	(902)	(2,883)
Balance at 30 June	417,742	421,486	418,568	418,343	419,245
Total comprehensive revenue and expense attributable to:					
Horowhenua District Council	(826)	1,595	(2,951)	(902)	(2,883)
Total comprehensive revenue and expense	(826)	1,595	(2,951)	(902)	(2,883)

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 2016

	Note	Council Actual \$ 30 June 2016 \$000	Council Budget \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Assets						
Current assets						
Cash and cash equivalents	7	7,400	6,536	7,856	7,430	7,940
Debtors and other receivables	8	5,960	6,481	5,381	6,044	5,446
Other financial assets	9	350	10	470	358	477
Non-current assets held for sale	10	285	393	475	285	475
Total current assets		13,995	13,420	14,182	14,117	14,338
Non-current assets						
Plant, property and equipment						
- Operational assets	11	43,397	45,068	42,492	44,594	43,747
- Infrastructural assets	11	394,713	402,884	386,465	394,713	386,465
- Restricted assets	11	38,664	41,055	39,293	38,664	39,293
Intangible assets	12	1,718	1,672	1,680	1,727	1,693
Forestry assets	13	952	680	911	952	911
Commercial property	14	5,926	3,946	5,706	5,926	5,706
Other financial assets:						
- Investments in CCO's and other similar entities	9	1,836	2,042	1,790	1,053	1,008
- Investment in other entities	9	-	116	-	-	-
Total non-current assets		487,206	497,463	478,337	487,629	478,823
Total assets		501,201	510,883	492,519	501,746	493,161
Liabilities						
Current liabilities						
Payables and deferred revenue	16	11,779	8,441	8,070	11,650	7,888
Provisions	17a	940	1,003	997	940	997
Employee benefit liabilities	18	920	585	1,004	993	1,088
Borrowings and other financial liabilities	19	16,000	-	2,000	16,000	2,000
Total current liabilities		29,639	10,029	12,071	29,583	11,973
Non-current liabilities						
Provisions	17a	2,240	2,991	2,068	2,240	2,068
Employee benefit liabilities	18	161	224	178	161	241
Borrowings and other financial liabilities	19	49,000	76,153	58,000	49,000	58,000
Other	17b	2,419	-	1,634	2,419	1,634
Total non-current liabilities		53,820	79,368	61,880	53,820	61,943
Total liabilities		83,459	89,397	73,951	83,403	73,916
Net assets		417,742	421,486	418,568	418,343	419,245
Equity						
Retained earnings	20	263,345	267,349	264,909	263,946	265,586
Revaluation reserves		147,449	147,447	147,449	147,449	147,449
Other reserves		6,948	6,690	6,210	6,948	6,210
Total equity		417,742	421,486	418,568	418,343	419,245
Total equity attributable to:						
Horowhenua District Council		417,742	421,486	418,568	418,343	419,245
Total equity		417,742	421,486	418,568	418,343	419,245

Explanations of major variances against budget are provided on page 20

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

Explanations of significant variances between the Council's actual results and the Council's budget for 2015-2016

Assets

Cash and cash equivalents – Cash and cash equivalents are above budget because a higher balance was held in order to pay for the increase in accounts payable.

Debtors and other receivables – The budget was calculated 18 months prior, even before the 2014-15 annual report. Therefore the debtors and other receivables budget was based on 2013-14 annual report 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.

Plant, property and equipment assets – These are less than budget as a result of not all the work budgeted being completed.

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

Liabilities

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

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

Total borrowings – The combination of current and non-current borrowing is lower than budget due to delays in a number of projects.

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

Equity

Retained earnings – This is less than budget partly due to a \$0.83m deficit made in comprehensive revenue and expense as opposed to a budgeted surplus of \$1.5m.

Statement of Cash Flows

AS AT 30 JUNE 2016

	Council Actual \$ 30 June 2016 \$000	Council Budget \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Note					
Cashflow from operating activities					
Cash was provided from:					
Revenue from rates	33,384	33,300	30,782	33,384	30,782
Other revenue	11,402	13,003	10,753	11,781	11,264
Interest received	178	150	174	184	199
Net GST movement	-	-	-	6	-
Total cash provided	44,964	46,453	41,709	45,355	42,245
Cash was disbursed to:					
Suppliers, services and employees	29,684	30,273	28,696	29,942	28,891
Interest paid	3,114	3,300	3,130	3,114	3,310
Net GST movement	(273)	-	(91)	(273)	(69)
Total cash disbursed	32,525	33,573	31,735	32,783	31,952
Net cashflow from operating activity	31	12,439	9,974	12,572	10,293
Cashflows from investing activities					
Cash was provided from:					
Proceeds from asset sales	1,233	640	1,156	1,233	1,156
Proceeds from investments	-	2,000	-	-	-
Total cash provided	1,233	2,640	1,156	1,233	1,156
Cash was disbursed to:					
Purchases of investments	46	256	140	46	140
Purchase of assets	19,082	31,417	11,819	19,268	12,099
Total cash disbursed	19,128	31,673	11,960	19,314	12,239
Net cashflow from investing activity	(17,895)	(29,033)	(10,805)	(18,081)	(11,083)
Cashflows from financing activities					
Cash was provided from:					
Loans raised	13,000	18,153	14,000	13,000	14,000
Total cash provided	13,000	18,153	14,000	13,000	14,000
Cash was disbursed to:					
Repayment of public debt	8,000	2,000	10,750	8,000	10,750
Total cash disbursed	8,000	2,000	10,750	8,000	10,750
Net cashflow from financing activity	5,000	16,153	3,250	5,000	3,250
Net increase (decrease) in cash held	(456)	-	2,421	(509)	2,461
Add opening cash brought forward	7,856	6,536	5,435	7,939	5,479
Closing cash balance	7,400	6,536	7,856	7,430	7,940
Closing balance made up of cash and cash equivalents	7	7,400	7,856	7,430	7,940

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 2015-2016

Cashflows from operating activities

Other revenues – This is lower than budget due to the delay in the Te Awahou building project where the grants are dependent on building progressing in order for the cash to be released

Payment to suppliers, services and employees – This was less than budgeted due a larger creditors and other payables balance than expected.

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

Cashflows from investment activities

Proceeds from assets sales – This was above budget due to more sales of the Forbes Road subdivision properties than expected.

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

Cashflows from financing activities

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

Funding Impact Statement for Whole of Council

FOR THE YEAR ENDED 30 JUNE 2016

	Annual Plan Forecast 2015 \$000	Annual Report Actual 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	8,394	8,310	8,824	8,865	41
Targeted rates	22,702	22,684	24,476	24,354	(122)
Subsidies and grants for operating purposes	947	1,174	1,511	1,530	19
Fees and charges	5,053	4,831	4,880	5,290	410
Interest and dividends from investments	96	222	150	127	(23)
Local authorities fuel tax, fines, infringement fees, and other receipts	2,791	2,802	2,643	2,925	282
Total operating funding (A)	39,983	40,023	42,484	43,091	607
Applications of operating funding					
Payments to staff and suppliers	29,708	29,996	30,272	30,977	705
Finance costs	3,405	3,487	3,300	4,087	787
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	33,113	33,483	33,572	35,064	1,492
Surplus (deficit) of operating funding (A-B)	6,870	6,540	8,912	8,027	(885)
Sources of capital funding					
Subsidies and grants for capital expenditure	1,088	1,059	3,968	2,050	(1,918)
Development and financial contributions	646	344	-	381	381
Increase (decrease) in debt	20,898	3,250	16,153	5,000	(11,153)
Gross proceeds from sale of assets	474	1,909	640	1,421	781
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	23,106	6,562	20,761	8,852	(11,909)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	3,568	471	2,347	1,276	(1,071)
- to improve the level of service	16,861	5,122	16,270	10,283	(5,987)
- to replace existing assets	9,285	6,460	12,800	9,662	(3,138)
Increase (decrease) in reserves	-	910	-	(4,388)	(4,388)
Increase (decrease) of investments	262	139	(1,744)	46	1,790
Total applications of capital funding (D)	29,976	13,102	23,673	16,879	(12,794)
Surplus (deficit) of capital funding (C-D)	(6,870)	(6,540)	(8,912)	(8,027)	885
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	12,518	11,483	11,619	11,536	(83)
Loans					
		External			
		\$000			
Loans as at 1/07/2015		60,000			
Raised during year		13,000			
Repaid during year		(8,000)			
Loans as at 30/06/2016		65,000			
Interest expense		4,087			

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 2016

	Annual Plan Forecast 2015 \$000	Annual Report Actual 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Revenue					
<i>Statement of comprehensive revenue and expense</i>					
Total operating revenue	42,922	42,408	46,774	46,036	(738)
Summary funding impact statement					
<i>Sources of operating funding</i>					
Total operating funding	39,983	40,023	42,484	43,091	607
<i>Add sources of capital funding</i>					
Subsidies and grants for capital expenditure	1,087	1,059	3,968	2,050	(1,918)
Development and financial contributions	646	344	-	381	381
Gain on disposal of assets	174	641	180	156	(24)
Gains on investments	146	275	142	258	116
Fair value revaluation gain -financial assets	-	-	-	-	-
Add vested assets	887	66	-	100	100
Total revenue	42,922	42,408	46,774	46,036	(738)
Expenditure					
<i>Statement of comprehensive revenue and expense</i>					
Total operating expenditure	45,732	45,359	45,179	46,862	1,683
Summary funding impact statement					
Total application of operating funding	33,113	33,483	33,572	35,064	1,489
Loss on disposal of assets and loss on changes in fair value of investment property and revaluation of financial assets	-	268	-	147	147
Increase / (decrease) in landfill provision	102	125	(13)	115	128
Add depreciation and amortisation expense	12,518	11,483	11,619	11,536	(83)
Total expenditure	45,732	45,359	45,178	46,862	1,684

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:

2016 RESERVE FUNDS	Opening Balance 1 July 2015 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2016 \$000s
Restricted reserves – purpose of the fund				
Foxton Beach Freeholding Fund (Property) Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	2,752	1,230	562	3,420
Reserve Land Reserve (Parks and Recreation) To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	95	78	0	173
Road Upgrade Reserve (Roothing Activity) To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	711	20	0	731
Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream.	50	1	0	51
Total restricted reserves	3,607	1,330	562	4,375
Council created reserves – purpose of the fund				
Financial and Capital contributions for Roothing (Roothing Activity) To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	187	5	112	80
Financial and Capital contributions for Water Supplies (Water Supply Activity) To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	516	16	0	532
Financial and Capital contributions for Wastewater Schemes (Wastewater Activity) To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	128	3	0	131
Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity) To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	596	18	0	614

2016 RESERVE FUNDS	Opening Balance 1 July 2015 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2016 \$000s
Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election.	17	41	0	58
Capital Projects Fund (All Activities) To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	834	25	48	811
Foxton Citizens Fund (Community Support Activity) To provide a fund for awards in recognition of community service in Foxton.	4	0	0	4
Hockey Turf Replacement Fund (Parks and Recreation - Sports Grounds) To fund the replacement of the water turf at Donnelly Park on behalf of the Turf trust.	164	30	0	194
Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	121	3	0	124
Driscoll Reserves Fund (Parks and Reserves) Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	13	0	13	0
Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station.	23	1	0	24
Total Council created reserves	2,602	142	173	2,572
Total all reserve funds	6,210	1,472	735	6,948

Reserve Funds

2015 RESERVE FUNDS	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
Restricted reserves – purpose of the fund				
Foxton Beach Freeholding Fund (Property) Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	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 (Roothing Activity) To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	687	24	0	711
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
Council created reserves – purpose of the fund				
Financial and Capital contributions for Roothing (Roothing Activity) To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	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
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

2015 RESERVE FUNDS	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) Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	13	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	2,489	129	15	2,602
Total all reserve funds	4,936	2,105	831	6,210

Council's Interest in Other Entities

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

Te Horowhenua Trust

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

Nature and scope of activities provided

Te Horowhenua Trust was 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 Trust also acted 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 was 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 received an annual operating grant from Council but otherwise operated independently of Council. The Trust set its own policies, employed its own staff, set its budgets and generally has engaged in its activities without reference to Council.

The Trust was 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 appointed all the Trustees. Two of the trustees were Councillors.

The Council and the Trust had 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 submitted an annual Statement of Intent which once accepted by Council, formed 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 was to meet the key performance indicators (KPIs) as defined in its 2015/16 Statement of Intent approved by Horowhenua District Council on 1 July 2015.

Usage

- Report of visitor counts.
- Report on programmes delivered.
- Report on booking counts for community facilities.
- Report on website usage.

Strategic plan

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

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

MEASURING PERFORMANCE		
Service	Performance Measures	Attainment 2015
Te Takere Usage	Visitor counts	<p>Levin 530,653 Foxton 103,747 Shannon 36,464</p> <p>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>
	Programmes delivered	109 different programmes or events were run during the year. Over 1,057 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>
	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.
Awareness	Achieve at least 70%. A survey of Horowhenua residents testing awareness level of Te Takere and its functions.	Not a measure last year.
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.

Service	Performance Measures	Attainment 2016
Te Takere Council provides Community facilities for residents, ratepayers, and visitors to access community services including library services	To ensure Levin, Foxton and Shannon Communities are provided with library and community facilities providing an integrated and District wider service	Achieved. Library Services are delivered in in Levin, Shannon and Foxton
	To ensure greater than 85% of residents and non-residents are satisfied with library and community services	Achieved. The most recent Annual Resident Satisfaction Survey conducted in May 2015 showed Customer satisfaction of these facilities at 89.85%.
	To ensure at least 380 of booking counts for community facilities.	Achieved Quarter 4: 139 Quarter 3: 114 Quarter 2: 102 Quarter 1: 87 Total: 442
	To ensure at least 650,000 people across Te Takere, Foxton Library & Service Centre and the Shannon Library visit annually.	Not Achieved. Quarter 4: 56,631 average per month across all sites (169,894) – The month of April had a significant increase in visitor's statistics from previous months due in large part to the LEGO exhibition but also because the school holidays were during April. Quarter 3: 49,758 average per month across all sites (149,274) Quarter 2: 54,074 average per month across all sites (162,222) Quarter 1: 37,940 average per month across all sites (113,820) Total for the year: 628,729
To ensure customers have access to a range of current information in both print and digital format.	To ensure at least 370,000 items are loaned from the Library across the District, including books, magazines, etc.	Not Achieved Total number of issues for the full year: Levin 285,550 -6% Foxton 30,496 -9% Shannon 14,450 25% (increase from previous year attributable to 69%) Total: 330,496
	To ensure an increase of +>1% in the use of the website.	Achieved for total number of sessions. Not achieved for number of unique users. Number of unique user sessions: Quarter 1: 16,540 Quarter 2: 13,914 Quarter 3: 16,040 Quarter 4: 17,673 Total: 64,167 <1% Previous Year: 65,648 Total number of sessions: 77,832 >9% Previous year: 71,736
To ensure customers have access to programmes and initiatives that enhance the wellbeing of the District	To ensure at least 100 programmes are delivered	Achieved. Quarter 4: 51 (community) 13 (learning) Quarter 3: 69 (community) 25 (learning) Quarter 2: 55 (community) 27 (learning) Quarter 1: 34 (community) 24 (learning) Limitation – programming may not differentiate between ongoing and new programmes in quarterly reporting format Total 209 (community) 89 (learning)

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 2016.

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 2016.

Manawatu-Wanganui Local Authority Shared Services Limited (MWLASS)

Nature and scope of activities provided

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

Policies and objectives on ownership and control

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

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1. RATES REVENUE	Council and Group Actual \$ 30 June 2016 \$000	Council and Group Budget \$ 30 June 2016 \$000	Council and Group Actual \$ 30 June 2015 \$000
Gross rates			
General rates			
Uniform annual general charge	-	-	-
Differential general rates	8,244	8,224	7,792
Penalties	679	600	518
Total general-purpose rates	8,923	8,824	8,310
Targeted rates			
Solid waste rates	320	321	297
Roading rate	3,579	3,529	4,471
Library rate	3,189	3,202	2,795
Representation and governance rate	2,834	2,846	2,675
Swimming pool rate	2,167	2,176	2,167
Stormwater rate	923	919	-
Sewer rate	6,122	6,124	5,843
Total targeted rates excluding water rates	19,134	19,117	18,248
Water rates			
District wide	3,826	3,849	3,187
Foxton Beach	391	372	343
Waikawa race	-	-	17
Metered water supply	1,195	1,138	889
Total targeted water rates	5,412	5,359	4,436
Total rates revenue (gross of remissions)	33,469	33,300	30,994
Net rates			
Total rates revenue (gross)	33,469	33,300	30,994
Rates remissions:			
Remissions under the Council remission policy	(192)	(39)	(54)
Penalty remissions	(58)	-	(47)
Total rate remissions	(250)	(39)	(101)
Total rates revenue net of remissions	33,219	33,261	30,893
Exchange transaction	-	-	-
Non exchange transaction	33,219	-	30,893
Total transactions	33,219	-	30,893

Total rates revenue include \$451,505 (2015 \$375,637) for rates paid by HDC on properties owned by Council

Rateable properties	30 June 2016	30 June 2015
Total properties	17,933	18,329
Total land value	\$3,054,619,100	\$3,048,513,500
Total capital value	\$5,925,058,750	\$5,865,501,150

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

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

The number of rateable properties has decreased as the result of QV's amalgamation of rural properties according to the Rating Valuations Rules 2008. Rural properties affected were those owned by the same person or persons, used jointly as a single unit, contiguous, used as one farming operation and likely to be alienated as one farming operation.

2. FINANCE REVENUE AND OTHER REVENUE	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
2a. Finance revenue				
Interest revenue for financial assets not at fair value through profit and loss				
Bank deposits	97	194	116	219
Borrower notes	30	27	30	27
Total finance revenue	127	221	146	246
Exchange transactions	127	221	146	246
Non exchange transactions	-	-	-	-
Total finance revenue transactions	127	221	146	246
2b. Subsidies and grants				
NZTA Government grants	3,162	2,184	3,162	2,184
Water Government grant	-	-	-	-
Wastewater Government grant	-	-	-	-
Other Government grants	416	48	416	48
Total subsidies and grants	3,578	2,232	3,578	2,232
Exchange transactions	-	-	-	-
Non exchange transactions	3,578	2,232	3,578	2,232
Total subsidies and grants transactions	3,578	2,232	3,578	2,232
2c. Fees and charges				
User charges	4,686	4,248	5,098	4,654
Rental revenue from commercial properties	604	648	604	648
Total fees and charges	5,290	4,896	5,702	5,302
Exchange transactions	683	682	986	682
Non exchange transactions	4,607	4,214	4,716	4,620
Total fees and charges transactions	5,290	4,896	5,702	5,302
2d. Other revenue				
Infringements and fines	67	441	67	441
Rendering of services	746	514	746	514
Petrol tax	209	199	209	199
NZ carbon credits	-	-	-	-
Dividend revenue	6	7	6	7
Insurance recoveries:				
- buildings	2	47	2	47
Regulatory revenue	1,894	1,529	1,894	1,529
Donations and private sector grants	3	-	3	-
Capital grants	-	2	-	2
Total other revenue	2,927	2,739	2,927	2,739
Exchange transactions	350	598	350	598
Non exchange transactions	2,577	2,141	2,577	2,141
Total other revenue transactions	2,927	2,739	2,927	2,739

2. FINANCE REVENUE AND OTHER REVENUE (cont.)	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
2e. Vested assets	100	66	100	66
2f. Development contributions	381	344	381	344
Total vested assets and development contributions	481	410	481	410
Exchange transactions	-	-	-	-
Non exchange transactions	481	410	481	410
Total vested assets and development contributions transactions	481	410	481	410

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 22.

3. OTHER GAINS/(LOSSES)	Note	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Non-financial instruments					
Gain/(loss) on changes in fair value of forestry assets	13	42	275	42	275
Gain/(loss) on disposal of property, plant and equipment		156	641	156	641
Gain/(loss) on disposal of property, plant and equipment		(147)	(209)	(147)	(209)
Gain/(loss) on changes in fair value of investment property	14	216	(59)	216	(59)
Total non-financial instruments		267	648	267	648
Financial instruments					
Gain/(loss) on revaluation of financial liabilities		-	-	-	-
Gain/(loss) on revaluation of financial assets		-	-	-	-
Total financial instruments		-	-	-	-
Total gains/(losses)		267	648	267	648

4. EMPLOYEE BENEFIT EXPENSES	Note	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Salaries and wages		8,977	7,904	10,666	9,244
Increase/(decrease) in employee entitlements		43	52	(16)	71
Other employee benefit expenses		326	230	338	242
Employer contributions to superannuation schemes		186	152	228	185
Total employee benefit expenses		9,532	8,338	11,216	9,741

5. OTHER OPERATING EXPENSES	Note	Council	Council	Group	Group
		Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000
Fees to principal auditor					
Audit fees for financial statement audit		141	138	158	154
Audit fees for other services*		25	83	25	83
Total fees to principal auditor		166	221	183	238
Donations		-	-	-	-
Debtors written off		-	-	-	-
Impairment of receivables		421	113	421	113
Impairment of property, plant and equipment		-	-	-	-
Minimum lease payments under operating leases		367	546	367	546
Professional services		3,066	2,932	3,086	2,943
Asset maintenance contract expenditure		11,194	11,359	11,194	11,359
General grants		2,354	2,602	504	904
Expenditure on utilities		862	1,074	862	1,074
Other		3,015	2,811	3,470	3,262
Total other operating expenses		21,445	21,658	20,087	20,438

* The audit fees paid to Audit NZ for other services in the year ended 30 June 2016 was for the audit of the LTP amendment consultation document and amended LTP. (2015 for the audit of the 2015-2025 consultation documents and LTP).

6 FINANCE COSTS	Note	Council	Council	Group	Group
		Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000
Interest on borrowings		2,783	3,076	2,783	3,076
Interest rate swaps (presented net)		203	54	203	54
Valuation of interest rate swap adjustment		1,101	357	1,101	357
Total finance costs		4,087	3,487	4,087	3,487

7. CASH AND CASH EQUIVALENTS	Note	Council	Council	Group	Group
		Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000
Cash at bank and in hand		7,400	3,856	7,430	3,940
Term deposits with maturities less than three months at acquisition		-	4,000	-	4,000
Total cash and cash equivalents		7,400	7,856	7,430	7,940
Cash and cash equivalents for the purpose of the statement of cash flows					
Cash at bank and in hand		7,400	3,856	7,430	3,940
Term deposits with maturities less than three months at acquisition		-	4,000	-	4,000
Bank overdrafts		-	-	-	-
Total cash and cash equivalents for the purpose of the statement of cash flows		7,400	7,856	7,430	7,940

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 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Note				
Gross debtors and other receivables				
Rates receivables	2,662	2,851	2,662	2,851
Related party receivables	23 12	2	-	-
Prepayments	245	43	245	43
Other receivables	5,851	4,874	5,947	4,941
Total gross debtors and other receivables	8,770	7,770	8,854	7,835
Less provision for impairment of receivables	(2,810)	(2,389)	(2,810)	(2,389)
Net debtors and other receivables	5,960	5,381	6,044	5,446
Less non-current portion:	-	-	-	-
Total current portion debtors and other receivables	5,960	5,381	6,044	5,446
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.	5,890	5,314	5,906	5,379
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.	70	67	138	67
Total debtors and other receivables transactions	5,960	5,381	6,044	5,446

Fair value

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

Impairment

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

Horowhenua District Council does not provide for any impairment on rates receivable other than those likely to qualify under Horowhenua District Council's Rates Remissions Policy as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments.

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

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

As of 30 June 2016 and 2015 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 2016 and 2015 are detailed below:

	2016			2015		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	4,130	-	4,130	2,975	-	2,975
Past due < 1 year	1,804	1,383	421	2,711	875	1,836
Past due > 1 year	2,836	1,427	1,409	2,084	1,514	570
Total	8,770	2,810	5,960	7,770	2,389	5,381
Group						
Not past due	4,209	-	4,209	3,038	-	3,038
Past due < 1 year	1,809	1,383	426	2,713	875	1,838
Past due > 1 year	2,836	1,427	1,409	2,084	1,514	570
Total	8,854	2,810	6,044	7,835	2,389	5,446

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

IMPAIRMENT PROVISION	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
	Individual impairment	1,016	989	1,016
Collective impairment	1,794	1,400	1,794	1,400
Total provision for impairment	2,810	2,389	2,810	2,389

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

Individual impairment				
Past due < 1 year	27	113	27	113
Past due > 1 year	989	876	989	876
Total individual impairment	1,016	989	1,016	989

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

At 1 July	2,389	1,904	2,389	1,904
Additional provisions made during the year	27	113	27	113
Debtors written off during period	-	-	-	-
Increase in infringement provision	394	372	394	372
At 30 June	2,810	2,389	2,810	2,389

9. OTHER FINANCIAL ASSETS	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Current portion				
Inventories	-	-	8	7
Loans and receivables:				
Community loans	-	120	-	120
Short-term deposits with maturities of 4-12 months	350	350	350	350
Total loans and receivables	350	470	350	470
Total current portion	350	470	358	477
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	16	1	16	1
Unlisted shares in LGFA	100	100	100	100
Total investment in CCO's and similar entities	1,003	988	220	205
LGFA borrowers notes	833	803	833	803
Deposits with maturities of over 12 months	-	-	-	-
Investments carried at cost:	-	-	-	-
Total non-current portion	1,836	1,790	1,053	1,008
Total other financial assets	2,186	2,260	1,411	1,485

Fair value

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

Maturity analysis and effective interest rates:	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
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%	-	3.39%
Short-term deposits with maturities of 4-12 months	350	-	350	350
Average maturity	180 days	-	180 days	180 days
Weighted average effective interest rate	4.45%	-	4.45%	4.55%

Community loans

The fair value of community loans is \$0 (2015: \$120,000). Last year fair value was the same as the carrying value because the loan was repaid in full less than three months after balance date.

The face value of community loans is \$0 (2015: \$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 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Forbes Road sub-division	285	285	285	285
Surplus land / properties	-	190	-	190
Total assets held for sale	285	475	285	475

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 28 sections remaining in the Forbes Road subdivision will be sold in the next 12 months.

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

Work in progress

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

Restrictions on title

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

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

11. PROPERTY, PLANT AND EQUIPMENT (PPE) 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	-	-	-	5	(5)	-
Furniture and fittings	583	(112)	471	40	-	(6)	5	(56)	-	-	617	(163)	455
IT equipment	48	(43)	5	12	-	(24)	23	(5)	-	-	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	(170)	-	-	2,117	(862)	1,255
Total group PPE	472,015	(2,461)	469,554	12,242	66	(1,168)	344	(11,379)	-	(153)	483,001	(13,496)	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.

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

12. INTANGIBLE ASSETS													
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 intangible assets													
Easements	235	-	235	-	-	-	-	-	-	-	235	-	235
Computer software	3,364	(1,728)	1,636	84	-	-	(275)	-	-	-	3,448	(2,003)	1,445
Total council intangible assets	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
Total subsidiary intangible assets	365	(344)	21	-	-	-	(8)	-	-	-	365	(352)	13
Total group intangible assets	3,964	(2,072)	1,892	84	-	-	(283)	-	-	-	4,048	(2,355)	1,693

Impairment of easements

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

Life of easements

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

13. FORESTRY ASSETS	Note	Council and Group Actual \$ 30 June 2016 \$000	Council and Group Actual \$ 30 June 2015 \$000
Balance at 1 July		911	636
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	3	41	275
Increases due to new planting and pruning			-
Total forestry assets		952	911

Council owns 106.4 hectares of pinus radiata forest and other harvestable trees, which are at varying stages of maturity ranging from three to twenty-nine years. This consists of the Ferry Reserve 13.6 ha, Hokio Landfill 38.2 ha, The POT Forest 30.1 ha (commercially viability 25.1 ha) and Target Reserve 24.5 ha.

Independent registered valuers, Forme Consulting Ltd, have valued the forestry assets as at 30 June 2016. Valuation assumptions adopted in determining the fair value of the forestry assets include:

- * a pre-tax discount rate of 9% (2015: 9%) has been used in discounting the present value of expected cash returns;
- * the value of the land and the cost of owning the land are not allowed for in the valuation;
- * the estimated net stocked forest area is based on aerial mapping records;
- * trend log prices are based on an average of the last six quarters; and
- * costs are current average costs.

Financial risk management strategies

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

There are no restrictions on titles and liabilities for forestry.

14. INVESTMENT PROPERTY	Note	Council and Group Actual \$ 30 June 2016 \$000	Council and Group Actual \$ 30 June 2015 \$000
Balance at 1 July		5,706	5,765
Additions		4	-
Transfer from/(to) operational assets			
Disposals		-	-
Fair value gains/(losses) on valuation	3	216	(59)
Total investment property		5,926	5,706

Horowhenua District Council's investment properties are valued annually at fair value effective 30 June 2016. 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 2016 was \$5,926,000 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 2016 there were \$Nil contractual obligations for capital or operating expenditure (2015: \$Nil).

15. INVESTMENTS IN SUBSIDIARIES	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000
Te Horowhenua Trust (100% owned)	783	783
Total investment in subsidiaries	783	783

16. PAYABLES AND DEFERRED REVENUE	Note	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Trade payables		7,526	4,962	7,752	5,132
Amounts due to related parties	23	5	2	-	-
Deposits and bonds		757	686	757	686
Accrued expenses		1,696	964	1,696	964
Rates and other revenue in advance		871	725	871	725
Rates instalment		-	-	-	-
Other		574	381	574	381
Term deposit held for Shannon Community Trust		350	350	-	-
Total payables and deferred revenue		11,779	8,070	11,650	7,888
Exchange transactions		10,219	6,709	10,090	6,527
Non exchange transactions		1,560	1,361	1,560	1,361
Total payables and deferred revenue transactions		11,779	8,070	11,650	7,888

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 2016 \$000	Council and Group Actual \$ 30 June 2015 \$000
Current provisions are represented by:		
Landfill aftercare	940	997
Total current provisions	940	997
Non-current provisions are represented by:		
Landfill aftercare	2,240	2,068
Total non-current provisions	2,240	2,068
Total provisions	3,180	3,065
Landfill aftercare		
Opening balance	3,065	2,940
Additional provisions made during the year	115	125
Unwinding of discount	-	-
Amounts used during the year	-	-
Closing landfill aftercare balance	3,180	3,065

Provision for financial guarantee

Horowhenua District Council is listed as sole guarantor to a community organisation's bank loan. Under this guarantee Horowhenua District Council is obligated to make loan payments in the event the organisation defaults on a loan arrangement. The exercising of guarantees will be dependent upon the financial stability of the community organisation, which will vary over time; it is not considered to be necessary to make any provision as at 30 June 2016 (30 June 2015: \$Nil). Refer to note 22.

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% (2015: 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 2016 (2015: 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 532,000 cubic metres (2015: 570,000) (comprising: refuse, clean fill and cover).

The estimated remaining life is approximately 15 years (2015: 16 years).

17b. OTHER NON-CURRENT LIABILITIES	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Development contributions	250	458	250	458
LGFA amortisations reserves	501	609	501	609
Swap derivatives	1,668	566	1,668	566
Total other non-current liabilities	2,419	1,634	2,419	1,634

18. EMPLOYMENT BENEFIT LIABILITIES	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Accrued pay	360	504	360	520
Annual leave	560	500	633	568
Long service leave	110	110	110	110
Retirement gratuities	51	68	51	131
Sick leave	-	-	-	-
Total employee benefit liabilities	1,081	1,182	1,154	1,329
Comprising:				
Current	920	1,004	993	1,088
Non-current	161	178	161	241
Total employee benefit liabilities	1,081	1,182	1,154	1,329

Long service leave assumptions

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

19. BORROWINGS	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Current				
Bank overdraft	-	-	-	-
Secured loans	16,000	2,000	16,000	2,000
Total current borrowings	16,000	2,000	16,000	2,000
Non-current				
Secured loans	49,000	58,000	49,000	58,000
Total non-current borrowings	49,000	58,000	49,000	58,000
Total borrowings	65,000	60,000	65,000	60,000

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 (2015: \$39,000,000) is issued at rates of interest fixed at time of issue.

Floating rate debt

Horowhenua District Council has \$26,000,000 on current floating rate (2015: \$21,000,000). The interest rate is reset quarterly based on the 90 day bill rate plus a margin for credit risk.

Overdraft

Horowhenua District Council no longer has a bank overdraft facility (2015: Nil).

Committed cash advance facility

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

Credit card

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

Security

All HDC's secured loans are secured under the terms of the Debenture Trust Deed between HDC and Foundation Corporate Trust as Trustee. Security is by a charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, HDC has issued to its bankers security certificates totalling \$72m to secure the various bank loan facilities and guarantees issued on behalf of HDC and other general banking facilities. An additional \$6,220m of security certificates have been issued as part of the LGFA agreement to jointly secure debt issues with other shareholding Councils.

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

Council and Group	Secured	Secured	Bank	Bank
	Loans	Loans	Overdraft	Overdraft
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Less than one year	16,000	2,000	-	-
Effective weighted average interest rate	3.88%	4.78%	-	-
Later than one year but not more than five years	35,000	25,000	-	-
Effective weighted average interest rate	4.72%	4.99%	-	-
Later than five years	14,000	33,000	-	-
Effective weighted average interest rate	5.16%	4.83%	-	-
Total borrowing	65,000	60,000	-	-

Fair value of non-current borrowings

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

Council and Group	Carrying amounts		Fair values	
	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000
Secured Loans	49,000	58,000	49,000	58,000
Total non-current borrowing	49,000	58,000	49,000	58,000

The carrying amounts of borrowings repayable within one year approximate their fair value. The fair values are based on cash flow using a rate based on the weighted average borrowing rates ranging from 2.405% to 6.275% (2015: 3.905% to 7.05%)

Internal borrowings

Information about internal borrowing per activity is provided on the activity funding impact statements on pages 100-185.

LGFA COVENANT COMPLIANCE	Council limits	LGFA lending policy	Actual 30 June 2016	Actual 30 June 2015
Net debt to total operating revenue	< 175%	< 250%	127%	146%
Net interest to total operating revenue	< 20%	< 20%	6%	7%
Net interest to annual rates revenue	< 25%	< 25%	9%	10%
Available financial accommodation to external indebtedness	> 110%	> 110%	117%	117%

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

20. EQUITY	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Retained earnings				
As at 1 July	264,909	269,134	265,586	269,743
Transfers to:				
Special funds	(1,473)	(2,105)	(1,473)	(2,105)
Transfers from:				
Special funds	735	831	735	831
Asset revaluation reserve on disposals	-	-	-	-
Surplus/(deficit) for the year	(826)	(2,951)	(902)	(2,883)
As at 30 June	263,345	264,909	263,946	265,586
Other reserve funds (refer to separate schedule on page 25)				
As at 1 July	6,210	4,936	6,210	4,936
Transfers to:				
Retained earnings	(735)	(831)	(735)	(831)
Transfers from:				
Retained earnings	1,473	2,105	1,473	2,105
As at 30 June	6,948	6,210	6,948	6,210
Asset revaluation reserves				
As at 1 July	147,449	147,449	147,449	147,449
Revaluation gains/(losses)	-	-	-	-
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 asset revaluation reserves	147,449	147,449	147,449	147,449
Total equity	417,742	418,568	418,343	419,245

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

21. CAPITAL COMMITMENTS AND OPERATING LEASES	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
PPE capital commitments				
Wastewater treatment	146	279	146	279
Water treatment	2,861	1,588	2,861	1,588
Wastewater other	-	1,795	-	1,795
Water other	-	154	-	154
Buildings	4,395	-	4,395	-
Parks	1,224	-	1,224	-
Total PPE capital commitments	8,626	3,816	8,626	3,816

Refer to Note 14 for capital commitments for investment properties.

Operating leases as lessee

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

OPERATING LEASES AS LESSEE	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Non-cancellable operating leases as lessee				
Less than one year	193	200	193	200
Later than one year but not more than five years	241	68	241	68
Later than five years	-	-	-	-
Total non-cancellable operating leases	433	267	433	267

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

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

Operating leases as lessor

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

OPERATING LEASES AS LESSOR	Council	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Non-cancellable operating leases as lessor				
Less than one year	536	651	536	651
Later than one year but not more than five years	1,132	1,108	1,132	1,108
Later than five years	1,238	1,332	1,238	1,332
Total non-cancellable operating leases	2,906	3,091	2,906	3,091

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	Council	Group	Group
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Guarantees	27	32	27	32
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 \$27,000.

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. Horowhenua District Council intends to sell the residential housing on the condition they remain residential housing after they are sold and is currently negotiating with Housing NZ that the suspensory loan is transferred to the new owner. If this is not possible then HDC will retain 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.

Council has several ongoing legal proceedings. The outcome of these remains uncertain at the end of the reporting period. The maximum financial exposure is anticipated to be less than \$205,000.

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

Horowhenua District Council is one of 30 local authority shareholders and 8 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100K. When aggregated with the uncalled capital of other shareholders, \$20M is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Horowhenua District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2016, NZLGFA had borrowings totalling \$6,501M (2015: \$5,274M).

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

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

The leases for Waitarere Beach Motor Camp and Levin Holiday Park include provisions for Council to buy-back the lessee's fixtures and improvements in certain circumstances totalling \$915,000. This estimate has been based on district rating valuations.

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. At this stage value of the repairs is not known. Horowhenua District Council is not expected to be covered under its insurance policies. Horowhenua District Council is also exposed to potential claims which have not been advised. The amount of these claims and any potential liability are not able to be reliably measured and are therefore not quantifiable.

Contingent assets

Third parties including sports clubs and community groups are able to construct facilities (e.g. club rooms) on Horowhenua District Council owned land. The third parties control the use of these facilities and Horowhenua District Council will only gain control of the asset if the third party vacates the facility. Unless, and until, such event occurs these assets are not recognised as assets in the statement of financial position. As at 30 June 2016 there were 24 facilities having an approximate value of \$17.43M (2015: 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 2015-2025 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:

RELATED PARTY TRANSACTIONS	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000
Te Horowhenua Trust		
Grant received from Council	1,850	1,698
Contract revenue provided by HDC to Te Horowhenua Trust	140	115
Other grants and revenue received by Te Horowhenua Trust from HDC	42	18
Other services to Te Horowhenua Trust from HDC	136	123
Payment for services provided by HDC	-	-
Total Horowhenua Trust related party transactions	2,168	1,954
Related party payables/receivables		
Accounts payable to Te Horowhenua Trust	5	2
Accounts receivable by HDC	12	14
Total related party payables/receivables	17	16

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 (MWLASS)

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

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

The Company is considered to be a council controlled organisation under the Local Government Act 2002 but the member councils have resolved that it is exempt for the purposes of Section 6(4)(i) of that Act for 2015/16 and 2014/15.

RELATED PARTY TRANSACTIONS	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000
Manawatu/Wanganui Local Authorities Shared Services Limited		
E-Road hardware	10	7
Regional archives	27	54
Regional ISSP	33	-
Valuation services and share of fixed charges	7	12
Aerial photography	20	-
Debt collection process	-	26
Miscellaneous projects	7	3
Online economic profiles subscription	13	13
Total MWLASS related party transactions	117	115

Shannon Community Development Trust

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

Key management personnel

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

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000
Taitoko Ltd (in which Piri Hira Tukapua is a shareholder / director)	24	-
Canvasland Holdings Ltd (in which Mayor B Duffy is a shareholder) purchase of goods or services.	9	2
Canvasland Sunshades Ltd (in which Mayor B Duffy is a shareholder) purchase of goods or services.	5	5
Total transactions with key management personnel	38	7

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2015: \$Nil).

Foxton Beach Community Board members

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

RELATED PARTY TRANSACTIONS	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000
Foxton Beach Community Board members		
Roaches Concrete Products Ltd (in which David Roach is a shareholder / director)	67	-
Mastermix & Packaging Ltd (in which Tricia Metcalf is a shareholder / director)	43	-
Total transactions with Foxton Beach Community Board members	110	-

KEY MANAGEMENT PERSONNEL COMPENSATION	Council Actual \$ 30 June 2016	Council Actual \$ 30 June 2015
Remuneration		
Councillors	371,038	342,293
Senior management team, including the Chief Executive	1,352,592	987,027
Total key management personnel remuneration	1,723,630	1,329,320
Full-time equivalent key management personnel		
Councillors*	11	11
Senior management team, including the Chief Executive	9	7
Total full-time equivalent key management personnel	20	18

*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 2016	Council Actual \$ 30 June 2015
Chief Executive		
Salary	250,814	222,514
Vehicle (FBT)	10,352	10,352
Total Chief Executive remuneration	261,166	232,866
Elected representatives		
Mayor		
B J Duffy	99,040	94,090
Councillors:		
G Good	35,100	32,300
V Kaye-Simmons	25,140	23,140
A Rush	27,880	25,688
W Bishop	30,620	28,235
R Brannigan	27,558	23,140
R Campbell	25,140	23,140
M Feyen	25,140	23,140
J Mason	25,140	23,140
C Mitchell	25,140	23,140
P H Tukapua	25,140	23,140
Total elected representatives remuneration	371,038	342,293
Foxton Beach Community Board		
J Smart (Chair)	11,840	11,440
P Metcalf	6,040	5,840
D Roache	6,040	5,840
B Vertongen	6,040	5,840
A Street	6,040	5,840
Total Foxton Beach Community Board remuneration	36,000	34,800
Council employees		
Total annual remuneration by band		
<60,000	89	86
\$60,000 - \$79,999	31	31
\$80,000 - \$99,999	12	12
\$100,000 - \$119,999	11	6
\$120,000 - \$280,000	8	7
Total Council employee remuneration	151	142

At balance date, the Council employed 99 (2015: 106) full-time employees, with the balance of staff representing 28 (2015: 11) 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 2016 Horowhenua District Council made eight severance payments to employees totalling \$152,458 (2015: \$106,428). The value of each severance payment was \$34,708, \$59,400, \$5,727, \$8,415, \$9,038, \$10,641, \$23,530 and \$1,000, (2015 seven of \$7,678, \$24,663, \$23,030, \$1,000, \$6,971, \$36,600 and \$6,486).

26. EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance date. Effective 01 July 2016 all of Te Horowhenua Trust's assets and liabilities including all employment and commercial agreements were transferred to Horowhenua District Council.

27. FINANCIAL INSTRUMENTS

27a. FINANCIAL INSTRUMENT CATEGORIES	Note	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Financial assets					
Loans and receivables					
Cash and cash equivalents	7	7,400	7,856	7,430	7,940
Debtors and other receivables	8	5,960	5,381	6,045	5,446
Other financial assets:					
- Term deposits	9	350	350	350	350
- Community loans	9	-	120	-	120
Total loans and receivables		13,710	13,707	13,825	13,856
Fair value through other comprehensive revenue and expense					
Unlisted shares in NZLGIC Limited	9	104	104	104	104
Unlisted shares in MWLASS	9	16	1	16	1
Unlisted shares in LGFA	9	100	100	100	100
LGFA borrowers notes	9	833	803	833	803
Total fair value through other comprehensive revenue and expense		1,053	1,008	1,053	1,008
Total financial assets		14,763	14,715	14,878	14,864
Financial Liabilities					
Fair Value through surplus or deficit – held for trading					
Derivative financial instrument liabilities	33	1,668	566	1,668	566
Financial liabilities at amortised cost					
Creditors and other payables	16	11,779	8,070	11,650	7,888
Borrowings:					
- bank overdraft	7	-	-	-	-
- secured loans	19	65,000	60,000	65,000	60,000
Total financial liabilities at amortised cost		76,779	68,070	76,650	67,888
Total financial liabilities		78,447	68,636	78,318	68,454

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 2016				
Financial assets				
Shares	220	-	-	220
LGFA borrower notes	833	-	-	833
Financial liabilities				
Swap derivatives	1,668	-	1,668	-
Group 2016				
Financial assets				
Shares	220	-	-	220
LGFA borrower notes	833	-	-	833
Financial liabilities				
Swap derivatives	1,668	-	1,668	-
Council 2015				
Financial assets				
Shares	205	-	-	205
LGFA borrower notes	803	-	-	803
Financial liabilities				
Swap derivatives	566	-	566	-
Group 2015				
Financial assets				
Shares	205	-	-	205
LGFA borrower notes	803	-	-	803
Financial liabilities				
Swap derivatives	566	-	566	-

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 (2015:\$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:

MAXIMUM EXPOSURE TO CREDIT RISK	Note	Council	Council	Group	Group
		Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000
Cash at bank and term deposits	7	7,750	8,206	7,780	8,290
Debtors and other receivables	8	5,960	5,381	6,044	5,446
Community loans	9	-	120	-	120
Total credit risk		13,710	13,707	13,824	13,856

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poors credit ratings (or similar, if available) or to historical information about contemporary default rates:

COUNTERPARTIES WITH CREDIT RATINGS	Note	Council	Council	Group	Group
		Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000	Actual \$ 30 June 2016 \$000	Actual \$ 30 June 2015 \$000
Cash at bank and term deposits:					
AA-	7	7,750	8,206	7,780	8,290
Total cash at bank and term deposits		7,750	8,206	7,780	8,290
Counterparties without credit ratings					
Community loans:					
Existing counterparties with no defaults in the past	9	-	120	-	120
Existing counterparties with defaults in the past		-	-	-	-
Total community loans		-	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.

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.

Council 2016	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
Creditors and other payables	16	11,779	11,779	11,779	-	-	-
Secured loans	19	65,000	75,219	16,353	2,093	39,172	17,601
Swap derivatives	33	1,668	1,668	241	244	643	540
Total		78,447	88,666	28,373	2,337	39,815	18,141
Group 2016							
Creditors and other payables	16	11,650	11,650	11,650	-	-	-
Secured loans	19	65,000	75,219	16,353	2,093	39,172	17,601
Swap derivatives	33	1,668	1,668	241	244	643	540
Total		78,318	88,537	28,244	2,337	39,815	18,141
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	82,594	10,163	9,896	18,689	43,846

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 2016							
Cash and cash equivalents	7	7,400	7,400	7,400	-	-	-
Debtors and other receivables	8	5,960	5,960	5,960	-	-	-
Other financial assets:							
term deposits	9	350	359	359	-	-	-
community loans	9	-	-	-	-	-	-
Total		13,710	13,719	13,719	-	-	-
Group 2016							
Cash and cash equivalents	7	7,430	7,430	7,430	-	-	-
Debtors and other receivables	8	6,044	6,044	6,044	-	-	-
Other financial assets:							
term deposits	9	350	359	359	-	-	-
community loans	9	-	-	-	-	-	-
Total		13,824	13,833	13,833	-	-	-
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	-	-	-

Sensitivity analysis

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

INTEREST RATE RISK	Council & Group 30 June 2016 -100bps	Council & Group 30 June 2016 +100bps	Council & Group 30 June 2015 -100bps	Council & Group 30 June 2015 +100bps
Financial assets				
Cash and cash equivalents	(74)	74	(79)	79
Financial liabilities				
Borrowings	260	(260)	190	(190)

Cash and cash equivalents include deposits at call totalling \$7,400,000 (2015: \$7,856,000) which are at floating rates. A movement of interest rates of plus or minus 1% has an effect on interest revenue of \$74,000 (2015: \$78,560).

Borrowings include total debt of \$26,000,000 (2015: \$21,000,000) on current floating rates.

28. BUDGETS FOR YEAR ENDED 30 JUNE 2016

Budgets are as per the annual plan, 2015/2016

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 2015:\$Nil).

31. RECONCILIATION OF SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Surplus (deficit)	(826)	(2,951)	(902)	(2,883)
Add/(less) non-cash items:				
Depreciation and amortisation	11,536	11,483	11,717	11,662
Bad and doubtful debts expense	-	-	-	-
Other including vested and donated assets	(100)	(66)	(108)	(73)
Net gains and losses and other non-current movements	674	(291)	749	(192)
Impairment of non-current assets	-	-	-	-
Add/(less) movements in working capital:				
Increase/(decrease) in accounts receivable	(459)	1,048	(495)	1,010
Increase /(decrease) in current liabilities	1,614	751	1,611	768
Net cash flows from operating activities	12,439	9,974	12,572	10,293

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 25- 28 for Council created reserves.

33. DERIVATIVE FINANCIAL INSTRUMENTS	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Current portion				
Interest rate swaps – fair value hedges	-	-	-	-
Non-current liability				
Interest rate swaps – fair value hedges	1,668	566	1,668	566
Total derivative financial instrument liability	1,688	566	1,668	566

Non-current liability

This is included under other non-current liability in the financial position on page 19.

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 (2015 \$7,000,000 and \$4,000,000) and for the Horowhenua District Council Group were \$11,000,000 (2015 \$11,000,000). At 30 June 2016, the fixed interest rate of the cash flow hedge interest rate swap was 4.75% and 4.015% respectively (2015 5.37% and 4.96%).

34. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000
Community support	36	38
Environmental services	75	72
Community facilities & services	917	850
Property	355	378
Roading	4,783	4,634
Solid waste	268	247
Stormwater	500	488
Wastewater	2,264	2,460
Water supply	1,996	1,934
Council operating assets	342	382
Total	11,536	11,483

35. INSURANCE OF ASSETS	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000
Total value of assets covered by insurance contracts	104,584	95,497
Maximum amount of insurance	182,651	183,130
Total value of assets covered by financial risk sharing arrangements	128,290	126,711
Maximum amount available under those arrangements	255,170	117,929
Total value of assets that are self-insured	251,031	254,814
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 2016 \$000	Council Actual \$ 30 June 2015 \$000
Water other	91,626	81,367
Water treatment plant and facilities	28,316	28,787
Waste water treatment plant and facilities	25,467	36,424
Wastewater other	113,313	114,296
Stormwater	46,883	45,397
Solid waste	8,309	7,884
Roading and footpaths	344,763	303,977
Total replacement cost of core infrastructure assets	658,677	618,132

Refer to note 11 for vested assets and additions.

37. TAX	Council Actual \$ 30 June 2016 \$000	Council Actual \$ 30 June 2015 \$000	Group Actual \$ 30 June 2016 \$000	Group Actual \$ 30 June 2015 \$000
Components of tax expense				
Current tax	-	-	-	-
Tax expense	-	-	-	-
Relationship between tax expense and accounting surplus				
Surplus/(deficit) before tax	(836)	(2,951)	(901)	(2,883)
Tax at 28%	(231)	(826)	(252)	(807)
Plus/(less) tax effect of:				
Non-deductible expense	231	826	252	807
Non-deductible revenue	-	-	-	-
Tax expense	-	-	-	-

38. ADJUSTMENTS TO THE COMPARATIVE YEAR FINANCIAL STATEMENTS

Notes	Actual 30 June 2015		
	Before adjustment \$'000	Reclassification \$'000	After adjustment \$'000
Council			
Revenue			
Rates other than targeted rate for water supply	30,105	(30,105)	-
Rates	-	30,994	30,994
Fees, charges and targeted rates for water	5,785	(5,785)	-
Fees and charges	-	4,896	4,896
Cashflow from operating activities			
Revenue from rates	29,893	889	30,782
Other revenue	11,642	(889)	10,753
Group			
Revenue			
Rates other than targeted rate for water supply	30,105	(30,105)	-
Rates	-	30,994	30,994
Fees, charges and targeted rates for water	6,191	(6,191)	-
Fees and charges	-	5,302	5,302
Cashflow from operating activities			
Revenue from rates	29,893	889	30,782
Other revenue	12,153	(889)	11,264

Funding impact statements for Property, Parks and Recreation (now called Community Facilities and Services) and Community Services activities have changes as a result of Libraries moving from Community Services to Community Facilities and Services and Public Toilets and Halls moving from Property to Community Facilities and Services.

Benchmarks Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2016

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

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

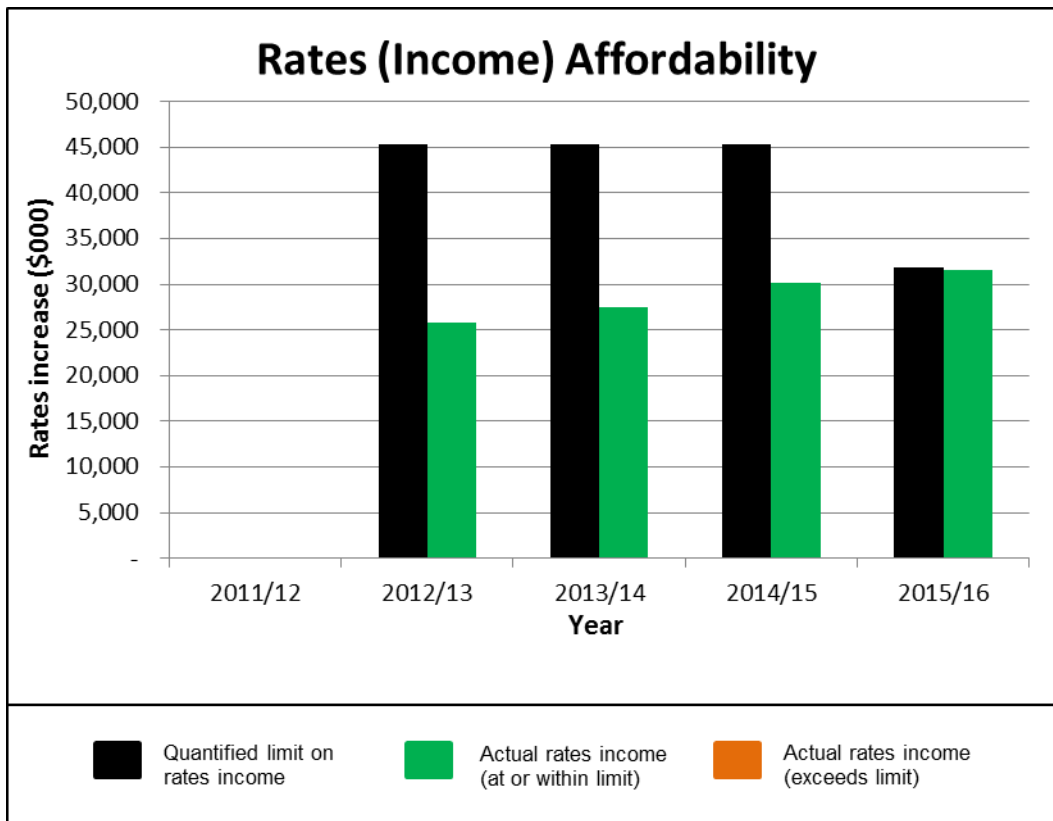
Rates affordability benchmarks

The Council meets the rates affordability benchmark if –

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

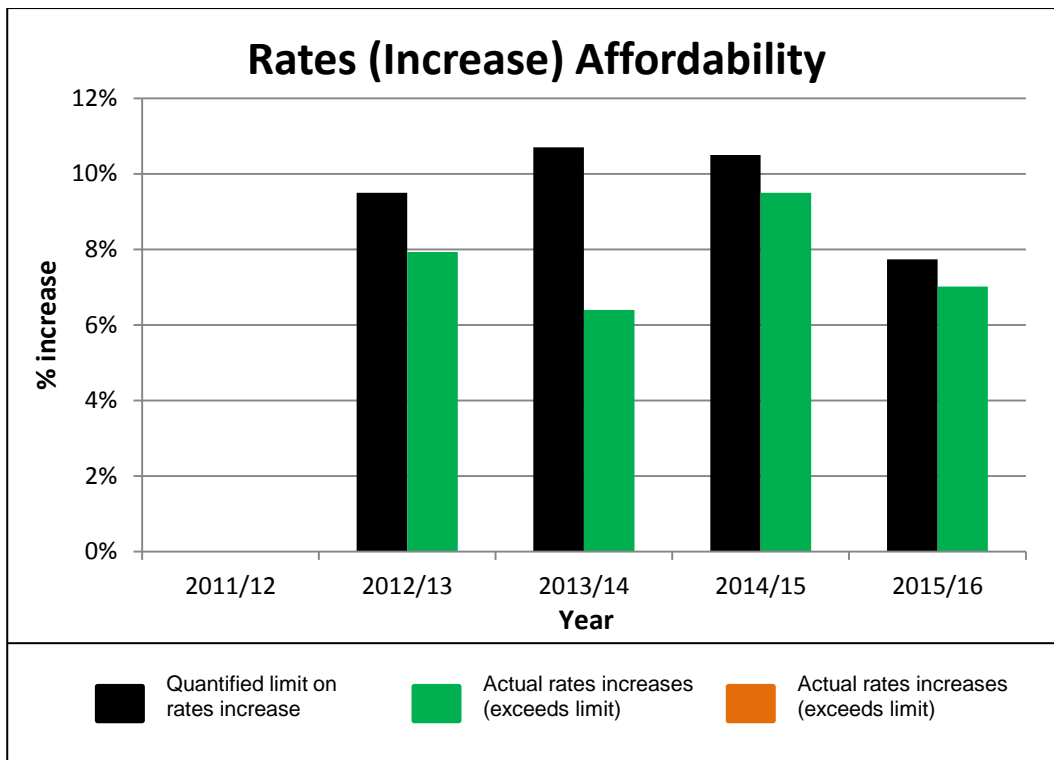
Rates (Income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is \$45,300,000 (2012/13), \$45,300,000 (2013/14), \$45,300,000 (2014/15), and \$31,858,000 (2015/16). There was no financial strategy adopted in the 2009-2019 Long Term Plan therefore no comparatives are available for 2011/12.



Rates (Increases) affordability

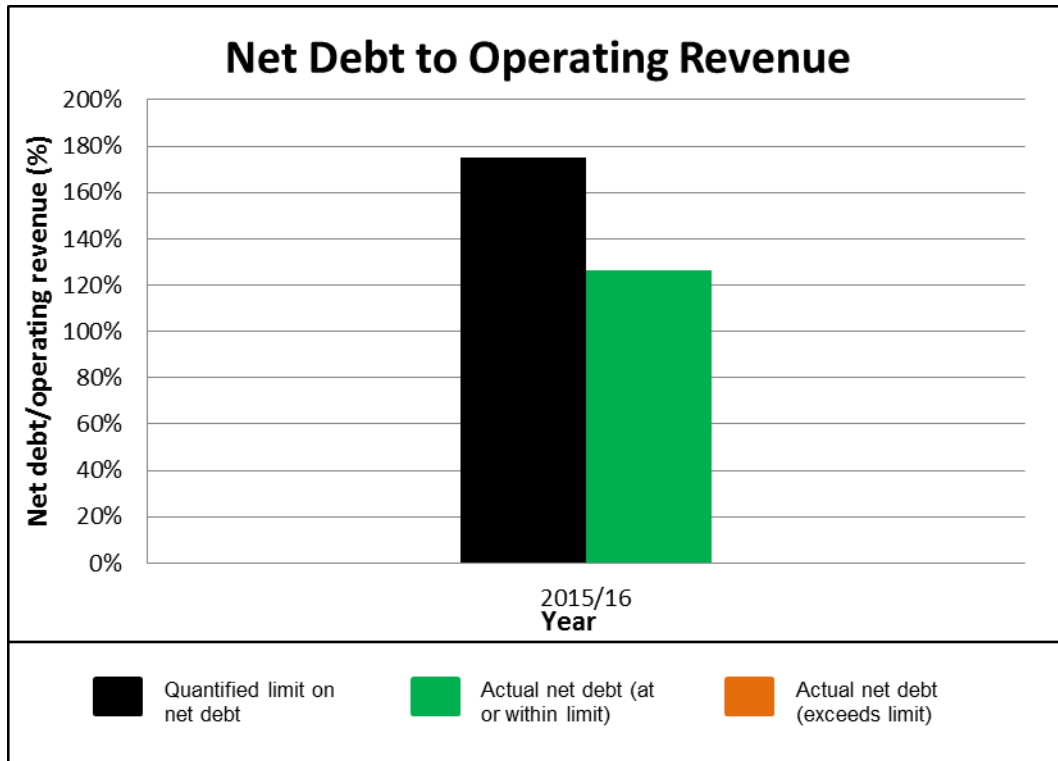
The following graph compares the Council's actual rate increase with a quantified limit on rates increases included in the financial strategy included in the Council's long term plan. The quantified limits are 9.50% (2012/13), 10.70% (2013/14), 10.50% (2014/15), and 7.74% (2015/16). There was no financial strategy adopted in the 2009-2019 Long Term Plan therefore no comparatives are available for 2011/12.



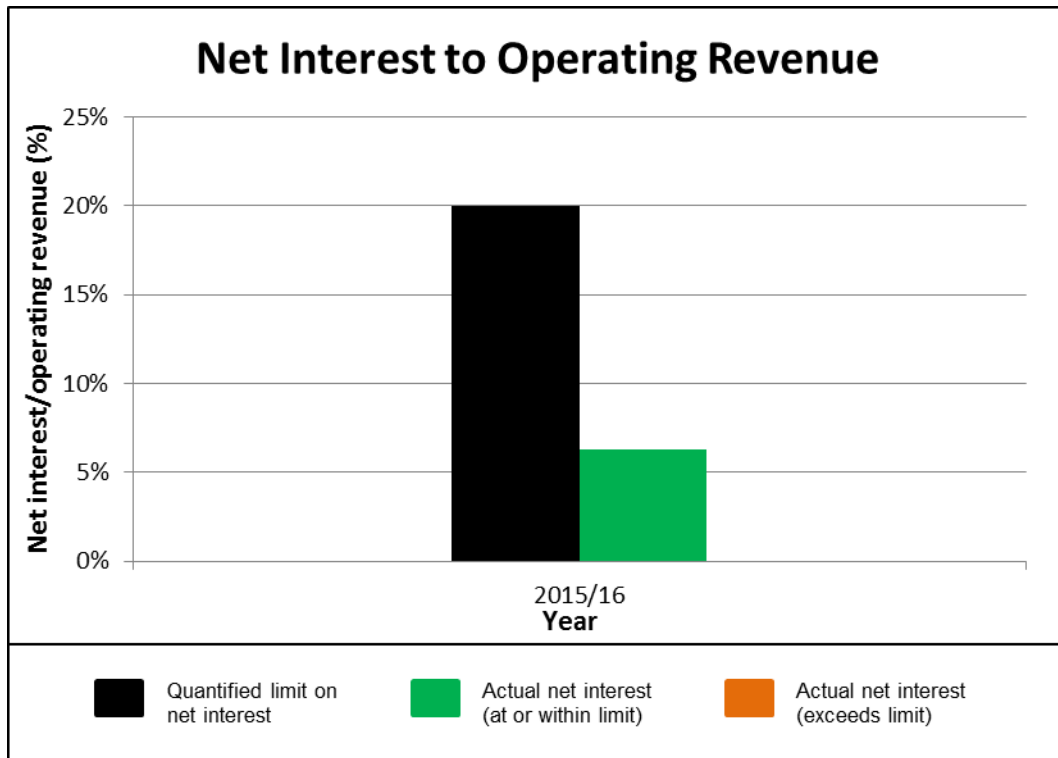
Debt affordability benchmark

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

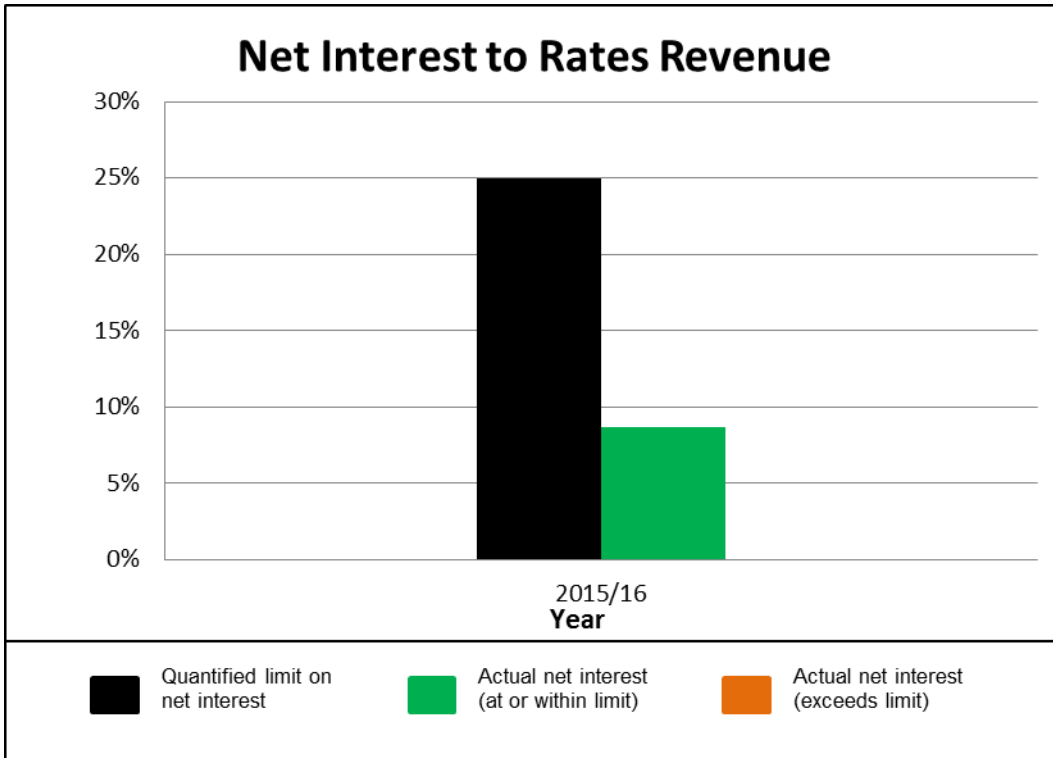
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net debt to operating revenue should be below 175%. This is a new quantified limit therefore there are no comparatives available.



The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net interest to operating revenue should be below 20%. This is a new quantified limit therefore there are no comparatives available.

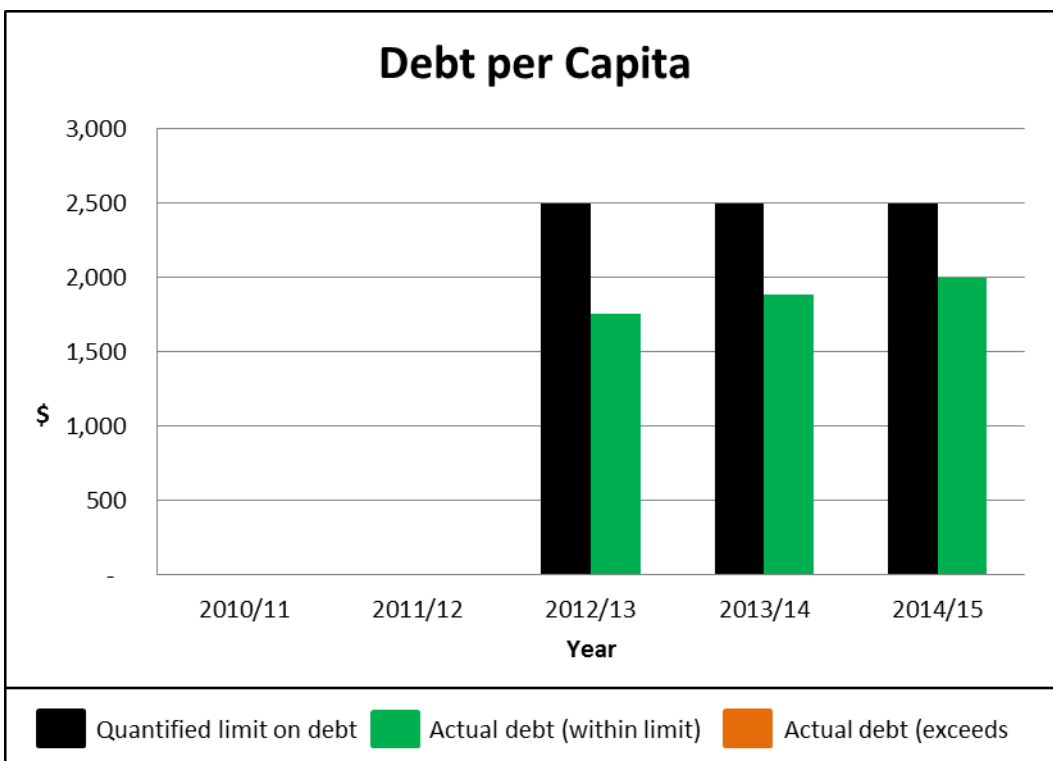


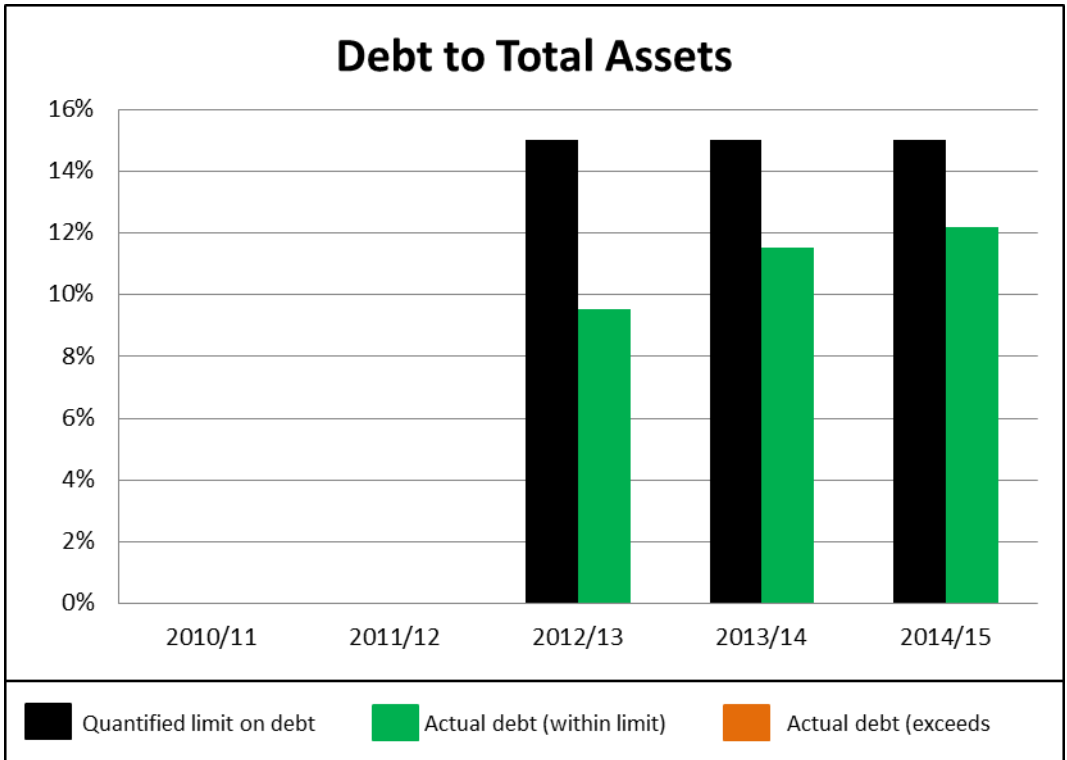
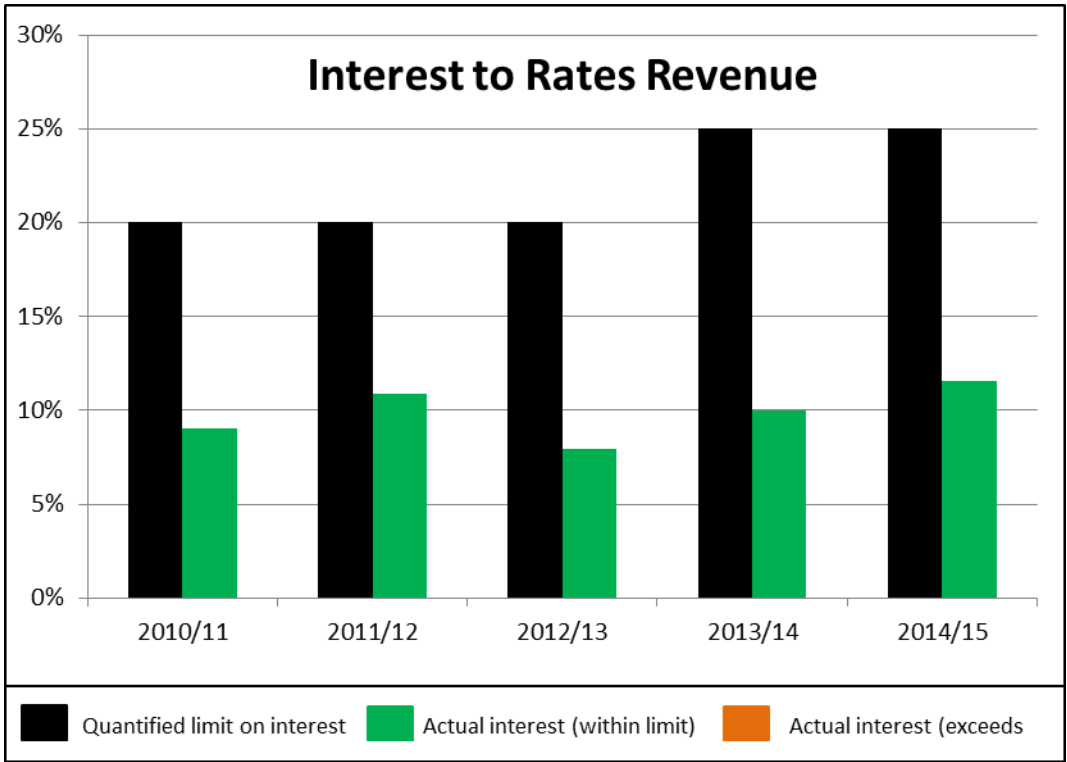
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net interest to annual rates revenue should be below 25%. This is a new quantified limit therefore there are no comparatives available.



Previously the 2012-2022 LTP used the following benchmarks:

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

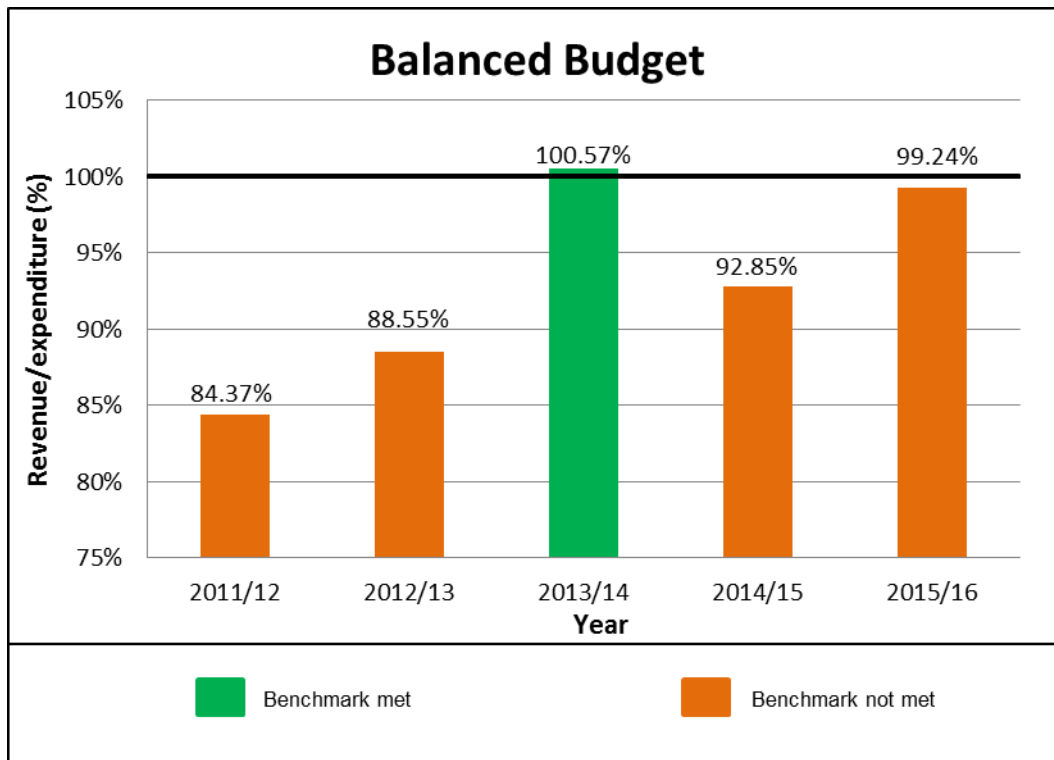




Balanced budget benchmark

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

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



Explanation on balanced budget benchmark

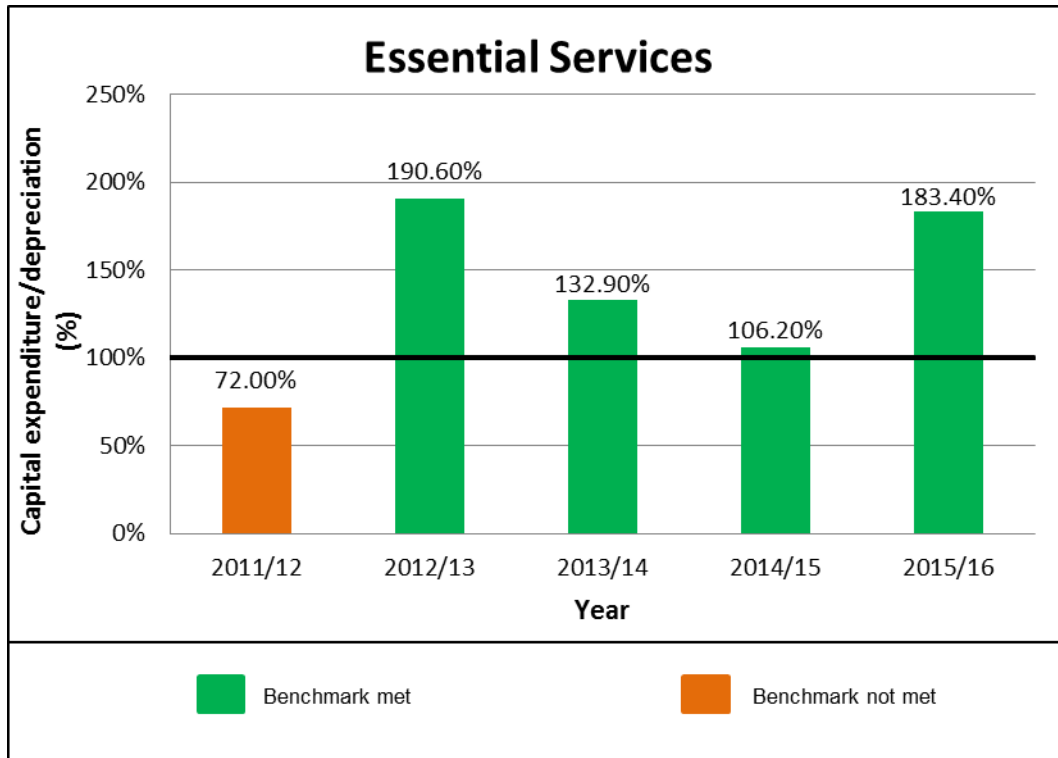
In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only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

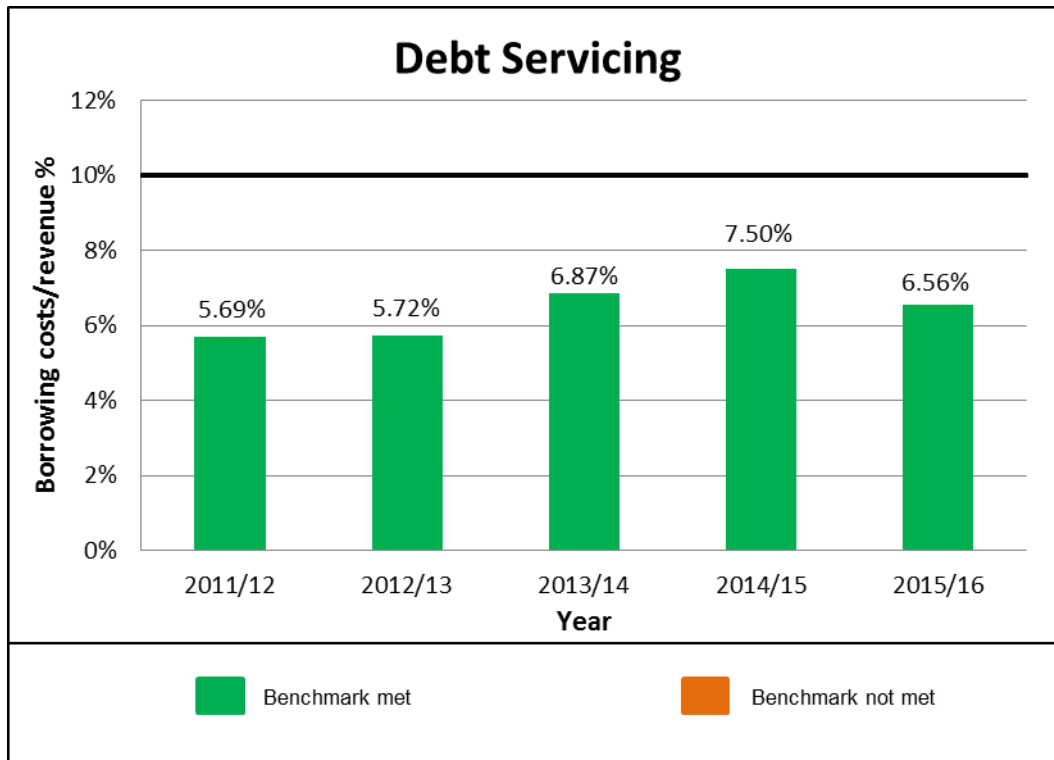
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

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.



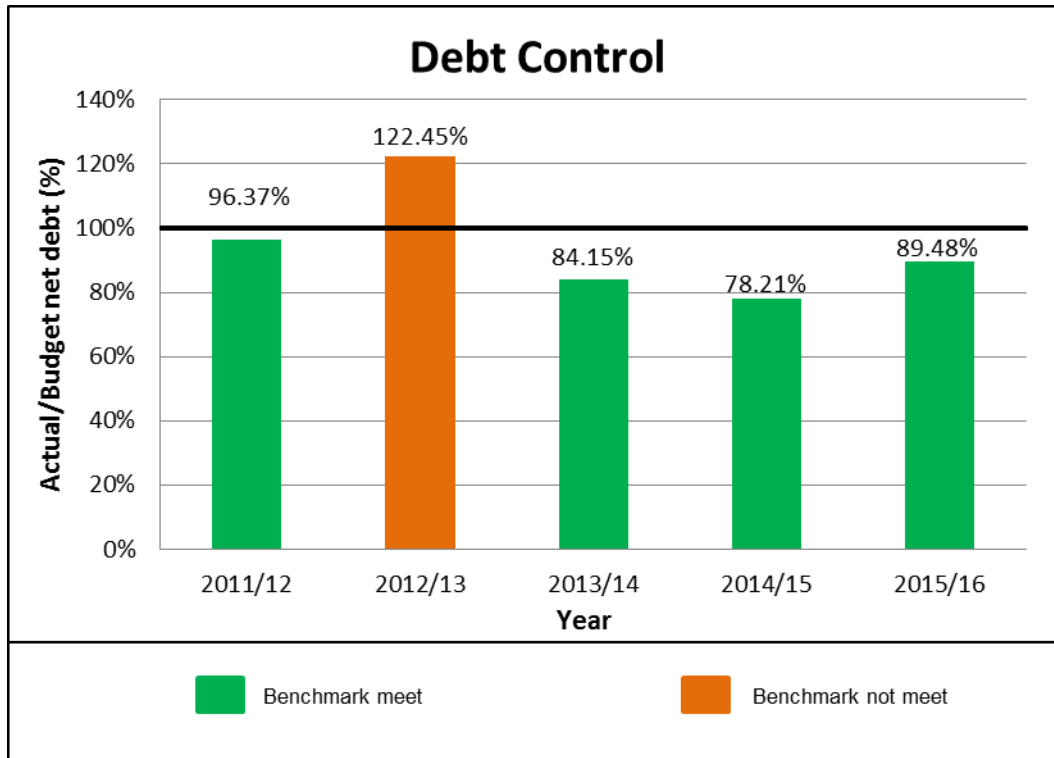
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt control benchmark if its borrowing costs are equal or less than 10% of its revenue, (excluding development contributions, financial contributions, vested 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 year, the Long Term Plan 2012-2022 for 2012/13, 2013/14 and 2014/15 and the Long Term Plan 2015-2025 for 2015/16.



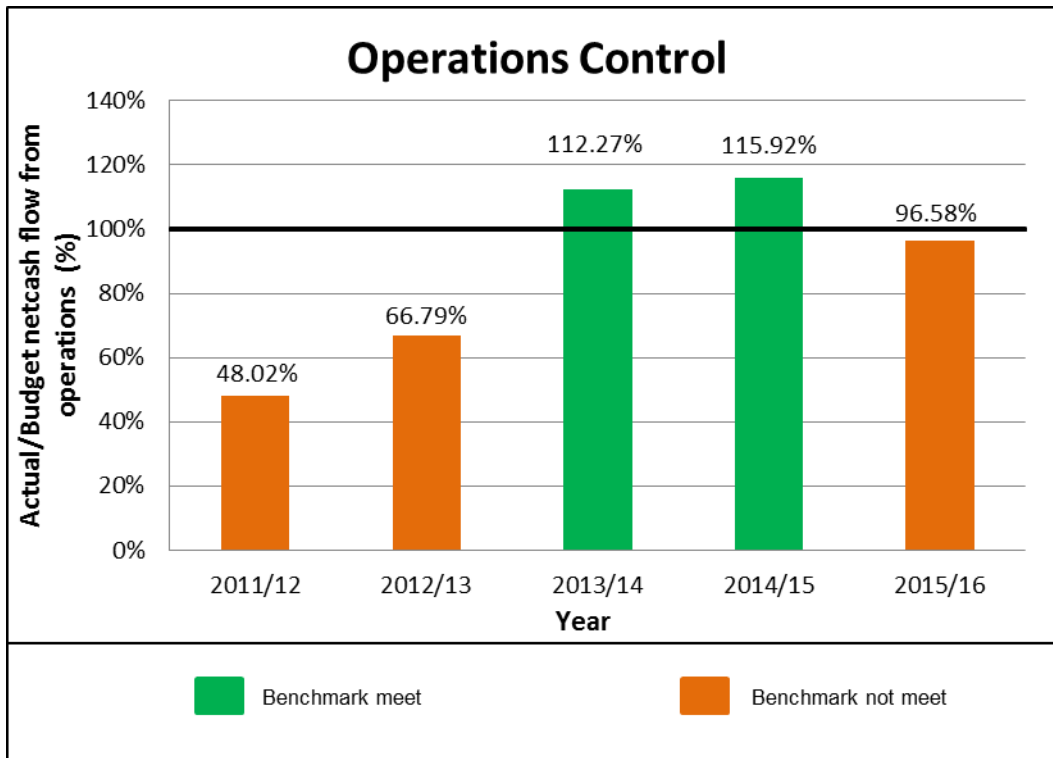
Explanation on debt control benchmark

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

Operations control benchmark

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

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



Explanation on operations control benchmark

The reason for not meeting the benchmark in the 2015/16 financial year is largely due the delay in the Te Awahou building project where the grants are dependent on building progressing in order for the cash to be released.

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 2016. The financial statements were authorised for issue by Council on 5 October 2016.

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.

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).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF CONSOLIDATION

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

Subsidiaries

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

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

2. REVENUE

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

Rates revenue

The following policies for rates have been applied:

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

Development and financial contributions

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

Development contributions are disclosed separately.

Infringement fees revenue

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

Subsidised revenue

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

Grants revenue

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

Standards issued and not yet effective and not early adopted

In 2015, the External Reporting Board issued *Disclosure Initiative (Amendments to PBE IPSAS 1)*, *2015 Omnibus Amendments to PBE Standards*, and *Amendments to PBE Standards and Authoritative Notice as a Consequence of XRB A1 and Other Amendments*. These amendments apply to PBEs with reporting periods beginning on or after 1 January 2016. Horowhenua District Council will apply these amendments in preparing its 30 June 2017 financial statements. Horowhenua District Council expects there will be no effect in applying these amendments.

Rendering of services revenue

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

Sale of goods revenue

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

Vesting of assets revenue

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

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

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

Commission revenue

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

Interest and dividends revenue

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

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

Building and resource consent revenue

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

Landfill fees

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

Lease revenue

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

3. BORROWING COSTS

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

4. INCOME TAX

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

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

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

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

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

5. GRANT EXPENDITURE

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

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

6. LEASES

Finance leases

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

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

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Operating leases

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

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

7. CASH AND CASH EQUIVALENTS

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

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

8. TRADE AND OTHER RECEIVABLES

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

9. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

10. FINANCIAL ASSETS

Horowhenua District Council classifies its financial assets into four categories:

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

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

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

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

The categories of financial assets are:

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

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

Held-to-maturity investments

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

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

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised through surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

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

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

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

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

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

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

Impairment of financial assets

At each balance sheet date Horowhenua District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Loans and other receivables and held-to-maturity investments

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

11. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as 'held for sale' if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

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

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

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

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

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

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

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

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

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

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included through the surplus or deficit.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

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

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

Depreciation

Horowhenua District Council's depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

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

	Useful Life	Depreciation Rate
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 no longer revalued; it 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%.

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

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

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

14. FORESTRY ASSETS

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

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised through surplus or deficit

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

15. INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Horowhenua District Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised through surplus or deficit.

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

Intangible assets subsequently measured at cost that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

Value in use for non-cash generating assets

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

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

Value in use for cash generating assets

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

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

17. EMPLOYEE BENEFITS

Short-term benefits

Employee benefits that Horowhenua District Council expects to be settled within 12 months after the end of period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

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

Long-term benefits

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

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

18. Superannuation schemes

Defined contribution schemes

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

Defined benefit schemes

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

19. CREDITORS AND OTHER PAYABLES

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

20. PROVISIONS

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

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

Financial guarantee contracts

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

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that Horowhenua District Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

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

21. BORROWINGS

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

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

22. EQUITY

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

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

Restricted reserves

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

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

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

Asset revaluation reserves

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

23. GOODS AND SERVICES TAX

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

24. BUDGET FIGURES

The budget figures are those approved by the Council in its year 1 of 2015/25 long term plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Horowhenua District Council for the preparation of the financial statements.

25. COST ALLOCATION

Horowhenua District Council has derived the cost of service for each significant activity of Horowhenua District Council using the cost allocation system outlined below.

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

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

26. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Horowhenua District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

Note 17, discloses an analysis of the exposure of Horowhenua District Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

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

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

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

27. Critical judgements in applying accounting policies

Classification of property

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

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

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

A healthy local economy and a District that is growing

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

A sustainable environment

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

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

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

Safe, resilient and healthy communities

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

Positive leadership and effective partnerships

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

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

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

This part is prepared according to the requirements of the Local Government Act 2002 and the financial reporting standards issued by the External Reporting Board. It reports on the Council's policies, objectives, activities, performance targets, indicative costs and sources of funds as outlined in the LTP Year 1 2015/16. 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 1 2015/16.

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

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

The significant activities reported on are:

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

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

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

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

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

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

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

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

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

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

For each group of activities it shows the levels of service provided, asset renewals and acquisitions, impacts on community outcomes and funding impact statements for 2015/16.

Regulatory Services

STATEMENT OF SERVICE PERFORMANCE

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

1. DESCRIPTION OF ACTIVITIES

1.1. District planning

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

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

What does this activity involve?

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

Rationale

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

1.2. Environment health

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

What does this activity involve?

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

Rationale

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

1.3. Liquor licensing

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

What does this activity involve?

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

Rationale

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

1.4. Building control

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

What does this activity involve?

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

Rationale

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

1.5. Animal control

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

What does this activity involve?

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

Rationale

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

1.6. Parking enforcement

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

What does this activity involve?

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

Rationale

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

General regulatory services

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

What does this activity involve?

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

Rationale

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

2. MEASURING PERFORMANCE

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

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

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

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
<p>District planning: - Policy A District Plan that responds to the needs of a modern community and its environment.</p>	<p>To present the Proposed District Plan, following hearings, to Council for adoption prior to the 2013 Local Government elections within the available budget. Target 100%.</p>		<p>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.</p>
		<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.</p>	<p>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.</p>
	<p>Ensure that the Council's webpage relating to the District Plan review is current at all times. Target 100%.</p>	<p>Ensure that the Council's webpage relating to the District Plan review is current at all times.</p>	<p>Achieved. The web pages for the District Plan have been updated regularly to ensure they were current at all times.</p>
	<p>To monitor and respond to all known and reported instances of non-compliance with the District Plan or any resource consent. Target 100%.</p>	<p>To monitor and respond to all known and reported instances of non-compliance with the District Plan or any resource consent.</p>	<p>Achieved. During the year ended 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).</p>
		<p>To resolve outstanding Environment Court appeals and make the Proposed District Plan operative.</p>	<p>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.</p>
		<p>To develop a State of the Environment Monitoring Strategy to inform future District Plan Monitoring Reports.</p>	<p>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.</p>

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
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. Target 100%.	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.
	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.
Food safety: Food services used by the community are healthy and safe.	Compliance with food safety legislation is monitored and enforced in all relevant premises. Target 100%.	Compliance with food safety legislation is monitored and enforced in all relevant premises.	Achieved. 158 premises required to comply with food safety requirements. Monitoring is undertaken by an inspection and/or audit process. During the year ended 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. There are often more inspections in the year than registered premises if premises have opened or closed or changes hands during the year. 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
Health and safety licensing: Bylaw and other legislative requirement are complied with.	A noise complaints response service will be provided at all times. Target 100%.	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. During the year ended 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.
	Public safety bylaws and other legislation will be enforced as appropriate. Target 100%.	Public safety bylaws and other legislation will be enforced as appropriate.	Achieved. These have been enforced as breaches occur.

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
Liquor licensing: Sale of liquor is controlled to ensure compliance with legislation.	Monitoring of all licensed premises to ensure full compliance with the Sale of Liquor Act and license conditions. Target 100%.	Monitoring of all licensed premises to ensure full compliance with the Sale of Liquor Act and license conditions.	Achieved. During the year ended 30 June 2015, there were 71 licensed premises. All have been inspected (100%). 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. A second CPO was held in December where one (1) premises sold to a minor.
Building control: Building consent applications are processed within statutory timeframes in accordance with statutory accredited requirements.	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.	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. The next assessment is scheduled for 2017.
	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. During the year ended 30 June 2015, there were 413 CCC's received and all 100% have been processed in less than 20 working days.
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. During the year ended 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
	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. During the year ended 30 June 2015, there is currently one (1) disqualified dog owner and one prosecution is pending. Stock impoundings = 29 Dog impoundings = 529
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.

3. ACQUISITION AND RENEWAL OF ASSETS

Regulatory Services	LTP 2015/16 \$000	Actual 2015/16 \$000	Variance \$000	Notes
Primary type renewals (replace existing assets)				
Vehicles	64	91	27	
Other renewal asset costs	2	-	(2)	
Total renewal projects	66	91	25	
These renewal projects contain the following elements:				
Renewals - Replacing existing assets	66	91	25	
Improve level of service	-	-	-	
Growth - To meet additional demand	-	-	-	
Total renewal projects	66	91	25	
Primary type level of service				
Body worn video equipment	3	3	-	
Body worn video equipment - parking	3	4	1	
Dog pound pup kennels - concreting extensions	15	15	-	
Parking mobile ticket device	22	12	(10)	
Resource management furniture	-	1	1	
Other level of service asset costs	1	-	(1)	
Total LOS projects	44	35	(9)	
These LOS projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	44	35	(9)	
Growth - To meet additional demand	-	-	-	
Total LOS projects	44	35	(9)	
Make up of above projects by % of type				
Renewals - Replacing existing assets	66	91	25	
Improve level of service	44	35	(9)	
Growth - To meet additional demand	-	-	-	
Total Regulatory Services projects	110	126	16	

NOTES:

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

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 2016 included:

Community outcomes	Effects of programmes in activity area
Health and safety	<p>Close engagement with key stakeholders in the building, planning, food and liquor industries has produced significant benefits for the Council and the public.</p> <p>Continued delivery of all relevant services in relation to policies and bylaws contributed to the health and safety of the community.</p> <p>The Council continues to maintain a high level of preparedness and education regarding civil defence emergency events and volunteer rural fire capability.</p>
Economic	Continued compliance with all statutory time limits ensures that regulatory processes are not an impediment to economic progress whilst at the same time ensuring that due process is applied correctly.
Environment	A full review of the District Plan was completed in 2015 with the Council's second generation District Plan becoming operative 1 July 2015. Three plan changes to the District Plan were undertaken during 2015 and became operative in September and December 2015. The District Plan review and plan change processes have included a high degree of formal and informal public consultation.

Regulatory Services

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	LTP Forecast 2015 \$000	Annual Plan Forecast 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		1,980	1,662	1,969	1,974	5
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		2	3	3	16	13
Interest and dividends from investments		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	2,250	2,175	2,259	2,007	(252)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		4,232	3,840	4,231	3,997	(234)
Applications of operating funding						
Payments to staff and suppliers	2	591	603	652	493	(159)
Finance costs		141	155	150	122	(28)
Internal charges and overheads applied	4	3,384	3,228	3,324	3,085	(239)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		4,116	3,986	4,126	3,700	(426)
Surplus (deficit) of operating funding (A-B)		116	(146)	105	297	192
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	3	(39)	162	83	(247)	(330)
Gross proceeds from sale of assets		-	-	-	64	64
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		(39)	162	83	(183)	(266)
Applications of capital funding						
Capital expenditure						
- to meet additional demand		22	-	-	-	-
- to improve the level of service		-	-	44	35	(9)
- to replace existing assets		55	16	66	91	25
Increase (decrease) in reserves		-	-	78	(12)	(88)
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		77	16	188	114	(74)
Surplus (deficit) of capital funding (C-D)		(116)	146	(105)	(297)	(192)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		58	17	78	75	(3)
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2015		2,450	23	2,473		
Raised during year		-	3	3		
Repaid during year		(250)	-	(250)		
Loans as at 30/06/2016		2,200	26	2,226		
Interest expense		121	1	122		

NOTES:

1. Revenue is below budget due to less revenue in the parking activity. This is largely as a result of the revenue budget not taking into account Councils decision not to go with paid car parking in the mall carpark. There was also a period of time where vacancies in the Parking team led to fewer infringements.
2. Expenditure is lower than budgeted largely due to staff vacancies. It did not come in under budget as much as anticipated due to higher level of resources required across the planning and building consents team in the last quarter of the financial year.
3. Debt decreased instead of increased because the costs of the District Plan development were less than anticipated due to less submission activity occurring.
4. This reflects some internal vacancies that have existed across the year in Animal Control, Building Control and Parking business units that have resulted in lower internal costs being allocated.

Activity Expenditure	LTP	Annual Plan	LTP	Actual	Variance
	Forecast	Forecast	Forecast		
	2015	2015	2016		
	\$000	\$000	\$000	2016	2016
Animal Control	178	215	223	217	(6)
Building Consents	815	729	730	675	(55)
Building Policy	354	167	180	157	(23)
Dog Control	371	560	578	506	(72)
Environmental Health	186	188	188	178	(10)
Environmental Health Policy	76	31	41	38	(3)
Liquor Licensing	97	193	197	180	(17)
Liquor Policy	7	14	15	12	(3)
Parking	619	390	483	326	(157)
Planning Policy	693	709	840	569	(271)
Resource Management	635	588	513	682	169
Safety Licensing	124	219	215	236	21
Total Expenditure	4,155	4,003	4,203	3,776	(427)

Community Facilities and Services

STATEMENT OF SERVICE PERFORMANCE

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

1. DESCRIPTION OF ACTIVITIES

1.1. Reserves and beautification

What does this activity involve?

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

Rationale

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

1.2. Sports grounds

What does this activity involve?

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

Rationale

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

1.3. Cemeteries

What does this activity involve?

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

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

Cemetery	First burial	1 July 2015 – 30 June 2016	
		Burials	Ashes
Tiro Tiro	1894	3	7
The Avenue	1972	87	92
Foxton	1867	16	13
Shannon	1893	6	2
Manakau	1892	8	2
Koputaroa	1910	-	-

Rationale

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

1.4. Aquatic centres

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

What does this activity involve?

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

Rationale

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

1.5. Community centres and libraries

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

In 1996, Council set up the Horowhenua Library Trust (now Te Horowhenua Trust), 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.

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

What does this activity involve?

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

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

Rationale

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

2. MEASURING PERFORMANCE

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

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

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Aquatic centres: Growing existing events and developing new ones for the following areas; children, general public, and retirees.</p>	<p>Number of events per year for children, general public, and retirees. Target is 2 events per group each year.</p>	<p>Achieved. Note: "Events" do not include the regular swim, fitness and aqua classes based at pools.</p> <p>Events run this year to date as follows:</p> <ul style="list-style-type: none"> • Children – 4: Fun Day, Go Active, Water Polo in Foxton and Levin, Tiny Tots promotion, Horowhenua Children's Day 2016 (supported) • General Public – 14: Foxton open day, Levin Aquatic Centre birthday, Electra Business After 5 (supported), Industry Training Graduation, Civic Honours, Levin Christmas Parade, Armistice Day, International Food Festival, 3 Go Active Triathlon trainings, Go Active Kids Triathlon Series, Prime Ministers visit (supported), Shannon Wastewater Treatment Plant Opening, District Wide Anzac Day Commemorations, supported Levin Music Month celebrations. • Retirees – 4: Fitness lunch x 2, Dash and Splash, Age on the Go Expo • Youth – 4: Teen Raves x 3, Youth Voice Reunion
<p>Libraries: Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.</p>	<p>Communities with library and community facilities providing an integrated and District wider service. Target Levin, Foxton and Shannon.</p>	<p>Achieved. During the year ended 30 June 2016, library services are provided by Te Horowhenua Trust in Levin, Shannon and Foxton.</p>
<p>Libraries: Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.</p>	<p>Percent of residents and non-residents satisfied with library and community services. Target is >85%.</p>	<p>Achieved. The most recent Annual Resident Satisfaction Survey conducted in May 2016 showed Customer satisfaction of these facilities at 91.62%.</p>
<p>Libraries: Customers have access to a range of current information in both print and digital format.</p>	<p>Number of booking counts for community facilities. Target is 380.</p>	<p>Achieved. Quarter 4: 139 Quarter 3: 114 Quarter 2: 102 Quarter 1: 87</p> <p>Total for the year: 442.</p>
	<p>Number of visitor counts to Te Takere, Foxton Library & Service Centre and Shannon Library. Target is 650,000 people across all sites annually.</p>	<p>Not achieved. The monthly average visitor count for Te Takere was 41,923.</p>
	<p>Number of items loaned from the Library across District, including books, magazines etc. Target is 370,000.</p>	<p>Not achieved. Total number of issues for the full year: Levin: 285,550 -6% Foxton: 30,496 -9% Shannon: 14,450 25% (increase from previous year attributable to 69% increase in adult magazines loaned, 91% increase in teen stories loaned and 163% increase in children's magazines).</p> <p>Total for the year: 330,496.</p>

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Libraries: Customers have access to a range of current information in both print and digital format.</p>	<p>Percent of increase in use of website. Target is +>1%.</p>	<p>Achieved for total number of sessions. Not achieved for number of unique users.</p> <p>Number of unique user sessions: Quarter 1: 16,540 Quarter 2: 13,914 Quarter 3: 16,040 Quarter 4: 17,673 Total for the year: 64,167 <1% Previous Year: 65,648</p> <p>Total number of sessions: 77,832 >9% Previous year: 71,736.</p>
<p>Libraries: Customers have access to programmes and initiatives that enhance wellbeing of the District.</p>	<p>Number of programmes delivered. Target is 100.</p>	<p>Achieved.</p> <p>Quarter 4: 51 (community) 13 (learning) Quarter 3: 69 (community) 25 (learning) Quarter 2: 55 (community) 27 (learning) Quarter 1: 34 (community) 24 (learning)</p> <p>Limitation – programming may not differentiate between ongoing and new programmes in quarterly reporting format.</p> <p>Total: 209 (community) 89 (learning).</p>

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
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 are made satisfactorily before 24 hours from interment.	Achieved. All arrangements and interments were carried out in a timely manner. During the year ended 30 June 2015, there were no justified complaints.
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. During the year ended 30 June 2015, there were 440 participants in the Term 2 Learn-to Swim classes.
	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 will be 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.
	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. During the year ended 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 during the year ended 30 June 2015 were 100% compliant.
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. During the year ended 30 June 2015, all sports fields were available for planned/normal use.
Halls: To maintain low-cost public halls.	The Foxton and Shannon Memorial Halls are utilised at least 3 times per fortnight.	The Foxton and Shannon Memorial Halls are utilised 3 times per fortnight.	Achieved. During the year ended 30 June 2015, the Foxton Memorial Hall was used one hundred and three (103) times, equating to 3.96 times per fortnight. During the year ended 30 June 2015, the Shannon Memorial Hall was used one hundred and ninety-nine (199) times, equating to 7.65 times per fortnight.
	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. During the year ended 30 June 2015, the Levin Memorial Hall was used two hundred and six (206) times, equating to 3.96 times per week.
Libraries: There is a range of library stock including up to date material.	Te Horowhenua Trust will meet 100% of Performance Indicators defined in a Management Agreement with Council.	Te Horowhenua Trust will meet all Performance Indicators defined in a Management Agreement with Council.	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.

3. ACQUISITION AND RENEWAL OF ASSETS

Community Facilities and Services	LTP 2015/16 \$000	Actual 2015/16 \$000	Variance \$000	Notes
Primary type renewals (replace existing assets)				
Arapaepae Rd beautification strip remedial landscaping and tree removal	21	25	4	
District Halls (& pavilions) reactive renewals (including vandalism)	25	29	4	
District play equipment	42	42	-	
District play equipment bark mulch	26	34	8	
District replacement of water heaters	11	6	(5)	
Donnelly Park cricket fields renew artificial surface	13	11	(2)	
Foxton Aquatic Centre plan renewals	10	14	4	
Foxton Beach	100	30	(70)	
Foxton Tram Station exterior repair and repaint	16	-	(16)	
Levin Aquatic Centre plan renewals	20	34	14	
Levin Domain pathways resurface	299	-	(299)	
Levin Domain replace boundary fencing	21	-	(21)	
Levin hydro slide rust prevention and repair	30	29	(1)	
Levin reseal rear car park	10	-	(10)	
Public toilets programmed renewals	41	57	16	
Reserve carpark reseal	30	36	6	
Sportsgrounds renewals	10	10	-	
Reserves renewals	10	10	-	
Te Takere facade	-	48	48	
Waitarere Dune management dune management - Flatten recountour	103	-	(103)	
Waitarere Foreshore Reserve signage & plants	5	5	-	
Other renewal asset costs	101	1	(100)	
Total renewal projects	944	421	(523)	
These renewal projects contain the following elements:				
Renewals - Replacing existing assets	942	419	(523)	
Improve level of service	2	2	-	
Growth - To meet additional demand	-	-	-	
Total renewal projects	944	421	(523)	
Primary type level of service				
Cemetery - Foxton ashes area	26	-	(26)	
Cemetery - Shannon burial beams	10	-	(10)	
Community Centre	2,683	517	(2,166)	1
District fencing contingency	32	30	(2)	
Donnelly Park BMX site: Drainage, path, planting	11	13	2	
Driscoll Reserve beautification of ex-Ravensdown Manakau site	15	16	1	
Flag trax	54	53	(1)	
Foxton Beach Coastal Reserve implement actions of FB coastal management plan	16	11	(5)	
Foxton plantroom miscellaneous	5	5	-	
Foxton River loop walkway, viewing and recreation activities	32	-	(32)	
Foxton Water Tower lights	-	26	26	
Foxton Wharf Project (DOC funded)	-	(53)	(53)	
Levin disable facilities upgrade, hydrotherapy pool	-	342	342	2
Levin plantroom miscellaneous	1	1	-	
Levin public gardens landscaping	7	6	(1)	
Levin pump VSD	31	27	(4)	
Levin pumps	10	25	15	
Levin supply and extract fans	7	6	(1)	
Public toilets - Salisbury Street upgrade, reroof, renew flooring, change doors	55	89	34	
Redevelopment Donnelly Park	20	33	13	
Shannon Domain drainage, landscaping, pathway for improved pedestrian access between Shannon RFU building & Mavis Vincent	8	6	(2)	
Shannon Memorial Hall - Accessible facility's upgrade (toilet block and entrance)	50	-	(50)	

Community Facilities and Services	LTP 2015/16 \$000	Actual 2015/16 \$000	Variance \$000	Notes
Target Reserve: Improve internal access tracks due to increased usage & to address safety issues	25	-	(25)	
Te Takere Capital	-	26	26	
Upgrade ablutions block Donnelly Park	60	84	24	
Wairarawa Stream walkway development	11	-	(11)	
Waitarere foreshore accretion	19	11	(8)	
Other level of service asset costs	121	296	175	
Total LOS projects	3,309	1,570	(1,739)	
These LOS projects contain the following elements:				
Renewals - Replacing existing assets	1,131	220	(911)	
Improve level of service	2,012	1,319	(693)	
Growth - To meet additional demand	165	31	(134)	
Total LOS projects	3,308	1,570	(1,738)	
Primary type growth				
Other growth asset costs	8	-	(8)	
Total growth projects	8	-	(8)	
These growth projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	-	-	-	
Growth - To meet additional demand	8	-	(8)	
Total growth projects	8	-	(8)	
Make up of above projects by % of type				
Renewals - Replacing existing assets	2,073	639	(1,434)	
Improve level of service	2,014	1,321	(693)	
Growth - To meet additional demand	173	31	(142)	
Total Community Facilities and Services projects	4,260	1,991	(2,269)	

NOTES:

1. Project to be carried forward to 2016/17.
2. Project's budget bought forward to 2015-16 and will be completed next year.

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

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

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2016 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 various community facilities as well as the District's aquatic centres have provided opportunities for all ages and all abilities to connect socially, have fun, be physically active and participate in recreation and leisure activities. The commencement of the redevelopment of Levin Aquatic Centre, with the inclusion of a hydrotherapy pool, is intended to extend the operational life of the facility as well as broaden participation opportunities in water based recreation, fitness and recovery.
Economic	The recent procurement round for grounds maintenance has led to a significant investment by the new contractor purchasing land and a depot locally. The majority of equipment has been sourced locally with ongoing maintenance being completed locally. The Facilities maintenance of assets within Parks and Reserves activities has been unbundled providing more opportunities for local firms to undertake Council work. The process resulted in significant savings to Council.
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, the resurfacing of Levin Tennis Court and the current upgrade of Thompson House.
Environmental	The new open space maintenance contractor has received good feedback across the services it delivers on behalf of HDC. It is anticipated an improving grounds portfolio with access to additional recreational and leisure opportunities will assist in building Councils ratings base and visitor numbers. 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. 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.

Community Facilities and Services

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

		LTP Forecast 2015 \$000	Annual Plan Forecast 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		4,125	4,222	4,608	4,620	12
Targeted rates		4,314	4,962	5,378	5,357	(21)
Subsidies and grants for operating purposes		4	7	7	5	(2)
Fees and charges		791	766	719	683	(36)
Interest and dividends from investments		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		91	216	217	197	(20)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		9,325	10,173	10,929	10,862	(67)
Applications of operating funding						
Payments to staff and suppliers	1	6,858	7,172	7,352	7,224	(128)
Finance costs	3	803	789	821	704	(117)
Internal charges and overheads applied		781	1,175	1,551	1,491	(60)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		8,442	9,136	9,724	9,149	(305)
Surplus (deficit) of operating funding (A-B)		883	1,037	1,205	1,443	238
Sources of capital funding						
Subsidies and grants for capital expenditure	6	-	-	2,270	375	(1,895)
Development and financial contributions		121	53	-	53	53
Increase (decrease) in debt	2	1,756	2,420	756	588	(168)
Gross proceeds from sale of assets		-	-	-	74	74
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		1,877	2,473	3,026	1,090	(1,936)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	2	13	60	174	31	(143)
- to improve the level of service	2	1,939	2,444	2,018	1,321	(697)
- to replace existing assets	4	703	1,096	2,076	639	(1,437)
Increase (decrease) in reserves	5	105	(89)	(37)	542	579
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		2,760	3,510	4,231	2,533	(1,698)
Surplus (deficit) of capital funding (C-D)		(883)	(1,037)	(1,205)	(1,443)	(238)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		814	850	947	917	(30)
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2015		14,050	207	14,257		
Raised during year		1,100	179	1,279		
Repaid during year		(550)	(140)	(690)		
Loans as at 30/06/2016		14,600	246	14,846		
Interest expense		695	9	704		

NOTES:

1. Reduced expenditure is a result of significant operational savings made under the new maintenance contracts.
2. Majority of capital expenditure on hydrotherapy pool and the Foxton Te Awahou Community Centre projects have been deferred until 2016/17 with a subsequent reduction in debt requirements.
3. Finance costs are lower due to lower interest rates (4.6%) than budgeted assumption of 5.5%.
4. This is due to the delay in two projects. Waitarere Dune re-profiling – this has been deferred because the work will be undertaken after the relocation of the surf life-saving club. Levin Domain Pathways – which also includes the cycling track/velodrome has been deferred subject to several pieces of work which may have a significant impact on it those being –
 - Town centre redevelopment
 - Seismic strengthening of the grandstand
5. The increase, rather than the small budgeted decrease, reflects the cost savings in Operating Funding \$342k and lower capital expenditure on replacing existing assets
6. Lower than budgeted Subsidies and Grants on capital expenditure reflects the delay in the Te Awahou Nieuwe Stroom building project. Most of the subsidies and grants are dependent on building progressing in order for the cash to be released.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2015	2015	2016		
	\$000	\$000	\$000	\$000	\$000
Cemeteries	470	461	330	299	(31)
Public Toilets	340	292	323	299	(24)
Beautification	477	502	506	634	128
Reserves	1,851	1,849	1,983	1,563	(420)
Sportsgrounds	957	1,136	1,134	1,361	227
Halls	348	315	298	223	(75)
Libraries & Community Services	2,265	2,765	3,145	3,067	(78)
Aquatic Centres	2,547	2,633	2,633	2,539	(94)
Urban Cleaning	-	-	319	350	31
Total Expenditure	9,255	9,983	10,671	10,335	(336)

Land Transport

STATEMENT OF SERVICE PERFORMANCE

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

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

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

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

Rationale

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

2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016																																																																											
<p>Roads: A safe road network.</p>	<p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less over a 5 year average.</p>	<p>The NZ Transport Agency manages the Crash Analysis System (CAS) - New Zealand's primary tool for capturing information on where, when and how road crashes occur. The data comes from police reports. There is a lag in getting this info from Police into CAS and then made available for upload into Councils' RAMM Databases. The data is made available in 6 month blocks approximately 6 months later.</p> <p>The recent statement of information made available to Horowhenua District Council from NZTA (CAS Database) is below which shows a change of 2 across the two financial years.</p> <table border="1" data-bbox="1243 496 1962 671"> <thead> <tr> <th colspan="3">Number of Fatal and Serious Crash Counts For Horowhenua District Council Local Roads</th> </tr> <tr> <th></th> <th>FY14/15</th> <th>FY15/16</th> </tr> </thead> <tbody> <tr> <td>Fatal</td> <td>1</td> <td>0</td> </tr> <tr> <td>Serious</td> <td>10*</td> <td>9</td> </tr> <tr> <td>Total</td> <td>11</td> <td>9</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Please note one of the marked serious accidents occurred on the beach stretch between Waitare and Hokio. <p>The 5 year average result uses the RAMM database data to calculate and it requires the full year's data. By this method there was a slight decrease in fatal and serious crashes on average from 7.4 to 7.</p> <table border="1" data-bbox="1229 882 1975 1137"> <thead> <tr> <th colspan="5">Number of Serious & Fatal Crashes on HDC Network</th> </tr> <tr> <th>Year</th> <th>Fatal</th> <th>Serious</th> <th>Total</th> <th>% Change</th> </tr> </thead> <tbody> <tr> <td>2009-10</td> <td>0</td> <td>12</td> <td>12</td> <td>-</td> </tr> <tr> <td>2010-11</td> <td>1</td> <td>7</td> <td>8</td> <td>-33.3%</td> </tr> <tr> <td>2011-12</td> <td>1</td> <td>8</td> <td>9</td> <td>+12.5%</td> </tr> <tr> <td>2012-13</td> <td>2</td> <td>5</td> <td>7</td> <td>-22.2%</td> </tr> <tr> <td>2013-14</td> <td>1</td> <td>0</td> <td>1</td> <td>-85.7%</td> </tr> <tr> <td>2014-15</td> <td>1</td> <td>9</td> <td>10</td> <td>+900%</td> </tr> </tbody> </table> <table border="1" data-bbox="1229 1169 1975 1233"> <thead> <tr> <th colspan="5">Five Year Average</th> </tr> </thead> <tbody> <tr> <td>2013-14</td> <td>7.4</td> <td>2014-15</td> <td>7</td> <td>-5.4%</td> </tr> </tbody> </table> <table border="1" data-bbox="1229 1265 1975 1329"> <thead> <tr> <th colspan="5">Calendar Year</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>8</td> <td>2015</td> <td>8</td> <td>0%</td> </tr> </tbody> </table>	Number of Fatal and Serious Crash Counts For Horowhenua District Council Local Roads				FY14/15	FY15/16	Fatal	1	0	Serious	10*	9	Total	11	9	Number of Serious & Fatal Crashes on HDC Network					Year	Fatal	Serious	Total	% Change	2009-10	0	12	12	-	2010-11	1	7	8	-33.3%	2011-12	1	8	9	+12.5%	2012-13	2	5	7	-22.2%	2013-14	1	0	1	-85.7%	2014-15	1	9	10	+900%	Five Year Average					2013-14	7.4	2014-15	7	-5.4%	Calendar Year					2014	8	2015	8	0%
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Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
<p>Roads: Roads in good condition.</p>	<p>The average quality of ride on a sealed local road network measured by smooth travel exposure. Target is minimum 85%.</p>	<p>Achieved. Smooth Travel Exposure measures the proportion (%) of vehicle kilometres travelled in a year (VKT) that occurs on 'smooth' sealed roads and indicates the ride quality experienced by motorists. A 'smooth' road is one smoother than a predetermined NAASRA roughness threshold. The thresholds used vary with traffic density and road location i.e. not all roads are calculated the same. Heavily trafficked roads have a lower (smoother) threshold. High volume urban roads have lower roughness thresholds than low volume rural roads. Our STE percentages are generated by running a report in RAMM. The Annual Roughness Survey for 2015/16 was completed by Shaw Consulting Ltd and covered half of the District. The two halves of the District are done in alternating years (half each year). The data is used to help with decision making when producing the 10yr Forward Works Plan. Urban Roads = 88% Rural Roads = 97% Both Roads = 92%</p>
<p>Roads: Roads that are maintained well.</p>	<p>The percentage of the sealed local road network that is resurfaced annually. Target is a minimum of 5% of total area.</p>	<p>Achieved. There was 29.1km resurfaced in the 2015/16 reseal programme. This equates to 177,273m² which is 5.2% of the total 3,427,641m² total sealed local road network.</p>
<p>Footpaths: Footpaths are in an acceptable condition.</p>	<p>Target footpath condition rating (% compliant with Councils standards). Target is minimum 30% in excellent condition. Maximum 10% in poor condition.</p>	<p>Not Achieved. In the last footpath condition rating in 2015 "Excellent Condition" was 28% and "Poor" Condition was 12%. In 2015/16 1.8% of footpath that was "Poor" footpath was replaced and is now "Excellent". Therefore, 29.8% is "Excellent" and 9.8% is "Poor". A new system for carrying out footpath condition ratings is being instigated in 2016/17 where all footpaths will be assessed on a 5 yearly rating cycle.</p>
<p>Land transport: Good response to service requests.</p>	<p>The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days. Target is >95%.</p>	<p>Not achieved. During the year ended 30 June 2016, 78% of CRMs were closed within 15 working days. The under achievement was due to the new Maintenance Contractor having technical issues with access to the Authority system causing delays in processing the closure of their CRMs as well as unassigned CRM's. These Issues have been resolved for the 16/17 period.</p>

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
Roads: To maintain roads to a safe standard.	91% of roads that will be smooth to travel on - Urban / Rural.	91% of roads that will be smooth to travel on – Urban / Rural. 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.	Not achieved. 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. The data is used to help with decision making when producing the 10yr Forward Works Plan. Urban Roads = 87% Rural Roads = 96% The measure of 91% is unattainable on Urban Roads without more expenditure.
	99% of defects per 100m in sealed surface Urban / Rural, measured by RAMM condition index.	99% of defects per 100m in sealed surface Urban / Rural, measured by RAMM condition index. 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”.	Not achieved. 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. The data will be used to help with decision making when producing the 10yr Forward Works Plan. Urban Roads = 99.2% Rural Roads = 98.1% The measure of 99% is unattainable without more expenditure.

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
Roads: To maintain roads to a safe standard.	Integrity of pavement is 99% of RAMM condition index - Urban / Rural.	Integrity of pavements is maintained, measured at 99% of RAMM condition index. 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".	Not achieved. The Annual Condition Survey for 2014/15 has been completed by Briken Ltd in January 2015 and covered half of the District. The data will be used to help with decision making when producing the 10yr Forward Works Plan. Urban Roads = 95.4% Rural Roads = 92.4% The measure of 99% is unattainable without more expenditure.
Roads: All weather access available throughout the formed road network (urban and rural).	95% of weather events (floods and slips, or emergency incidents) responded to within 30 minutes of initial call to Council.	95% of weather events (floods and slips, or emergency incidents) responded to within 30 minutes of initial call to Council.	Achieved. During the year ended 30 June 2015, 100% of calls were responded to within 30 minutes. 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.
Roads: The services are managed at the lowest possible cost for the required level of service.	The roading network is managed within budget (to within plus or minus 5%).	The roading network is managed within budget (to within plus or minus 5%).	Not achieved. Overall the roading activity was 10.45% below budget. (\$7,990k actual vs \$8,923k budget). 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.
Roads: Customer requests for service are prompt.	Customer requests for service are attended to within agreed timeframes. Target 100%.	Customer requests for service are attended to within agreed timeframes. Target 100%.	Achieved. During the year ended 30 June 2015, all customer requests for service were attended to within the agreed timeframes.
Reseals: To ensure integrity of the network.	Length of reseals per year is at least 21km.	Length of reseals per year is at least 21km.	Achieved. 27.9km of road resealing was completed.
Roads: Adequate parking provided, parking controls appropriately implemented and enforced.	95% of customers satisfied with parking provision.	95% of customers satisfied with parking provision (measured by Regulatory Services).	Not achieved. The Annual Customer Satisfaction Survey showed that only 70.78% were satisfied.

3. ACQUISITION AND RENEWAL OF ASSETS

Land Transport	LTP 2015/16 \$000	Actual 2015/16 \$000	Variance \$000	Notes
Primary type renewals (replace existing assets)				
Subsidised - Renewals	2,705	2,555	(150)	
Footpath renewals	400	355	(45)	
Levin Mall carpark fix	-	83	83	
Other renewal asset costs	210	86	(124)	
Total renewal projects	3,315	3,079	(236)	
These renewal projects contain the following elements:				
Renewals - Replacing existing assets	3,315	3,079	(236)	
Improve level of service	-	-	-	
Growth - To meet additional demand	-	-	-	
Total renewal projects	3,315	3,079	(236)	
Primary type level of service				
Foxton townscape Main Street upgrade	750	105	(645)	1
New footpaths	100	25	(75)	
Subsidised - Road improvements	691	622	(69)	
Waitarere Beach Kent Gloucester upgrade	260	186	(74)	
Other level of service asset costs	90	87	(3)	
Total LOS projects	1,891	1,025	(866)	
These LOS projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	1,891	1,025	(866)	
Growth - To meet additional demand	-	-	-	
Total LOS projects	1,891	1,025	(866)	
Primary type growth				
Detritus & litter, general contract work	150	-	(150)	
Other growth asset costs	10	-	(10)	
Total growth projects	160	-	(160)	
These growth projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	-	-	-	
Growth - To meet additional demand	160	-	(160)	
Total growth projects	160	-	(160)	
Make up of above projects by % of type				
Renewals - Replacing existing assets	3,315	3,079	(236)	
Improve level of service	1,891	1,025	(866)	
Growth - To meet additional demand	160	-	(160)	
Total Land Transport projects	5,366	4,104	(1,262)	

NOTES:

1. Initial design has been completed with the remainder of the work to be carried forward to 2016-17.

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

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

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2016 included:

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

Land Transport

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	LTP Forecast 2015 \$000	Annual Plan Forecast 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		4,377	3,404	3,529	3,579	50
Subsidies and grants for operating purposes		969	907	1,477	1,486	9
Fees and charges		-	-	-	-	-
Interest and dividends from investments		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		328	365	316	382	66
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		5,674	4,676	5,322	5,447	125
Applications of operating funding						
Payments to staff and suppliers	1	2,818	2,589	2,636	3,227	591
Finance costs		15	-	-	-	-
Internal charges and overheads applied		472	582	875	834	(41)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		3,305	3,171	3,511	4,061	550
Surplus (deficit) of operating funding (A-B)		2,369	1,505	1,811	1,386	(425)
Sources of capital funding						
Subsidies and grants for capital expenditure		978	1,088	1,698	1,675	(23)
Development and financial contributions	3	529	250	-	158	158
Increase (decrease) in debt	2	349	840	1,706	171	(1,535)
Gross proceeds from sale of assets		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		1,856	2,177	3,404	2,004	(1,400)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	5	171	263	160	-	(160)
- to improve the level of service	2	740	970	1,891	1,025	(866)
- to replace existing assets	4	2,404	2,432	3,315	3,079	(236)
Increase (decrease) in reserves		910	17	(151)	(714)	(563)
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		4,225	3,682	5,215	3,390	(1,825)
Surplus (deficit) of capital funding (C-D)		(2,369)	(1,505)	(1,811)	(1,386)	425
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		6,394	5,754	4,657	4,783	126
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2015		-	-	-		
Raised during year		100	173	273		
Repaid during year		-	(102)	(102)		
Loans as at 30/06/2016		100	71	171		
Interest expense		-	-	-		

NOTES:

1. Road Transport finished within NZTA approved budget but the annual budget did not include the emergency works which were performed during the year especially following the June 2015 flood event.
2. This reflects the delay in the Foxton Main Street project now programmed to occur in the 2016/17 financial year with a subsequent reduction in debt requirements.
3. This relates to contributions on historical developments that have been invoiced in the 2015/16 year.
4. This related primarily to lower internal overheads being allocated to renewals work (Refer to the capital projects summaries above) that were not required.
5. This relates to a growth project that was incorrectly classified. It was for rubbish collection which is not a capital project but should have been classified as maintenance.

Activity Expenditure		LTP	Annual	LTP	Actual	Variance
		Forecast	Plan	Forecast		
		2015	2015	2016		
		\$000	\$000	\$000	\$000	\$000
Subsidised Roding	1	8,443	7,396	6,925	7,483	558
Footpaths		739	875	975	1,006	31
Unsubsidised Roding		517	652	267	355	88
Total Expenditure		9,699	8,923	8,167	8,844	677

Stormwater

STATEMENT OF SERVICE PERFORMANCE

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

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

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

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

Rationale

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

2. MEASURING PERFORMANCE

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

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016																																				
Stormwater: Customer satisfaction.	Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey. Target is 70%.	<p>Not achieved.</p> <p>Although only 26.5% were satisfied, it is noted that there is a large proportion of the District that were neither satisfied nor dissatisfied.</p> <p>The stormwater network is a complex system in the District which shares boundaries and responsibilities with the roading network. This complexity could be a contributing to a poor understanding of the stormwater services which are limited in HDC. HDC is not responsible for stream and river flooding.</p> <p>There were no recorded incidents which could have led to this high percentage of dissatisfaction.</p> <p>The results from the 2016 Customer Satisfaction Survey are shown below:</p> <table border="1" data-bbox="1169 592 2040 914"> <thead> <tr> <th></th> <th>Total %</th> <th>Kere Kere %</th> <th>Levin %</th> <th>Miranui %</th> <th>Waiopehu %</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>4.35</td> <td>2.65</td> <td>6.46</td> <td>0.00</td> <td>3.52</td> </tr> <tr> <td>Satisfied</td> <td>22.16</td> <td>20.35</td> <td>24.31</td> <td>25.00</td> <td>16.20</td> </tr> <tr> <td>Neither Satisfied nor Dissatisfied</td> <td>27.35</td> <td>28.32</td> <td>28.92</td> <td>18.75</td> <td>26.06</td> </tr> <tr> <td>Dissatisfied</td> <td>19.92</td> <td>17.70</td> <td>20.00</td> <td>22.92</td> <td>19.01</td> </tr> <tr> <td>Very Dissatisfied</td> <td>13.88</td> <td>23.01</td> <td>12.31</td> <td>16.67</td> <td>9.86</td> </tr> </tbody> </table>		Total %	Kere Kere %	Levin %	Miranui %	Waiopehu %	Very Satisfied	4.35	2.65	6.46	0.00	3.52	Satisfied	22.16	20.35	24.31	25.00	16.20	Neither Satisfied nor Dissatisfied	27.35	28.32	28.92	18.75	26.06	Dissatisfied	19.92	17.70	20.00	22.92	19.01	Very Dissatisfied	13.88	23.01	12.31	16.67	9.86
	Total %	Kere Kere %	Levin %	Miranui %	Waiopehu %																																	
Very Satisfied	4.35	2.65	6.46	0.00	3.52																																	
Satisfied	22.16	20.35	24.31	25.00	16.20																																	
Neither Satisfied nor Dissatisfied	27.35	28.32	28.92	18.75	26.06																																	
Dissatisfied	19.92	17.70	20.00	22.92	19.01																																	
Very Dissatisfied	13.88	23.01	12.31	16.67	9.86																																	

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
Stormwater: Discharge compliance.	100% Compliance with Regional Council resource consents.	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. 	Council's only stormwater consent is 104223 – Discharge of stormwater to Manawatu Estuary (Not currently used or monitored).
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.
		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.
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.
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. During the year ended 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.
Stormwater: To provide reliable stormwater drainage.	To adopt a stormwater management strategy.	To adopt a stormwater management strategy.	Not achieved. During the year ended 30 June 2015, a stormwater management strategy is currently being developed.
		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.
Stormwater: To provide reliable stormwater drainage.		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.

3. ACQUISITION AND RENEWAL OF ASSETS

Stormwater	LTP 2015/16 \$000	Actual 2015/16 \$000	Variance \$000	Notes
Primary type renewals (replace existing assets)				
Districtwide pump station - Planned renewals	79	10	(69)	
Districtwide reticulation - Unplanned renewals	50	61	11	
Districtwide reticulation renewals	20	40	20	
Other renewal asset costs	6	3	(3)	
Total renewal projects	155	114	(41)	
These renewal projects contain the following elements:				
Renewals - Replacing existing assets	155	114	(41)	
Improve level of service	-	-	-	
Growth - To meet additional demand	-	-	-	
Total renewal projects	155	114	(41)	
Primary type level of service				
Stormwater Districtwide CAPEX new	-	116	116	
Foxton Beach catchment management plan	83	62	(21)	
Levin catchment management plan	50	35	(15)	
Levin Queen Street	250	20	(230)	1
Stormwater strategy	80	79	(1)	
Telemetry	81	82	1	
Other level of service asset costs	36	12	(24)	
Total LOS projects	580	406	(174)	
These LOS projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	577	404	(173)	
Growth - To meet additional demand	3	2	(1)	
Total LOS projects	580	406	(174)	
Primary type growth				
Development planning North East Levin	150	69	(81)	
Improvements NE Levin	50	21	(29)	
Levin Tararua Industrial Development	30	-	(30)	
Other growth asset costs	26	25	(1)	
Total growth projects	256	115	(141)	
These growth projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	10	5	(5)	
Growth - To meet additional demand	246	111	(136)	
Total growth projects	256	115	(141)	
Make up of above projects by % of type				
Renewals - Replacing existing assets	155	114	(41)	
Improve level of service	587	409	(178)	
Growth - To meet additional demand	249	112	(137)	
Total Stormwater projects	991	635	(356)	

NOTES:

- Delays due to archaeological work to be done. The project has been carried over to 2016-17.

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

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

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2016 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 2016

	Note	LTP Forecast 2015 \$000	Annual Plan Forecast 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		1,187	1,064	919	923	4
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		-	-	-	-	-
Interest and dividends from investments		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		97	95	98	74	(24)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		1,284	1,159	1,017	997	(20)
Applications of operating funding						
Payments to staff and suppliers	1	403	396	399	286	(113)
Finance costs		194	137	163	117	(46)
Internal charges and overheads applied		115	193	143	137	(6)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		712	726	705	540	(165)
Surplus (deficit) of operating funding (A-B)		572	433	312	457	145
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	1	1
Increase (decrease) in debt	4	252	431	728	426	(302)
Gross proceeds from sale of assets		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		252	431	728	427	(301)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	3	292	293	249	112	(137)
- to improve the level of service	2	80	230	588	409	(179)
- to replace existing assets		207	232	155	114	(41)
Increase (decrease) in reserves	5	245	109	48	249	201
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		824	864	1,040	884	(156)
Surplus (deficit) of capital funding (C-D)		(572)	(433)	(312)	(457)	(145)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		577	562	498	500	2
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2015		2,300	73	2,373		
Raised during year		400	121	521		
Repaid during year		-	(95)	(95)		
Loans as at 30/06/2016		2,700	99	2,799		
Interest expense		114	3	117		

NOTES:

1. The stormwater contract (for repairs and maintenance) was below budget due to reactive repairs being less than expected.
2. Delays in the Queen Street drainage project due to the need for archaeological assessment needing to be done.
3. This relates to the NE Levin Stormwater project that was not started in 2015/16 but is being done in 2016/17 along with the project relating to the Tararua Road industrial development.
4. Reduced loan funding requirement because of item 2 and 3.
5. The increase to reserves reflects the lower operating costs \$165k and lower capital expenditure on replacing assets.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2015	2015	2016	2016	2016
	\$000	\$000	\$000	\$000	\$000
Stormwater Drainage	1,290	1,288	1,203	1,040	(163)
Total Expenditure	1,290	1,288	1,203	1,040	(163)

Water Supply

STATEMENT OF SERVICE PERFORMANCE

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

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

1. DESCRIPTION OF ACTIVITIES

The Council owns and operates several schemes:

Scheme	Source	Average & peak demand(m ³ per day)
Levin	Ohau River	9,035 / 12,345
Shannon	Mangaore Stream	445 / 719
Foxton	Bore	1,452 / 2,435
Foxton Beach	Bore	477 / 1,089
Tokomaru	Tokomaru River	133 / 278

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

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

What does this group of activities involve?

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

Rationale

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

2. MEASURING PERFORMANCE

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

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016										
Fault response:	<p>The median time from the time that Council received notification to the time that service personnel:</p> <ul style="list-style-type: none"> Attendance for urgent call-outs; from the time that Council receives notification to the time that service personnel reach the site is one hour or less. Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is 8 hours or less. Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is 3 days or less. Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is 3 days or less. 	<p>Achieved. During the year ended 30 June 2016:</p> <ul style="list-style-type: none"> The median attendance time for urgent call-outs was 0 hours and 27 minutes <ul style="list-style-type: none"> Received 29 urgent call outs and attended to 23 within 1 hour or less The median resolution time for urgent call-outs was 0 hours and 57 minutes. <ul style="list-style-type: none"> Received 29 urgent call outs and resolved 26 within 8 hours or less The median attendance time for non-urgent call-outs was 2 hours and 26 minutes. <ul style="list-style-type: none"> Received 694 non urgent call outs and attended to 666 within 3 days or less The median resolution time for non-urgent call-outs was 4 hours and 19 minutes. <ul style="list-style-type: none"> Received 694 non urgent call outs and resolved 662 in 3 days or less 										
Shutdowns: To ensure water supply is continual.	To ensure the total number of unplanned water shutdowns is less than 35 per year.	<p>Achieved.</p> <table border="1" data-bbox="1093 810 1697 978"> <thead> <tr> <th data-bbox="1093 810 1547 847">Supply</th> <th data-bbox="1547 810 1697 847">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="1093 847 1547 879">Total number of unplanned shut downs</td> <td data-bbox="1547 847 1697 879">31</td> </tr> <tr> <td data-bbox="1093 879 1547 911">Average shutdown length in hours</td> <td data-bbox="1547 879 1697 911">2.15</td> </tr> <tr> <td data-bbox="1093 911 1547 943">Reasons for shutdowns (most of)</td> <td data-bbox="1547 911 1697 943">Bursts</td> </tr> <tr> <td data-bbox="1093 943 1547 978">Average number of homes affected</td> <td data-bbox="1547 943 1697 978">22</td> </tr> </tbody> </table>	Supply	Result	Total number of unplanned shut downs	31	Average shutdown length in hours	2.15	Reasons for shutdowns (most of)	Bursts	Average number of homes affected	22
Supply	Result											
Total number of unplanned shut downs	31											
Average shutdown length in hours	2.15											
Reasons for shutdowns (most of)	Bursts											
Average number of homes affected	22											
Firefighting: To ensure firefighting needs are met.	To ensure 74% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.	<p>Achieved. During the year ended 30 June 2016, 98% of all fire hydrants tested met the minimum target for fire flows.</p> <p>Total number of fire hydrants in the District is 1218, however, one hydrant tested pressure which was too low to read, and this hydrant is only for flushing in Ohau at the end of the reticulation.</p>										
Supply pressure: To ensure water supply has adequate flow and pressure.	To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.	<p>Achieved. During the year ended 30 June 2016, 100% of all properties assessed exceeded 250kPa.</p> <p>The total number of properties tested was 1465, and this is 11.5% of the total number of properties serviced.</p>										

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016																		
<p>Water take: To ensure consent conditions are met.</p>	<p>To ensure 100% compliance with water take limits of resource consents.</p>	<p>Not Achieved. During the year ended 30 June 2016 there were six (6) consents for water takes in the District and all but Shannon water take achieved 100% compliance. Shannon non compliance is due to a data administration issue that we are working on resolving with Horizons.</p>																		
<p>Demand management: To ensure the water supply is sustainable.</p>	<p>To ensure the average consumption of drinking water per day per resident within the water supply areas is 300lt per day (target based on One Plan Section 6.4.3.1).</p>	<p>Not achieved for Foxton, Levin and Shannon.</p> <p>For Foxton, Shannon, Tokomaru and Levin, these figures were calculated by subtracting the metered commercial users from the total water supplied from the treatment plants and then dividing by the residential population for each town.</p> <p>For Foxton Beach, all the residential customers are metered. This volume is summed and then divided by the residential customers.</p> <p>During the year ended 30 June 2016, the average consumption per resident results in L/person/day are as below:</p> <table border="1" data-bbox="1088 667 1973 866"> <thead> <tr> <th>Supply</th> <th>June 2016</th> <th>May 2016</th> </tr> </thead> <tbody> <tr> <td>Foxton</td> <td>400.59</td> <td>386.11</td> </tr> <tr> <td>Foxton Beach</td> <td>279.37</td> <td>276.38</td> </tr> <tr> <td>Levin</td> <td>530.60</td> <td>524.96</td> </tr> <tr> <td>Shannon/Mangaore</td> <td>386.16</td> <td>361.48</td> </tr> <tr> <td>Tokomaru</td> <td>155.76</td> <td>207.36</td> </tr> </tbody> </table> <p>Leak detection and a robust leak maintenance schedule is planned to start with the Levin water supply in 2016/17 and then on to Shannon and Foxton. Also, continuous reticulation renewal works to replace aging infrastructure across the District helps to bring down the calculated consumption figures.</p>	Supply	June 2016	May 2016	Foxton	400.59	386.11	Foxton Beach	279.37	276.38	Levin	530.60	524.96	Shannon/Mangaore	386.16	361.48	Tokomaru	155.76	207.36
Supply	June 2016	May 2016																		
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Tokomaru	155.76	207.36																		
<p>Water loss: Minimal water losses.</p>	<p>To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 20% or less.</p>	<p>Not achieved. This measure was unable to be calculated due to lack of technical knowledge around the method required to calculate this.</p> <p>Calculations done in June 2015 showed the value of leakage as 22.8% of total consumption for Levin. This value is being checked through water loss measurements starting with Levin that is scheduled to being in the 2016/17 financial year.</p>																		
<p>Water conservation: To provide water conservation education to the public.</p>	<p>To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.</p>	<p>Achieved. Primary school education has finished. It was conducted in Term 1. Conservation information is also published on the Horowhenua web site.</p>																		

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
<p>Water supply: 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: 100% • Foxton: 0% • Foxton Beach: 0% • Tokomaru: 0% 	<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>Achieved. During the year ended 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>Compliance with appropriate Drinking Water Standards for New Zealand 2005 (revised 2008) bacterial compliance criteria 99% of the time.</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>Achieved. 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. 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. 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. 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. 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. 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>Water supply: Firefighting.</p>	<p>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%.</p>	<p>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</p>	<p>Achieved. During the year ended 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.</p> <p>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</p>

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
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. During the year ended 30 June 2015, 100% of all properties assessed exceeded 250kPa.
Water supply: Water take.	100% compliance with water take limits of resource consents.	100% compliance with water take limits of resource consents.	Achieved. During the year ended 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.
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. During the year ended 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.
Water supply: Risk management plans.	Compliance with the Health (DW) Amendment Act 2007. 5 water supplies with approved Public Health Risk Management plans.	Compliance with the Health (DW) Amendment Act 2007. Number of water supplies with approved Public Health Risk Management plans is five.	Achieved. During the year ended 30 June 2015, all five (5) water supplies have a Public Health Risk Management plan approved by the Department of Health.
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.
Water supply: Customer satisfaction.		No more than 5 complaints per 1,000 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. During the year ended 30 June 2015. This based on 12,207 connections. 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.

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
Water supply: Fault response.		<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. 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. 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>
Water supply: Fault response.		<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. 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. 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>
Water supply: Demand management		Average consumption of drinking water per day per resident within the territorial authority district is measured and reported.	<p>Achieved. Average for total water supply for the entire District is = 342 litres/day/person.</p>

3. ACQUISITION AND RENEWAL OF ASSETS

Water Supply	LTP 2015/16 \$000	Actual 2015/16 \$000	Variance \$000	Notes
Primary type renewals (replace existing assets)				
Districtwide - Reactive renewals	150	158	8	
Foxton reticulation - Renewals	29	43	14	
Foxton Beach Treatment Plant - Renewals	26	56	30	
Foxton Beach Edinburgh Terrace bore - Renewals	150	-	(150)	
Foxton Water Treatment Plant - Renewals	29	182	153	
Levin Treatment Plant - Renewals	50	153	103	
Levin reticulation - Renewals	1,061	906	(155)	
Shannon - Mangaore consents - Renewals	20	12	(8)	
Shannon - Mangaore reticulation - Renewals	158	136	(22)	
Shannon Treatment Plant - Renewals	35	15	(20)	
Shannon Reservoir structural work	100	99	(1)	
Tokomaru Treatment Plant - Renewals	8	23	15	
Other renewal asset costs	98	162	64	
Total renewal projects	1,914	1,945	31	
These renewal projects contain the following elements:				
Renewals - Replacing existing assets	1,914	1,945	31	
Improve level of service	-	-	-	
Growth - To meet additional demand	-	-	-	
Total renewal projects	1,914	1,945	31	
Primary type level of service				
Foxton new water connections	-	6	6	
Foxton Beach new water connections	-	4	4	
Foxton water filter capacity upgrade	-	23	23	
Levin clarifier installation	2,000	781	(1,219)	1
Levin bore exploration, new reservoir, treatment plant upgrade	3,009	2,153	(856)	2
Levin new water connections	-	53	53	
Levin Tararua Industrial Development	44	-	(44)	
Shannon new water connections	-	7	7	
Telemetry - Districtwide	95	37	(58)	
Other level of service asset costs	177	89	(88)	
Total LOS projects	5,325	3,153	(2,172)	
These LOS projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	4,423	2,507	(1,916)	
Growth - To meet additional demand	902	646	(256)	
Total LOS projects	5,325	3,153	(2,172)	
Primary type growth				
Other growth asset costs	22	-	(22)	
Total growth projects	22	-	(22)	
These growth projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	-	-	-	
Growth - To meet additional demand	22	-	(22)	
Total growth projects	22	-	(22)	
Make up of above projects by % of type				
Renewals - Replacing existing assets	1,914	1,945	31	
Improve level of service	4,423	2,507	(1,916)	
Growth - To meet additional demand	926	646	(280)	
Total Water projects	7,263	5,098	(2,165)	

NOTES:

1. Project started in 2015/16 with the remainder to be carried forward to 2016/17.
2. Saves made as a result of getting good tender prices and original scope of the work reviewed and scaled down.

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

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

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2016 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 2016

	Note	LTP Forecast 2015 \$000	Annual Plan Forecast 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	47	-	-	-
Targeted rates		4,580	4,462	5,360	5,413	53
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges	1	47	26	-	85	85
Interest and dividends from investments		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		114	130	145	107	(38)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		4,741	4,665	5,505	5,605	100
Applications of operating funding						
Payments to staff and suppliers		1,859	1,800	1,950	1,889	(61)
Finance costs		405	353	333	321	(12)
Internal charges and overheads applied		742	706	938	919	(19)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		3,006	2,859	3,221	3,129	(92)
Surplus (deficit) of operating funding (A-B)		1,735	1,806	2,284	2,476	192
Sources of capital funding						
Subsidies and grants for capital expenditure		109	-	-	-	-
Development and financial contributions		342	169	-	37	37
Increase (decrease) in debt	2	3,358	3,343	5,127	2,786	(2,341)
Gross proceeds from sale of assets		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		3,809	3,512	5,127	2,823	(2,304)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	2	1,080	1,104	926	646	(280)
- to improve the level of service	2	2,260	2,633	4,423	2,507	(1,916)
- to replace existing assets		1,259	1,544	1,914	1,945	31
Increase (decrease) in reserves		945	37	148	201	53
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		5,544	5,318	7,411	5,299	(2,112)
Surplus (deficit) of capital funding (C-D)		(1,735)	(1,806)	(2,284)	(2,476)	(192)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		1,906	1,931	1,926	1,996	70
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2015		6,300	196	6,496		
Raised during year		1,800	1,358	3,158		
Repaid during year		(250)	(122)	(372)		
Loans as at 30/06/2016		7,850	1,432	9,282		
Interest expense		313	8	321		

NOTES:

1. Revenue includes two large users connect charges.
2. Less capital expenditure as a result of the clarifier installation has been carried forward to 2016/17 as well as costs saving on the Levin reservoir project and the subsequent lower debt funding required.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2015	2015	2016	2016	2016
	\$000	\$000	\$000	\$000	\$000
Foxton Water	670	739	691	838	147
Foxton Beach Water	746	718	683	705	22
Levin Water	2,565	2,349	2,815	2,600	(215)
Moutoa Water	-	5	-	-	-
Shannon Water	613	690	703	726	23
Tokomaru Water	282	219	255	256	1
Water Races	36	70	-	-	-
Total Expenditure	4,912	4,790	5,147	5,125	(22)

Wastewater

STATEMENT OF SERVICE PERFORMANCE

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

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

1. DESCRIPTION OF ACTIVITIES

The Council owns and operates several schemes:

Scheme	Treatment	Disposal
Levin	Screening, sedimentation, biological filtration and oxidation	To land (pine plantation)
Waitarere Beach	Oxidation ditch	To land (pine plantation)
Shannon	Oxidation pond	To 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.

What does this group of activities involve?

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

Rationale

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

2. MEASURING PERFORMANCE

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

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016																																				
<p>Customer satisfaction: To ensure the service is satisfactory for its customers.</p>	<p>To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 80%.</p>	<p>Not achieved. The target of at least 80% satisfied customers was not met. As with the stormwater satisfaction survey, there are a high proportion of customers who were neither satisfied nor dissatisfied.</p> <p>The total satisfaction was 32.02%, while the total dissatisfaction was 25.45%. Overall there were more satisfied customers than dissatisfied.</p> <p>Historical issues of pollution entering the lake play a negative role in the perception of wastewater service satisfaction. From a Council perspective there is no issue of pollution entering Lake Horowhenua after the Levin wastewater treatment plant was upgraded and treated wastewater effluent flows were diverted to another wastewater treatment plant some years ago.</p> <p>The results from the 2016 Customer Satisfaction Survey are shown below:</p> <table border="1" data-bbox="1106 587 1883 879"> <thead> <tr> <th></th> <th>Total %</th> <th>Kere Kere %</th> <th>Levin %</th> <th>Miranui %</th> <th>Waiopahu %</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>5.87</td> <td>1.74</td> <td>8.67</td> <td>4.17</td> <td>4.90</td> </tr> <tr> <td>Satisfied</td> <td>26.15</td> <td>33.91</td> <td>27.24</td> <td>20.83</td> <td>23.08</td> </tr> <tr> <td>Neither Satisfied nor Dissatisfied</td> <td>27.27</td> <td>26.09</td> <td>30.03</td> <td>16.67</td> <td>23.78</td> </tr> <tr> <td>Dissatisfied</td> <td>15.10</td> <td>16.52</td> <td>14.86</td> <td>20.83</td> <td>10.49</td> </tr> <tr> <td>Very Dissatisfied</td> <td>10.35</td> <td>12.17</td> <td>7.74</td> <td>20.83</td> <td>8.39</td> </tr> </tbody> </table>		Total %	Kere Kere %	Levin %	Miranui %	Waiopahu %	Very Satisfied	5.87	1.74	8.67	4.17	4.90	Satisfied	26.15	33.91	27.24	20.83	23.08	Neither Satisfied nor Dissatisfied	27.27	26.09	30.03	16.67	23.78	Dissatisfied	15.10	16.52	14.86	20.83	10.49	Very Dissatisfied	10.35	12.17	7.74	20.83	8.39
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<p>Discharge compliance: To ensure safe disposal of wastewater.</p>	<p>To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below:</p> <ul style="list-style-type: none"> Abatement notices; Infringement notices; Enforcement orders; and Convictions 	<p>Achieved.</p> <p>Council has not received any of the listed Notices/Orders or Convictions in relation to its nineteen active resource consents. Our Tokomaru and Waitarere plants received minor breaches that were rectified and did not lead to notice, order or conviction action being taken.</p>																																				

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015					
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 at: <ul style="list-style-type: none"> • Tokomaru • Foxton Beach • Shannon 					
			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	Matararapa 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.				

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015				
			Asset Location	Description	Consent #	Type	Comment
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.	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.
	99.5% of connected properties will be protected from system related overflow during the year.	99.5% of connected properties will be protected from system related overflow during the year.	Achieved. During the year ended 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. The types of blockages reported were commonly fat and other materials, roots, sand, collapsed pipe and unknown causes of overflow.				
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. During the year ended 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				

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
Wastewater: Customer satisfaction.		<p>The total number of complaints received by the territorial authority about any of the following:</p> <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>	<p>Partly achieved. During the year ended 30 June 2015. This based on 11,680 connections.</p> <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 capture in 2015/16. Not measured in CRM – will change to ensure capture in 2015/16.
	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.	<p>Not achieved. Only 61% were satisfied. Capital investment outlined in the 2015-25 LTP is being done to increase customer satisfaction.</p>
Wastewater: Planning.		An Asset Management Plan will be adopted providing a 10-year planning horizon and reviewed every 3 years.	<p>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.</p>
	The Wastewater Asset Management Plan provides a 20 year planning horizon and is reviewed on a three yearly basis. The target was 100% completion.		<p>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.</p>
		An Infrastructure Strategy will be adopted providing a 30-year planning horizon and reviewed every 3 years.	<p>Achieved. The Infrastructure Strategy was adopted by Council on 18 February 2015.</p>
Wastewater: System and adequacy.		The number of dry weather overflows from territorial authority's sewerage system is less than two per 1,000 connections.	<p>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.</p>

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
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. 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. 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>

3. ACQUISITION AND RENEWAL OF ASSETS

Wastewater	LTP 2015/16 \$000	Actual 2015/16 \$000	Variance \$000	Notes
Primary type renewals (replace existing assets)				
Districtwide reticulation unplanned renewals	443	217	(226)	
Foxton reticulation - Renewals	418	437	19	
Foxton Beach Wastewater Treatment Plant - Planned renewals	21	-	(21)	
Foxton Beach Wastewater Treatment Plant - Unplanned renewals	17	8	(9)	
Foxton Beach Wastewater Treatment Plant - Strategic upgrade	21	-	(21)	
Foxton Wastewater Treatment Plant - Planned renewals	15	-	(15)	
Foxton Wastewater Treatment Plant - Unplanned renewals	11	-	(11)	
Levin reticulation - Renewals	1,759	1,226	(533)	1
Levin Treatment Plant - Planned renewals	1,044	436	(608)	2
Levin Treatment Plant - Unplanned renewals	88	145	57	
Shannon Wastewater reticulation - Renewals	-	1	1	
Shannon Wastewater Treatment Plant - Planned renewals	20	-	(20)	
Shannon Wastewater Treatment Plant - Unplanned renewals	24	1	(23)	
Tokomaru Wastewater Treatment Plant - consent renewal	100	18	(82)	
Tokomaru Wastewater Treatment Plant - Planned renewals	25	-	(25)	
Tokomaru Wastewater Treatment Plant - Unplanned renewals	6	-	(6)	
Tokomaru WWTP desludging	100	408	308	3
Tokomaru WWTP Oxidation Pond relining	62	62	-	
Waitarere Wastewater Treatment Plant - Planned renewals	10	35	25	
Waitarere Wastewater Treatment Plant - Unplanned renewals	9	2	(7)	
Other renewal asset costs	209	163	(46)	
Total renewal projects	4,402	3,159	(1,243)	
These renewal projects contain the following elements:				
Renewals - Replacing existing assets	4,402	3,159	(1,243)	
Improve level of service	-	-	-	
Growth - To meet additional demand	-	-	-	
Total renewal projects	4,402	3,159	(1,243)	
Primary type level of service				
District reticulation - Planned pump renewals	33	2	(31)	
Foxton Wastewater Treatment Plant - strategic upgrade	2,326	899	(1,427)	4
Levin new sewer connections	-	18	18	
Levin Wastewater Treatment Plant - strategic upgrade	610	869	259	
Foxton new sewer connections	-	8	8	
Shannon disposal system	3,066	2,376	(690)	5
Shannon new sewer connections	-	7	7	
Telemetry system	95	133	38	
Waitarere new sewer connections	-	8	8	
Other level of service asset costs	293	143	(150)	
Total LOS projects	6,423	4,463	(1,960)	
These LOS projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	6,423	4,463	(1,960)	
Growth - To meet additional demand	-	-	-	
Total LOS projects	6,424	4,463	(1,960)	
Primary type growth				
Development planning - North East Levin	261	18	(243)	
Levin Tararua Industrial Development	125	-	(125)	
Other growth asset costs	21	38	17	
Total growth projects	407	56	(351)	

Wastewater	LTP 2015/16 \$000	Actual 2015/16 \$000	Variance \$000	Notes
These growth projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	-	-	-	
Growth - To meet additional demand	407	56	(351)	
Total growth projects	407	56	(351)	
Make up of above projects by % of type				
Renewals - Replacing existing assets	4,402	3,159	(1,243)	
Improve level of service	6,423	4,463	(1,960)	
Growth - To meet additional demand	407	56	(351)	
Total Wastewater projects	11,232	7,678	(3,554)	

NOTES:

1. Work completed in July. Expect a \$170,000 saving due to aligning the timing of the reinstatement with roading reseal work.
2. Delays due to negotiations for the renewal of the lease. The project has been carried forward to 2016-17.
3. The over spend was the result of issues with the original desludging method and increase of project scope to include new pump station and step screen.
4. Waiting for resource consent that is currently with the Environment Court through a direct referral process. The project has been carried forward to 2016-17.
5. The project is largely complete with minor works to finish. Savings were made due to a combination of cheaper construction methods and in tender pricing.

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

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

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2016 included:

Community outcomes	Effects of programmes in activity area
Health and safety	Greater public awareness of the wastewater activity through public consultation. Investigations for disposal options and upgrades include consultation and consideration of cultural issues
Environmental	Maintenance and operational improvements to treatment facilities resulting in improvements to effluent quality. Ongoing monitoring of the receiving environment results in better understanding and proactive intervention where required to protect the environment. Improvements to discharges through capital upgrade projects.
Safety	Wastewater treated in an effective way to minimise harm to the community.
Economic	Levels of service were maintained during 2015/16 to the community.

Wastewater

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

	Note	LTP Forecast 2015 \$000	Annual Plan Forecast 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		5,097	5,846	6,124	6,122	(2)
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		741	850	793	838	45
Interest and dividends from investments		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		23	39	38	97	59
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		5,861	6,735	6,955	7,057	102
Applications of operating funding						
Payments to staff and suppliers	1	2,468	2,354	2,389	2,061	(328)
Finance costs	2	897	883	935	769	(166)
Internal charges and overheads applied		638	821	670	731	61
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		4,003	4,058	3,994	3,561	(433)
Surplus (deficit) of operating funding (A-B)		1,858	2,677	2,961	3,496	535
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		336	118	-	32	32
Increase (decrease) in debt	3	5,661	11,937	8,619	4,293	(4,326)
Gross proceeds from sale of assets		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		5,997	12,055	8,619	4,325	(4,294)
Applications of capital funding						
Capital expenditure						
- to meet additional demand		1,280	1,847	407	56	(351)
- to improve the level of service	3	4,520	9,401	6,423	4,463	(1,960)
- to replace existing assets		1,993	3,549	4,402	3,159	(1,243)
Increase (decrease) in reserves		62	(65)	348	143	(205)
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		7,855	14,732	11,580	7,821	(3,794)
Surplus (deficit) of capital funding (C-D)		(1,858)	(2,677)	(2,961)	(3,496)	(535)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		2,223	2,211	2,434	2,264	(170)
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2015		15,450	112	15,562		
Raised during year		3,600	1,472	5,072		
Repaid during year		(450)	(328)	(778)		
Loans as at 30/06/2016		18,600	1,256	19,856		
Interest expense		764	5	769		

NOTES:

1. Lower maintenance and utility costs were achieved.
2. Finance costs are lower due to lower interest rates (4.6%) than budgeted assumption of 5.5%.
3. This reflects the delay in the Foxton Wastewater Treatment Plant.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2015	2015	2016		
	\$000	\$000	\$000	\$000	\$000
Foxton Wastewater	540	559	510	412	(98)
Foxton Beach Wastewater	659	602	561	525	(36)
Levin Wastewater	3,721	3,518	3,745	3,564	(181)
Shannon Wastewater	626	1,012	1,036	897	(139)
Tokomaru Wastewater	179	191	165	129	(36)
Waitarere Beach Wastewater	500	388	411	297	(114)
Total Expenditure	6,225	6,270	6,428	5,824	(604)

Solid Waste

STATEMENT OF SERVICE PERFORMANCE

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

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

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

Rationale

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

2. MEASURING PERFORMANCE

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

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

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
Landfill: Landfill operated in an environmentally friendly way.	The Levin Landfill will be fully compliant with the annual consent inspection report.	The Levin Landfill will be fully compliant with the annual consent inspection report.	As per the annual consent inspection report: Achieved: Consent 6009 discharge solid waste to land. Comply – full. Achieved: Consent 6010 discharge leachate to land. Comply – full. Achieved: Consent 6011 discharge landfill gas, odour and dust to air. Comply – at risk. Achieved: Consent 6012 divert stormwater. Comply – full. Achieved: Consent 102259 discharge to land. Comply – full. Achieved: Consent 106798 flaring of landfill gas. Comply – full.
Recycling: Refuse and recycling collection services are provided and recycling is actively promoted.	Council will collect at least 2000 tonnes of recyclable material from the kerbside and static recycling schemes.	Council will collect at least 2000 tonnes of recyclable material from the kerbside and static recycling schemes.	Not achieved. During the year ended 30 June 2015, there has been 1,907 tonnes of recycling collected.
	Kerbside recycling shall be offered to 91% of all serviceable households.	Kerbside recycling shall be offered to 91% of all serviceable households.	Achieved. During the year ended 30 June 2015, kerbside recycling services are offered to 95.3% of serviceable households in the District.
Roadside collection: To provide a reliable system of roadside collection of refuse bags.	Level of satisfaction with kerbside collection of recycling and refuse is measured by receiving less than 15 justified calls per month.	Level of satisfaction with kerbside collection of recycling and refuse is measured by receiving less than 15 justified calls per month.	Achieved. 20 complaints on rubbish bags = 1.67 average per month.
All solid waste: To measure all solid waste and undertake community education.	Council will measure the amount of recycling and rubbish per resident.	Council will measure the amount of recycling and rubbish per resident.	Achieved. During the year ended 30 June 2015, the average person diverted 64kg of recycling. During the year ended 30 June 2015, the average person disposed of 439kg of rubbish.
	Council will carry out waste education within the community.	Council will carry out waste education within the community.	Achieved. Waste Education is being carried out in Schools throughout the District.

3. ACQUISITION AND RENEWAL OF ASSETS

Solid Waste	LTP 2015/16 \$000	Actual 2015/16 \$000	Variance \$000	Notes
Primary type renewals (replace existing assets)				
Cap shape correction	69	67	(2)	
Tokomaru renewals	20	13	(7)	
Other renewal asset costs	3	-	(3)	
Total renewal projects	92	80	(12)	
These renewal projects contain the following elements:				
Renewals - Replacing existing assets	92	80	(12)	
Improve level of service	-	-	-	
Growth - To meet additional demand	-	-	-	
Total renewal projects	92	80	(12)	
Landfill consent	107	-	(107)	
Leachate pre treatment	129	116	(13)	
Levin Landfill energy recovery / flare	200	36	(164)	1
Relocate Shannon recycling stations	-	40	40	
Other level of service asset costs	10	1	(9)	
Total LOS projects	446	193	(253)	
These LOS projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	446	193	(253)	
Growth - To meet additional demand	-	-	-	
Total LOS projects	446	193	(253)	
Primary type growth				
Foxton Beach	22	-	(22)	
Landfill development	385	137	(248)	2
Other growth asset costs	13	14	1	
Total growth projects	420	151	(269)	
These growth projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	-	-	-	
Growth - To meet additional demand	420	151	(269)	
Total growth projects	420	151	(269)	
Make up of above projects by % of type				
Renewals - Replacing existing assets	92	80	(12)	
Improve level of service	446	193	(253)	
Growth - To meet additional demand	420	151	(269)	
Total Solid Waste projects	958	424	(534)	

NOTES:

1. \$150k carried forward to 2016/17.
2. \$157k carried forward to 2016/17.

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

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

Programmes that had identifiable impacts on the community outcomes during the year ended 30 June 2016 included:

Community outcomes	Effects of programmes in activity area
Environmental	Ongoing kerbside recycling has had a significant effect on the amount of waste being transferred to the Levin landfill.
Environmental	Operation of the Landfill significantly reduces the effects of greenhouse gas emissions from Horowhenua and their customers for the transport/energy component of greenhouse gas emissions in New Zealand. This sector accounts for 40% of NZ emissions and each litre of diesel fuel produces about 2.68Kg of CO ₂ emissions.
Knowledge	Waste reduction is taught in various schools throughout the year.

Solid Waste

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	Note	LTP Forecast 2015 \$000	Annual Plan Forecast 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		1,122	288	321	321	-
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges	1	1,904	1,753	1,741	2,027	286
Interest and dividends from investments		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		25	26	22	19	(3)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		3,051	2,067	2,084	2,367	283
Applications of operating funding						
Payments to staff and suppliers	2	2,208	1,441	1,371	1,493	122
Finance costs		370	275	285	227	(58)
Internal charges and overheads applied		367	211	216	222	6
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		2,945	1,927	1,872	1,942	70
Surplus (deficit) of operating funding (A-B)		106	140	212	425	213
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	3	548	610	654	161	(493)
Gross proceeds from sale of assets		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		548	610	654	161	(493)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	4	2	2	420	151	(269)
- to improve the level of service	5	769	813	446	193	(253)
- to replace existing assets		12	26	92	80	(12)
Increase (decrease) in reserves	6	(129)	(91)	(92)	162	254
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		654	750	866	586	(280)
Surplus (deficit) of capital funding (C-D)		(106)	(140)	(212)	(425)	(213)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		427	412	289	268	(21)
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2015		4,550	37	4,587		
Raised during year		-	344	344		
Repaid during year		-	(183)	(183)		
Loans as at 30/06/2016		4,550	198	4,748		
Interest expense		225	2	227		

NOTES:

1. Increased revenue from Tipping Fees at the Landfill.
2. Solid Waste Management had extra consultancy cost, consent review and desludging costs than anticipated and also includes the service delivery review fees.
3. Lower debt and finance costs, as a number of projects were not completed in 2014/15 and were carried forward to 2015/16 refer item 4 and 5 below.
4. The landfill development project has been delayed with \$157k carried forward to the 2016/17 financial year.
5. The recovery flare project has been delayed with \$150k carried forward to the 2016/17 financial year. The Consent review costs (\$107k) have been expensed as the consent was in the nature of a review of existing consents rather than for new development.
6. The increase in reserves relates primarily to over budget surplus in operating funding \$213k and under budget capital expenditure on replacing assets.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2015	2015	2016	2016	2016
	\$000	\$000	\$000	\$000	\$000
Roadside Collection Bags	331	186	196	188	(8)
Landfill	1,805	1,284	1,014	1,107	93
Recycling Centres	887	676	667	612	(55)
Waste Transfer Stations	350	295	284	303	19
Total Expenditure	3,373	2,441	2,161	2,210	49

Community Support

STATEMENT OF SERVICE PERFORMANCE

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

1. DESCRIPTION OF ACTIVITIES

1.1. Emergency management and rural fire

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

What does this activity involve?

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

Rationale

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

1.2. Community engagement

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

What does this activity involve?

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

Rationale

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

1.3. Visitor information

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

What does this activity involve?

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

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

Rationale

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

1.4. Economic development

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

What does this activity involve?

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

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

Rationale

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

2. MEASURING PERFORMANCE

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

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

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016
	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly). Target is 6.	Achieved. Six (6) meetings have occurred since the beginning of the financial year. There are two more meetings scheduled for this financial year.
Community engagement: Council supports the vision that Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Person Network meetings per year. Target is 10.	Achieved. The Older Persons Network has met ten (10) times since the beginning of the financial year. An additional working party formed from the network met several times over and above this to work on the draft Positive Ageing Action Plan during 2015.
	Number of Elder Berries magazine publications annually. Target is 4.	Achieved. Four (4) were produced. The latest issue can be found at: http://www.horowhenua.govt.nz/News/Elderberries/Elderberries-Template-20151/
Community engagement: Council supports the vision that Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year. Target is 2.	Achieved. Two funding rounds have been held. For the second round; Creative Communities Grants funding was approved by Council at the April meeting. All applicants have uplifted funding.
Community engagement: Council supports the vision that Horowhenua is New Zealand's foremost region in taking joint responsibility for the success of our community through education.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly). Target is 4.	Achieved. Eight (8) meetings have occurred since the beginning of the financial year. The last meeting was in June.
Community engagement: Council supports the vision that the Horowhenua is fully accessible to all people.	Number of Disability Leadership forums per year. Target is 4.	Achieved. The Disability Leadership Forum continues to meet quarterly and met four (4) times this year. The last meeting was June 2016.
Community engagement: Council promotes community empowerment and provides opportunities for community driven initiatives and projects.	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria. Target is 100%.	Achieved. Unspent (but budgeted) Neighbourhood Support Contract funding and Community Consultation Grant funding was re-directed to the Community Development Grant.
Community engagement: Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Number of Community Capacity and Capability Building Programme workshops or trainings offered. Target is 10.	Achieved. Nineteen (19) have been held for the 2015/2016 financial year, including the latest workshop on Social Media for Non-profits in April. The series is now closed for the financial year and a report was prepared, reviewing the activity in the last twelve (12) months and recommending programme activity for 2016/2017.

Service area	Performance measure 2015-25 LTP Year 1	Attainment 2016																		
<p>Community engagement: Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.</p>	<p>Percent of satisfaction with Capacity and Capability Building Programme workshops or training. Target is 80%.</p>	<p>Achieved. 93.70% of survey respondents felt the speaker was "OK" or "Better". 71.59% rated the speaker as "Above Average", "Quite Good" or "Excellent" with 40.00% selecting the highest possible response, "Excellent". 87.36% of survey respondents felt that the seminar topic was "OK" or "Better" 74.73% rated the topic as "Above Average", "Quite Good" or "Excellent" with 44.21% selecting the highest possible response, "Excellent". 80% of respondents felt that the topic they took part in should be offered in the programme at least once a year. Over 90% of respondents indicated that they would be likely or highly likely to attend future Community Capacity Building Programme workshops. Over 90% of respondents indicated that they would be likely or highly likely to recommend Horowhenua Community Capacity Building Programme workshops to other people.</p>																		
<p>Community engagement: Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.</p>	<p>Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year. Target is 100.</p>	<p>Achieved. Nineteen (19) have been held for the 2015/2016 financial year, including the latest workshop on Social Media for Non-profits in April. 173 individuals participated in the workshops.</p>																		
<p>Community engagement: Council supports beach safety initiatives within communities by providing financial support.</p>	<p>Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitarere Beaches. Target is 6.</p>	<p>Achieved. Council awarded the contract to Levin Waitarere Surf Lifesaving Club. Statistics for the 6 week period are as follows:</p> <table border="1" data-bbox="1088 847 2002 1019"> <thead> <tr> <th>Beach</th> <th>Rescues</th> <th>First Aid</th> <th>Search</th> <th>Preventative Actions</th> <th>Public Inv.</th> </tr> </thead> <tbody> <tr> <td>Waitarere</td> <td>5</td> <td>4</td> <td>0</td> <td>127</td> <td>635</td> </tr> <tr> <td>Foxton</td> <td>4</td> <td>19</td> <td>1</td> <td>256</td> <td>1,083</td> </tr> </tbody> </table>	Beach	Rescues	First Aid	Search	Preventative Actions	Public Inv.	Waitarere	5	4	0	127	635	Foxton	4	19	1	256	1,083
Beach	Rescues	First Aid	Search	Preventative Actions	Public Inv.															
Waitarere	5	4	0	127	635															
Foxton	4	19	1	256	1,083															
<p>Community engagement: Council effectively communicates with its ratepayers and residents.</p>	<p>Number of Council "Community Connections" newsletters published annually. Target is 10.</p>	<p>Achieved. The Community Connection was printed in every month apart from January. So 11 are printed in total.</p>																		
	<p>Number of media releases published annually. Target is 100.</p>	<p>Achieved. 102 Media releases have been produced YTD.</p>																		
	<p>Council provides a 24/7 telephone contact centre operation for people to phone. Target is 100%.</p>	<p>Achieved. Council's 06 366 0999 telephone number is operational 24/7.</p>																		
<p>Visitor information: Council supports the promotion of Horowhenua as a tourism destination.</p>	<p>To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.</p>	<p>Achieved. Contracts for the Levin, Shannon and Foxton Visitor Information centres have been created agreed upon and signed off by all parties. Quarterly payments have gone to all centres.</p>																		

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

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
Emergency management & rural fires: To reduce the potential impact of civil defence emergencies on.	Five media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Five media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Achieved. We have / or will be undertaking CDEM advertising in the following: <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.
Marketing: To keep residents and ratepayers informed about Council.	Eleven monthly Council newsletters ('Community Connection') will be published each year.	Eleven monthly Council newsletters ('Community Connection') will be published each year.	Achieved. During the year ended 30 June 2015, there have been eleven (11) Community Connections published and distributed to 23,000 ratepayers and residents.
		Four quarterly 'ElderBerries' newsletters will be published each year, targeting Horowhenua's older residents.	Achieved. During the year ended 30 June 2015, there have been four (4) editions of Elderberries published.
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%.
	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.
Grants: To promote participation in and display of arts and cultural activities.	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.	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.	Achieved. Round one of grants for 2014/2015 were ratified by Council on 1 October 2014 and successful recipients have completed their projects. 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.
Tourism and economic development Increase in number of visitors to the District. Resources allocated to gain greatest economic benefit.	Council's Economic Development Business Unit will meet all performance indicators, as defined in the Horowhenua Economic Development Strategy.	Council's Economic Development Business Unit will meet all performance indicators, as defined in the Horowhenua Economic Development Strategy.	Achieved. 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.

3. ACQUISITION AND RENEWAL OF ASSETS

No assets are used exclusively for the purposes of Community Support, and there were therefore no significant asset acquisitions or replacements during the year ended 30 June 2016 nor were any shown in the LTP for the year.

NOTES:

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

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

Programmes that had identifiable impacts on Council's community outcomes during the year ended 30 June 2016 included:

Community outcomes	Effects of programmes in activity area
Social	A broad range of community grants were made to community groups to enable them to improve facilities, foster community connectedness and contribute to positive community wellbeing. A range of capacity building opportunities were provided to practically support community groups and organisations and foster volunteerism. While a range of community events and initiatives were delivered to encourage social connectedness and community wellbeing.
Cultural and education	Library services are delivered across the District along with a range of literacy and lifelong learning programmes as well as programmes and activities that foster local history. Te Takeretanga o Kura-hau-po in Levin continues to deliver a range of exhibitions as well as musical, cultural and arts events and programmes along with community information and community meeting space. Planning for Te Awahou Nieuwe Stroom continues in Foxton , for a multi-purpose culture and heritage centre incorporating community information and services as well as musical and arts events
Economic	Council has successfully delivered a comprehensive range of programmes that have impacted positively across Horowhenua's economic wellbeing. Programmes have ranged from large strategic initiatives such as the development of the Accelerate25 Regional Growth Programme with Central and Regional Government, through to locally driven engagement programmes such as the Electra Business After 5 initiative which has delivered a platform for greater cohesion and information exchange across the District's business/economic sector. The Council have also fostered a strong working relationship with Horowhenua Economic Development Board who have collectively provided advocacy, facilitation and enablement in direct support of Horowhenua's improved economic wellbeing and prosperity.
Safety	Civil defence emergency preparedness and fire safety education programmes are delivered across the District. The Council sponsors and provides funding support for community groups that increase safety within the community, including surf lifesaving and beach wardens.

Community Support

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

	LTP Forecast 2015 \$000	Annual Plan Forecast 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,631	1,595	1,835	1,840	5
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	37	24	27	29	2
Fees and charges	-	-	-	-	-
Interest and dividends from investments	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1 57	20	13	69	56
Internal charges and overheads recovered	-	-	-	-	-
Total operating funding (A)	1,725	1,639	1,875	1,938	63
Applications of operating funding					
Payments to staff and suppliers	1,291	980	931	1,045	114
Finance costs	4	-	-	-	-
Internal charges and overheads applied	450	679	911	838	(73)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,745	1,659	1,842	1,883	41
Surplus (deficit) of operating funding (A-B)	(20)	(20)	33	55	22
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	1	-	-	-	-
Increase (decrease) in debt	(17)	20	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(16)	20	-	-	-
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	1	-	-	-	-
Increase (decrease) in reserves	(37)	-	33	55	22
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	(36)	-	33	55	22
Surplus (deficit) of capital funding (C-D)	20	20	(33)	(55)	(22)
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	-	30	33	36	3
Loans	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2015	-	-	-		
Raised during year	-	-	-		
Repaid during year	-	-	-		
Loans as at 30/06/2016	-	-	-		
Interest expense	-	-	-		

NOTES:

1. Revenue is higher than anticipated, due to success in obtaining 3rd party funding for programmes that have been delivered by the Community Services team throughout the year.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2015	2015	2016		
	\$000	\$000	\$000	2016	2016
				\$000	\$000
Community Development	119	223	280	310	30
Economic Development	490	420	537	552	15
Arts, Culture & Heritage	7	9	-	-	-
Community Grants and Funding	391	358	339	327	(12)
District Communication	275	201	177	190	13
Rural Fire	-	-	222	253	31
Road Safety	13	-	-	-	-
Emergency Management	469	479	319	287	(32)
Total Expenditure	1,764	1,690	1,874	1,919	45

Property

STATEMENT OF SERVICE PERFORMANCE

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

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

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

Rationale

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

2. MEASURING PERFORMANCE

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

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
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. During the year ended 30 June 2015, there has been 95.67% occupancy. We are currently working through applications.
Endowment Property: To optimise returns from endowment property.	20 sections of endowment property are released by Council for purchase.	20 sections of endowment property are released by Council for purchase.	Achieved. During the year ended 30 June 2015, there are currently 36 sections available for sale as part of the Forbes Road Subdivision. This excludes the five sections exchanged for Seabury Avenue Land. Of the 36 sections six sections are due for settlement (all six are unconditional).
All Property: All Council owned property will comply with appropriate standards.	100% of Council owned buildings with Compliance Schedules will have current Building Warrant of Fitness.	100% of Council owned buildings with Compliance Schedules will have current Building Warrant of Fitness.	Achieved. All buildings with Compliance Schedules have current BWOF's. 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.

3. ACQUISITION AND RENEWAL OF ASSETS

Property	LTP 2015/16 \$000	Actual 2015/16 \$000	Variance \$000	Notes
Primary type renewals (replace existing assets)				
Community buildings programmed renewals	44	31	(13)	
Focal Point Cinema air conditioning	20	3	(17)	
Foxton Beach Community Centre exterior renewals & painting, corrosion proofing, and accessible facilities provision	35	-	(35)	
Foxton depot deferred renewal work to buildings, re-roof	10	-	(10)	
General property renewals	9	15	6	
Jack Allen Centre exterior renewals & paint	38	-	(38)	
Pensioner residential property reactive renewals	-	34	34	
Pottery shed exterior repaint	15	16	1	
Thompson House exterior renew & paint	55	-	(55)	
Other renewal asset costs	31	-	(31)	
Total renewal projects	257	99	(158)	
These renewal projects contain the following elements:				
Renewals - Replacing existing assets	257	99	(158)	
Improve level of service	-	-	-	
Growth - To meet additional demand	-	-	-	
Total renewal projects	257	99	(158)	
Thompson House exterior fire escape, egress improvements and disability access including toilet provision	80	36	(44)	
Thompson House interior refurbishment, including kitchen (with renewal contribution from Thompson House)	80	-	(80)	
Other level of service asset costs	5	-	(5)	
Total LOS projects	165	36	(129)	
These LOS projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	165	36	(129)	
Growth - To meet additional demand	-	-	-	
Total LOS projects	165	36	(129)	
Primary type growth				
Tararua Industrial Development	-	280	280	1
Other growth asset costs	11	-	(11)	
Total growth projects	11	280	269	
These growth projects contain the following elements:				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	-	-	-	
Growth - To meet additional demand	11	280	269	
Total growth projects	11	280	269	
Make up of above projects by % of type				
Renewals - Replacing existing assets	257	99	(158)	
Improve level of service	165	36	(129)	
Growth - To meet additional demand	11	280	269	
Total Property projects	433	415	(18)	

NOTES:

1. Project's budget brought forward to 2015/16 and will continue next year.

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

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

Programmes that had identifiable impacts on the Council's community outcomes during the year ended 30 June 2016 included:

Community outcomes	Effects of programmes in activity area
Economic	Council is in the process of making residential and industrial sections available to promote economic activity (Forbes Road and Roe Street). A number of these sections have been purchased by industrial and residential buyers increasing job numbers and residents locally. The Facilities maintenance of assets within the property function has been unbundled providing more opportunities for local firms to undertake Council work. The process resulted in significant savings to Council.
Health and safety	New contracts for ensuring regulatory compliance have been let. The new contractor is providing good services at a reduced cost. New property contracts to deal with cleansing & hygiene, exterior building cleaning, and HVAC have similarly been let. Early indications are that there has been an improvement in level of service, a significant reduction in cost, and more customer satisfaction. A number of capital projects are planned or ongoing to deliver better access (Thompson House), better and more diversified services in regard to aquatics, and general upgrades to property stock including public toilet upgrades and a number of projects which look at improving heating and ventilation at key community facilities (Focal Point).

Property

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	Note	LTP Forecast 2015 \$000	Annual Plan Forecast 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		732	944	664	665	1
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		1,853	1,656	1,625	1,642	17
Interest and dividends from investments		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		97	140	119	103	(16)
Internal charges and overheads recovered	3	625	595	556	449	(107)
Total operating funding (A)		3,307	3,335	2,964	2,859	(105)
Applications of operating funding						
Payments to staff and suppliers		1,847	1,733	1,583	1,602	19
Finance costs	1	1,074	826	821	668	(153)
Internal charges and overheads applied		598	604	417	383	(34)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		3,519	3,163	2,821	2,653	(168)
Surplus (deficit) of operating funding (A-B)		(212)	172	143	206	63
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		131	57	-	14	14
Increase (decrease) in debt	2	(1,322)	397	(1,895)	(346)	1,549
Gross proceeds from sale of assets	4	1,349	474	640	1,251	611
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		158	928	(1,255)	919	2,174
Applications of capital funding						
Capital expenditure						
- to meet additional demand	5	-	-	11	280	269
- to improve the level of service	6	12	165	165	36	(129)
- to replace existing assets	7	194	28	254	99	(155)
Increase (decrease) in reserves	8	449	907	458	710	252
Increase (decrease) of investments	2	(709)	-	(2,000)	-	2,000
Total applications of capital funding (D)		(54)	1,100	(1,112)	1,125	2,237
Surplus (deficit) of capital funding (C-D)		212	(172)	(143)	(206)	(63)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		468	415	362	355	(7)
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2015		13,400	124	13,524		
Raised during year		-	76	76		
Repaid during year		(400)	(22)	(422)		
Loans as at 30/06/2016		13,000	178	13,178		
Interest expense		663	5	668		

NOTES:

1. Finance costs are lower due to lower interest rates 4.6% than budgeted assumption of 5.5%.
2. The LTP assumed sales of investment properties of \$2m that would be used to repay debt; this did not occur, however, Council did sell some industrial land that was used to repay debt.
3. Internal recovery revenue is less than budgeted due to a decrease in costs associated with the Council Building as a result of the lower costs of maintenance.
4. Property sales are greater due to more Forbes Road subdivision sales in the endowment land activity.
5. The Tararua Road Industrial land development project was brought forward to 2015/16 and will continue into the next financial year.
6. The Thompson House project which includes exterior fire escape, egress improvements and disability access including toilet provision, interior refurbishment, including kitchen project was designed and tendered in 2015/16 but will be completed in 2016/17 \$124k.
7. This includes Focal Point Cinema air conditioning renewals as well as Jack Allan Centre and Thompson House exterior repainting which has been deferred to the 2016/17 year. This also includes the Te Awahou Nieuwe Stroom where an assessment of the work needed will be done prior to the work commencing.
8. The increase in reserves relates primarily to the increase in the Foxton Beach Freeholding Fund around the extra sales from the Forbes Road subdivision.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2015	2015	2016		
	\$000	\$000	\$000	\$000	\$000
Council Building	715	405	377	337	(40)
Camping Grounds	59	19	14	2	(12)
Commercial Properties	353	389	315	276	(39)
Endowment Property	264	257	245	509	264
Forestry (now included in the activities where the forest blocks are located)	56	26	-	-	-
General Property	681	751	604	530	(74)
Residential Housing	1,233	1,134	1,074	906	(168)
Total Expenditure	3,361	2,981	2,629	2,560	(69)

Representation and Community Leadership

STATEMENT OF SERVICE PERFORMANCE

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

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

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

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

These core functions are achieved by:

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

RATIONALE

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

2. MEASURING PERFORMANCE

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

Service area	Performance measure 2012-22 LTP Year 3	Performance measure 2014-15 AP	Attainment 2015
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.
	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.
	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.

3. ACQUISITION AND RENEWAL OF ASSETS

No assets are used exclusively for the purposes of representation and governance, and there were therefore no significant asset acquisitions or replacements during the year ended 30 June 2016 nor were any shown in the LTP for the year.

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

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

Programmes that had identifiable impacts on the Community's outcomes during the year ended 30 June 2016 are those mentioned in other activities, it having been the governance arm of the Council that set the priorities, made the key decisions and arranged the provision of funding (mainly through rates) that they may proceed in a democratic manner.

Representation and Community Leadership

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	LTP Forecast 2015 \$000	Annual Plan Forecast 2015 \$000	LTP Forecast 2016 \$000	Actual 2016 \$000	Variance 2016 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		2,777	2,676	2,846	2,835	(11)
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		-	-	-	-	-
Interest and dividends from investments		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	2	-	1	122	121
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		14	2,676	2,847	2,957	110
Applications of operating funding						
Payments to staff and suppliers	2	738	1,403	890	1,275	385
Finance costs		-	-	-	-	-
Internal charges and overheads applied		2,027	1,751	1,915	1,974	59
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		2,765	3,154	2,805	3,249	444
Surplus (deficit) of operating funding (A-B)		(213)	(478)	42	(292)	(334)
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		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		(1)	-	-	-	-
Applications of capital funding						
Capital expenditure		-	-	-	-	-
- to meet additional demand		-	-	-	-	-
- to improve the level of service		-	-	-	-	-
- to replace existing assets		-	-	-	-	-
Increase (decrease) in reserves	3	13	(478)	42	(292)	(334)
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		13	(478)	42	(292)	(334)
Surplus (deficit) of capital funding (C-D)		(14)	478	(42)	292	334
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		-	-	-	-	-
Loans						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2015		-	-	-		
Raised during year		-	-	-		
Repaid during year		-	-	-		
Loans as at 30/06/2016		-	-	-		
Interest expense		-	-	-		

NOTES:

1. Funding has been received for Levin Town Strategy which is being offset by the expenditure.
2. Expenditure is higher than anticipated due to unforeseen legal and consultant costs. Expenditure is also higher than budgeted due to the Levin Town Centre Strategy; however this is offset by a higher level of revenue than expected.
3. The decrease in reserves relates to the two items above, higher expenditure mitigated by higher revenue, financed from reserves, primarily cash reserves.

Activity Expenditure	LTP	Annual	LTP	Actual	Variance
	Forecast	Plan	Forecast		
	2015	2015	2016		
	\$000	\$000	\$000	2016	2016
Community Board	132	161	150	153	3
Elections	-	1	18	18	-
Governance	2,110	1,903	1,594	2,060	466
External Reporting	523	1,089	1,043	1,017	(26)
Total Expenditure	2,765	3,154	2,805	3,248	443

Report On Contribution of Māori to Decision Making

BACKGROUND AND POLICY

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

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

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

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

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

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

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

YEAR ENDED 30 JUNE 2016

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 2016 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. This has included Council enabling the preparation of Cultural Impact Assessments in relation to Council's infrastructure consent applications and in the Shannon Wastewater Treatment Plant project involved Iwi in the successful design of a Land passage system to prevent treated wastewater effluent from being piped directly into a water body

Council 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 three development workshops on the Treaty of Waitangi and its local government context.

The following is a précis of the significant Iwi engagement and consultation matters during 2015/16:

1. Te Awahou Nieuwe Stroom project - Foxton
2. Shannon Wastewater Treatment Plant (WWTP)
3. Levin Water Supply
4. Foxton Wastewater Treatment Plant (WWTP)
5. Tararua Traverse project
6. Queen Street drain wetland (stormwater treatment) project

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

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

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 Governance Group, 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), Education Horowhenua, Jack Allen Community House, HLC Trust Board.

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).

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

Cr Tony Rush

Ward: Levin

Phone: 027 241 6262

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

Council Committees: Hearings Committee (Chairperson), Finance Audit and Risk 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, Lake Accord (He Hokioi Rerenga Tahī), Disability Leadership Forum, Keep Levin Beautiful, Horowhenua Road Safety Group, HLC Trust Board.

Cr Wayne Bishop

Ward: Waiopēhu

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

Phone: 0274 474611

Council Committees: Finance Audit and Risk 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 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, Youth Scholarship Judging Panel, Tertiary Scholarship Judging Panel.

Represents Council on: National Museum of Audio Visual Arts & Sciences Trust Board, Shannon Progressive Association Inc., Levin 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 Audit and Risk Subcommittee, Hearings Committee, Youth Scholarships Judging Panel, Economic Development Board.

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

Cr Christine Mitchell

Ward: Waiopahu

Phone: 027 318 7703

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

Council Committees: Hearings Committee, Finance Audit and Risk 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 Email: Amanda.street@pggwrightson.co.nz

Management Structure and Personnel

Personnel	Activity
Chief Executive David Clapperton	Governance relationships Employer of Council staff Organisational effectiveness and efficiency
Group Manager Infrastructure Services Gallo Saidy	Water supply Wastewater disposal Solid waste management Roading and stormwater
Chief Financial Officer Doug Law	Financial policy and financial services Financial planning and reporting
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
Group Manager Business Services Nicki Brady	Records management Information technology services Risk management Accounting services Rates revenue
Senior Manager Strategic Planning David McCorkindale	District Plan review Long Term Plan review Annual Plan review Special projects
Economic Development Manager Shanon Grainger	Economic development
Project Coordination Mark Lester	

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 126-148 Oxford St, Levin 5510 (or Private Bag 4002, Levin 5540)	Phone (06) 366 0999 (all hours) Fax (06) 366 0977 Email enquiries@horowhenua.govt.nz
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Foxton Service Centre Foxton Library, Clyde Street, Foxton	Phone (06) 363 5018
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Shannon Service Centre Plimmer Terrace, Shannon	Phone (06) 362 7030 Fax (06) 362 7030
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VISITOR INFORMATION CENTRE

Te Takere Culture and Community Centre, 10 Bath Street, Levin	Phone (06) 368 1953 Fax (06) 367 9218
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EMERGENCY MANAGEMENT AND RURAL FIRES

126-148 Oxford Street, Levin	Phone (06) 366 0999 Fax (06) 368 7110
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SWIMMING POOLS

Queen Street, Levin	Phone (06) 368 0070
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Main Street, Foxton	Phone (06) 363-6123
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TE HOROWHENUA TRUST INC

10 Bath Street, Levin	Phone (06) 368 1953 Fax (06) 367 9218
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Clyde Street, Foxton	Phone (06) 363 5571 Fax (06) 363 5571
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Plimmer Terrace, Shannon	Phone (06) 362 7030 Fax (06) 362 7030
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Glossary

ADVOCATE

Council acts as an advocate when it represents the views and interests of the community to a range of organisations including Government Agencies and the Regional Council.

ASSET

An asset is an item of value owned by the Council on behalf of the people of Horowhenua. Examples are bank accounts, amounts owing by debtors, parks, roads, land, buildings, vehicles, computers and the water, wastewater and stormwater networks.

ASSET MANAGEMENT PLAN (AMP)

This is a long-term plan for managing an asset to ensure that capacity to provide a service is kept up, and that costs over the life of the asset are kept to a minimum. The Council has such plans for all of its major assets including roading, water supply, wastewater disposal, parks and solid waste assets. The plans cover things like service standards, maintenance regimes and future developments.

CAPITAL EXPENDITURE

Money spent with effect on the long-term rather than the short-term. Examples are to buy or build a new asset, or to improve the potential of an existing asset. Capital expenditure is generally expected to lead to a higher level of service to the community.

COMMUNITY OUTCOMES

Statements of the community's vision and goals for the future of the District. It is intended that these outcomes inform and co-ordinate the activities and planning of all sectors of the community (including the Council).

COUNCIL-CONTROLLED ORGANISATION (CCO)

An organisation that manages facilities and/or provides services on behalf of the Horowhenua community, in which Council directly or indirectly controls more than 50% of either the votes or the appointments of directors or trustees.

DEBT

The amount owed for borrowed funds.

DEPRECIATION

The allocation of the cost of an asset over its estimated useful life.

DISTRICT PLAN

The Plan prepared by Council under the Resource Management Act that manages, through rules, potential adverse impacts of subdivisions and land use on the environment.

FINANCIAL YEAR

Council's financial year starts on 1 July and ends on 30 June of the following year.

PROJECTED FINANCIAL STATEMENT

The 10-year plan for Council's revenue and expenditure, cash flows and borrowing.

FUNDING IMPACT STATEMENT

An explanation of how Council's funding requirements are planned to be met through various mechanisms including rates.

GOVERNANCE

The way in which Council engages with the community, how it makes decisions and the ways in which citizens can influence these processes.

INFRASTRUCTURE

Assets that form inalienable physical links between or within communities. Examples are roading, water supply systems, wastewater disposal systems and stormwater drainage systems.

LAND VALUE

The value of land, excluding any improvements. For rating purposes, Council contracts Quotable Value New Zealand to assess the land value of all properties every three years.

LIABILITY

Present obligation arising from past events. Current liabilities are those due for payment within one financial year, and non-current liabilities are those due in the longer-term.

LONG TERM PLAN (LTP)

A long-term (10-year) plan (reviewed every three years) that describes community outcomes and the activities of the Council, and provides a long-term focus for the decisions and activities of the Council.

OPERATING COSTS

The costs of running Council in the short-term. Examples are the costs of maintaining assets, employing staff and the interest costs of loans.

PERFORMANCE TARGET

A measure that shows how well Council is doing in achieving the goals that it set for itself.

RATES

Property taxes collected by Council, which help fund the services that the Council provides to the community.

RENEWAL EXPENDITURE

The cost of replacing components of existing assets to restore them to their original condition. Examples are the replacement of old water mains and the resealing of roads.

REVENUE

The amount earned from operations: Examples are rates, dog registration fees, building permit fees, subsidies, rental revenue and interest on investments.

SIGNIFICANCE

The degree of importance of an issue under consideration, as assessed by Council, in terms of its likely consequences for the current and future well-being of the community.

STORMWATER

Rain that runs off properties and roads.

SUSTAINABILITY

The use of natural, social and physical resources in such a way that takes care of current needs and allows for the ongoing use of those resources for future generations.

TARGETED RATES

Any rate other than a general rate, targeted at users or beneficiaries of a particular service. Examples are rates for solid waste, water supply and wastewater.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A fixed-sum rate payable by all properties as part of their contribution to general rates. There are statutory rules whereby the UAGC is not payable on contiguous properties – where two or more properties are next to each other, owned by the same ratepayer, used for a common purpose.

WASTEWATER

The liquid waste from a property. Examples are sewage, grey water and trade waste.

Statistics

Rating And Valuation 1 July 2015	
Area, sq.km ²	1,063.60
Capital value	\$5,925,058,750
Land value	\$3,054,619,100
Rateable land value	\$2,870,439,650
Number of rateable properties	17,933
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
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HOROWHENUA DISTRICT COUNCIL
Horowhenua - Whakarua