



Annual Report 2018/2019



North Island

NEW ZEALAND



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

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

In the beginning...

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

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

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

European settlement within the district started in 1854 when the first

sheep were driven up the coast from Wellington to establish coastal stations, but access to this area remained almost entirely by sea until well into last century.

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

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

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

Tararua is a unique, proud, and diverse district of rugged unspoiled landscape

ANNUAL REPORT 2018/2019

Ⓟ TARARUA DISTRICT COUNCIL

**TARARUA DISTRICT COUNCIL
26 GORDON STREET, DANNEVIRKE 4930
PO BOX 115, DANNEVIRKE 4942**

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01

INTRODUCTION

How this report works

Purpose of this Annual Report

The purpose of this annual report is to compare our actual performance for the year from 1 July 2018 to 30 June 2019 against what was forecast in Year 1 of the 2018–2028 Long Term Plan.

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

Structure of this Report

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

Introduction

This section includes:

- The Mayor and Chief Executive's message.
- Our Scorecard – Progress Towards the Strategies in Our Long Term Plan – a review of our progress towards our strategies.
 - Leading the Way – highlights of Council's innovation.
 - Financial Scorecard.
 - Service Performance Scorecard.
 - Community Survey Scorecard.

Reports

This section includes:

- Financial Prudence Benchmarks Disclosures – details Council's performance against the new Local

Government (Financial Reporting and Prudence) Regulations 2014 disclosure requirements.

- Capital expenditure report and explanation for variances.
- Report that shows how we fulfil our responsibilities to govern the district well.

Activities and Service Performance

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

Financial Statements

We detail the Council's financial performance against budget.

General Information

This section shows how the Council is structured, the community boards and committees, management team, and a directory. A glossary of terms completes this section.

From your Mayor and Chief Executive

A large part of the work delivered by Council during 2018/19 was to enable the district to gain full benefits over the next five years from growth opportunities.

We have some challenges in response to the strong population increase we are experiencing, which has exceeded even the optimistic forecasts in our most recent Long Term Plan. This growth places pressure on existing infrastructure and requires us to revisit plans for new infrastructure projects to ensure they will accommodate revised population forecasts.

To ensure our infrastructure investments into roading, the three waters and buildings gives us robust 20–30 year outcomes, more work is going into the planning side of projects. This enables a focus on risks such as climate change, insurability, changes in technology, and legislative compliance. This way we ensure Tararua District is able to cope with population growth, while maintaining sustainable development, affordability and resilience.

Council has continued to support the work undertaken by the community-led group, Connect Tararua, in their efforts to lobby Central Government for increased digital connectivity. Their initiative has led to a significant increase in planned telecommunications infrastructure in the near term, with the remaining challenge to gain full district coverage. Council will continue to support the efforts of Connect Tararua as they strive to unlock the potential that good quality digital connectivity will afford everyone in Tararua.

We are pleased to receive positive acknowledgements, from external organisations, for the work undertaken by Council. This demonstrates the commitment of staff to delivering great results. Examples include Audit New Zealand commenting in the interim management report that “We consider that a culture of honesty and ethical behaviour has been created”, while NZ Transport Agency (NZTA) has similarly provided a clean investment audit across \$42 million of funding for the 2018–2021 National Land Transport Programme (NLTP) with no recommendations attached.

The success of the Tararua Alliance partnership, implemented for roading and reticulation services, has transformed the way we procure services in other areas of Council. Not only has Council approved an extension to the Tararua Alliance contract for a further 10 years, new alliances have been established for procurement of Council's Information Technology (IT) services and the establishment of the Pahiatua Water Treatment plant.

The 75,000m³ Woodville raw water impounded supply became operational during the year but is awaiting a winter before filling. The 6,000m³ Pahiatua treated water reservoir was also completed during the year, and the public who attended open days commented on the improvement in resilience for the town supply. An agreement was also

reached to engage a company for the design and build of the Pahiatua Water Treatment Plant, to vastly improve the quality of water for residents, and attracts Ministry of Health subsidy. The co-funded Pongaroa water treatment plant was completed during the year also due to subsidy from the Ministry of Health, and now provides a reliable water supply after a period of regular boil water notices.

There are shortages of all types of housing in towns across the district as our population grows. The availability of land is being investigated to build additional pensioner housing units as planned for in the Long Term Plan, as well as the best areas for future residential development in Woodville, Dannevirke and Pahiatua. Key to this is understanding the capacity of existing underground infrastructure to cope with the anticipated future demand.

We expect current demand will only increase as we draw closer to construction of the new Manawatu-Tararua Highway. Housing needs for construction workers who build the road will exacerbate our current growth challenges and Council must manage this in a cost-effective way for ratepayers. We have watched with interest the dramatic rate increases other districts and cities have faced as a result of fast-paced growth. Careful management is required to avoid such increases in Tararua, and we are committed to achieving the right balance for our community while maximising the benefits these opportunities afford our district.

Council continues to work on improvements to Route 52, River Road and Weber Road, particularly after the recent ministerial announcement of a rail hub to be built in Dannevirke. Such a hub is likely to increase overall logging traffic on Tararua roads. We acknowledge the NZ Transport Agency was oversubscribed by funding applications, which meant they were unable to co-fund a \$10 million upgrade of Route 52 between Weber and the boundary with Central Hawke's Bay District Council. However, with the Provincial Growth Fund enabling a study into logging impacts on these routes, and the forecast billion tree programme, we are confident of additional external funding being obtained in 2019/20.

Staff capacity to meet the ever-increasing challenges imposed by regulatory and legislative change has continued to be a theme for the year. With continued change in the regulatory requirements for three waters (water, wastewater and stormwater) and health and safety, we have added resources to our Risk Management area. An extension to the cadetships for building officers, for example, will build staff capability for the future.

Council has been installing bulk flow zone meters at various points across the water network. This allows the

identification of broken pipes or unusually high water use to be effectively targeted for repair to avoid impacts on supply.

The establishment of a dedicated Programme and Projects team will improve management of project risks and increase public communication on key projects with our growing capital

We continue to prudently manage the finances, despite the necessary investments, maintaining rate increases at a stable level in line with Long Term Plan forecasts. This increase in funding pressure ultimately means Council, and therefore ratepayers, face rate increases or reductions in our levels of service. Council has benefited from the current low interest rate environment, particularly through our involvement with the Local Government Funding Agency (LGFA). Council's debt is currently at \$25 million against the \$21 million budgeted, with the increase largely due to greater infrastructure investment to address climate change, meet legislative requirements and satisfy community outcomes.

As with climate change, there are a number of other challenges facing Tararua as we look to the future. One of these includes Earthquake prone buildings and what this means for the viability of the business districts. We successfully advocated along with other Councils across the region for Ministers and officials to change some of the rules to better balance public safety risks against the viability of upgrades.

Council was successful in leveraging funding from the Provincial Growth Fund allocated towards the development of a cycle-walk strategy, to additionally fund a visitor strategy and action plan for the Tararua District. Once complete, further funding applications will be made to focus attention on those tourism opportunities best suited for our district, with the cycle-walk strategy focused on priority projects in collaboration with both Council and community groups.

Council was also successful in securing PGF funding for a Land Diversification Project. Given the challenges faced by many farmers in meeting the consent requirements of Horizons One Plan, this project seeks alternative crop options for consideration. The project funding allowed for investigation into four crops; feijoas, hazelnuts, cider apples and berries. Subject to the outcome of the project, these crops may not only offer farmers diversification options but also seed new industries for Tararua such as cider and fruit wine, supporting growth of the tourism sector. This project is expected to be completed in late 2019, when the results will be shared through public workshops.

The opportunity the PGF has provided has meant a diversion of some resources to the various projects,

however Council believed it was important to maximise the outcomes for the district. While this funding is welcome, it does create an obligation for Council to fund the ongoing maintenance and renewal cost of these assets.

A successful Central Government Tourism Infrastructure Fund application of more than \$100,000 in funding will be utilised to build a toilet and shower block adjacent to the Mangatainoka Reserve, to meet increased patronage from freedom campers. The installation of four solar compacting rubbish bins across the district at Mangatainoka Reserve, Waihi Falls, Akitio Beach and Herbertville are also bonuses of the funding. These bins are expected have lower operating costs by as much as 60% over conventional bins, due to less frequent emptying.

We continue to build a strong relationship with the New Zealand Motor Caravan Association (NZMCA), as well as promote Tararua District as a great visitor destination at the COVI Motorhome Caravan and Outdoor Supershow in Auckland. Council also invested in one of six documentaries screened on Choice TV, called RV Explorers, that showcased different regions of the country. The documentary has seen NZMCA members touring the route visiting all the main towns in Tararua, including Pongaroa and Akitio.

Coming together with shared values will build a strong identity for Tararua District and provide a prosperous future for our young people to inherit over the coming years. We must keep up with the pace of change to create a modern community that attracts investment, adventure and cohesiveness. Council will play its part in this process and welcomes the reinstatement of the community well-beings; social, economic, cultural and environmental, into Local Government legislation.

Together, we have in front of us some fantastic opportunities to build a better future for Tararua, such as the new Manawatu-Tararua Highway. By working as one, we can tackle the inevitable challenges when they arise, and remain focused on a positive future. This collaboration has been the theme of Council over the last year and the foundations for what lies ahead have been laid in this year's achievements, which have been positive overall.



Tracey Collis
Mayor



Blair King
Chief Executive

Our scorecard

Progress towards the strategies in our Long Term Plan

In the 2018–2028 Long Term Plan, Council confirmed the vision for the district that was adopted in the 2012–2022 Long Term Plan, and reaffirmed in the 2015–2025 Long Term Plan.

OUR VISION

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

Underpinning this vision is the Strategic Focus for Council.

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

The 2015–2025 Long Term Plan maintained the same three strategies but, through consultation with the community, prioritised, refocused, and expanded on the strategies given new challenges and achievements.

Laying the foundation

Whilst Council is focused on achieving results, it must also develop future capacity and capability in staffing resources, enable innovation, and ensure we have the relationship in place to secure suppliers and maximise external funding options. To deliver this requires investment in three outcomes – people, their development, and enabling transformation.

Our critical resource – staff and suppliers

"He aha te mea nui o te ao? He tangata, he tangata, he tangata."

What is the most important thing in the world? It is people, it is people, it is people.

Council is committed to providing development opportunities, both externally and internally, for staff. In doing so, we encourage staff to use this training to improve service delivery, utilise new technology that enables efficiency, and ensure we are a client of choice for suppliers.

Council has been very fortunate to attract diverse staff across different cultures, backgrounds, experiences and qualifications. Even better, the majority of talent is coming from within our district. This is not only indicative of the culture we have developed within Council but also the Tararua community as a whole, who provide a welcoming, supportive and friendly environment that encourages people to stay or return here to the place they call home.

Awards and nominations

We acknowledge the importance of recognising staff for their achievements and contributions to Council by nominating them for external awards. This year we had three notable nominations:

- Sandy Lowe, Risk Manager, was nominated and awarded the Brookfields Emerging Leader of the

Year Award 2019. This award recognises and celebrates people who have a proven track record of designing or delivering successful programmes, projects, processes or practices with an identifiable community impact.

- Blair King, Chief Executive, was nominated for the Blake Awards, reflecting positive feedback from suppliers on our procurement and internal staff culture.
- Claire Mills was nominated for a Customer Service Award with the Southern Tararua Business group.

Leadership development

Our approach to leadership development includes cadetships and professional development, to gain the qualifications we need in staff for specific roles, providing opportunities for growth within Council and being involved in inter-council projects.

Training opportunities

Leadership is an integral function of management. We believe no matter what level, everyone can be a leader.

Three staff completed a credible week-long course run in New Zealand, to update them on risk management, leadership insights, resilience and negotiating.

Five staff have completed a specific Local Government Accelerated Leadership Programme, done in conjunction with other councils. The programme encourages networking, sharing of ideas, growth and leadership development.

Leading culture and behaviours

Culture takes time, patience and persistence. We used the ADKAR change management model (awareness, desire, knowledge, action, and reinforce) to imbed into the organisation a culture that helps us to move closer to our vision of being a client of choice. We also embarked on a parallel journey to become an employer of choice.

Horizontal leadership

We were able to break down walls and silos, and built close cross functional relationships based on trust and open communication. As staff are encouraged to openly voice their opinions and to take risks, it was only natural that conflicts emerged. So we created an environment where such constructive conflict is encouraged as it is necessary for the growth of the organisation and fine-tuning rough ideas. As a result, we created leaders who were not in a traditional leadership role.

It was critical that staff not only did things well, but they started to influence the decisions and outcomes. That, to us, was empowerment.

We also created a team culture that resulted in cutting of red tape. Almost every decision can be made by the project team which is quite agile with the way it responds to changes and challenges. For example, the Alliance team can go from fault identification to engineered decision to implementation within one day in an emergency situation and still deliver a cost effective solution.

Transferable skills

We developed skills that are of value across multiple functions and sectors, for example Stakeholder management, strategic planning and analytics. We also found that the different disciplines in the various projects were coming together and the results meant better outcomes, future proofed solutions, reduced waste, and cheaper whole of life cost.

Innovation and business transformation

Catalyst for change

Procurement was used as the catalyst for change. We took a strategic approach, where how we procure can help us achieve and enable our strategic and community outcomes, including services levels and cost effectiveness. It also enabled us to take a lead in our supply chain management – growing capability and capacity in our supply chain at a local level and enabling greater innovation by suppliers.

The four principles of Know what you want, Attract the best, Choose the right ones and Manage them fairly is not only being used in procurement but in all our relationships.

The collaborative model

The traditional contracting model of a master/servant relationship – lowest cost, adversarial, with lots of reporting but low asset management planning outcomes – was an approach we abandoned when we first established the Tararua Alliance with Downer NZ.

The main driver for that change was that our resources were being consumed on the wrong things, not gaining much positive traction towards achieving community outcomes and did not have a strategic outlook.

Our challenges continue to be many – for example, how do we optimise what funding we have for infrastructure whilst growth in funding base is minimal, increasing legislative and compliance cost, responding to climate related events, and the contracting sector being pushed to cut cost and compromising quality and outcomes.

The collaborative model, where partnership is focussed on people, trust and behaviours, was the basis to drive better asset management and "best for network" decisions. We agreed this was the way forward.

Council approved an extension to the Alliance model for a further 10 years based on assessing whether other providers in the market could provide a better roading network and relationship. NZ Transport Agency, who are the largest funder of rural roads, agreed the decision to retain the partnership, was prudent.

On the back of this successful collaborative partnership, we had a few more this year: IT Alliance (MBS and Council), FILTAR – Pahiatua Water Treatment Plant (Filtac and Council), Breeze - Integrated financial planning and reporting solution (IBIS an Australian company and three other New Zealand councils).

Model is sustainable

The culture we have created, the structure we have in place, imbedding the principles underpinning ADKAR and client/ employer of choice, and developing leadership across the organisation will ensure the business transformation journey continues and is sustainable.

Project management approach

The Programmes and Projects team was established in late October 2018, with a focus on assisting Council in delivering projects, managing project risk, and developing project management capability across Council.

The immediate focus for the team was to undertake ongoing refinement on Council's project frameworks over time, building capability and maturity in project planning, improving the project management culture within Council, and delivering better project outcomes. While our delivery of projects has been improving, better planning will help to reduce administrative setbacks and improve project quality.

A continuing focus for the team will be:

- To build on and refine the recently established project methodology.
- Building a coordinated view and understanding of projects being undertaken across the organisation. This will allow better alignment and prioritisation, so that the Council can focus efforts in the areas of greatest need.
- Initiate a new reporting framework, providing greater clarity to the Council on key projects and also improve the amount of information and regularity of updates on the Council website.
- Ongoing development of the project risk rating framework, and a contractor assessment framework to capture lessons learned and performance evaluations for contractors providing service to Council.

Business intelligence

The aim of Council's business intelligence project is to centrally store data, internal and external of Council, into a structured data warehouse, with valuable outputs for analytics and trend information. It will also enable layering of multiple data from different sources that will result in better insights into Council's performance as well as providing management better information for decision making.

As an example, Council has been able to capture all customer requests information and has combined this with weather information, showing a correlation to the volume of customer requests increasing in wet weather. This could then be used to inform future work programmes to reduce complaints. We are also looking at layering front line staff hours, call waiting times and number of abandoned calls. This will also help be better roster staff and also proactively manage resources.

A continuing focus for this project will be:

- Improving the quality and efficiency of collecting Council's data.
- Translating data into information in a visual manner for management insights and decision-making.
- Combining multiple data sources together to create better insights.
- Creating personalised and where possible real time management dashboards enabling quick and easy oversight of the activity drivers that impact on Council's performance and service delivery to residents.

Strategic scorecard

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

The three main strategies

01.

CONTINUED INVESTMENT IN CORE INFRASTRUCTURE

02.

PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

03.

CONTINUED FINANCIAL VIABILITY THROUGH SUSTAINABLE GROWTH AND INVESTMENT

In the 2018–2028 Long Term Plan, Council maintained the same three strategies. But through consultation with the community, prioritised, refocussed and expanded on the strategies given the progress, the new challenges and opportunities ahead.

01. CONTINUED INVESTMENT IN CORE INFRASTRUCTURE

To increase public safety in Council roads, footpaths, recreation facilities, and public buildings.

Two fatal accidents were recorded on local roads during the year, however, the cause was not due to road factors.

A total of 69 safety audits were completed on internal sites, with 68 scoring high results. For external contractors, a total of 40 sites were audited with 37 scoring high results and one site closed down. A total of 608 safety observation reports were completed by all staff, one first aid treatment reported and six near miss reports completed. Any near miss reports are investigated to look into actions learnt or preventions to ensure no repeat actions.

Council invested \$740,000 in minor safety projects during the year.

Council also invested another \$2.4 million in the Saddle Road to mainly improve safety.

With the closure of the Manawatu Gorge, traffic commenced using Ballance Valley Road. This placed a high stress on a low volume local road with roading edge breaks that generated a safety concern, so a decision was made to shoulder widen

sections of the road. This work was completed by NZ Transport Agency.

The overall condition of our footpaths is very good – only a small number of defects noted. What the results shows is that of the 301,638m² of footpaths in the database for the district, only 760m² (2,646m² last year) has a defect severity grading of 4 or 5 (5 being the highest).

Public satisfaction has increased significantly from last year – from 65% to 78%. This reflects the increase in budgets. Council aims to further improve the results in the next financial year.

Vehicle entranceways continue to cause safety issues to those with mobility scooters and pushchairs as they transition from footpaths to the road. Vehicle entrance ways are the responsibility of property owners. Council is exploring options to address these safety issues.

We continue to maintain our parks, reserves, playground equipment and sports facilities to relevant safety standards.

2018/19 progress:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

2017/18: ON TRACK

2016/17: ON TRACK

In response to the Asbestos Regulations (2016), Tararua District Council has completed asbestos surveys, identifying all asbestos on Council premises. This has resulted in the planned removal of high risk friable asbestos and the ongoing management of low risk non-friable asbestos. Ongoing management of asbestos that poses low risk means keeping a record of its presence and ensuring this is communicated and considered with all affected parties at the time of any disturbance. This may be through planned works or improvements on or near the asbestos, or damage through natural disaster or incident.

01. CONTINUED INVESTMENT IN CORE INFRASTRUCTURE

To build resilience in water, wastewater, stormwater, and roading networks.

Pahiatua and Woodville water storage completed.

Akitio and Pongaroa water treatment plants completed.

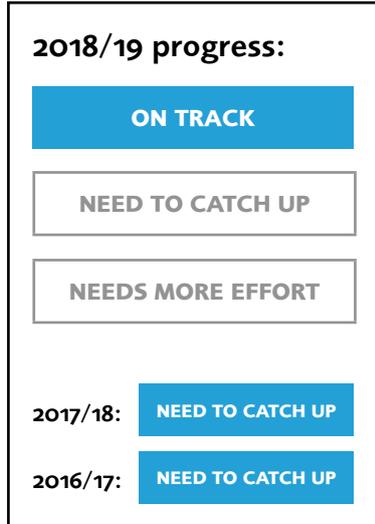
Optimisation of wastewater treatment plant is ongoing.

Power generators for water treatment plants purchased.

Council has completed the stormwater modelling. Further refinement of the model using current weather patterns to identify network improvements is in progress.

Council continues to work on improvements to Route 52, River Road, and Weber Road.

Council is working closely with the Provincial Development Unit, NZ Transport Agency, and KiwiRail, after the recent ministerial announcement of a rail hub to be built in Dannevirke, to improve the resilience of our rural roads.

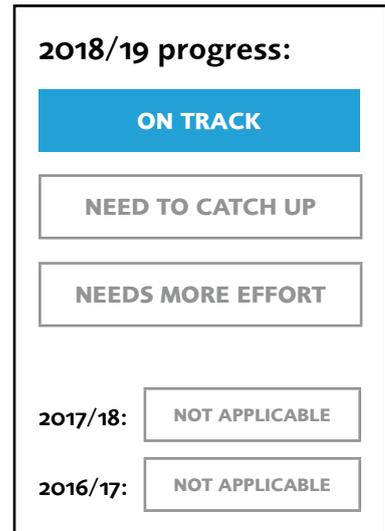


01. CONTINUED INVESTMENT IN CORE INFRASTRUCTURE

To support efficient transport access and digital connectivity within the district and regionally.

Immediate response to reinstate safe access, subsequent clean-up, and then planned repairs to approximately 230 sites of significant repair which has resulted in \$6 million expenditure in emergency works.

Council has continued to support the work undertaken by the community-led group, Connect Tararua, in their efforts to lobby Central Government for increased digital connectivity. Their initiative has led to a significant increase in planned telecommunications infrastructure in the near term, with the remaining challenge to gain full district coverage.

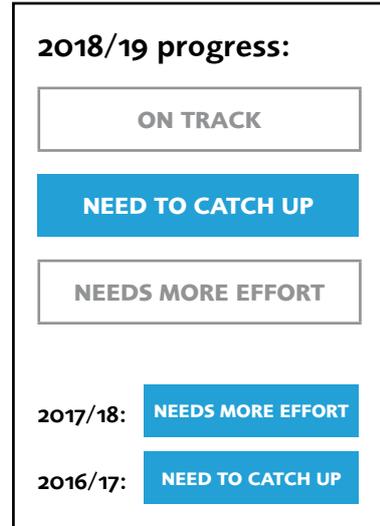


01. CONTINUED INVESTMENT IN CORE INFRASTRUCTURE

To improve our environment and meet our commitments to the Manawatu River Accord.

Three of our seven wastewater schemes are currently operating on temporary consents. The terms and conditions of new consents will be more rigorous than previous consents due to increased environmental standards under the provisions of the new regional 'One Plan'. We are going through consent hearings for both the Pahiatua and Eketahuna wastewater schemes, and have lodged a consent application for Woodville.

Council has a current memorandum of partnership with Rangitane o Tamaki nui a Rua. This covers processes for engagement in decision-making. A new memorandum of partnership with Ngati Kahungunu ki Tamaki nui a Rua Trust was confirmed by Council at its June 2019 meeting, and this will be signed at a suitable joint function.



01. CONTINUED INVESTMENT IN CORE INFRASTRUCTURE

To meet legally required performance standards.

Three of our seven wastewater schemes are operating under temporary consents (current consents have expired). We continue to monitor our discharge whilst operating under these consent conditions to ensure we are minimising our impact on the receiving environment.

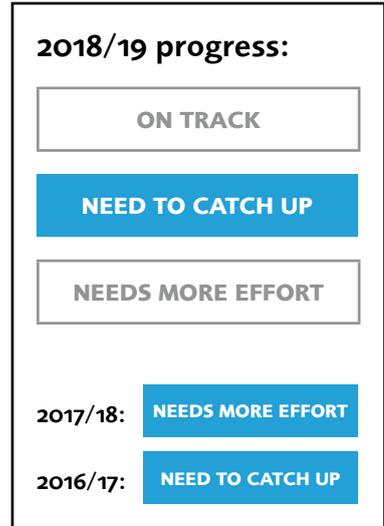
Completed Akitio and Pongaroa water treatment plant.

We continue to meet all resource consents for urban water supplies.

We did not comply with all of the requirements of part 4 and part 5 of the Drinking Water Standards. We did not comply with part 4 of the drinking water standards as E. coli was present in water sampling in Pongaroa in September. Council placed a boil water notice with immediate effect as a precaution to residents in Pongaroa.

The new treatment plant will address future issues.

Part 5 was non-compliant as this requires 24 hour monitoring of our water schemes. Twenty-four hour monitoring is now in place in five schemes. Twelve months of data is required to be available for assessment (after UV disinfection was installed). Therefore, new plants at Akitio and Pongaroa will not be compliant until 12 months from the commissioning of the new treatment plant. Pahiatua will have 24 hour monitoring in place with the construction of its new treatment plant due in mid 2020. Norsewood requires further investment to enable 24 hour monitoring.



02. PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

Supporting and facilitating growth in local business.

Council was successful in receiving funding from the Provincial Growth Fund (PGF) during the year to develop a Visitor and Cycle-Walk Strategy for the district. The strategy will highlight growth opportunities for tourism and develop a cycle-walk map that stakeholders can work to. The strategy is expected to lead to further applications for funding.

Council was also successful in gaining PGF funding for Land Use Diversification study. The study will investigate feijoas, hazelnuts, cider apples and berries as alternative crop options. It is anticipated this study will provide opportunities for farmers facing issues gaining consents under Horizons One Plan.

A new Tourism Networking Group was established during the year. The objectives are to encourage operators to collaborate and deliver tourism training.

The Tararua Business Network worked alongside 31 entrepreneurs during the year to explore both start-up and growth opportunities for businesses.

The Tararua Business Network delivered or facilitated 11 workshops for business owners during the

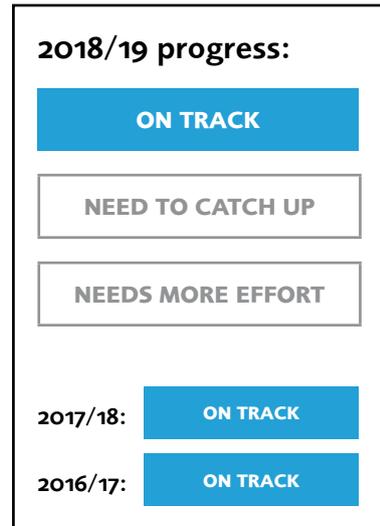
year. Topics included social media management, financial management and presentations from Spark and Inland Revenue.

The Tararua Business Network facilities were utilised for 108 external bookings.

The Tararua Business Network team continued to collaborate with CEDA to promote and deliver the Regional Business Partners network. This network supports growth and innovation of New Zealand businesses through training, mentoring and research and development funding.

Council engaged a professional event manager to audit the Woodville MotoX during the year with a view to developing a growth strategy for the event. The growth strategy is aimed at bringing additional visitors to the district and encouraging them to shop and do business outside the event.

Council commissioned a feasibility study during the year into extending the Southern Tararua Business Awards to cover the entire district. Results will be discussed with the business community during the second half of 2019.



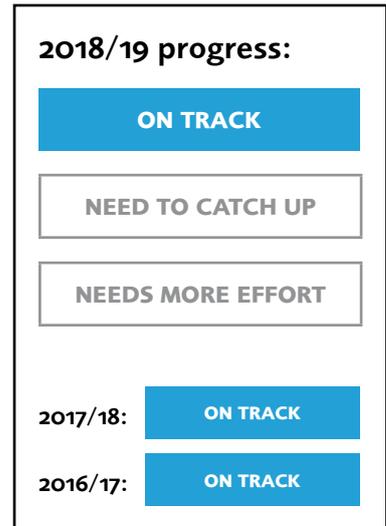
02. PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

Build district identity.

Council began a project to replace the 'Taranua Country' visitor branding and signage with a strong 'Taranua District' brand.

Replacement 'Taranua District' marketing material was used at all events during the year.

New visitor signage has been approved by Council and is expected to be installed during the second half of 2019.



02. PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

Promote the district by telling our story.

In addition to having the Visitor Guide available through the i-SITE, district information centres and tourism operators, Council continues to fund distribution at a number of i-SITEs across New Zealand and other neighbouring visitor destinations. Council also fund the visitor guide to be distributed on the Interislander Ferries and at ferry terminals in Wellington and Picton.

Council increased its support for the Woodville MotoX during the year by providing funding to support promotion as well as continuing to sponsor the River Race. Tararua District Visitor Guides were also made available at the event.

Council attended the COVI Motorhome Caravan and Outdoor Supershow in Auckland during the year. Over 800 attendees completed a brief survey that better informs Council on what this market are looking for when choosing a holiday destination.

Council invested in one of six documentaries made by the NZ Motor Caravan Association (NZMCA) showcasing different areas of New

Zealand called RV Explorers. Council designed the itinerary for the film crew and organised a range of activities for filming. The Tararua documentary was premiered at Tui Brewery and later screened on Choice TV. Participants in the filming have confirmed NZMCA members are travelling the route taken by the documentary.

Council continued its presence at both Central District Field Days and the Hilux Rural Games during the year. Activities in the district were promoted to visitors predominantly from the lower North Island at these events.

Council continued its support for local events with a presence at both the Dannevirke A & P Show and Wheels with Attitude.

Council undertook a new sponsorship of the North Range Trio running event during the year. Cross country races of 50km, 25km and 12.5km all finish at Ferry Reserve with entrants exceeding 450 this year. Council introduced the organisers to local organisations Woodville Radio and Tui Brewery and is engaging further to grow the event.

2018/19 progress:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

2017/18: ON TRACK

2016/17: ON TRACK

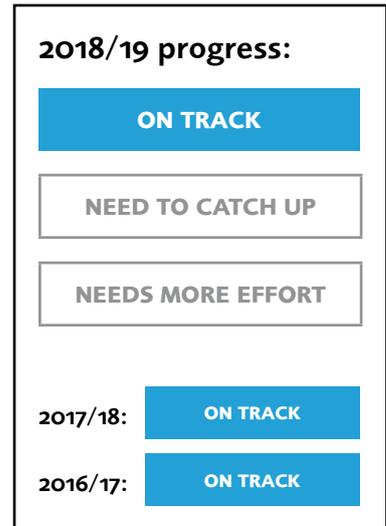
02. PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

Provide business friendly and welcoming support for new residents and businesses.

Three hundred and sixteen welcome packs were sent to new residents during the year.

Council provided organising and marketing support to the Tararua

District Expo held in Dannevirke on 6 April. The Expo targeted new residents in particular, linking them to clubs and organisations across the district.

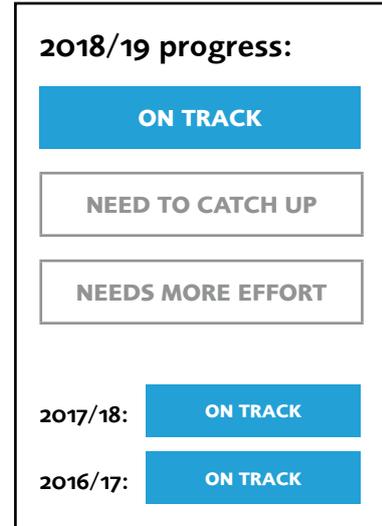


02. PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

Facilitate the development of key reserves and recreational facilities to attract (and retain) residents and visitors.

Council was successful in securing funding from the Tourism Infrastructure Fund to build a toilet and shower block at Mangatainoka Reserve. The funding also provides

for the installation of solar compacting rubbish bins at Mangatainoka Reserve, Waihi Falls, Akitio Beach, and Herbertville.

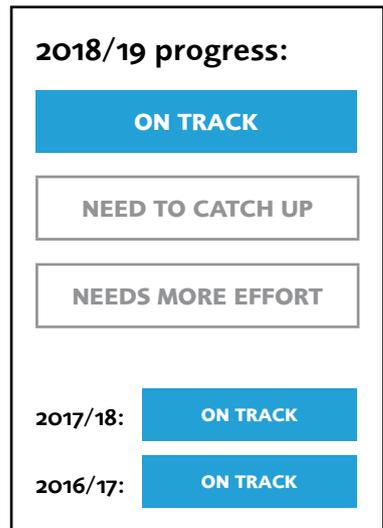


03. CONTINUED FINANCIAL VIABILITY THROUGH SUSTAINABLE GROWTH AND INVESTMENT

Ensuring affordability

Rates increased in 2018/19 to 3.95% from 2.23% in the 2017/18 year. This increase includes the significant increases in emergency

funding, capital projects, operational expenditure with regards to compliance and infrastructure insurance.



03. CONTINUED FINANCIAL VIABILITY THROUGH SUSTAINABLE GROWTH AND INVESTMENT

Reducing financial and business risk

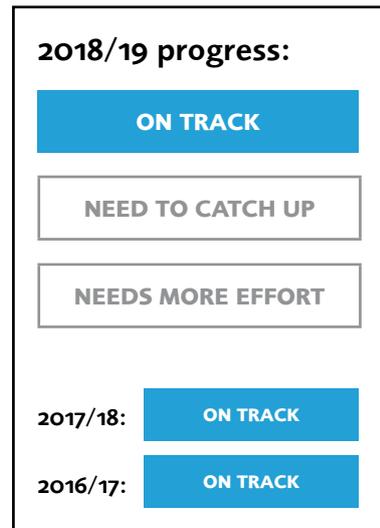
Our external debt increased higher than expected this year, from \$17 million to \$25 million, against a projected \$21 million debt forecast. These are held as a combination of short and long term debt, with appropriate risk management strategies in place to achieve low interest costs to rate-payers and minimise impacts of future rate increases.

We have been able to achieve reducing average interest rate costs

year-on-year for the prior three years, from 5.15% to 3.67% in the current year.

Our cash balance has remained stable at just over \$5 million for the past three years.

Adequate insurance policies are in place to mitigate risk of unplanned asset replacements due to natural disasters. Council has also obtained additional cover for its underground assets in response to the heightened risk of damage due to natural climatic events.



03. CONTINUED FINANCIAL VIABILITY THROUGH SUSTAINABLE GROWTH AND INVESTMENT

Financial sustainability (long-term financial health)

Total debt levels (external and internal) continue to be within the limits set in the Long Term Plan.

External debt increased from \$17 million to \$25 million against a projected \$21 million debt forecast. This was due to a higher capital spend than planned due to the end of year carry-forwards, emergency works and increase in scope of several projects.

Depreciation reserves for future asset replacements is \$32 million, increased by \$4 million from previous year.

We maintained a strong balance sheet that leaves us well placed to achieve Council's long-term strategy by having sufficient headroom to invest in core infrastructure.

2018/19 progress:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

2017/18: NEED TO CATCH UP

2016/17: ON TRACK

03. CONTINUED FINANCIAL VIABILITY THROUGH SUSTAINABLE GROWTH AND INVESTMENT

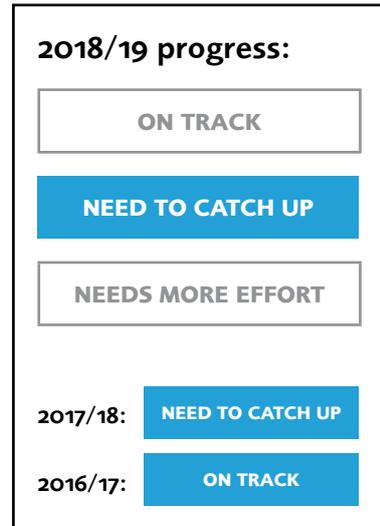
Cost control

Operating expenditure excluding depreciation and fair value movement of derivatives was \$24.9 million (\$23.3 million last year). The main driver for this increase was the additional unbudgeted expenditure for emergency repairs on the roading network from the weather events. This increased from \$3.7 million to \$6.2 million, the highest value of emergency works the Council had incurred to-date.

We also exceeded our budgets in water supply and wastewater.

For water supplies, it was due to responding to the Havelock North Inquiry by increasing compliance, monitoring and treatment costs. For wastewater, it was the unbudgeted cost increases in the consent renewal process.

We also had cost increases in capital projects, mainly due to change in scope to address resilience and safety, change in compliance requirements and community expectation. Examples are Pahiatua and Woodville water storage, and roadside trees.



Financial performance scorecard

The Financial Strategy provides the framework and context for decision making, with the focus for Council in the coming years being delivering services in an efficient and effective manner, and involving new and innovative approaches to ensure we maintain affordability.

Our vulnerability to climate events, the impacts of changing regulations, and the projection of population growth in our district are key issues requiring prudent and sustainable financial management.

OPERATING PERFORMANCE

Council continues to achieve a favourable operating result to budget, with 2018/19 being a favourable variance of \$3.05 million.

This is boosted by subsidies from New Zealand Transport Agency (NZTA) of \$15.6 million compared to a budget of \$9.4 million. This is due a continuation in severe weather events causing faults such as slips on the roading network being significantly greater than planned. This has been a trend over the previous three years, and as a result we have increased our emergency works budget in the 2019/20 Annual Plan by \$600,000.

The additional emergency roading works resulted not only in increased subsidy revenue, but also additional operating cost for Council. Overall,

roading had a higher operating cost than budget of \$1 million.

Excluding this unbudgeted work, we incurred significantly higher expenditure in water supply as we continued to implement new testing and compliance regimes, and added chlorine to previously unchlorinated supplies such as Pahiatua. These were direct consequences following from the Havelock North Water Inquiry and were necessary to continue to ensure safe drinking water.

The ongoing wastewater consent renewal process for Eketahuna and Pahiatua also had a significant effect on this year's operating result due to the need to increase monitoring and compliance activities in order to obtain data for consent renewals.

2018/19 progress:

ACHIEVED

MINOR VARIATION

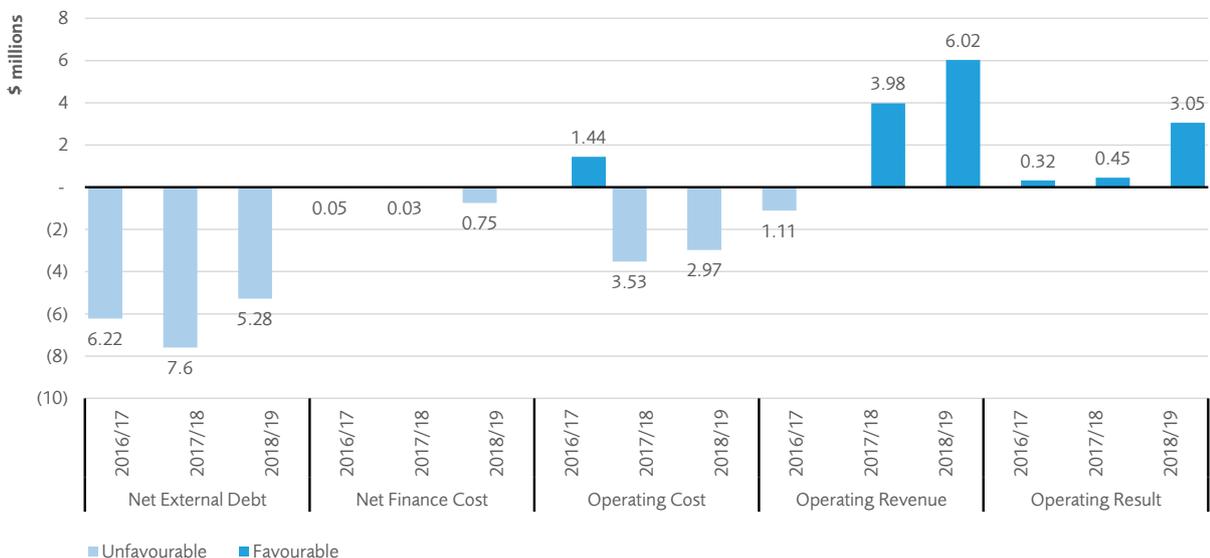
SIGNIFICANT VARIATION

2017/18: MINOR VARIATION

2016/17: ACHIEVED

Council also commenced roadside tree harvesting this year. The purpose of this activity is to improve safety in the roading corridor. This is currently funded from the forestry reserve.

FINANCIAL PERFORMANCE ACTUAL VS BUDGET VARIANCE



TREASURY PERFORMANCE

A strategic focus for Council is cost control. We have actively managed our cost of debt by having strategies that allow participation in the current low interest rate environment, and ensuring sufficient long-term protection from the risk of increasing interest rates by utilising swap instruments. The Interest Rate Performance Graph highlights that we have been able to achieve reducing average interest rate costs year-on-year for the prior three years, from 5.15% to 3.67%. Looking forward, the flexibility of our borrowing strategy will enable Council to continue to participate in the projected lower interest rate environment, whilst also enabling Council to lock in some of its borrowing costs as fixed rates at

very favourable rates over a range of maturities, reducing the impact of unforeseen interest rate increases.

Our external debt increased higher than expected this year, from \$17 million to \$25 million, against a projected \$21 million debt forecast. This was due to a higher capital spend than planned due to the end of year carry-forwards, emergency works and increase in scope of several projects. Our cash balance has remained stable at just over \$5 million for the past three years. Despite the higher than planned net debt, our strong balance sheet leaves us well placed to achieve Council's long-term strategy by having sufficient headroom to invest in core infrastructure.

2018/19 progress:

ACHIEVED

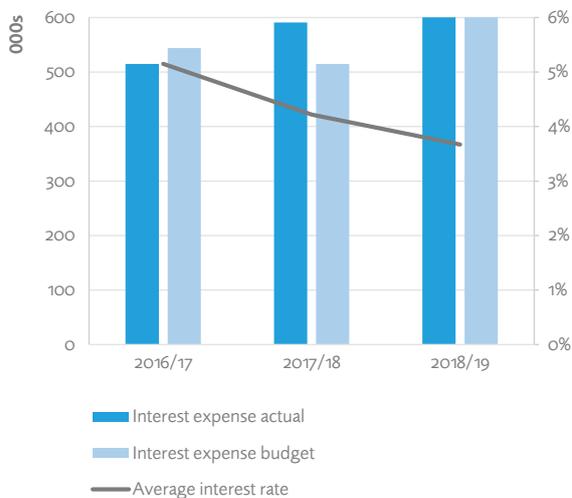
MINOR VARIATION

SIGNIFICANT VARIATION

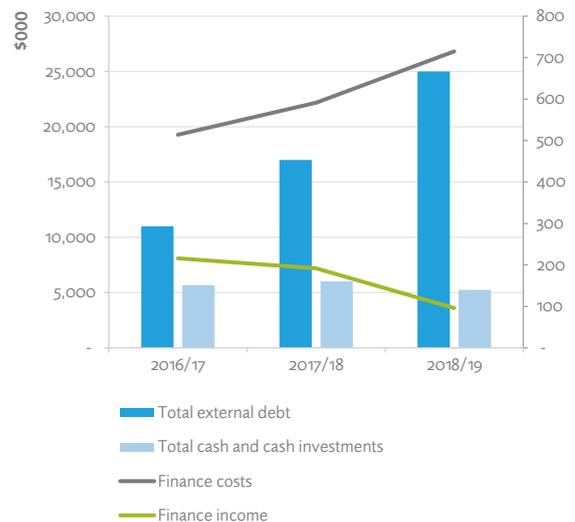
2017/18: ACHIEVED

2016/17: ACHIEVED

INTEREST RATE PERFORMANCE



DEBT AND CASH INVESTMENT POSITION



CAPITAL EXPENDITURE PERFORMANCE

One of the three limbs in Council's strategy set in the 2018–2028 Long Term Plan has been on Core Infrastructure. In the 2018/19 year, 90% of spending was on core infrastructure (roading, footpaths, water, wastewater, stormwater, solid waste).

Total capital expenditure for 2018/19 was \$23.9 million against a \$22.7 million budget. \$4.9 million consisted of unplanned emergency renewals in Rooding activity. Over the last three years Council spent \$9.4 million in unplanned emergency renewals from significant weather events. Council has responded by increasing its emergency works budget in the 2019/20 Annual Plan by \$600,000. More emphasis on drainage and resilience works was included in the 2018–2028 Long Term Plan to reduce

the impact on service levels as a result of increased weather related events.

A strong focus for Council has been on improving the delivery of the planned capital programme. Excluding unplanned emergency works our capital expenditure delivery has increased from 71% in 2016/17 to 83% in 2018/19. This improvement reflects the investment council has made to improve the capability and capacity to deliver capital projects.

Council continues to invest in increasing the capability and capacity to deliver projects with a Programmes and Projects Team introduced during 2018/19. The objective of this team is to ensure timely completion of Council projects through improved project management disciplines.

This year, the Tararua Alliance delivered on the planned roading

2018/19 progress:

ACHIEVED

MINOR VARIATION

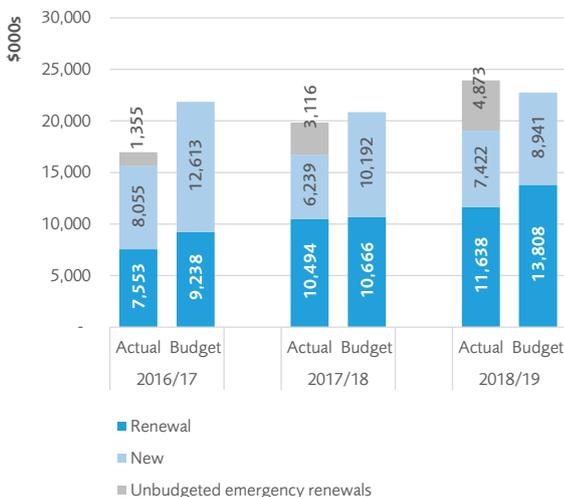
SIGNIFICANT VARIATION

2017/18: ACHIEVED

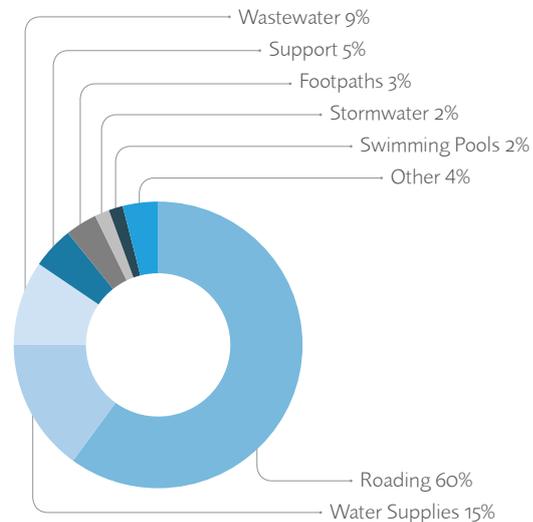
2016/17: MINOR VARIATION

capital expenditure, despite the significant unplanned emergency repairs. This was an increase in the total roading capital budget by approximately 20%.

HOW MUCH CAPITAL EXPENDITURE WAS SPENT?



WHERE WAS CAPITAL EXPENDITURE SPENT?



Service performance scorecard

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

These were reviewed in the 2018–2028 Long Term Plan. With this being Year 1 of the Long Term Plan, the revisions entailed 27 new measures, targets increased for 25 measures and the targets reduced for five measures. Twenty-five previous measures were removed.

Despite the increase in targets for 25 measures, and 27 new measures introduced, Council has achieved well overall, with 80% of the measures met. Highlights for the year include four groups of activities exceeding all of their performance targets. These were Building Communities and Leadership, District and Economic Development, Wastewater, and Stormwater. The latter two activities contributed to Council achieving 90% of the Department of Internal Affairs mandatory performance measures.

Of the performance measures not achieved, Council has plans in place to improve a number of these. Infrastructure upgrades in the drinking water activity will address the measures not achieved and will ensure each scheme will have a suitable treatment regime to ensure safe drinking water. Treatment plants were constructed in Akitio and Pongaroa this year, and a new treatment plant for Pahiatua is scheduled for completion in 2020.

An increase in customer enquiries and demand in the regulatory group contributed to 6 out of 15 measures not being met. An additional resource in the building administration team has led to a significant increase in capacity. A second planner will be added to the planning department in July 2019 due to the significant increase in enquiries as a result of growth pressures.

2018/19 progress:

ON TRACK

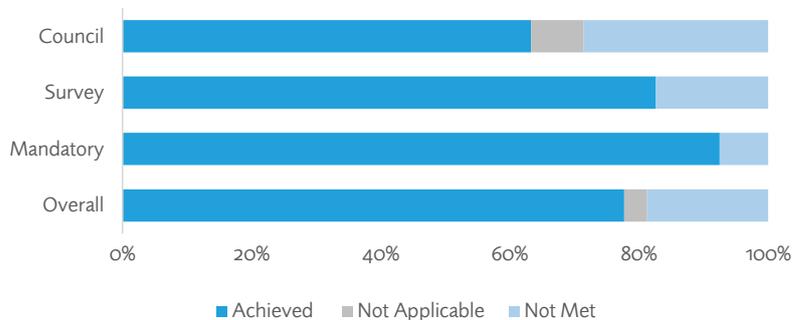
NEED TO CATCH UP

NEEDS MORE EFFORT

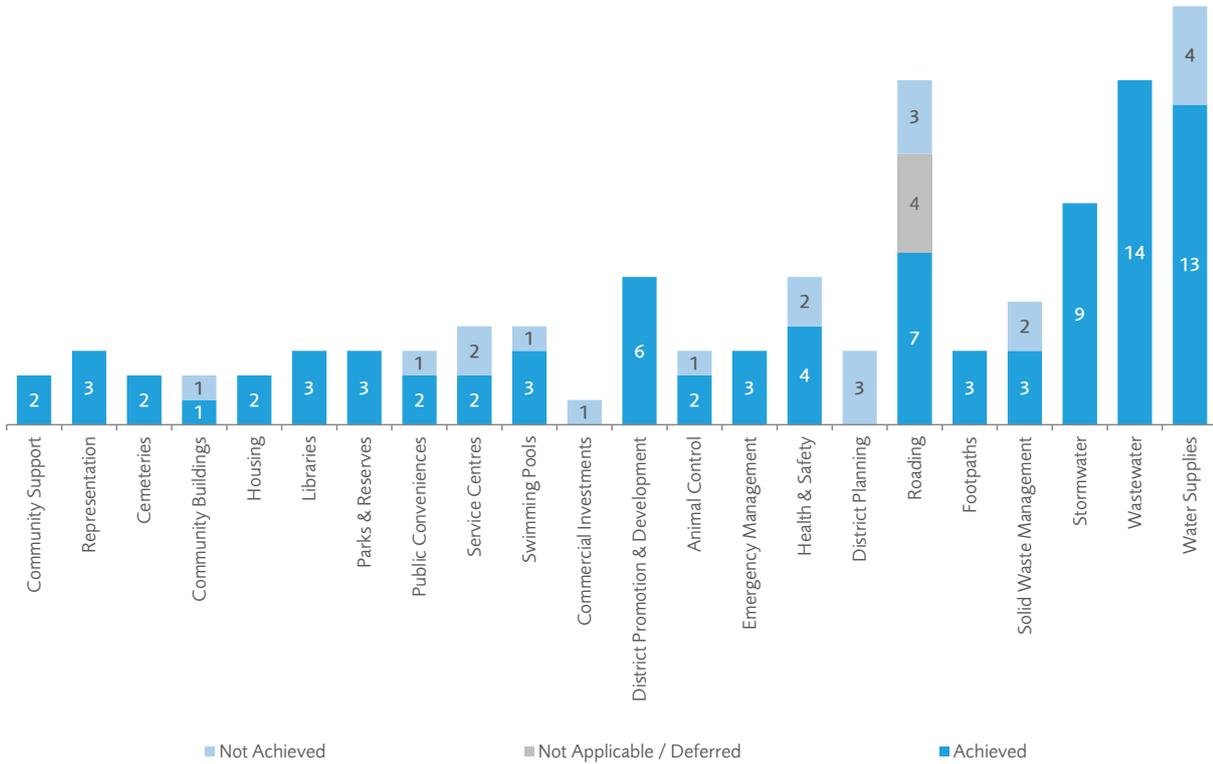
2017/18: ON TRACK

2016/17: ON TRACK

SERVICE PERFORMANCE MEASURES ACHIEVEMENT RATE BY CATEGORY



SERVICE PERFORMANCE MEASURES FOR THE YEAR BY COUNCIL ACTIVITIES



Community survey scorecard

Council continues to engage an external research provider to undertake the community survey, measuring the actual results against the same targets applied in the previous Annual Report.

The objectives of the community survey were:

- Provide a robust measure of satisfaction with the Council's performance in relation to service delivery.
- Determine performance drivers and assist Council to identify the best opportunities to further improve satisfaction, including satisfaction among defined groups within the district.
- Assess changes in satisfaction over time and measure progress towards the long term objectives.

Four surveys were completed over the prior 12 months – October, February,

April, and June. A total of 454 people were surveyed over telephone, split evenly with roughly 113 people surveyed each quarter. The reason for doing the survey at different times in the year is to see trends and seasonal impact on resident satisfaction.

The results are an indication of ratepayers' general satisfaction with the various services, infrastructure, and facilities that are provided and maintained by Council.

Feedback from the results of the survey has been used to determine appropriate strategies to address and/or manage the community expectations. We have increased funding significantly in the 2019/20 Annual Plan to improve service levels in the following areas:

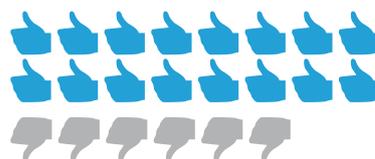
- Roading – increased funding for emergency works and preventative maintenance, such as drainage renewals and water tabling.

- Footpaths – maintained the increase in the maintenance budget, purchased new equipment and also developed a programmed approach to managing safety to address areas of high dissatisfaction including lichen and vehicle crossings.
- Completing Pahiatua water treatment plant and continuing to address the water supply and compliance issues.

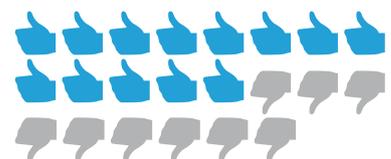
COMMUNITY SURVEY RESULTS



2019 | 23 questions



2018 | 22 questions



2017 | 22 questions

2019 FEEDBACK

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

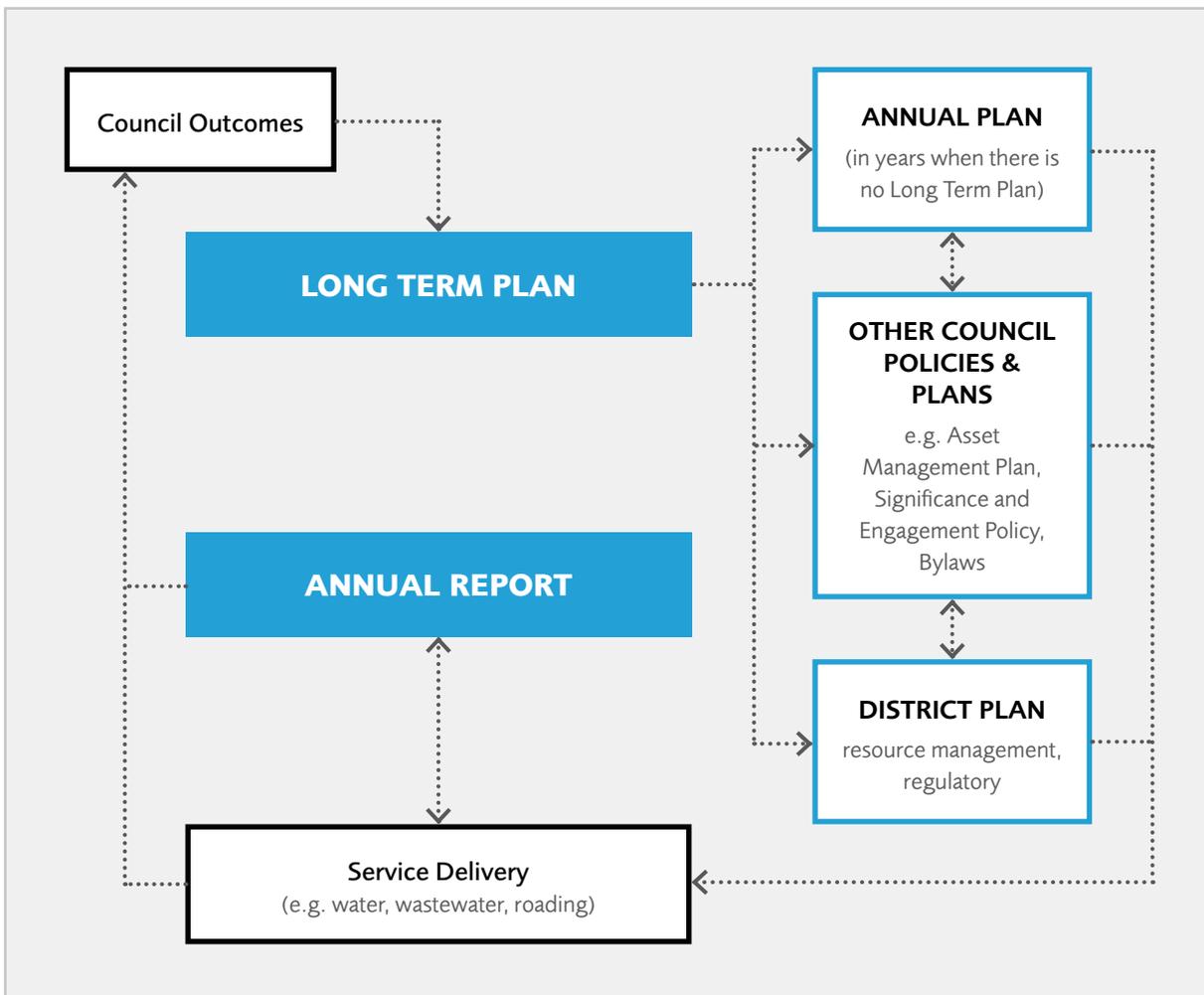
Satisfied with vision and leadership	80%	2018: 80% / 2017: 74%
Satisfied with overall Council performance	79%	2018: 85% / 2017: 75%
Satisfied with staff	85%	2018: 86% / 2017: 90%
Resources committed to Economic Development is the right amount	58%	2018: 61% / 2017: 53%
Satisfied with availability of water	89%	2018: 85% / 2017: 88%
Satisfied with quality of water	78%	2018: 73% / 2017: 73%
Satisfied with financial management	73%	2018: 74% / 2017: 65%
Satisfied with ability to protect dwelling from flooding	79%	-
Satisfied with ability to protect property from flooding	78%	2018: 75% / 2017: 74%
Feel safe from dogs	85%	2018: 77% / 2017: 77%
Satisfied with Council recreational facilities	95%	2018: 94% / 2017: 91%
Satisfied with Council community buildings	95%	2018: 93% / 2017: 93%
People that have used Council recreational facilities	96%	2018: 86% / 2017: 80%
People that have used Council community buildings	75%	2018: 86% / 2017: 81%
Satisfied with library opening hours and range of books/other materials	98%	2018: 93% / 2017: 93%
Satisfied with managing and issuing building consents	82%	2018: 85% / 2017: 86%
Satisfied with provision of dedicated walkways/cycleways	75%	2018: 95% / 2017: 36%
Satisfied with rural roads	51%	2018: 54% / 2017: 55%
Satisfied with urban roads	76%	2018: 73% / 2017: 72%

2020

REPORTS

Linkage between Council policies and plans

This Annual Report gives outcomes for the 2018/19 financial year. These actions were shaped by the directions outlined in our Long Term Plan and in our other policies and plans. The linkages between these are shown in the diagram below.



Annual report disclosure statement

For the year ended 30 June 2019.

What is the purpose of this statement?

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

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

Rates affordability benchmark

Council meets the rates affordability benchmark if:

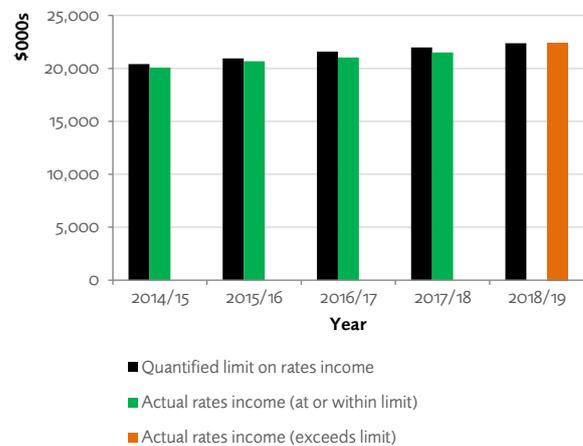
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The following graph compares Council's actual rates income with the quantified limit on rates contained in the Financial Strategy included in Council's 2018–2028 Long Term Plan.

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

RATES (INCOME) AFFORDABILITY

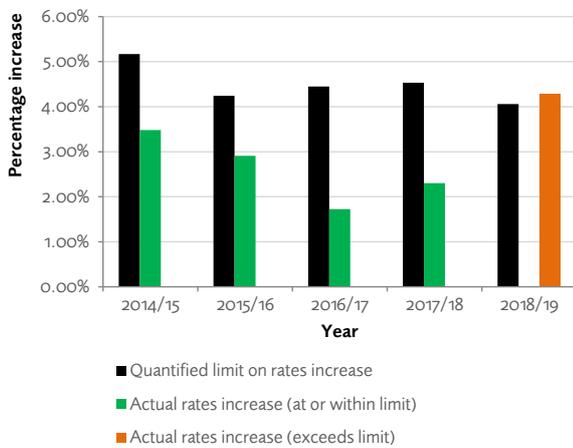


Rates (increases) affordability

The following graph compares Council's actual rates increases with the quantified limit on rates increases contained in the Financial Strategy included in Council's 2018–2028 Long Term Plan.

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

RATES (INCREASES) AFFORDABILITY



	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2018/19 (without property adjustments)
Quantified limits	5.17%	4.24%	4.45%	4.53%	4.06%	4.06%
Rates increase	3.48%	2.91%	1.71%	2.30%	4.30%	3.95%
Available headroom*	\$327,000	\$267,000	\$564,000	\$468,000	(\$51,000)	\$24,000

* Denotes difference between quantified limits and actual rate increases.

The rates income and increase benchmarks for 2018/19 has not been met this year. This is because from the time the cut off was made in the rating information database, the modelling for the future year rates increase was completed, and the time at which the rates were struck a number of properties had been amalgamated and subdivided. This had the effect of boosting our overall rates revenue.

We have recreated the table above based on the 3.95% increase if all properties in the district had not had the adjustments made between the two dates.

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

Debt affordability benchmark

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

The following four graphs compares Council's actual borrowing with the quantified limits on borrowing stated in the Financial Strategy included in the 2018–2028 Long Term Plan. The first four measures below had the limits reduced in the 2015–2025 Long Term Plan. As this has not affected the results of previous years, the previous limits are not presented below.

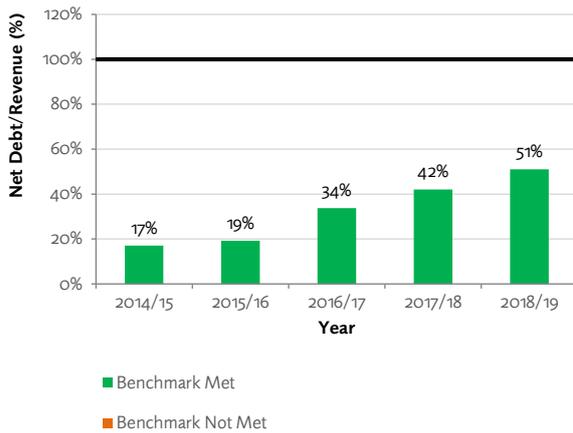
Council has met all of its debt limits and has sufficient capacity to borrow, if required, for capital investment in the future.

The quantified limits are as follows:

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

DEBT AFFORDABILITY

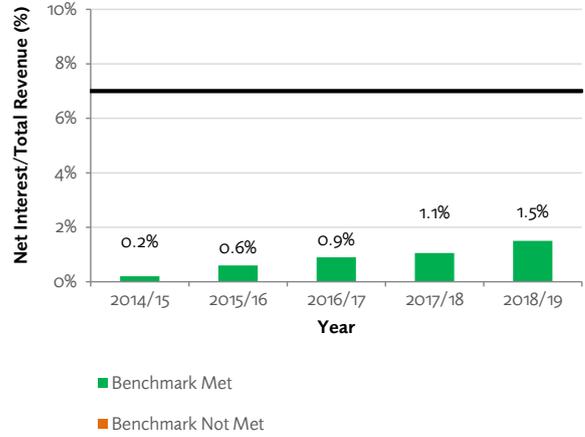
(NET DEBT AGAINST TOTAL REVENUE)



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

DEBT AFFORDABILITY

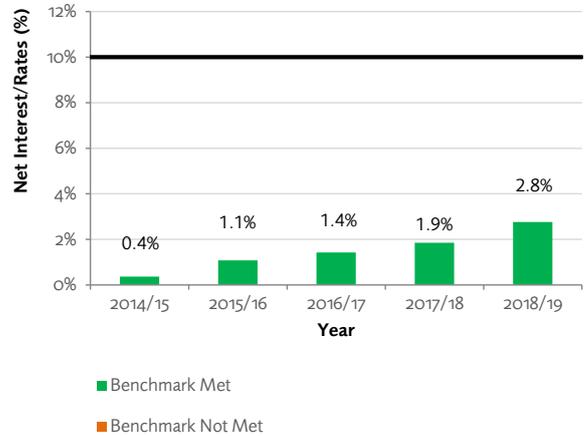
(NET INTEREST AGAINST TOTAL REVENUE)



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

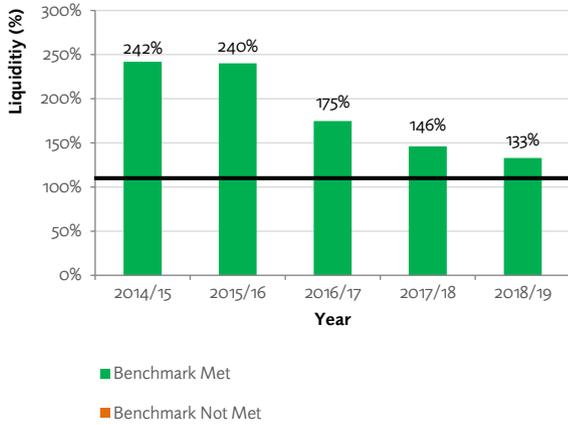
DEBT AFFORDABILITY

(NET INTEREST AGAINST RATES REVENUE)



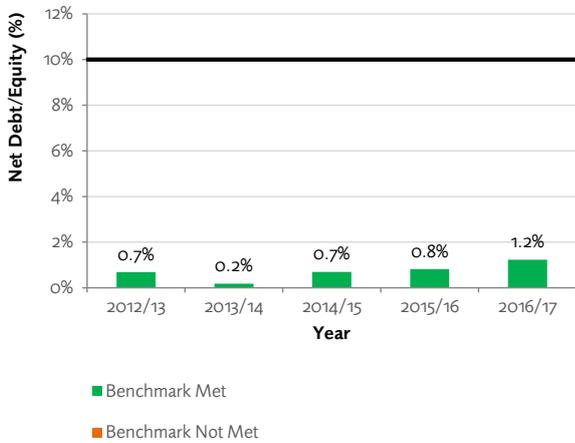
- 4. Liquidity (external, term debt + committed loan facilities + cash and cash equivalents to existing external debt) is greater than 110%.

DEBT AFFORDABILITY
(LIQUIDITY)



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

DEBT AFFORDABILITY
(NET DEBT AGAINST RATEPAYERS EQUITY)



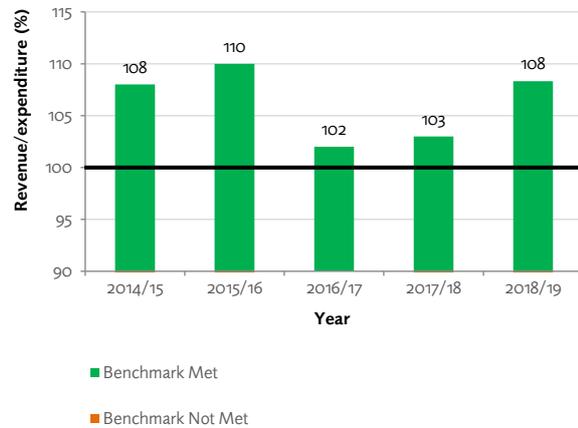
Note, this measure was removed from the Financial Strategy in the 2015–2025 Long Term Plan. Therefore, this is not measured from the 2015/16 financial year.

Balanced budget benchmark

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

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

BALANCED BUDGET



2015/16

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

2017/18

Council revenue is significantly higher than its operating expenses mainly due to NZ Transport Agency subsidies received for the Saddle Road (\$1.2 million) and flood damage work (\$3.2 million).

2018/19

Council revenue is significantly higher than its operating expenses mainly due to NZ Transport Agency subsidies received for the Saddle Road and flood damage work.

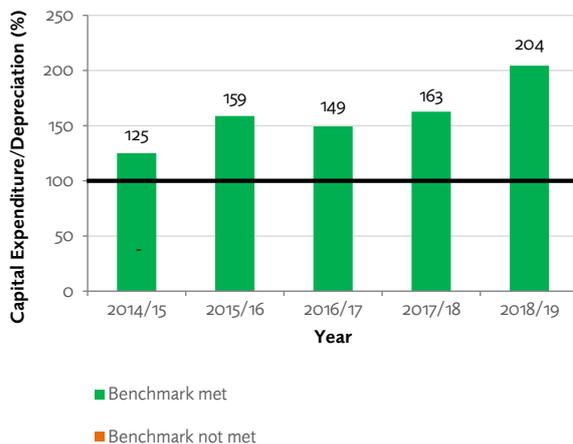
Essential services benchmark

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

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

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

ESSENTIAL SERVICES



2018/19

Council continues to invest in core infrastructure. Total depreciation for core infrastructure was \$10.7 million, and we spent \$21.2 million. The main driver for this investment is due to roading of \$15 million mainly driven from emergency renewals. We also invested in water (\$3.4 million) and wastewater (\$2.2 million) infrastructure during the year.

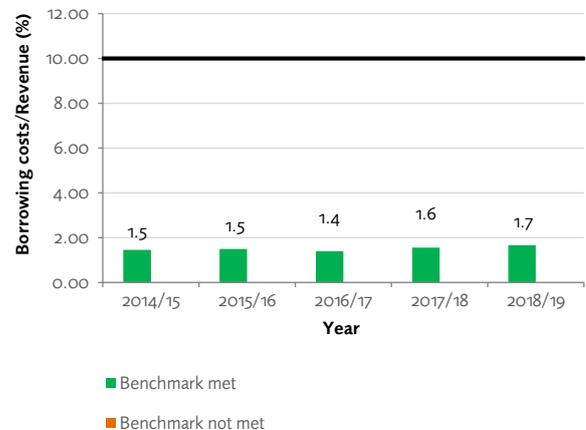
Debt servicing benchmark

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

Because Statistics New Zealand projects the district's population will grow more slowly than the national population is projected to grow, it meets the debt servicing

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

DEBT SERVICING

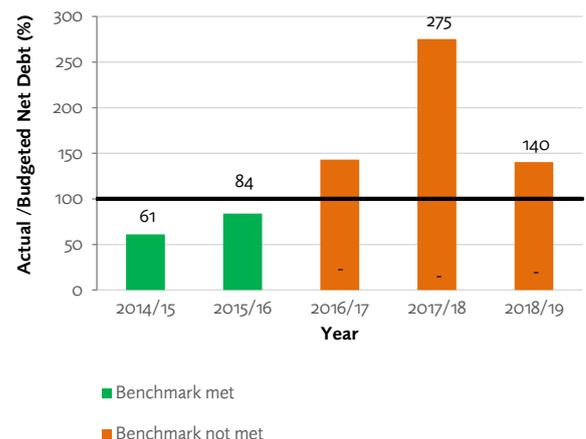


Debt control benchmark

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

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

DEBT CONTROL



2016/17

The reason for not meeting the measure in 2016/17 was due to Council having less cash and cash equivalents than planned. Council approved the use of the Forestry and

Housing special reserves for internal borrowing, resulting in lower cash but also lower external borrowings than planned.

2017/18

We failed to meet the debt control measure of net debt not exceeding planned net debt in the corresponding year of the Long Term Plan.

Our actual result was three times higher than what was planned in Year 3 of the Long Term Plan. This was as a result of Council's decision to defer the original decision to sell its pensioner housing portfolio, resulting in \$3.4 million less cash. It was decided in the 2018–2028 Long Term Plan workshop to retain the pensioner housing portfolio.

2018/19

The reason we failed to meet the debt control benchmark is the level of capital work carried out in the 2018/19 financial year is the high level of capital work we have had during the financial year.

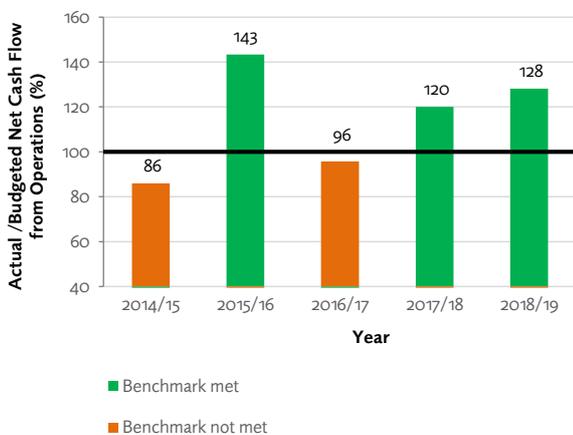
As a total spend we were 110% of our planned budget this was mainly due to emergency works be carried out on the roading network. An additional \$4 million borrowed that was not planned for. The level of capital work close to year end had also adversely pushed up our creditors balance at 30 June 2019.

Operations control benchmark

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

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

OPERATIONS CONTROL



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

2014/15

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

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

2016/17

Overall shortfall in cash flow from operations was \$212,000 and was due to:

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

Capital expenditure report

For the year ended 30 June 2019.

The following assets were acquired/developed in accordance with the 2018–2028 Long Term Plan and variations as authorised by Council.

	Annual Plan budget	Annual Plan actual	Carry Forwards budget	Carry Forwards actual
Roading Development	900	739	-	-
Minor safety improvements	900	739	-	-
Route 52	500	214	-	-
Route 52 development	250	-	-	-
Route 52 renewal	250	214	-	-
Saddle Road Development	-	2,057	303	303
Saddle Road	-	2,057	303	303
Roading Renewals	6,425	10,867	48	15
Drainage renewals	550	641	-	-
LED streetlighting		-	48	15
Pavement rehabilitation	1,750	1,828	-	-
Traffic services renewal	120	146	-	-
Unsealed road metalling	880	813	-	-
Bridge renewals	250	-	-	-
Emergency reinstatement	550	4,873	-	-
Level crossing renewals	30	-	-	-
Sealed roads resurfacing	2,095	2,171	-	-
Structures component replacements	200	395	-	-

Total budget	Total actual	Source of funding	Comments
900	739		
900	739	Loan/Subsidies	Completed.
500	214		
250	-	Loan/Subsidies	Planning underway.
250	214	Subsidy/Reserves	Planning underway.
303	2,360		
303	2,360	Subsidy	Completed.
6,473	10,882		
550	641	Subsidy/Reserves	Completed 2018/19 planned works.
48	15	Subsidy/Reserves	Completed 2018/19 planned works.
1,750	1,828	Subsidy/Reserves	Completed 2018/19 planned works.
120	146	Subsidy/Reserves	Completed 2018/19 planned works.
880	813	Subsidy/Reserves	Completed 2018/19 planned works.
250	-	Subsidy/Reserves	Completed 2018/19 planned works.
550	4,873	Subsidy/Reserves	Completed 2018/19 planned works.
30	-	Subsidy/Reserves	Completed 2018/19 planned works.
2,095	2,171	Subsidy/Reserves	Completed 2018/19 planned works.
200	395	Subsidy/Reserves	Completed 2018/19 planned works.

	Annual Plan budget	Annual Plan actual	Carry Forwards budget	Carry Forwards actual
Pahiatua Main Street Upgrade	3,817	1,025	(152)	-
Fibre ducting for Pahiatua Main Street upgrade	192	-	-	-
Pahiatua Main Street upgrade	1,325	695	(152)	-
Stormwater reticulation renewals	300	51	-	-
Wastewater reticulation second pipe development	400	1	-	-
Pahiatua Main Street reticulation renewals	400	119	-	-
Water reticulation second pipe development	600	-	-	-
Water reticulation renewals	600	158	-	-
Footpath Construction	155	155	-	-
Footpath renewals	125	47	-	-
Footpath development	30	108	-	-
Carpark Renewals	132	172	233	-
Carpark renewals	132	172	-	-
District off-road carpark sealing	-	-	233	-
Dannevirke Water Supply	-	70	-	-
Dannevirke soda ash conversion	-	70	-	-
Woodville Water Supply	-	592	-	-
Woodville water storage	-	592	-	-
Water Treatment Developments	110	49	-	-
Eketahuna water storage	60	-	-	-
Pressure reducing valves	50	49	-	-
Water Treatment Renewals	53	167	-	-
Dannevirke intake weir	20	133	-	-
Dannevirke stormwater pumps on impounded supply cover	8	33	-	-
Water health and safety renewals	15	-	-	-
Pahiatua River pumps renewal	10	-	-	-
Water Supply Reticulation Development	-	5	122	27
Demand management and zone metering	-	-	55	-
Large users, metering and management	-	5	10	10
Leak detection - Pahiatua and Norsewood	-	-	57	17

Total budget	Total actual	Source of funding	Comments
3,665	1,025		
192	-	Loan	Planning underway as multi-year project.
1,173	695	Loan	Planning underway as multi-year project.
300	51	Depreciation Reserve	Planning underway as multi-year project.
400	1	Loan	Planning underway as multi-year project.
400	119	Depreciation Reserve	Planning underway as multi-year project.
600	-	Loan	Planning underway as multi-year project.
600	158	Depreciation Reserve	Planning underway as multi-year project.
155	155		
125	47	Subsidy/Reserves	In progress.
30	108	Loan/Subsidies	Completed 2018/19 planned works.
365	172		
132	172	Depreciation Reserve	Completed.
233	-	Subsidy/Reserves	In progress.
-	70		
-	70	Loan	Completed.
-	592		
-	592	Loan	Completed.
110	49		
60	-	Loan	In progress.
50	49	Loan	In progress.
53	167		
20	133	Depreciation Reserve	Completed.
8	33	Depreciation Reserve	Completed.
15	-	Depreciation Reserve	In progress - 2019/2020 planned work.
10	-	Depreciation Reserve	In progress - 2019/2020 planned work.
122	32		
55	-	Loan	Planning underway.
10	15	Loan	Completed.
57	17	Loan	Planning underway.

	Annual Plan budget	Annual Plan actual	Carry Forwards budget	Carry Forwards actual
Water Reticulation Renewals	850	761	-	-
Leak detection	25	43	-	-
Water leakage strategy and implementation	200	-	-	-
Reticulation water mains renewals	600	631	-	-
Water reticulation unplanned renewals	25	87	-	-
Water Resource Consents	52	-	-	-
Eketahuna renewal	52	-	-	-
Pongaroa Town Water Supply	-	238	105	105
Pongaroa town water supply	-	238	105	105
Pahiatua Water Supply	-	407	1,618	763
Pahiatua water supply 4.5 day storage	-	359	272	272
Pahiatua water supply treatment plant	-	-	1,346	491
Wakeman Street property upgrade	-	48	-	-
Akitio Water Supply	-	38	19	19
Akitio upgrade	-	38	19	19
Wastewater Wetlands	-	-	26	-
Wetland development - design	-	-	26	-
Unplanned Developments	-	182	-	-
Canterbury Woolspinners treatment and storage	-	182	-	-
Wastewater Treatment Developments	325	145	5	-
Telemetry sewerage development	-	-	5	-
Dannevirke shower and toilet facility	25	12	-	-
Eketahuna wastewater pipeline to Pahiatua treatment plant	100	14	-	-
Pahiatua wetland development	200	119	-	-
Wastewater Resource Consents	125	486	-	-
Pahiatua wetland development consent	75	-	-	-
Pongaroa discharge consent renewal	50	2	-	-
Eketahuna discharge consent renewal	-	484	-	-

Total budget	Total actual	Source of funding	Comments
850	761		
25	43	Depreciation Reserve	Planning underway for multi-year project.
200	-	Loan	Planning underway.
600	631	Depreciation Reserve	Completed 2018/19 planned works.
25	87	Depreciation Reserve	Completed 2018/19 planned works.
52	-		
52	-	Depreciation Reserve	In progress.
105	343		
105	343	Loan	On hold - awaiting Eketahuna wastewater consent.
1,618	1,170		
272	631	Loan	Near completion.
1,346	491	Loan	In progress.
-	48	-	Completed.
19	57		
19	57	Loan	Completed.
26	-		
26	-	Loan	On hold - awaiting wastewater consent.
-	182		
-	182	Loan	Completed.
330	145		
5	-	Loan	On hold - focus is on completing the current wastewater.
25	12	Loan	Near completion.
100	14	Loan	In progress - 2019/20 planned work.
200	119	Loan	In progress - 2019/20 planned work.
125	486		
75	-	Loan	In progress - 2019/2020 planned work.
50	2	Depreciation Reserve	In progress - 2019/2020 planned work
-	484	Depreciation Reserve	On hold - awaiting consent.

	Annual Plan budget	Annual Plan actual	Carry Forwards budget	Carry Forwards actual
Eketahuna Wastewater Reticulation Renewals	-	31	340	340
Eketahuna earthquake sewer main renewal - Phase 2	-	31	340	340
Wastewater Treatment Renewals	533	450	28	
District telemetry	10	-	-	-
Dannevirke treatment plant	138	249	-	-
Dannevirke screen	85	-	-	-
Wastewater health and safety renewals	15	50	-	-
Norsewood wastewater consent	200	-	-	-
Wastewater treatment unplanned renewals	30	151	-	-
Woodville UV unit	55	-	28	-
Wastewater Reticulation Renewals	540	534	18	-
Infiltration renewals - Pahiatua and Eketahuna	-	-	18	-
Wastewater pump station renewals	115	254	-	-
Wastewater reticulation unplanned renewals	25	26	-	-
Wastewater reticulation renewals	400	255	-	-
District-wide Generators	-	14	239	123
District-wide wastewater generator	-	-	116	-
District-wide water generator	-	14	123	123
Stormwater Development	150	-	648	140
District stormwater development	150	-	648	140
Stormwater Renewals	50	201	-	-
Reticulation renewals	50	201	-	-
Eketahuna Landfill Closure	-	14	123	20
Eketahuna capping	-	14	6	6
Eketahuna landfill closure	-	-	117	14
Solid Waste Renewals	20	37	-	-
District-wide recycling - bulk bins	-	31	-	-
Minor capital renewals	10	2	-	-
Access road renewals	10	5	-	-

Total budget	Total actual	Source of funding	Comments
340	371		
340	371	Insurance	Completed.
561	450		
10	-	Depreciation Reserve	In progress - 2019/20 planned work.
138	249	Depreciation Reserve	Near completion.
85	-	Depreciation Reserve	Planning underway.
15	50	Depreciation Reserve	In progress - 2019/20 planned work.
200	-	Depreciation Reserve	In progress - 2019/20 planned work.
30	151	Depreciation Reserve	Completed.
83	-	Depreciation Reserve	Planning underway.
558	534		
18	-	Depreciation Reserve	Planning underway.
115	254	Depreciation Reserve	In progress.
25	26	Depreciation Reserve	In progress.
400	255	Depreciation Reserve	Completed 2018/19 planned works.
239	137		
116	-	Loan	In progress - 2019/20 planned work.
123	137	Loan	Near completion.
798	140		
798	140	Loan	Planning underway.
50	201		
50	201	Depreciation Reserve	Completed 2018/19 planned works.
123	34		
6	20	Loan	In progress.
117	14	Depreciation Reserve	In progress.
20	37		
-	31	Subsidy	Completed.
10	2	Depreciation Reserve	Completed 2018/19 planned works.
10	5	Depreciation Reserve	Completed.

	Annual Plan budget	Annual Plan actual	Carry Forwards budget	Carry Forwards actual
Upgrade Earthquake Prone Buildings	-	38	77	47
Pahiatua service centre earthquake work	-	-	17	-
Upgrade earthquake prone buildings	-	38	30	30
Woodville service centre earthquake work	-	-	30	17
Community Buildings upgrade	-	-	17	-
Woodville Sports Stadium - install heating	-	-	17	-
Community Buildings Renewal	100	158	112	64
Pongaroa Community Hall - general	-	-	23	14
Woodville Sports Stadium	-	-	84	45
District-wide seating renewal	3	-	-	-
Dannevirke Town Hall renewals	2	5	-	-
Eketahuna renewals	6	15	-	-
Community buildings unplanned renewals	50	6	-	-
Pahiatua renewals	39	132	5	5
Parks and Reserves Developments	250	21	5	-
District-wide walkway development	20	20	-	-
District-wide drainage	5	-	5	-
District-wide reserve upgrade	200	1	-	-
District-wide walkway strategy	25	-	-	-
Parks and Reserves Renewals	100	116	51	48
Eketahuna Domain	-	-	51	48
District-wide fencing	10	13	-	-
District-wide minor renewals	10	2	-	-
Dannevirke Domain playground equipment	50	60	-	-
Harvard Park renewals	10	13	-	-
Pahiatua grandstand	20	28	-	-
Camping Ground Developments	30	31	56	31
Eketahuna Camping Ground - 2 new cabins	-	-	36	11
Woodville new buildings	30	31	20	20

Total budget	Total actual	Source of funding	Comments
77	85		
17	-	Loan	On hold - awaiting consultant reports.
30	68	Loan	On hold - awaiting consultant reports.
30	17	Loan	On hold - awaiting consultant reports.
17	-		
17	-	Loan	Completed.
212	222		
23	14	Depreciation Reserve	In progress.
84	45	Depreciation Reserve	Completed.
3	-	Depreciation Reserve	Completed 2018/19 planned works.
2	5	Depreciation Reserve	Completed.
6	15	Depreciation Reserve	Completed.
50	6	Depreciation Reserve	Completed.
44	137	Depreciation Reserve	Completed.
255	21		
20	20	Loan	Completed.
10	-	Loan	Completed.
200	1	Loan/Subsidies	Planning underway.
25	-	Loan	Planning underway.
151	164		
51	48	Depreciation Reserve	Completed.
10	13	Depreciation Reserve	Completed.
10	2	Depreciation Reserve	Completed.
50	60	Loan	Completed.
10	13	Depreciation Reserve	Completed.
20	28	Depreciation Reserve	Completed.
86	62		
36	11	Loan	In progress.
50	51	Loan	Completed.

	Annual Plan budget	Annual Plan actual	Carry Forwards budget	Carry Forwards actual
Camping Ground Renewals	64	32	-	-
Dannevirke septic tank renewal	20	3	-	-
District wide campground renewals	9	23	-	-
Pahiatua septic tank renewal	35	6	-	-
Public Conveniences	12	4	-	-
District wide toilet renewals	2	1	-	-
District wide public convenience renewals	10	3	-	-
Administrative Building Renewals	104	53	72	23
Business continuity - generator and UPS	-	-	8	-
Pahiatua service centre	-	-	44	3
Dannevirke Civic Centre renewals	77	37	20	20
Dannevirke library renewals	15	6	-	-
Eketahuna library renewals	5	-	-	-
Woodville library/service centre renewals	6	10	-	-
Pahiatua service centre renewals	1	-	-	-
Buildings Earthquake Strengthening	495	69	-	-
Dannevirke Civic Centre	150	68	-	-
Dannevirke Sports Centre earthquake assessment	10	-	-	-
Community buildings assessments under new guidelines	200	1	-	-
Woodville Sports Stadium earthquake assessment	10	-	-	-
Pahiatua Service Centre building	125	-	-	-
Pensioner Housing Developments	25	14	54	54
Pahiatua 3 new units	25	14	54	54
Pensioner Housing Renewals	157	81	-	-
Aluminium Windows	70	65	-	-
Fencing and scooter sheds	27	1	-	-
Pensioner Housing earthquake securing	10	1	-	-
Annual renewal of 2 units	50	14	-	-
Cemetery Developments	55	-	43	21
Mangatera new area	51	-	21	10
District-wide new berms	4	-	22	11

Total budget	Total actual	Source of funding	Comments
64	32		
20	3	Depreciation Reserve	In progress - 2019/2020 planned work.
9	23	Depreciation Reserve	Completed 2018/19 planned works.
35	6	Depreciation Reserve	Planning underway.
12	4		
2	1	Depreciation Reserve	Completed 2018/19 planned works
10	3	Depreciation Reserve	Completed 2018/19 planned works.
176	76		
8	-	Depreciation Reserve	In progress.
44	3	Depreciation Reserve	On hold- awaiting consultant availability.
97	57	Depreciation Reserve	On hold- awaiting consultant availability.
15	6	Depreciation Reserve	In progress.
5	-	Depreciation Reserve	Completed.
6	10	Depreciation Reserve	Completed.
1	-	Depreciation Reserve	On hold- awaiting consultant availability.
495	69		
150	68	Loan	On hold- awaiting consultant availability.
10	-	Depreciation Reserve	On hold- awaiting consultant availability.
200	1	Depreciation Reserve	On hold- awaiting consultant availability.
10	-	Depreciation Reserve	On hold- awaiting consultant availability.
125	-	Depreciation Reserve	On hold- awaiting consultant availability.
79	68		
79	68	Pensioner Housing Reserve	On hold - strategic planning dependent.
157	81		
70	65	Pensioner Housing Reserve	Completed.
27	1	Pensioner Housing Reserve	Planning underway.
10	1	Pensioner Housing Reserve	In progress.
50	14	Pensioner Housing Reserve	In progress.
98	21		
72	10	Loan	In progress.
26	11	Loan	In progress.

	Annual Plan budget	Annual Plan actual	Carry Forwards budget	Carry Forwards actual
Library Renewals	110	65	70	38
Books	100	65	32	32
Eketahuna library refurbishment	-	-	38	6
Furniture and fittings	10	-	-	-
Eketahuna Pool Replacement	500	354	(70)	-
Eketahuna pool replacement	500	354	(70)	-
Swimming Pool Renewals	37	17	46	6
Woodville pool renewal	-	-	46	6
District wide plumbing and electrical renewals	37	17	-	-
Information Centres	43	(1)		-
Computer hardware development	7	(1)	-	-
District wide signage renewal	36	-	-	-
Civil Defence	155	5	-	-
Digital radio network development	150	5	-	-
Satellite communications equipment renewal	5	1	-	-
Connectivity	210	-	-	-
Fibre ducting development	10	-	-	-
Mobile black spot - rights to large cell towers	50	-	-	-
Mobile black spot - rights to small cell towers	100	-	-	-
Wireless blackspot extensions	50	-	-	-
Economic Development & Promotion	-	-	8	1
Computer hardware	-	-	8	1
Community Support	74	-	-	-
Ducting for Electric Vehicle charging stations	74	-	-	-
Fibre Renewals	-	-	61	-
Fibre cabling renewals	-	-	61	-
Project Management Office	100	5	-	-
Project Management Office	100	5	-	-

Total budget	Total actual	Source of funding	Comments
180	103		
132	97	Depreciation Reserve	Completed 2018/19 planned works.
38	6	Depreciation Reserve	On hold - reassessment.
10	-	Depreciation Reserve	Completed.
430	354		
430	354	Depreciation Reserve	In progress.
83	24		
46	6	Depreciation Reserve	Completed.
37	17	Depreciation Reserve	In progress.
43	(1)		
7	(1)	Loan	In progress
36	-	Depreciation Reserve	In progress..
155	5		
150	5	Loan	Planning underway.
5	1	Depreciation Reserve	In progress.
210	-		
10	-	Loan	Planning underway.
50	-	Loan	On hold - Connect Tararua dependent.
100	-	Loan	On hold - Connect Tararua dependent.
50	-	Loan	On hold - Connect Tararua dependent.
8	1		
8	1	Loan	Completed.
74	-		
74	-	Loan	Planning underway.
61	-		
61	-	Depreciation Reserve	In progress.
100	5		
100	5	Depreciation Reserve	Completed.

	Annual Plan budget	Annual Plan actual	Carry Forwards budget	Carry Forwards actual
Support Developments	184	134	-	-
CCTV development	34	21	-	-
Hardware development	10	-	-	-
Unmanned aerial vehicles development	40	-	-	-
Software development	100	113	-	-
Vehicle Renewals	331	337	-	-
Vehicle renewals	331	337	-	-
Support Renewals	443	471	108	32
Cabling and power renewal	20	-	-	-
Copiers renewal	28	-	29	-
Cctv renewals	10	21	-	-
Hardware renewal	265	440	-	-
Telephones renewal	32	-	79	32
Software renewal	58	11	-	-
District-wide town CCTV renewals	30	-	-	-
Animal Control Equipment	-	58	-	-
Animal Control Equipment	-	58	-	-
Total	18,316	21,711	4,433	2,222

Total budget	Total actual	Source of funding	Comments
184	134		
34	21	Loan	In progress - 2019/2020 planned work.
10	-	Loan	Completed.
40	-	Loan	In process.
100	113	Loan	Completed.
331	337		
331	337	Depreciation Reserve	Completed
551	503		
20	-	Depreciation Reserve	Completed.
57	-	Depreciation Reserve	Completed.
10	21	Depreciation Reserve	Completed.
265	440	Depreciation Reserve	Completed.
111	32	Depreciation Reserve	In progress.
58	11	Depreciation Reserve	Completed.
30	-	Depreciation Reserve	In progress - 2019/20 planned work
-	58		
-	58	Loan	Completed
22,749	23,933		

Summary of capital projects

Group of Activity	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual
Communities and Recreational Facilities	1,660	931	738	313
District Promotion and Economic Development	519	(1)	8	1
Regulatory Services	155	64	-	-
Roading and Footpaths	9,437	14,898	199	318
Solid Waste Management	20	51	123	20
Stormwater Drainage	500	253	648	140
Support	1,437	1,068	197	52
Wastewater	2,323	1,948	533	340
Water Supplies	2,265	2,500	1,987	1,037
Grand Total	18,316	21,711	4,433	2,222

Type	Annual Plan Budget	Annual Plan Actual	Carry Forwards Budget	Carry Forwards Actual
Growth	80	14	97	75
Level of Service	5,662	5,767	3,102	1,566
Renewals	12,574	15,930	1,234	581
Grand Total	18,316	21,711	4,433	2,222

Total Budget	Total Actual
2,398	1,244
527	(1)
155	64
9,636	15,217
143	71
1,148	393
1,634	1,120
2,856	2,288
4,252	3,537
22,749	23,933

Total Budget	Total Actual
177	89
8,764	7,333
13,808	16,511
22,749	23,933

Governance report

Role of the Council

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

Structure of Council

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

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

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

Council committees

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

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

Tribunal and Hearings Committee

To hear and adjudicate on all matters Council is required to handle relating to tribunal and hearings matters, meeting throughout the district or outside as appropriate. The Chief Executive is delegated the authority to handle and approve straightforward applications on a regular basis.

Chief Executive's Performance Appraisal Committee

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

Audit and Risk Committee

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

Works Liaison Committee

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

Forestry Committee

To oversee Council's forestry investments. It does so by monitoring the harvesting activity and the performance of the forest management contractor.

Community boards and community committees

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

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

Activities undertaken to promote Maori

Council has an obligation to take into account the principles of the Treaty of Waitangi and recognise and provide for the special relationship between Maori, their culture, traditions, land and taonga. Processes to provide opportunities for iwi to contribute to Council decision-making are referenced in the Council's Significance and Engagement Policy.

The Iwi Liaison Advisory Working Party

The Iwi Liaison Advisory Working Party provides for the special relationship between Maori and recognises its obligations under the principles of the Treaty of Waitangi.

Its terms of reference are:

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

Memorandum of partnership

The Council has a current memorandum of partnership with Rangitane o Tamaki nui a Rua. This covers processes for engagement in decision-making.

A draft memorandum of partnership with Ngati Kahungunu ki Tamaki nui a Rua Trust was confirmed by Council at its

June 2019 meeting, and this will be signed at a suitable joint function to be arranged for that purpose.

Through entering into this agreement Council formalised the basis of providing for closer working relationships with both of the district's iwi, thereby recognising the outcome of the Crown treaty settlement process which acknowledged both Rangitane and Kahungunu distinctly and separately.

Negotiating treaty claims

As part of the Crown negotiating treaty claims with the two iwi who exercise Rohe within the Tararua District Council boundary areas of significance to those iwi have been identified. Some of these areas identified by iwi have reserve status under the Reserves Act 1977, with management control vested in the Council, rather than the Crown through the Department of Conservation.

With overlapping claims for this land resolved the Crown finalised Treaty of Waitangi deed of settlements with each of the district's iwi.

Wastewater consenting process

Applications for wastewater treatment plants consent renewals for Eketahuna, Pahiatua and Woodville continue to be the subject of extensive discussion. This process involved the completion of cultural values assessments from each iwi and liaison with their representatives on the proposed option to finalise the design and operation of wetlands.

Resulting from differing views on this subject being expressed by Rangitane through the consenting process Pahiatua and Eketahuna consents are both under appeal. Woodville consent is progressing, with a hearing likely to be held later in 2019. Through mediation with Rangitane regarding Pahiatua wastewater consent the wetland proposal was deferred to carry out further options for consideration.

Governance framework

Independent Election

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

Communications

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

engagement processes are set out in the Significance and Engagement Policy.

Division of Responsibility between Council and Management

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

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

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

Report of the Auditor- General

Independent auditor's report

To the readers of Tararua District Council's annual report for the year ended 30 June 2019

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

We are also required to report on:

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

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

We completed our work on 31 October 2019. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 160 to 232:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2019;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 166, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long Term Plan;
- the statements of service performance on pages 75 to 157:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2019, including:

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 78 to 151, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long term plan;
- the funding impact statement for each group of activities on pages 78 to 151, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 42 to 47, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long term plan and annual plans.

Basis for opinion on the audited information

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further

in the 'Responsibilities of the auditor for the audited information' section of this report.

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

As part of an audit in accordance with the Auditor General's Auditing Standards, we exercise professional judgement

and maintain professional scepticism throughout the audit.

Also:

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

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

Other information

The Council is responsible for the other information included in the Annual Report. The other information comprises the information included on pages 7 to 41, 48 to 68, and 233 to 242 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

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

Independence

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

In addition to our audit of the audited information and our report on the disclosure requirements, we performed a limited assurance engagement related to the District Council's Debenture Trust Deed which is compatible with those independence requirements. Other than this engagement, we have no relationship with, or interests in, the District Council.



John Whittal
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of compliance and responsibility

Compliance

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

Responsibility

The Council and management of Tararua District Council accept responsibility for the preparation of the Annual Report and the judgements used.

The Council and management of Tararua District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Council and management of Tararua District Council, the Annual Report for the year ended 30 June 2019 fairly reflects the financial and non-financial position, and operations of the Council.



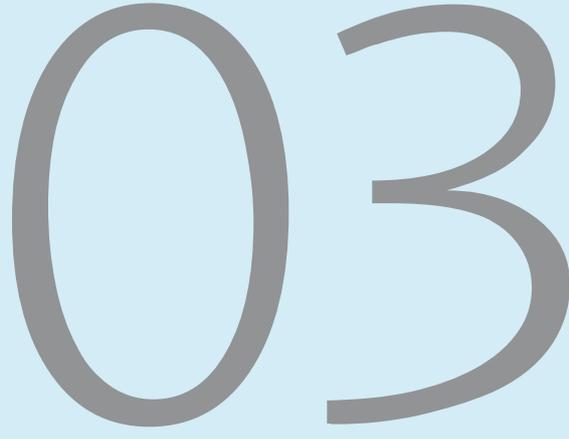
Tracey Collis
Mayor

31 October 2019



Blair King
Chief Executive

31 October 2019



ACTIVITIES AND SERVICE PERFORMANCE

Introduction

Activities and service performance

We provide a wide range of services and facilities for people living in Tararua.

These services – called Activities – help to make Tararua a better, safer, healthier and more enjoyable place to live.

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

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

Activities index

- 77** Building Communities and Leadership
- 85** Community and Recreation Facilities
- 99** District Promotion and Economic Development
- 110** Regulatory Services
- 120** Rooding and Footpaths
- 132** Solid Waste Management
- 138** Stormwater
- 143** Wastewater
- 150** Water Supplies

How the Council outcomes relate to Council services

Key

-  Strongly Related
-  Related
-  Partially Related

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

Building Communities and Leadership

Activities in this group

01.

COMMUNITY SUPPORT

To support communities to support themselves.

02.

REPRESENTATION

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

Group level funding impact statement

	2017/18 LTP Year 3 \$000s	2017/18 Plan \$000s	2017/18 Actual \$000s	2018/19 LTP Year 1 \$000s	2018/19 Actual \$000s
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	1,775	1,900	1,900	1,985	1,985
Targeted rates	-	-	20	-	20
Grants and subsidies for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	36	28	18	26	19
Internal charges and overheads recovered	-	-	-	-	-
Total Operating Funding	1,811	1,928	1,938	2,011	2,024
Applications of Operating Funding					
Payment to staff and suppliers	1,218	1,233	1,381	1,342	1,510
Finance costs	-	-	-	-	-
Internal charges and overheads applied	552	663	732	579	618
Other operating funding applications	-	-	-	-	-
Total Applications of Operating Funding	1,770	1,896	2,113	1,921	2,128
Surplus/(Deficit) of Operating Funding	41	32	(175)	90	(104)
Sources of Capital Funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	-	-	(30)	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	(30)	-
Applications of Capital Funding					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	42
- to replace existing assets	11	10	31	30	-
Increase (decrease) in reserves	30	22	(206)	30	(146)
Increase (decrease) of investments	-	-	-	-	-
Total Applications of Capital Funding	41	32	(175)	60	(104)
Surplus/(Deficit) of Capital Funding	(41)	(32)	175	(90)	104
Funding Balance	-	-	-	-	-

What we achieved

Community Support

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

Bush Multisport

In 2018, a lighting tower at the Bush Multisport facility in Pahiatua failed and collapsed due to the shearing of two bolts that helped hold up the pole. Fortunately, no one was injured as a result of this collapse. As this was a major safety concern, all of the light poles were taken down and investigated, with no further problems identified. However, it gave the opportunity to strengthen the light pole foundations and include high tensile bolts to reduce the probability of any future concerns. Council provided funding of \$115,000 towards this work from the Council reserve held for asset renewal contributions to the Trust. Included within this project, Council supported replacing the lights on the light poles to LED lights, with \$150,000 provided from Central Energy Trust. This major lighting upgrade both provides improved lighting for the hockey turf and improved energy efficiency. A second phase of the LED lighting upgrade project is being explored by Bush Multisport in 2019/20 to investigate the upgrade of the main sports ground lighting.

Tararua Aquatic Community Trust

The Council continues to provide support to the Tararua Aquatic Community Trust (TACT) by way of a financial grant. Council agreed in the 2018–2028 Long Term Plan to increase the funding provided to the Trust, with a \$40,000 increase in operating grant to a total of \$277,000, and depreciation special fund reserve increase of \$10,000 to \$50,000 to support future contributions towards asset replacements.

Pahiatua under veranda lighting

A full review of the Pahiatua under-verandah lighting was undertaken in 2018/19 in conjunction with the planning for the Pahiatua Main Street upgrade project. Council has been successful in obtaining an external subsidy from the Central Energy Trust to support the replacement of under-verandah lighting. A new design is proposed with a

IN 2018/19 WE ACHIEVED...

80% community satisfaction
with vision and leadership 👍👍👍

2016/17: 72%	2017/18: 80%
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\$308,000 granted to community groups

2016/17: \$151,000	2017/18: \$309,000
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A CouncilMARK™ score of



lighting pole design, with construction proposed during the 2019/20 year.

Grants

In addition to the above major contributions, the following significant grants were provided by Council:

- Pukaha Mount Bruce: forest restoration and predator control – \$12,500.
- Funding for town mainstreet committees – \$36,000.
- Grants to community boards and community committees – \$52,000.
- District information centres – \$82,500.

Representation

The Mayor, councillors, and community board members collectively committed their energies to working in the best interests to promote the district and the

respective communities. Decision-making, reporting, and accountability were facilitated through monthly meetings being held, and the work undertaken by elected representatives was supported through their appointments to oversee various portfolios and liaison with community organisations, and following up issues and concerns raised by residents. Councillor Ernie Christison resigned from his position as Tararua North Ward district councillor on 31 October 2018, and Council determined this extraordinary vacancy be filled through the appointment of Kerry Sutherland who commenced that role on 12 December 2018.

The following was completed and achieved:

- Provided a public forum at the commencement of each monthly Council meeting, with the Works Liaison Committee reviewing each month the management of projects, infrastructure and services.
- Provided oversight of Council's approach to risk and compliance through the Audit and Risk Committee, with external appointee Kevin Ross as independent chair.
- Dealt with licensing matters for the district under the Sale of Alcohol Act 2012 through the District Licensing Committee, with David Lea appointed as a commissioner to chair the committee and Maureen Reynolds, Kerry Sutherland and Nick Perry as committee list members.
- Maintained an awareness of local government reforms to ensure compliance with their requirements.
- Pursued and advocated for the district on the Horizons Regional Council One Plan, particularly in respect of the economic ramifications arising from the proposed changes regarding its implementation.
- Advocated in the interests of the district through submitting to the Productivity Commission issues paper on local government funding and financing and the Notice of Requirement for Te Ahu a Turanga - Manawatu Tararua Highway, and attended the commissioners hearing concerning the proposed new road.
- Established a twin towns relationship for Pahiatua and Kazimierz Dolny through entering into a partnership agreement to promote and strengthen ties, understanding, and friendship with these communities and the countries of Poland and New Zealand.
- Agreed that, for the roading corridor maintenance contract, the collaborative contractor model is the preferred model for both engineering services and physical works, and approved that management renegotiate a new agreement with Tararua Alliance extending their contract for up to ten years to enable continued investments and certainty for both Council and the incumbent.
- Adopted the 2017/18 Annual Report.
- Completed the bylaws review through its adoption or revocation.
- Invited community feedback on the future of the Dannevirke Carnegie building (with forty responses received and six residents speaking at the May Council meeting public forum).
- Council became a Local Government Funding Agency guarantor council.
- Entered into a Memorandum of Understanding with Te Awa Community Foundation to consider the feasibility of establishing a Tararua District Community Foundation.
- Adopted the 2019/20 Annual Plan with community engagement to provide the opportunity for feedback on this matter (with eight responses received).
- Reviewed, consulted and adopted the Class 4 Gambling and Racing Board Venue Policy (with eight submissions received and three of these being heard at the May Council meeting).
- Worked with Connect Tararua on providing the district with robust and fully functioning connectivity community infrastructure.
- Represented the district on the Tararua River Management Governance Group and the Tararua Health and Wellbeing Group.
- Engaged with Weber/Wimbledon/Herbertville residents regarding Route 52.
- Pre-consulted on Easter Sunday shop trading.
- Considered the sale of Birch North forest in conjunction with forestry portfolio holders.
- Appointed the Residential Capacity Review Working Party to make recommendations for the next Long Term Plan and District Plan to provide for the growth and residential capacity needs of the district.
- Agreed on a Memorandum of Partnership with Ngati Kahungunu ki Tamaki nui a Rua iwi.

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

- Advocate with relevant agencies in the interests of the district, e.g. WINZ, Tararua Community Youth Services, Police, Public Health Organisation, MidCentral Health and the New Zealand Transport Agency.
- Agreement with New Zealand Transport Agency to maintain Saddle Road, Pahiatua Track and Ballance Valley Road as alternative routes as a result of the

Manawatu Gorge closure, and Council upgrading other supporting local feeder roads.

- Dannevirke Community Board arranged a community Anzac Day concert.
- The District Plan provided environmental standards and policies for the district, with proposed changes progressed to revise and update the plan.
- Maintain good relationships with Horizons Regional Council through working collaboratively on protecting the environment of the district and its economic development through the Accelerate 25 lead team.
- Work constructively with iwi through regular meetings with their representatives and consultation on significant issues as provided in the Memorandum of Understanding with Rangitane, and developing a similar relationship with Ngati Kahungunu.
- Support sports and recreational groups through participating in the Sport New Zealand rural travel assistance fund and Creative New Zealand fund for arts and culture.
- Support communities through the International Representatives Scheme, Community Development Recreation Reserve, Heritage Protection Reserve, Biodiversity Reserve and discretionary funding for Community Boards and Community Committees.
- Recognise the contribution of community volunteers through Council's district civic honours, Trustpower Tararua District Community Awards and Wackrow Memorial Youth Award presented by Dannevirke Community Board.

Performance against objectives

Community Support

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
Percentage of residents rating Council's involvement in community support as "fairly satisfactory" or "very satisfactory" in the community survey	75%	<p>Achieved: 79% (last year: 78%).</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>11%</td> <td>17%</td> <td>12%</td> <td>14%</td> <td>14%</td> </tr> <tr> <td>7–8</td> <td>52%</td> <td>48%</td> <td>55%</td> <td>54%</td> <td>52%</td> </tr> <tr> <td>6</td> <td>15%</td> <td>11%</td> <td>14%</td> <td>13%</td> <td>13%</td> </tr> <tr> <td>5</td> <td>12%</td> <td>10%</td> <td>8%</td> <td>10%</td> <td>11%</td> </tr> <tr> <td>1–4</td> <td>10%</td> <td>14%</td> <td>12%</td> <td>9%</td> <td>10%</td> </tr> </tbody> </table> <p>Satisfaction has increased slightly from the previous year.</p> <p>This year, Council provided \$365,000 of grants and donations to the community, compared to \$340,000 in 2017/18.</p>	Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	11%	17%	12%	14%	14%	7–8	52%	48%	55%	54%	52%	6	15%	11%	14%	13%	13%	5	12%	10%	8%	10%	11%	1–4	10%	14%	12%	9%	10%	✓	✓
Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19																																			
9–10	11%	17%	12%	14%	14%																																			
7–8	52%	48%	55%	54%	52%																																			
6	15%	11%	14%	13%	13%																																			
5	12%	10%	8%	10%	11%																																			
1–4	10%	14%	12%	9%	10%																																			
All organisations receiving grants meet accountability requirements of Council	100%	<p>Achieved: 100%</p> <p>No issues identified with grants and their use for the purpose intended.</p>	✓	✓																																				

Representation

Performance measure

Percentage of residents rating the overall performance of the Mayor and Councillors as "fairly satisfactory" or "very satisfactory" in the community survey

Target

75%

Achievement

Achieved: 81% (last year: 84%)

The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.

2018/19 results



2017/18 results



Score Jun-18 Sep-18 Feb-19 Apr-19 Jun-19

Mayor

Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	34%	32%	31%	34%	33%
7–8	45%	42%	44%	44%	43%
6	8%	15%	10%	9%	8%
5	6%	7%	8%	8%	9%
1–4	7%	4%	6%	5%	7%

Councillors

Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	14%	14%	13%	14%	13%
7–8	56%	49%	52%	54%	50%
6	11%	13%	13%	12%	15%
5	9%	15%	13%	12%	12%
1–4	10%	9%	10%	8%	10%

Mayor and councillors

Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	24%	23%	22%	24%	23%
7–8	50%	45%	48%	49%	46%
6	10%	14%	12%	10%	12%
5	7%	11%	10%	10%	11%
1–4	9%	7%	8%	6%	8%

Satisfaction has decreased from the previous year's result, but higher than target. The decrease can be explained due to the adoption of the 2018–2028 Long Term Plan, resulting in increased community consultation.

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
Percentage of residents rating the overall performance of the community boards and community committees as "fairly satisfactory" or "very satisfactory" in the community survey	75%	<p>Achieved: 80% (last year: 86%).</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>13%</td> <td>16%</td> <td>12%</td> <td>14%</td> <td>16%</td> </tr> <tr> <td>7–8</td> <td>56%</td> <td>50%</td> <td>52%</td> <td>60%</td> <td>55%</td> </tr> <tr> <td>6</td> <td>12%</td> <td>13%</td> <td>11%</td> <td>8%</td> <td>9%</td> </tr> <tr> <td>5</td> <td>11%</td> <td>10%</td> <td>11%</td> <td>10%</td> <td>10%</td> </tr> <tr> <td>1–4</td> <td>8%</td> <td>11%</td> <td>9%</td> <td>8%</td> <td>10%</td> </tr> </tbody> </table>	Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	13%	16%	12%	14%	16%	7–8	56%	50%	52%	60%	55%	6	12%	13%	11%	8%	9%	5	11%	10%	11%	10%	10%	1–4	8%	11%	9%	8%	10%		
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Percentage of Council committee meetings that meet the requirements of the Local Government Official Information and Meetings Act	100%	<p>Achieved: 100%</p> <p>Meetings were publicly notified by newspaper, generally through the Bush Telegraph.</p>																																						

Community and Recreation Facilities

Activities in this group

01.

CEMETERIES

To provide attractive burial places where the community can remember loved ones and celebrate our district's heritage.

05.

PARKS AND RESERVES

To protect and enhance the natural character of the district, and provide a mix of parks and reserves facilities for leisure and recreation.

02.

COMMUNITY BUILDINGS

To provide community buildings for social, cultural, recreational and educational activities.

06.

PUBLIC CONVENIENCES

To provide well maintained public conveniences in areas of frequent community activity.

03.

HOUSING

To provide access to affordable and suitable long-term housing for older people with limited income and assets.

07.

SERVICE CENTRES

To provide an effective point of contact for the community to connect with Council.

04.

LIBRARIES

To provide access to information, and to support life-long learning and literacy.

08.

SWIMMING POOLS

To provide funding support for community pools, which will promote community wellbeing.

Group level funding impact statement

	2017/18 LTP Year 3 \$000s	2017/18 Plan \$000s	2017/18 Actual \$000s	2018/19 LTP Year 1 \$000s	2018/19 Actual \$000s
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	3,306	3,156	3,156	3,430	3,442
Targeted rates	1,791	1,698	1,678	1,751	1,731
Grants and subsidies for operating purposes	5	5	5	6	10
Fees and charges	595	631	636	744	681
Local authorities fuel tax, fines, infringement fees, and other receipts	430	342	365	415	390
Internal charges and overheads recovered	-	-	-	-	-
Total Operating Funding	6,127	5,832	5,840	6,346	6,255
Applications of Operating Funding					
Payment to staff and suppliers	3,523	3,507	3,425	3,853	3,832
Finance costs	101	51	59	64	66
Internal charges and overheads applied	1,273	1,202	1,245	1,329	1,471
Other operating funding applications	-	-	-	-	-
Total Applications of Operating Funding	4,897	4,760	4,729	5,246	5,369
Surplus/(Deficit) of Operating Funding	1,230	1,072	1,111	1,101	886
Sources of Capital Funding					
Subsidies and grants for capital expenditure	-	-	-	100	50
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(2,706)	162	(18)	162	(18)
Gross proceeds from sale of assets	3,368	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of Capital Funding	662	162	(18)	262	32
Applications of Capital Funding					
Capital Expenditure:					
- to meet additional demand	28	28	-	80	-
- to improve the level of service	820	369	196	330	289
- to replace existing assets	562	618	440	1,250	936
Increase (decrease) in reserves	482	218	456	(297)	(308)
Increase (decrease) of investments	-	-	-	-	-
Total Applications of Capital Funding	1,892	1,233	1,092	1,363	918
Surplus/(Deficit) of Capital Funding	(1,230)	(1,072)	(1,111)	(1,101)	(886)
Funding Balance	-	-	-	-	-

What we achieved

Cemeteries

Drainage was installed in the lawn area of the Mangatainoka cemetery. Two berms have been installed over part of this drainage. The Friends of the Cemetery have been carrying out a tidy-up, installing new signage, and planting new trees at this cemetery.

The old macrocarpa trees at the Ormondville cemetery have been removed and the roots dug out. A new drain has been put in along Dump Road and a parking area installed.

Community Buildings

All community buildings have been inspected for asbestos contamination. The Pahiatua Town Hall was affected and the asbestos in the contaminated areas has been removed.

The toilets in the Woodville Sports Stadium have been upgraded, and heating has been installed in the main hall of the stadium.

The toilets in the stadium at the Bush Multisport complex have been upgraded.

The exterior of the Dannevirke Sports Centre and the Pahiatua Town Hall were painted.

A decision is pending on the fate of the Carnegie Centre. Council has given the community until 30 November 2019 to come up with a proposal for alternative use of the building.

Housing

Pensioner housing rentals are at a premium throughout the district and all units are full.

In the Ruahine Flats, flat 27B was completely refurbished and modernised. The rest of the flats had underfloor and new ceiling insulation installed.

Aften Court has had double glazing installed in 12 of the units, leaving only three units to be completed.

The exterior of Aften Court, Gordon Street Flats, and Lyndon Flats in Pahiatua were painted this year.

A new driveway was installed at the Gordon Street complex.

Libraries

Customer satisfaction

The Library customer satisfaction survey showed that 93% of respondents (416 users were surveyed) were completely

IN 2018/19 WE ACHIEVED...

95% community satisfaction with facilities 

2016/17: 93% 2017/18: 95%

7,036 customer service requests received 

2016/17: 7,495 2017/18: 7,794

Pensioner housing occupancy **99%** 

2016/17: 93% 2017/18: 97%

19 ^{OUT OF 23} performance measures met 

2016/17: 23 of 27 2017/18: 24 of 27

5,199 booked hours for use of community buildings, and parks and reserves 

or very satisfied with their local library, and a further 7% moderately satisfied.

Facilities and staff were areas with the most user satisfaction, with collections the area most needing improvement,

scoring only 97% satisfied. This was an improvement on the previous twelve months.

Like any Council frontline service, the Library has a goal to provide great customer service, and this was reflected with an Eketahuna team member (Claire Mills) nominated for a Southern Tararua Business Award.

Technology

Collection HQ

This software programme, which allows the library to easily identify stock that is not turning over at a site, is well entrenched into operations. Regular reports on most collections allows stock to be refreshed at each site almost constantly throughout the year. This is in addition to the newly purchased stock sent to each site throughout the year.

As a result, the Library Customer Satisfaction survey showed an increase in satisfaction of collection material at each site. This has risen from 81% at the year ended June 2018 to 96% at the end of this year.

Ebooks

After reviewing the use and availability of stock through the existing ebook consortia, the library signed up to the Lower North Island Public Library ebook consortia ePukapuka. The consortia is made up of public libraries in the lower North Island. Titles are purchased by the group and are available to all members of the consortia. This service was introduced in January 2019 and has allowed us to offer both ebook and eAudio content. By the end of the financial year, the use of ebooks across the district had almost doubled, up from 2,261 in 2017/18 to 4,422.

Aotearoa Peoples Network Kaharoa

After a small drop in use last year, the use of this service is up 11% on last year. There were 62,144 sessions by people (3,248 more than the 2017/18 year), with the greater percentage of these using their own device. Woodville was the only site that saw a small decrease in use, and this could be indicative of the reduction in the number of tourists visiting the i-SITE since the Manawatu Gorge closure.

Adult programmes

Over the year, 650 adults attended library led programmes and events. Two new programmes were introduced during the year – Stepping Up and Adult Reading Programme.

Stepping Up is free community-based training that builds digital skills and knowledge in small easy steps. The programme was introduced as a library-led programme at Dannevirke and Woodville. Library team members are the tutors for these courses. Although at this stage, the take up has been low, the library is planning promotions and marketing for this programme next year. WINZ, REAP, and

Dannevirke Budgeting Services have been informed of this programme. It is hoped that they will refer their clients where applicable to this Library-run programme.

The Stepping Up programme is also available at Pahiatua and Eketahuna where it is provided and tutored by Wairarapa REAP.

An Adult Reading Programme was piloted in July. The programme's goals are to increase adult reading for leisure. Running over the winter months, it encourages the adult membership utilising the library to explore new genre and formats. Thirty six adults took up the challenge and this number is expected to grow in future years.

Children programmes

As part of supporting literacy in the community, the library ran a number of successful programmes. Included in these were the Eastern and Central Community Trust funded E C Read'n programmes.

The Winter Warmers programme, which the library takes out to the schools in the district, was again a great success with 1,227 children registered. The Summer Reading programme, designed to help stop the summer slide in children's reading levels over the long holiday period was less successful. Two hundred and twenty-three children registered, with 180 of these completing the programme.

The library preschool reading programme, Little Ears, and the Year 7/8 Book Club is now run at all four sites with the introduction of these programmes at Eketahuna during this year. These two programmes were attended by 818 children throughout the year.

Math is Fun, a numeracy based programme provided by Wairarapa REAP, and funded by the Eastern and Central Community Trust saw a surge in attendance with 221 children attending sessions over the Term 3 holidays.

Other children's events included our digital literacy programme, National Simultaneous Storytime and other activities saw a further 258 attendees.

In total, over the year, 2,785 children attended events and programmes at their local library.

Traditional library use

Use of physical items continues to drop. Overall there has been a drop of 4 % (5,711) in items borrowed. At Pahiatua, a closure of the library on Saturday mornings for 11 weeks while short staffed saw a subsequent drop in issues of 4% (1,187) and Active Borrowers (down 6% or 257 people).

Dannevirke Library is finding that use is dropping after a change in use of the car parking at the rear of the building. There is now less car parking available during the day. This change has had a real impact in foot traffic (down 5%, or 3,677 people), active borrowers (down 7%, or 691 people) and borrowing, with issues down 7% (5,154).

Woodville has also experienced a large drop in use, although the reasons for this are less clear. Their usage has dropped 16% (1,840) over the last twelve months and their foot traffic is also down 10% (1,819). However, at the same time, their active borrowers has increased slightly (up 5% or 98 people). Eketahuna has seen an increase with 6% (309) more items issued, 19 more active borrowers (2%). Their foot traffic is down, 15% or 3,140 people – however, this was expected after the removal of the money exchange at the end of last year.

Community spaces

The Eketahuna site has provided space for a "hole in the wall" Next ATM for community use. Eketahuna Our Town have partnered with Next, with Council providing the space.

Many groups still take advantage of their local library as their space. Knitting groups, book clubs, poetry groups and memoirs clubs are just some of those utilising their local library.

Book talks by authors about their newly launched books, adults using the space for their adult learning, and a place for those needing social connection – these are some of the ways our residents use their library.

Parks and Reserves

The camping ground numbers for Dannevirke and Eketahuna have increased from last year. Pahiatua's numbers are down due to the large number of Fonterra workers staying there last year, and Woodville is slightly down due to the camping ground being closed for two months to allow for the building of a shower and toilet.

Camping ground	2016/17	2017/18	2018/19
Dannevirke	6,250	7,041	7,489
Eketahuna	4,502	5,239	5,557
Pahiatua	3,547	6,045	4,847
Woodville	*747	1,351	1,259
Total	15,046	19,676	19,152
% increase	5%	31%	-3%

*9 months

The artificial turf on the Eketahuna tennis courts has been replaced.

A piece of play equipment called the Eagles Lair has been installed at the Dannevirke Domain.

The grandstand on the Eketahuna Domain has been painted.

A new accessible shower/toilet was built at the Woodville Camping Ground.

Public Conveniences

A total of 84 customer service requests were received, which is made up of 41 blockages, 36 maintenance issues and seven cleanliness complaints. This is an improvement from last year, which was 111.

The old toilets from Ferry Reserve have been installed at the Ballance Domain.

The drip lines from the Herbertville septic tank have had to be replaced.

Service Centres

A key achievement was being placed in the top eight (out of 78 councils) at the 2018 ALGIM (Association of Local Government Information Management) Spring Conference 'Customer Experience and Web and Digital'.

The customer service centres handled close to 27,500 calls this financial year, which averaged about 112 calls per day (approximately 10 less calls per day compared with last year). Customers waited an average of 14 seconds to have their calls answered, up one second from last year. Council met its targets for both waiting time and abandoned calls, despite reduced staff levels due to staff leaving and not being replaced until February 2019.

Council continues to contract with Palmerston North City Council to deliver the afterhours call service through their call centre. The afterhours call centre handled close to 4,000 calls (an average of 57 calls per day) with callers having an average wait of 16 seconds to have their calls answered (19 seconds last year). Of these calls 1,628 were requests for service, the balance were for obtaining information only.

A total of 7,036 (last year 7,794) customer requests were entered into our system. This is lower than previous year, which may be due to better communication from Tararua Alliance advising of work being responded to, completed and programmed.

This communication allowed Customer Services staff to advise the caller of job status, how long it was expected to take, and what they can expect once completed. An example is where routine water pipe maintenance may lead to complaints about dirty water. Customers are advised to run outside taps for 10–15 minutes to clear the dirty water.

Swimming Pools

Both the Pahiatua and Woodville pools enjoyed good seasons once the weather came right.

The Eketahuna pool did not open due to the renovation of the old pool and the demolition of the old sheds and erection of a large new shelter area.

Performance against objectives

Cemeteries

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
Percentage of residents rating cemeteries as "fairly satisfactory" or "very satisfactory" in the community survey	90%	<p>Achieved: 94% (last year: 93%).</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>41%</td> <td>33%</td> <td>37%</td> <td>41%</td> <td>43%</td> </tr> <tr> <td>7–8</td> <td>49%</td> <td>52%</td> <td>51%</td> <td>46%</td> <td>47%</td> </tr> <tr> <td>6</td> <td>3%</td> <td>9%</td> <td>6%</td> <td>8%</td> <td>4%</td> </tr> <tr> <td>5</td> <td>4%</td> <td>5%</td> <td>4%</td> <td>3%</td> <td>3%</td> </tr> <tr> <td>1–4</td> <td>3%</td> <td>1%</td> <td>2%</td> <td>1%</td> <td>3%</td> </tr> </tbody> </table>	Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	41%	33%	37%	41%	43%	7–8	49%	52%	51%	46%	47%	6	3%	9%	6%	8%	4%	5	4%	5%	4%	3%	3%	1–4	3%	1%	2%	1%	3%	✓	✓
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Percentage of cemeteries in district with plots available for next 12 months – based on historical burial data	100%	<p>Achieved: 100%</p> <p>All cemeteries in the district have more than adequate number of plots available.</p>	✓	✓																																				

Community Buildings

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Percentage of residents rating community buildings as "fairly satisfactory" or "very satisfactory" in the community survey	90%	Achieved: 96% (last year 95%)		

The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.

Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	28%	36%	44	42	38%
7–8	63%	54%	48	49	52%
6	4%	5%	4	4	6%
5	4%	5%	3	4	3%
1–4	1%	0%	1	1	1%

Satisfaction continues to remain high for community facilities. Council continues to progressively upgrade the halls and sport facilities in the district. This ensures that community facilities are being maintained to current requirements, hence ensuring service levels expectations are met.

The increase from previous year in the total number of hours per annum facilities are booked through Council	> 1%	Not achieved: -15%		 (new measure)
<p>The drop in usage is mainly because of Pahiatua Town Hall decreased bookings compared to this time last year. This is due to a regular daily user leaving town and no longer using the town hall.</p> <p>Eketahuna Community Hall usage is higher due to the Nireaha play group using the facility from July 2018 to January 2019.</p>				

Housing

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Percentage of housing units which, when inspected, are found to have maintenance issues which are more than minor	< 10%	Achieved: 3% (last year: 5%) Inspections were carried out in the third quarter with two showers requiring replacement. These were promptly replaced.		
Tenants' satisfaction with the landlord service received from Council	90%	Achieved: 90% (last year: 94%) Tenants satisfaction with after hours support was low, even if they had not used the service. We will ensure that future responses to this question are only from those who used the service.		

Libraries

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																
Library facilities are clean, welcoming, and open at times suited to the community based on an annual survey	90%	<p>Achieved: 100% (last year: 98%)</p> <p>The annual survey was completed in the third quarter. The results were:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> </tr> </thead> <tbody> <tr> <td>Completely satisfied</td> <td>255</td> <td>150</td> <td>280</td> </tr> <tr> <td>Very satisfied</td> <td>46</td> <td>78</td> <td>117</td> </tr> <tr> <td>Moderately satisfied</td> <td>5</td> <td>13</td> <td>16</td> </tr> <tr> <td>Not very satisfied</td> <td>3</td> <td>3</td> <td>2</td> </tr> <tr> <td>Not at all satisfied</td> <td>6</td> <td>2</td> <td>-</td> </tr> <tr> <td>Not applicable</td> <td>0</td> <td>0</td> <td>1</td> </tr> <tr> <td>Total respondents</td> <td>315</td> <td>246</td> <td>416</td> </tr> </tbody> </table>	Category	2016/17	2017/18	2018/19	Completely satisfied	255	150	280	Very satisfied	46	78	117	Moderately satisfied	5	13	16	Not very satisfied	3	3	2	Not at all satisfied	6	2	-	Not applicable	0	0	1	Total respondents	315	246	416		
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Percentage of residents rating libraries as "fairly satisfactory" or "very satisfactory" in the community survey	90%	<p>Achieved: 97% (last year: 96%)</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>49%</td> <td>52%</td> <td>55%</td> <td>54%</td> <td>52%</td> </tr> <tr> <td>7–8</td> <td>40%</td> <td>38%</td> <td>37%</td> <td>40%</td> <td>42%</td> </tr> <tr> <td>6</td> <td>7%</td> <td>6%</td> <td>5%</td> <td>4%</td> <td>3%</td> </tr> <tr> <td>5</td> <td>2%</td> <td>4%</td> <td>3%</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>1–4</td> <td>2%</td> <td>0%</td> <td>1%</td> <td>1%</td> <td>1%</td> </tr> </tbody> </table>	Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	49%	52%	55%	54%	52%	7–8	40%	38%	37%	40%	42%	6	7%	6%	5%	4%	3%	5	2%	4%	3%	2%	2%	1–4	2%	0%	1%	1%	1%		
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Percentage of customers satisfied with children's programmes (annual survey)	90%	<p>Achieved: 99% (last year: 100%)</p> <p>The annual survey was completed in the third quarter. The results were:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> </tr> </thead> <tbody> <tr> <td>Completely satisfied</td> <td>100</td> <td>55</td> <td>116</td> </tr> <tr> <td>Very satisfied</td> <td>27</td> <td>45</td> <td>66</td> </tr> <tr> <td>Moderately satisfied</td> <td>8</td> <td>8</td> <td>19</td> </tr> <tr> <td>Not very satisfied</td> <td>2</td> <td>2</td> <td>1</td> </tr> <tr> <td>Not at all satisfied</td> <td>2</td> <td>0</td> <td>1</td> </tr> <tr> <td>Not applicable</td> <td>171</td> <td>131</td> <td>207</td> </tr> <tr> <td>Total respondents</td> <td>310</td> <td>241</td> <td>410</td> </tr> </tbody> </table>	Category	2016/17	2017/18	2018/19	Completely satisfied	100	55	116	Very satisfied	27	45	66	Moderately satisfied	8	8	19	Not very satisfied	2	2	1	Not at all satisfied	2	0	1	Not applicable	171	131	207	Total respondents	310	241	410		
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Parks and Reserves

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
Percentage of residents rating parks and reserves as "fairly satisfactory" or "very satisfactory" in the community survey	90%	<p>Achieved: 95% (last year: 96%)</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Apr-18</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>32%</td> <td>34%</td> <td>27%</td> <td>30%</td> <td>32%</td> </tr> <tr> <td>7–8</td> <td>57%</td> <td>54%</td> <td>59%</td> <td>57%</td> <td>57%</td> </tr> <tr> <td>6</td> <td>5%</td> <td>8%</td> <td>6%</td> <td>5%</td> <td>6%</td> </tr> <tr> <td>5</td> <td>4%</td> <td>3%</td> <td>6%</td> <td>4%</td> <td>3%</td> </tr> <tr> <td>1–4</td> <td>2%</td> <td>1%</td> <td>2%</td> <td>4%</td> <td>2%</td> </tr> </tbody> </table>	Score	Apr-18	Jun-18	Sep-18	Feb-19	Apr-19	9–10	32%	34%	27%	30%	32%	7–8	57%	54%	59%	57%	57%	6	5%	8%	6%	5%	6%	5	4%	3%	6%	4%	3%	1–4	2%	1%	2%	4%	2%		
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5	4%	3%	6%	4%	3%																																			
1–4	2%	1%	2%	4%	2%																																			
Number of recorded incidences where parks and reserves are found to be below the agreed maintenance standard	< 5	<p>Achieved: 1 (last year: 2)</p> <p>One complaint was received in June due to cracks in the Dannevirke netball courts.</p>																																						
Percentage of playgrounds in the district that had no faults under the AUS/NZ playground safety standard	95%	<p>Achieved: 100% (last year: 95%)</p> <p>Council continues to progressively upgrade/repair/replace pieces of equipment that do not meet the Australia/New Zealand playground safety standards as part of our yearly capital and maintenance programme.</p> <p>The tyre swing in Woodville is an older piece of equipment that did not meet safety standards. Maintenance was undertaken to make this play equipment safe and is now compliant with Australia/New Zealand safety standards.</p>																																						

Public Conveniences

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Percentage of residents rating public conveniences as "fairly satisfactory" or "very satisfactory" in the community survey	90%	Not achieved: 87% (last year: 87%) The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.		

Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	33%	33%	39%	38%	35%
7–8	47%	44%	43%	44%	46%
6	7%	8%	5%	6%	6%
5	6%	7%	5%	5%	8%
1–4	7%	9%	8%	8%	5%

Satisfaction has remained consistent with the previous year's result at 87%, but lower than the target of 90%. However, the number of complaints received during the year for maintenance and cleanliness has improved significantly.

The number of complaints received per annum about the maintenance and cleanliness of public toilets (excluding graffiti and vandalism)	< 100	Achieved: 84 (last year: 111) Of the 84 recorded customer service requests, seven complaints related to cleanliness, 41 were for blockages, and the remaining 36 were maintenance related issues. We are also reviewing the customer service requests for any trends around times and locations of issues to help identify appropriate maintenance and upgrade programmes. As an initiative around this, we have installed a "people counter" at the Barraud Street toilets.		
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Number of service requests

2018/19		84
2017/18		111
2016/17		102
2015/16		73
2014/15		67
2013/14		47
2012/13		44

Percentage of customer requests responded to within 48 hours	85%	Achieved: 90% Ninety-four customer service requests were received, with nine not responded to within the agreed timeframe.		 (new measure)
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Service Centres

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
Percentage of customers who lodge faults/requests are satisfied with the service provided	95%	<p>Not achieved: 73% (last year: 88%)</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>39%</td> <td>47%</td> <td>27%</td> <td>39%</td> <td>48%</td> </tr> <tr> <td>7–8</td> <td>44%</td> <td>9%</td> <td>37%</td> <td>29%</td> <td>21%</td> </tr> <tr> <td>6</td> <td>5%</td> <td>14%</td> <td>7%</td> <td>5%</td> <td>4%</td> </tr> <tr> <td>5</td> <td>2%</td> <td>4%</td> <td>2%</td> <td>6%</td> <td>5%</td> </tr> <tr> <td>1–4</td> <td>10%</td> <td>25%</td> <td>27%</td> <td>21%</td> <td>22%</td> </tr> </tbody> </table>	Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	39%	47%	27%	39%	48%	7–8	44%	9%	37%	29%	21%	6	5%	14%	7%	5%	4%	5	2%	4%	2%	6%	5%	1–4	10%	25%	27%	21%	22%		
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The number of residents who answered this question was only 81. Of the 81, 22 residents were not satisfied (27%). However, there was also a significant increase in those who were extremely satisfied with the service provided.

The customer service team were ranked in the top 10 among local authorities for customer experience from an ALGIM (Association of Local Government Information Management) mystery shop exercise for customer experience.

Performance measure	Target	Achievement	2018/19 results	2017/18 results																										
Average wait time for incoming calls	20 seconds	<p>Achieved: 14.4 seconds (last year: 12.7 seconds)</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Wait Time</th> </tr> </thead> <tbody> <tr><td>July 2018</td><td>14 seconds</td></tr> <tr><td>August 2018</td><td>14 seconds</td></tr> <tr><td>September 2018</td><td>15 seconds</td></tr> <tr><td>October 2018</td><td>16 seconds</td></tr> <tr><td>November 2018</td><td>18 seconds</td></tr> <tr><td>December 2018</td><td>18 seconds</td></tr> <tr><td>January 2019</td><td>13 seconds</td></tr> <tr><td>February 2019</td><td>12 seconds</td></tr> <tr><td>March 2019</td><td>14 seconds</td></tr> <tr><td>April 2019</td><td>12 seconds</td></tr> <tr><td>May 2019</td><td>13 seconds</td></tr> <tr><td>June 2019</td><td>14 seconds</td></tr> </tbody> </table>	Month	Wait Time	July 2018	14 seconds	August 2018	14 seconds	September 2018	15 seconds	October 2018	16 seconds	November 2018	18 seconds	December 2018	18 seconds	January 2019	13 seconds	February 2019	12 seconds	March 2019	14 seconds	April 2019	12 seconds	May 2019	13 seconds	June 2019	14 seconds		
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Wait times were slightly longer in the second quarter due to staff shortage (on leave, sick leave and one resignation) however still under the target times. These improved in the third quarter.

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Percentage of abandoned calls	< 5%	Achieved: 2.4% (last year: 1.8%)		
		July 2018 3% (2,790 calls received) August 2018 2% (2,699 calls received) September 2018 2% (2,256 calls received) October 2018 3% (2,363 calls received) November 2018 3% (2,448 calls received) December 2018 3% (1,506 calls received) January 2019 2% (1,990 calls received) February 2019 2% (2,153 calls received) March 2019 2% (2,188 calls received) April 2019 2% (2,117 calls received) May 2019 2% (2,677 calls received) June 2019 3% (2,184 calls received)		

Percentage of customers who lodge faults/requests are satisfied with the afterhours service received	90%	Not achieved: 76% (last year: 95%)		
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The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.

Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	29%	33%	16%	44%	44%
7–8	59%	30%	28%	18%	24%
6	7%	10%	5%	3%	8%
5	0%	10%	5%	3%	4%
1–4	5%	17%	46%	31%	20%

The number of residents who answered this question was 25. Of the 25, six residents were not satisfied (24%) with the afterhours phone service. One hundred percent of respondents were satisfied in the April and June surveys.

Swimming Pools

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
Percentage of residents rating pools as "fairly satisfactory" or "very satisfactory" in the community survey	80%	<p>Achieved: 87% (last year: 89%)</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>29%</td> <td>27%</td> <td>37%</td> <td>39%</td> <td>36%</td> </tr> <tr> <td>7–8</td> <td>52%</td> <td>42%</td> <td>45%</td> <td>45%</td> <td>47%</td> </tr> <tr> <td>6</td> <td>8%</td> <td>9%</td> <td>5%</td> <td>4%</td> <td>4%</td> </tr> <tr> <td>5</td> <td>5%</td> <td>12%</td> <td>6%</td> <td>6%</td> <td>7%</td> </tr> <tr> <td>1–4</td> <td>6%</td> <td>10%</td> <td>7%</td> <td>6%</td> <td>6%</td> </tr> </tbody> </table>	Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	29%	27%	37%	39%	36%	7–8	52%	42%	45%	45%	47%	6	8%	9%	5%	4%	4%	5	5%	12%	6%	6%	7%	1–4	6%	10%	7%	6%	6%	✓	✓
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<p>Results are slightly lower than last year but higher than target. This result is positive considering the closure of Eketahuna pool due to upgrade and the delay in the opening of the pool in Woodville.</p>																																								
The number of weeks each year Wai Splash is open for public use	50 weeks	<p>Achieved: 51 weeks (last year: 52 weeks)</p> <p>Pool closed for 10 statutory days.</p> <p>Closed half day for upgrade of meter board.</p> <p>Closed for one hour for power cut.</p>	✓	✓																																				
The number of weeks each year outdoor pools are open for public use	> 10 weeks	<p>Not achieved: 8 weeks (last year: 13 weeks)</p> <p>Pahiatua opened 15 December and closed 24 March (14 weeks).</p> <p>Eketahuna was closed due to pool upgrade.</p> <p>Woodville opened on 8 January due to water shortage and weather, and closed 24 March (10 weeks).</p>	✗	✓																																				
Pools meet the 'PoolSafe' safety standards	100%	<p>Achieved: 100%</p> <p>All outdoor swimming pools meet the health and safety requirements with recent upgrades being undertaken to improve safety of the pools. A management plan is in place for each pool.</p>	✓	– (new measure)																																				

District Promotion and Economic Development

Activities in this group

01.

COMMERCIAL INVESTMENTS

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

02.

DISTRICT PROMOTION AND DEVELOPMENT

Proactively support a sustainable social and economic environment.

Group level funding impact statement

	2017/18 LTP Year 3 \$000s	2017/18 Plan \$000s	2017/18 Actual \$000s	2018/19 LTP Year 1 \$000s	2018/19 Actual \$000s
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	280	292	292	401	389
Targeted rates	446	464	464	601	601
Grants and subsidies for operating purposes	-	-	-	-	115
Fees and charges	108	63	53	7	49
Local authorities fuel tax, fines, infringement fees, and other receipts	52	592	340	243	341
Internal charges and overheads recovered	-	-	-	-	-
Total Operating Funding	886	1,411	1,149	1,252	1,496
Applications of Operating Funding					
Payment to staff and suppliers	693	1,115	892	747	1,459
Finance costs	4	2	3	10	3
Internal charges and overheads applied	205	209	214	291	342
Other operating funding applications	-	-	-	-	-
Total Applications of Operating Funding	902	1,326	1,109	1,048	1,804
Surplus/(Deficit) of Operating Funding	(16)	85	40	204	(308)
Sources of Capital Funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(2)	35	7	480	7
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of Capital Funding	(2)	35	7	480	7
Applications of Capital Funding					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	16	15	19	483	
- to replace existing assets	-	-	1	36	1
Increase (decrease) in reserves	(34)	104	27	165	(301)
Increase (decrease) of investments	-	-	-	-	-
Total Applications of Capital Funding	(18)	119	47	684	(301)
Surplus/(Deficit) of Capital Funding	16	(85)	(40)	(204)	308
Funding Balance	-	-	-	-	-

What we achieved

Commercial Investments

Forestry overview

Council appointed a dedicated resource being the Forestry Liaison Manager this year to improve the performance of the Forestry activity, and to oversee the complex management of roadside tree harvesting. During the year we reviewed the forestry management, resulting in a new forestry management company being appointed.

The primary focus for the year has been on harvesting roadside trees. The harvesting of these trees results in significantly improved road safety and resilience as they affect driving sight lines, the condition of the road, and present a hazard to road users from falling branches or being blown over completely, resulting in blockages to the road.

Roadside tree harvesting is a complex, challenging and often costly exercise. Many of these blocks are very small making the establishment of specialist equipment required for harvesting expensive compared to a large plantation block. Added to the costs of harvesting roadside trees is the requirement of traffic management due to the proximity of tree felling and site traffic movements to active roadways.

In many cases, the cost of harvesting the roadside trees exceeds the revenue we receive from this activity. Currently this shortfall is funded from the forestry reserve. Compounding this issue has been a significant downturn in the market for logs due to the oversupply of export logs worldwide to China, highlighting the volatility of commercial forestry. The Forestry Liaison Manager considers the log prices before commencing harvesting to ensure we maximise the returns from harvesting to offset the harvesting costs.

Significant progress has been made during the year, with multiple sites harvested during the year. Council continues to engage a range of contractors to remove these trees in the most cost effective manner for Council. Planning for upcoming harvesting is well progressed to ensure the ongoing harvest of roadside trees.

No harvesting of Council's forestry plantations was done this year, however, silviculture and maintenance of Council's forestry blocks continue to be undertaken.

IN 2018/19 WE ACHIEVED...

\$165,000 
of external funding received

 **426ha** of forestry blocks

2016/17: 377ha	2017/18: 370ha
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valued at \$3.6 million

2016/17: \$1.7m	2017/18: \$2.1m
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46 events involved in or supported 

District Promotion and Development

During the year a new Economic Development Plan has been developed. The Economic Development Plan will be redeveloped in line with each Long Term Plan every three years. In the intervening years an Economic Development Update will be produced.

This plan identified five strategic themes that the activities of District Promotion and Economic Development fall under. These are:

- Tararua District identity
- District marketing

- Support and grow business
- Community sector growth
- Education and youth

The team was also managing communications and engagement with community and key stakeholders. The highlights are as follows:

Tararua District identity

District branding

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

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

The Business Network provided direct support for 48 businesses, this year.

District signage

A project commenced early in 2019 to develop new district visitor signage in keeping with the objective to replace the 'Tararua Country' brand with a 'Tararua District' brand. A new range of visitor signage has been approved by Council that incorporates a sub-brand of 'Land of Ranges' for the district.

The intention is to install three new significant signs at the key entry points to the district: Norsewood, Mt Bruce and Woodville. The Woodville signage will be withheld pending completion of the new Manawatu-Tararua Highway. Replacement signage will also be installed at both ends of Route 52, on the Pahiatua Track and Saddle Road. The new signage includes options for towns to engage with the new branding as well.

Pahiatua town centre upgrade

During the year, community consultation around the proposed Pahiatua town centre upgrade increased significantly. An initial consultation video was produced by the communications team to provide feedback to the project consultants. The team also sought to ensure that economic development matters, such as procuring locally where possible, were communicated to the project team.

The communications team contributed significantly to the three rounds of public consultation by undertaking

advertising and promotion. The team also attended each of the consultation events held in Pahiatua.

Small town upgrades

Council has allocated a small amount of funding in the Long-Term Plan towards small town upgrades. The first town targeted for an upgrade is Norsewood. During the year we attended a number of Norsewood Promotions meetings to begin a conversation about what an upgrade might include for Norsewood. We have continued conversations with a small organising committee as this project draws closer.

30th anniversary

November 2019 marks the 30th Anniversary of Tararua District being established. The team have been involved in a project team that has developed activities to celebrate this milestone. Planned activities include a photo competition and series of 'high teas' across the district.

The district's 30th anniversary aligns with the 75th anniversary of the establishment of the Polish Childrens' Camp in Pahiatua. An invitation has been extended to the Mayor of Kazimierz in Poland, Pahiatua's Twin Town, to attend both celebrations as a guest of the district.

District marketing

Tararua i-SITE Visitor Information Centre

i-SITE is New Zealand's official visitor information network with over 80 centres nationwide. The Tararua i-SITE, located in Woodville, offers a wide range of services for visitors, travellers and locals alike. During the year the i-SITE developed a ticket selling relationship with the Pahiatua Railcar Society for their highly successful Manawatu Gorge excursions.

The i-SITE team also manage the district's visitor website – www.tararua.com. The website provides visitors with up to date information on accommodation and activities available in Tararua. It is also used to manage event information for the district. Each month an Events Guide is published from listings on the website and distributed both digitally and by post to interested recipients.

Visitor guide

Following the redesign of the district visitor guide in 2017 we continue to experience increased demand. The visitor guide is our primary source of visitor information with all accommodation and activity providers offered a free listing. Larger promotional advertisements are available in the visitor guide for a small cost.

In addition to being available through the i-SITE, district information centres and tourism operators, we continue to fund distribution at a number of i-SITES across New Zealand and other neighbouring visitor destinations. We also fund

the visitor guide to be distributed on the Interislander Ferries and at ferry terminals in Wellington and Picton.

The visitor guide continues to be the primary discussion and distribution material at events attended by the Tararua District Marketing team.

Visitor map

The district visitor map has been redesigned to accompany the visitor guide. This has been extremely popular with visitors and new residents to the district. The maps are regularly distributed at events attended by the Tararua District Marketing team.

Welcome packs

The i-SITE team are responsible for sending new residents a 'Welcome Pack' that includes a range of information about the district. A visitor guide and visitor map are included in each pack along with local information provided by some towns. During the year 316 Welcome Packs were distributed.

Events

Council continued to attend a number of events both within the district and further afield to promote Tararua to prospective visitors. Events attended during the year were:

Hilux Rural Games

This event is run in The Square in Palmerston North in February each year. Council operates a stand promoting activities on offer in Tararua to the largely regional visitors in attendance.

Central Districts Field Days

Council has attended this significant national event at Manfield in Feilding for a number of years. In 2019 Council promoted the hunting and fishing opportunities in the district to the predominantly rural visitors in attendance. There was strong interest in Tararua this year after a number of years of reducing interest.

COVI Motorhome Show

Attendance at this Auckland based three-day show supports our strategy to attract New Zealand Motor Caravan Association (NZMCA) members to visit Tararua District. Council engaged with over 800 prospective visitors at the show. We also undertook a survey of visitors to better inform our marketing to this key market in the future.

Woodville MotoX

Council continued the sponsorship of the River Race at the 2019 Woodville MotoX. Council also provided further funding to help with promotion of the event through regional and national media channels.

In addition, Council has engaged with event organisers with the objective of growing the event in coming years.

In order to achieve the desired growth Council engaged a professional event organiser to audit the event and produce a future growth strategy.

To inform the audit Council staff and a group of volunteers from Woodville supported the audit by undertaking surveys of attendees at the event. Unfortunately, due to inclement weather on the Sunday of the event survey numbers were less than hoped but sufficient data was captured across both days to inform the audit. Following the event further surveys were undertaken of participants and Woodville businesses to further add to the audit information gathered.

The audit has been made available to the event organisers and discussions are underway regarding what support might be required to achieve the desired growth of the event as it heads towards its 60th anniversary in 2021.

North Range Trio

Council provided sponsorship and event support for this event for the first time during the year. The event consists of three running races of 12.5km, 25km and 50km all finishing at Ferry Reserve. Council sponsored the 12.5km event named the 'Tararua District Hall Block Humdinger'. The event attracted 450+ entrants with an equal number of supporters in attendance.

Council staff manned a Tararua District branded marquee at the finish line to hand out water to competitors. Each entrant received a visitor guide included in their registration pack along with promotional material from Tui Brewery, who Council had introduced organisers to. Council also arranged for Woodville Radio to broadcast from the event and interview winners live.

Council has continued discussions with organisers since the event with a view to growing participant numbers and establishing a community participation event in association with the existing races.

Dannevirke A & P Show

Council attended the Dannevirke A & P Show again in 2019 with a focus on Civil Defence. Council co-ordinated an area of the show that showcased emergency services alongside Councils Civil Defence activities.

Wheels with Attitude

Council continues to support this event with marketing activities. We also ensure a display of visitor guides are made available at the event for visitors.

Tararua District Sports Awards

Council took a much more active role in the delivery of the Tararua Sports Awards in Eketahuna during the year. In prior years the event has largely been organised by Sport Manawatu however this year a combined team

delivered an outstanding evening with an increase in sponsorship achieved.

New Zealand Motor Caravan Association (NZMCA)

Council continues to develop its relationship with members of the New Zealand Motor Caravan Association. Tararua District continues to have three of the 50 or so Motorhome Friendly Towns in New Zealand in Dannevirke, Woodville and Pahiatua. This has been a key feature of Tararua District's popularity amongst this key visitor market.

During the year Council secured the opportunity to be the destination for one of six one-hour documentaries called RV Explorers that showcased different regions across New Zealand. Council supported the documentary team by designing an itinerary for the four days of filming. Council also introduced the documentary team to local attractions, activities and identities that were ultimately included in this documentary.

The Tararua District documentary was launched with a viewing hosted by Tui Brewery and was subsequently screened on Choice TV and Choice TV On Demand. Anecdotal evidence indicates NZMCA members have travelled the same route taken by the documentary team over the following months.

The relationship with NZMCA also saw an image of Waihi Falls feature in their members calendar for 2019.

Tourism Infrastructure Fund

Council was successful in securing \$102,000 from Central Government's Tourism Infrastructure Fund during the year. This co-funding will be used to install a toilet and shower block adjacent to the Mangatainoka Reserve. The reserve has seen a significant increase in visitors following Council's marketing activities and the maintenance and promotion undertaken by Tui Brewery.

In addition, the funding also allows for the installation of solar compacting rubbish bins at four locations across the district – Mangatainoka Reserve, Waihi Falls, Akitio Beach and Herbertville. Solar compacting rubbish bins reduce operating costs for operators by up to 60%.

Tourism Networking Group

During the year Council established a networking group for tourism operators in the district. The objective is to share information, deliver training and improve collaboration between operators. Three quarterly meetings were held during the year hosted by Tui Brewery, Pukaha and NZ Natural Clothing.

Support and grow business

Council undertakes a number of initiatives to support the establishment and growth of businesses in Tararua District.

Some initiatives are undertaken directly by Council staff while others are in collaboration with other parties.

Tararua Business Network

Council operates the Tararua Business Network to support business owners in Tararua District. The priority is supporting small to medium enterprises to either establish or grow. The Tararua Business Network operates from a dedicated facility in Dannevirke while utilising other Council owned premises, such as the Pahiatua Service Centre, as required. The facility accommodates the Economic Development and Communications teams of Council.

Start-up support

The Tararua Business Network team provides support and advice to prospective business owners. Entrepreneurs can meet with a team member to confidentially discuss their ideas and aspirations at no cost. The team can provide information about starting a business and referrals to other resources or parties as appropriate. Thirty-one entrepreneurs were assisted during the year.

Business training

The Tararua Business Network team deliver training and workshops to current or prospective business owners across the district. During the year the team delivered 11 workshops including social media training and financial management along with topics delivered by Spark and Inland Revenue.

Collaboration

The Economic Development team has sought to increase collaboration with other parties for mutual benefit during the year. Collaborations include:

Regional Business Partner Network

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

The Central Economic Development Agency (CEDA) in Palmerston North is the Regional Business Partner organisation for the Manawatu-Whanganui region. Areas of support offered include:

- Business Growth Advisors – these advisors meet with businesses that register with them to discuss options for the business.
- Capability Vouchers – subject to approval, capability vouchers can be issued to part fund recommended training or assistance recommended by Business Growth Advisors.
- Callaghan Innovation – support for innovative ideas, and research and development, including a range of potential funding support opportunities.

- Business Mentors – linking business owners with experienced businesspeople for mentoring and advice.

The Economic Development team supports local business owners through referrals to CEDA for these services. The team also attend regular Economic Development Regional Collaboration meetings organised by CEDA. These are opportunities to share ideas with peers across the Manawatu-Whanganui region. These meetings led to the Tararua and Rangitikei Economic Development teams sharing ideas on projects for small rural districts.

Central Hawke's Bay Economic Development

The Economic Development team developed a relationship with their peers at Central Hawke's Bay District Council. This relationship has included each collaborating on their respective Economic Development Plans and Tourism Strategies. Both teams have undertaken to continue to collaborate for mutual benefit.

Chambers of Commerce

The Economic Development team maintains a strong relationship with the Chambers of Commerce in both Dannevirke and Pahiatua. This is primarily maintained by the Economic Development Manager being a member of both committees.

Tararua Business Awards

Council commissioned a feasibility study to explore the opportunity to expand the current Southern Tararua Business Awards to become a district-wide Awards. The study has recommended biannual awards and will next be discussed with business groups in the district, including the Chambers of Commerce in Dannevirke and Pahiatua.

Provincial Growth Fund

The announcement of the Provincial Growth Fund by the current government has provided a significant opportunity for Tararua District to undertake projects that might otherwise be beyond the financial ability of Council.

Council has been successful in gaining approval for two projects to date and has other applications currently being considered. The successful applications are:

Land use diversification

This project will investigate the opportunities to grow and develop markets for four horticulture crops in Tararua District. A key consideration for each of the crops being researched is how they might support farmers to meet the requirements of the Horizons One Plan in order to gain resource consents. The crops being researched are:

Feijoas – this crop was identified as an opportunity for Tararua District during the earlier Go! Project and a small number of commercial growers currently exist. Key objectives for feijoas are to identify markets and product development that would support scalability for growers and the best grower model to support growth – i.e. co-operatives.

Hazelnuts – this crop was identified as part of the Go! Project also and, once again, a small number of growers planted trees. The key objective for hazelnuts is the identification of markets.

Cider apple trees – this is a new crop being researched for Tararua District. The district is on the Classic New Zealand Wine Trail and yet has limited offerings at present. With the popularity of cider increasing and a perceived shortage of heirloom varieties this may be an opportunity to develop a new industry for the district.

Berries – once again, this is a new crop being researched for Tararua District. Anecdotally a range of berries grow in Tararua and this research hopes to identify those that both grow well and have readily identifiable markets.

Tourism and Trails Strategy

Council provided a small amount of funding towards the development of a cycle and walkway strategy in the latest Long Term Plan. In late 2018, Council was successful in leveraging this by securing funding from the Provincial Growth Fund to undertake a project to develop a tourism strategy that incorporates the cycle and walkway strategy. This project was undertaken during the first half of 2019.

The outcomes sought from the project are two-fold. The first is to identify new tourism activities, attractions, and markets that can be targeted for Tararua District. We anticipate further research and/or business case development will be required once the opportunities are identified and expect to apply for further funding from the Provincial Growth Fund for this.

The second outcome sought is a comprehensive cycle and walkway strategy for Tararua District that identifies existing usable trails, old trails that could be re-opened and new trail development opportunities. Once in place, the strategy will allow those interested in developing trails to work to a unified plan. There may also be opportunities to seek further funding from the Provincial Growth Fund for trail development.

Labour market strategy

Towards the end of the year the Economic Development team were invited to join an Accelerate 25 Skills and Talent sub-committee. Accelerate 25 is the Manawatu-Whanganui Regional Growth Strategy co-ordinated by Horizons Regional Council. The Skills and Talent

programme aims to identify the supply and demand of labour for each district in the region. While at a very early stage, a Tararua Governance Group for the project has been established, which includes representatives from:

- Tararua District Council
- Rangitane
- Ngati Kahungunu
- Tararua REAP
- Ministry of Social Development

Additional members will be added to represent business and education in due course. The wider regional group is exploring funding opportunities to get the project fully underway.

Application support

In addition to our own successful applications to the Provincial Growth Fund, Council has provided letters of support to:

Connect Tararua – for an application for a feasibility study into digital coverage across the district. This project has received significant local and regional support.

CEDA – for an application to undertake a study into Te Apiti Manawatu Gorge tourism opportunities.

Manawatu Environmental Network (Source to Sea) – for an application to explore social enterprise opportunities in the area of biodiversity along the Manawatu River.

Community sector growth

Community event marketing support

The marketing team provides a range of support services to community organisations delivering events in the district. These include event listings on the Tararua.com website, design support and printing for marketing material and small amounts of funding where appropriate. During the year, 31 community organisations were provided event marketing support.

Community foundation

A new project to launch a community foundation was established during the year. Community foundations are a form of philanthropy that seeks to raise endowed charitable funds that in turn provide revenue streams to community organisations and causes.

Council engaged with Community Foundations NZ (CFNZ), the national body, at the commencement of the project to seek their support. CFNZ advised that a group in Palmerston North was establishing a Horizons Region Community Foundation called the Te Awa Community Foundation (Te Awa) and expressed their preference for Tararua District to join this group.

Following discussion with Te Awa a Memorandum of Understanding was signed by Council and the Te Awa Trustees to explore opportunities for Tararua District to join their foundation. The Te Awa Community Foundation was officially launched by Sir Stephen Tindall on 4 April 2019 in Palmerston North. A number of representatives of Tararua District attended the launch with the intention of becoming an informal reference group for the project.

As yet, no final decision has been made to join with Te Awa as they have a number of milestones to reach in order for this to happen. Council continues to monitor progress with Te Awa.

Community Unity Project

Council provided support and a small amount of funding to undertake a feasibility study into the Community Unity Project. This project sought to explore an opportunity to develop an addiction treatment facility in conjunction with an established organisation currently operating in Auckland and Nelson. The result of the study was that this option was unlikely to be successful in Tararua District at this time.

Education and Youth

Young Enterprise Scheme (YES)

The YES programme is operated by the Young Enterprise Trust in Wellington and co-ordinated regionally by The Factory in Palmerston North. Discussions have taken place during the year to develop the YES programme at Tararua College beginning in 2020.

Communications

The Communications team is responsible for a range of activities that keep our communities informed on Council activities and projects.

Consultations, notifications, and promotions

Engaging with the public to either notify or seek feedback is an important role undertaken by the Communications team. The team led on a number of public consultations in Tararua District during the year. These included:

- Class 4 Gambling and Racing Board Venue Policy consultation
- Carnegie Building public consultation
- Pongaroa Water Treatment Plant public consultation
- Tararua Water Restrictions, including water conservation messaging and regular update graphics in the Bush Telegraph newspaper
- Easter Trading pre-consultation
- Tararua District Council Solid Waste fee increase notifications
- New Zealand Shake Out national earthquake drill

- Horizons Regional Council – Spruce Up Your Swim Spot campaign
- Tararua District Council Annual Plan public engagement
- LGNZ national campaign: Vote 2019

Publications

Another key function of the Communications team is the production of official Council documents. Documents produced by the team during the year were:

- Annual Report 2017/18 – adopted on 31 October 2018.
- Annual Plan 2018/19 – adopted on 27 June 2018.
- Fees and Charges 2018/19 – adopted on 27 June 2018.

Bush Telegraph newspaper

The Communications team is responsible for the production of the Council's page in the weekly Bush Telegraph newspaper. The objective of the page is to keep our communities informed about Council activities and projects on an ongoing basis.

Council website

The Communications team is responsible for the management of the Council's website at www.tararua.govt.nz. During the year Council undertook a full review and refresh of the Council's website. Content management is an ongoing function for the team.

Social media

The Communications team is responsible for oversight and content production of Council social media channels. At present, Council uses Facebook as its sole social media channel.

Performance against objectives

Commercial Investments

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Net operating surplus each year	> 5%	Not achieved: -87% (last year: 13%) The current focus is on harvesting roadside trees. The first roadside tree harvest resulted in a significant loss.		

District Promotion and Development

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Number of workshops and/or seminars delivered	Minimum 10 per annum	Achieved: 11 Eleven workshops were delivered during the year.		 (new measure)
Number of research reports and/or feasibility studies delivered	Minimum 2 per annum	Achieved: 2 Two reports were delivered in June – a community unity report and a feasibility report for the Tararua Business Awards. Two Provincial Growth Fund applications have also been approved by MBIE. The Tourism and Trails Strategies and the Land Use Project are expected to be completed by October 2019.		 (new measure)
Number of major events that Tararua is directly involved in	Minimum 5 events	Achieved: 7 events attended (last year: 6) Tararua was involved in seven events during the year. These were Woodville MotoX, Hilux Rural Games, Covi Motorhome Show, CD Field Days, Dannevirke A & P Show, Wheels with Attitude, and North Range Trio.		
Number of community events that are actively supported by Council	Minimum 10 per annum	Achieved: 31 (last year: 31) Community events receive a variety of support, including design assistance and merchandise for prizes.		

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Percentage of i-SITE customers surveyed are satisfied with the services received	85%	Achieved: 100% (last year: 100%) Twenty-three surveys were completed with 100% satisfaction.	✓	✓

Percentage of survey respondents that consider the Bush Telegraph Council page and website content useful or very useful (Public Voice Survey of over 600 residents)	65%	Achieved: 85% (last year: 86%) The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.	✓	✓
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Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	25%	30%	31%	36%	30%
7–8	51%	41%	45%	42%	47%
6	10%	5%	6%	6%	8%
5	9%	12%	11%	9%	8%
1–4	5%	12%	8%	7%	7%

341 survey respondents relied on the following sources for Council information:

Score	2018	2019
Newspaper	57%	50%
Council's website	13%	18%
Others	7%	14%
Facebook	12%	9%
Council publications	5%	3%
Radio	3%	2%
Don't know	3%	4%
Twitter	-	-

Results continue to show that the Council page in the Bush Telegraph is highly popular with the residents.

However, the survey shows Council's website and other sources are increasingly being relied upon.

Regulatory Services

Activities in this group

01.

ANIMAL CONTROL

To prevent nuisance and threats to community safety from dogs and wandering stock.

02.

DISTRICT PLANNING

To provide for the continued sustainable management of the Tararua District's land resources and a strong prosperous economy.

03.

EMERGENCY MANAGEMENT

To build resilient communities, ready and able to provide a reliable and timely response to emergencies.

04.

HEALTH AND SAFETY

To provide a safe and healthy community environment, by reducing nuisance and health and safety risk, through education.

Group level funding impact statement

	2017/18 LTP Year 3 \$000s	2017/18 Plan \$000s	2017/18 Actual \$000s	2018/19 LTP Year 1 \$000s	2018/19 Actual \$000s
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	996	1,156	1,156	1,341	1,341
Targeted rates	228	14	14	-	-
Grants and subsidies for operating purposes	9	2	-	-	-
Fees and charges	798	1,025	777	882	833
Local authorities fuel tax, fines, infringement fees, and other receipts	32	28	23	15	59
Internal charges and overheads recovered	-	-	-	-	-
Total Operating Funding	2,063	2,225	1,970	2,238	2,234
Applications of Operating Funding					
Payment to staff and suppliers	1,539	1,699	1,676	1,732	1,667
Finance costs	13	8	16	18	18
Internal charges and overheads applied	396	449	421	456	526
Other operating funding applications	-	-	-	-	-
Total Applications of Operating Funding	1,948	2,156	2,113	2,206	2,211
Surplus/(Deficit) of Operating Funding	115	69	(143)	32	24
Sources of Capital Funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(16)	(12)	43	126	43
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of Capital Funding	(16)	(12)	43	126	43
Applications of Capital Funding					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	66	150	7
- to replace existing assets	3	3	15	5	11
Increase (decrease) in reserves	96	54	(181)	4	49
Increase (decrease) of investments	-	-	-	-	-
Total Applications of Capital Funding	99	57	(100)	159	67
Surplus/(Deficit) of Capital Funding	(115)	(69)	143	(32)	(24)
Funding Balance	-	-	-	-	-

What we achieved

Animal Control

With the loss of a third animal control officer and difficulty recruiting a replacement it has been challenging to maintain service levels to the community. However, there has been a 1.5% decrease in reports of attacking and rushing dogs.

A total of 260 dogs were impounded this year, a decrease of 78 dogs compared to last year. Of the 260 dogs impounded during the year, 169 were returned to their owners, 45 rehomed, and 45 were euthanised.

As at 30 June 2019 there were 3,194 owners with 6,923 dogs. 5,305 dogs were classified as working or rural domestic. 497 dogs were classified as 'preferred owner', which is an increase of 45 dogs over the year. Preferred dog status is not compulsory, and can be applied for by any residents with dogs that meet specific conditions. These conditions include:

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

1,013 dog related complaints were lodged with the Council, the majority being for barking and roaming dogs and roaming stock. This is a decrease of 117 complaints from the previous year (1,130).

There were 67 reported complaints about people or animals being attacked or rushed by dogs during the year. This is a decrease of 1 complaint from the previous year (68). On these occasions, owners are either given a warning letter, infringement notice or are prosecuted. Dogs are either surrendered, classified as menacing or dangerous, or euthanised by court order. The Council prosecuted two owners for dog attacks.

By 30 June 2019, a total of 124 dogs had been classified as menacing under Sections 33A and 33C of the Dog Control Act. This is an increase of two dogs from the previous year (122). All of these dogs were classified because of observed or reported behaviour of the dog or by breed.

IN 2018/19 WE ACHIEVED...

64% resident satisfaction with animal control  

2016/17: 63%

2017/18: 78%

 **3,194** known dog owners

2016/17: 3,074

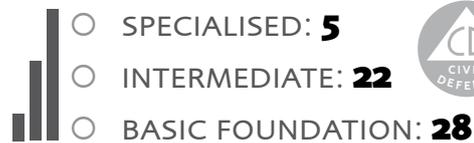
2017/18: 3,148

with **6,923** registered dogs 

2016/17: 6,768

2017/18: 6,838

Staff trained in Civil Defence:



2 were deployed to an actual event

4,815 building consents processed  

2016/17: 4,326

2017/18: 4,824

over an average of **14 days**

2016/17: 10 days

2017/18: 14 days

District Planning

Plan Change No.1

During the year, Council entered into mediation with the Manawatu-Wanganui Regional Council to try to resolve their appeal on Proposed Plan Change No. 1 (PPC1) to the Tararua District Plan. The discussions were constructive and an agreement was reached without the need for a hearing before the Environment Court. The Court issued a consent order to formally accept the agreement on 28 August 2018. Plan Change 1 was delayed by work consenting the new Manawatu-Tararua highway. However, Plan Change 1 is expected to be made operative in August 2019.

Significant consent applications

In November 2018, the New Zealand Transport Agency (NZTA) notified the Palmerston North City Council, Manawatu District Council and Tararua District Council of a requirement to designate land to accommodate a new state highway connection between Ashhurst and Woodville, to replace the closed state highway route through the Manawatu Gorge. Hearings were held in March and April by a panel of independent commissioners, to hear submissions and report and make recommendations on the requirement. In June, the NZ Transport Agency decided to confirm the requirement subject to conditions. Appeals against the decision have been received from three parties.

In March, Mercury Energy announced it had committed to the construction of the first 33 of 60 consented wind turbines at Turitea. The majority of the turbines and the transmission line are located in the Palmerston North City Council area. A small number of turbines are located in the Tararua District. Consent conditions require a number of management plans to be designed and certified by the councils, to manage construction and operational effects. Construction is planned to start around August 2019.

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

Consents processed

The number of resource consents processed during the year was 71, compared to 51 the previous year. Two applications exceeded the statutory timeframes. Two of those applications were for variations to wind farm resource consents, involving coordination between a number of councils, the consultant planner and an independent commissioner. Both of those consents were processed within an additional five working days.

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

	2017/18	2018/19
Resource consent processing timeframes		
Average of days taken - non-notified	16.8	17.2
Resource consent processing by notification		
Public notified	0	0
Limited notified	0	0
Non-notified	51	70
Total	51	70
Number processed within statutory limits*	50	68
Number in excess of statutory limits	1	2
Percentage processed within statutory limits	98%	97%
Resource consent decisions		
Number declined	0	0
Number approved	51	70
Percentage approved	100%	100%

* Statutory limits are:

20 working days for non-notified consents without a hearing.
100 working days for limited notified consents with a hearing.
130 working days for public notified consents with a hearing.

Emergency Management

There were several changes to emergency management during the year. At the national level the results of the report on better responses to natural disasters and other emergencies begin to roll out. We also saw changes at the local level with the retirement and the appointment of a new District Resilience Manager.

Community engagement

We are well placed with active community civil defence groups in Norsewood, Woodville, Pahiatua, Eketahuna, Makuri, Akitio, Herbertville, and Pongaroa. As well as civil defence centre groups for Totara College and Dannevirke South School, and many of our rural schools.

Highlights for the year included training in civil defence skills and first aid for the Kumeroa-Hopelands, Makuri, Akitio, and Dannevirke South School communities. As well as continuing our school civil defence radio programme and our promotion of Shakeout 2018 to schools and businesses.

Council was involved in a number of community initiatives including the well-attended Dannevirke Community

Connect street barbecues, popular "safety precinct" of exhibitors at the Dannevirke A & P Show, and the Dannevirke Whanau Ora Day.

Emergency Management Committee and Local Welfare Committee

The Tararua Emergency Management Committee continues to meet quarterly and is well represented by emergency service, utility, and community organisations. The committee forms a strong platform for sharing information and building relationships and this year has developed to begin a work programme with goals to establish a Tararua Lifeline Utilities Committee and deliver a multi-agency exercise next summer.

The Tararua Local Welfare Committee, established in 2018, has continued to develop with regular meetings well attended by local organisations responsible for the delivery of humanitarian services in an emergency.

Training and development

The delivery of community training was somewhat hamstrung this year by changes to the central government funding model and a gap in funding of around six months. The new funding model is now in place and there are changes that will reduce the number of courses that can be delivered. This will impact on our ability to renew first aid courses but will not impact our community resilience goals.

This year saw a significant uplift in delivery of training for Council and partner agency staff. Ninety two percent of Council staff have now completed the Integrated Training Framework Foundation Course (an introduction to civil defence emergency management). This year twenty two staff attended the ITF Intermediate course (for those who may work in the Emergency Operations Centre), and another five staff attended specialist function courses. Two staff were deployed to assist in the management of the Tasman fire.

The civil defence Ministry recently rolled out a professional development programme for local controllers and local recovery managers. Council has three local controllers and two recovery managers and all may be required to enrol in all or part of this programme to meet statutory requirements.

There were two main staff practices for the year covering the physical setting up of the emergency operations centre and a tsunami based scenario. Staff also attended a regional welfare exercise at Ohakea Air Base.

Regional network

Council remains actively involved in the regional civil defence emergency management network. We are members of the Manawatu Whanganui region committees for:

- Joint Standing Committee (Mayor)
- Coordinating Executive Committee (CEO)
- Emergency Management Officers
- Rural Support Group
- Lifelines Coordination Group
- Welfare Coordination Group

Involvement in regional planning has included the Hikurangi Response Framework, an inter-regional plan for responding to a large earthquake on the Hikurangi Subduction Zone. We also contributed to plans for lifeline utilities access to fuel, initial lifeline utility responses to a significant earthquake, and plans for mass evacuations.

Digital radio network

The rollout of a digital radio network for Council has been slower than planned however we have a clear direction on the needs the network will need to meet as well as how we might share with other agencies. Options around radio as a service rather than outright ownership are also being considered in light of recommendations made to the emergency management industry by central government.

Emergency operations centre (EOC)

There have not been any emergency responses during the year. The EOC has had enhancements to technology and processes for initial setup and activation. A review of the EOC by the civil defence Ministry highlighted the Council's commitment to emergency response and suggested improvements including establishing a permanently setup EOC, locating the EOC in an IL4 (importance level 4) building, preparing an alternative site for the EOC if the Denmark Street building is unavailable, and further training and development. Training and development needs have subsequently been addressed.

Health and Safety

Building

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

The number of building consents processed to a decision during the year was 353. An increase of seven compared to last year (346). However, the number of applications received for processing was 393, compared to 400 the previous year.

The average processing timeframe for the building consents was 13.64 days. 54 building consents took longer than the

20 days statutory deadline. Of those consents 90% were processed within five additional working days.

Timeframes have been exceeded as a result of administrative capacity challenges. An additional administrator started in August 2018, which saw timeframes recover significantly in September.

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

	2017/18	2018/19
Building consent processing timeframes		
Total days*	4,824	4,815
Public notified	13.6	13.6
Building consent breakdown		
10 days or less	103	122
11–15 days	119	87
16–17 days	40	40
18–19 days	41	27
20 days	14	23
> 20 days	37	54
Total	354	353
Number processed within 20 day limit	317	299
Number in excess of 20 day limit	37	54
Percentage processed within 20 day limit	90%	84.7%
Building consent values		
Total Value	\$16,802,280	\$15,160,392
Average Value	\$47,464	\$42,947

* Excludes amendments to building consents.

Environmental Health

The Food Act 2014 focusrees on the processes of food production, not the premises where the food is made. The Act has two safety measures to ensure food is safe and suitable to eat – plans and programmes. Food Control Plans (FCP) are written plans for managing food safety on a day-to-day basis, and are used by higher risk businesses. National Programmes (NP) do not require written plans, but require compliance with food safety standards and some record keeping, and are used by medium and low-risk businesses.

All existing food businesses (operating under the Food Hygiene Regulations 1974 or Food Act 1981) were required to complete their transition to a registered FCP or NP by 28 February 2019. Council staff worked with food businesses to achieve 100% registration by the due date. There are 103 FCPs and five NPs registered with Council.

Plans and programmes must be verified (audited) as required by the Food Regulations. Verification timeframes have been exceeded as a result of technical capacity challenges and the large number of businesses that transitioned at the same time. A contract with Palmerston North City Council is expected to significantly improve verification timeframes.

Alcohol Licensing

The District Licensing Committee (DLC), is made up of a chair and two members. The chairperson alone decides on uncontested applications for new or renewed licences, managers' certificates, temporary authorities, and special licences. The DLC chairperson and members convene meetings, as required, to decide on contested applications and applications that require hearings.

During the 2018/19 year, the District Licensing Committee received 148 applications compared to 145 the previous year. These applications comprised 23 on/off/club licences (new and renewals), 52 special licences, 58 manager certificates (new and renewal), and 15 temporary authorities. A higher than usual number of licenced premises have been sold to new owners, which has driven an increase in temporary authorities and new on/off/club licences.

One hundred and twenty-nine applications were determined during the year. No hearings were held, as no applications were opposed or received objections.

General Compliance

General compliance investigates and responds to complaints about excessive noise, rubbish dumping, and overhanging vegetation.

Notable achievements include:

- 132 complaints received in regards to illicit dumping around the district. This is a decrease of 54 complaints compared to last year (186).
- 98.5% of illicit dumping complaints were responded to within 48 hours.
- 83 complaints received in regards to abandoned vehicles around the district. This is an increase of 8 complaints compared to last year (75).
- 98.8% of abandoned vehicle complaints were responded to within 48 hours.
- 32 complaints received in regards to overhanging vegetation around the district. This is an increase of 5 complaints compared to last year (27).
- 100% of overhanging vegetation complaints were responded to within 48 hours.

Performance against objectives

Animal Control

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
Percentage of residents rate dog control as "fairly satisfactory" or "very satisfactory" in community survey	80%	<p>Not achieved: 64% (last year: 78%)</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>32%</td> <td>24%</td> <td>27%</td> <td>37%</td> <td>30%</td> </tr> <tr> <td>7–8</td> <td>38%</td> <td>29%</td> <td>37%</td> <td>31%</td> <td>30%</td> </tr> <tr> <td>6</td> <td>8%</td> <td>10%</td> <td>7%</td> <td>5%</td> <td>4%</td> </tr> <tr> <td>5</td> <td>4%</td> <td>9%</td> <td>4%</td> <td>6%</td> <td>7%</td> </tr> <tr> <td>1–4</td> <td>18%</td> <td>29%</td> <td>25%</td> <td>22%</td> <td>29%</td> </tr> </tbody> </table>	Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	32%	24%	27%	37%	30%	7–8	38%	29%	37%	31%	30%	6	8%	10%	7%	5%	4%	5	4%	9%	4%	6%	7%	1–4	18%	29%	25%	22%	29%		
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5	4%	9%	4%	6%	7%																																			
1–4	18%	29%	25%	22%	29%																																			
<p>Satisfaction with animal control has worsened from 2017/18 (78%). A staff resignation resulted in the Animal Control team being reduced to two staff for a long period of the year. This vacancy was filled with a cadet.</p>																																								
Percentage of calls that involve dog attacks responded to during working hours to within 2 hours	100%	Achieved: 100%		 (new measure)																																				
Educational publications are available to the community	Minimum of 6 articles per year	<p>Achieved: 12 (last year: 12)</p> <p>Twelve articles were published this year. Articles are programmed to be published once a month in the Bush Telegraph.</p>																																						

District Planning

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
Percentage of applicants satisfied with the service, based on the customer satisfaction survey	85%	<p>Not achieved: 69%</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>-</td> <td>-</td> <td>9%</td> <td>31%</td> <td>22%</td> </tr> <tr> <td>7–8</td> <td>-</td> <td>50%</td> <td>55%</td> <td>46%</td> <td>42%</td> </tr> <tr> <td>6</td> <td>-</td> <td>-</td> <td>9%</td> <td>4%</td> <td>6%</td> </tr> <tr> <td>5</td> <td>-</td> <td>25%</td> <td>9%</td> <td>8%</td> <td>11%</td> </tr> <tr> <td>1–4</td> <td>-</td> <td>25%</td> <td>18%</td> <td>12%</td> <td>19%</td> </tr> </tbody> </table> <p>The number of residents who responded to this question was 36. Of the 36, 11 were not satisfied with the service received from Council in regards to managing and issuing resource consents. The addition of a second planner in July 2019 is likely to improve timeliness in responding to, and issuing of resource consents.</p>	Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	-	-	9%	31%	22%	7–8	-	50%	55%	46%	42%	6	-	-	9%	4%	6%	5	-	25%	9%	8%	11%	1–4	-	25%	18%	12%	19%		 (new measure)
Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19																																			
9–10	-	-	9%	31%	22%																																			
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5	-	25%	9%	8%	11%																																			
1–4	-	25%	18%	12%	19%																																			
Percentage of customers that receive a decision on their application within the statutory timeframe	100%	<p>Not achieved: 96% (last year: 98%)</p> <p>Seventy resource consent applications were received during the year. Three exceeded the statutory timeframes with two of these being due to a very large and complex consent involving other councils and a consultant planner.</p>																																						
Non-compliances are resolved within three months of customer complaint	95%	<p>Not achieved: 43% (last year: 89%)</p> <p>Fourteen complaints have been received to date. Eight were resolved outside of the timeframe. The limited capacity of the Council's planner is a constraint on improving resolution timeframes. Contracting is being used to improve capacity. Resolution rates are expected to significantly improve when Council's second planner returns from leave.</p>																																						

Emergency Management

Performance measure	Target	Achievement	2018/19 results	2017/18 results
The number of local training exercises performed annually to ensure community civil defence readiness	1 or more	Achieved: 2 Two training exercises were undertaken in April 2019.		 (new measure)
Percentage of Council staff who have completed the Civil Defence and Emergency Management Foundation Course	80%	Achieved: 93% 93% of staff have a minimum training of the Emergency Management Foundations Course.		 (new measure)
Conduct a full civil defence Emergency Operations Centre exercise and participate in Group and National exercises	2 exercises per year	Achieved: 3 Due to staff changes, the current focus is ensuring capability through appropriate training. This year we achieved three exercises: a national tsunami exercise, a Manawatu group weather exercise, and a full emergency operations centre setup exercise.		 (new measure)

Health and Safety

Performance measure	Target	Achievement	2018/19 results	2017/18 results
All swimming pool and/or spa fencing inspected once every three years	100%	Achieved: 100% (last year: 100%) During the year, 21 pools were inspected. However, no pools were due for inspection this year. The amendments to the Building Act means all pools are due for inspection in the 2019/20 year.		
Percentage of registered premises inspected for compliance within statutory timeframes	95%	Not achieved: 45% (last year: 95%) There are 131 registered premises in the district comprising 23 premises under the Health Act, and 108 food businesses under the Food Act. Due to two staff resignations during the year, only 59 verifications were performed. However, a new service contract with Palmerston North City Council will ensure sufficient capability and capacity to significantly improve performance next year.		
Consents issued within statutory timeframes	100%	Not achieved: 85% (last year: 85%) Staff constraints resulted in a number of consents not processed within the statutory timeframe. During this period, the team prioritised delivering quality consents ahead of the 20 day timeframe. This resulted in a significant improvement from 53 consents missing the timeframe in the six months to December, and only two consents exceeding timeframes for the remainder of the year.		
Percentage of licensed premises inspected annually for compliance	95%	Achieved: 98% (last year: 92%). All 67 businesses were inspected for compliance.		
Percentage of noise complaints responded to within two hours of a complaint	90%	Achieved: 90% A total of 273 customer service requests were received (343 last year) and 27 fell outside the target response time.		 (new measure)
Percentage of complaints responded to within 48 hours	90%	Achieved: 98% (last year: 100%) A total of 247 customer requests were received and four fell outside the target response time. Two requests were for an abandoned vehicle, one for illicit dumping, and one for vegetation.		

Roading and Footpaths

Activities in this group

01.

FOOTPATHS

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

02.

ROADING

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

Group level funding impact statement

	2017/18 LTP Year 3 \$000s	2017/18 Plan \$000s	2017/18 Actual \$000s	2018/19 LTP Year 1 \$000s	2018/19 Actual \$000s
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	99	121	121	35	35
Targeted rates	6,640	6,640	6,640	6,155	6,130
Grants and subsidies for operating purposes	4,117	3,620	5,191	4,126	6,473
Fees and charges	166	160	172	165	174
Local authorities fuel tax, fines, infringement fees, and other receipts	352	449	334	419	312
Internal charges and overheads recovered	-	-	-	-	-
Total Operating Funding	11,374	10,990	12,458	10,900	13,125
Applications of Operating Funding					
Payment to staff and suppliers	6,846	6,072	7,303	6,564	7,187
Finance costs	136	119	114	129	146
Internal charges and overheads applied	1,324	1,359	1,698	1,440	2,091
Other operating funding applications	-	-	-	-	-
Total Applications of Operating Funding	8,306	7,550	9,115	8,133	9,424
Surplus/(Deficit) of Operating Funding	3,068	3,440	3,343	2,767	3,701
Sources of Capital Funding					
Subsidies and grants for capital expenditure	3,952	4,621	7,895	5,267	9,174
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	103	79	569	1,240	569
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of Capital Funding	4,055	4,700	8,464	6,507	9,743
Applications of Capital Funding					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	706	696	2,557	2,505	3,780
- to replace existing assets	5,558	6,536	9,711	6,932	11,375
Increase (decrease) in reserves	859	907	(461)	(162)	(1,711)
Increase (decrease) of investments	-	-	-	-	-
Total Applications of Capital Funding	7,123	8,139	11,807	9,275	13,444
Surplus/(Deficit) of Capital Funding	(3,068)	(3,440)	(3,343)	(2,767)	(3,701)
Funding Balance	-	-	-	-	-

What we achieved

Tararua Alliance

Now, nearly five years on, the Tararua Alliance (partnership between Tararua District Council and Downer NZ Ltd) continues to collaboratively manage the district's transportation activity and the three waters (water, wastewater, and stormwater) reticulation infrastructure to deliver better outcomes to Tararua ratepayers and key stakeholders.

Council's confidence in the Tararua Alliance is reflected by the 10 year extension they approved to the current five year term of the Alliance agreement. "We can't fix today's problem with the approach that first created them" - The collaborative Alliance model was set up where partnership with focus on people, trust, and behaviours was the basis to drive better asset management and "best for network" decisions. The model also ensured that profit margin and overhead allocation was mutually agreed thereby ensuring the focus moves away from making a profit to making the right decisions.

Stakeholder relationship

NZ Transport Agency are a major stakeholder providing a subsidy of 66 cents for every \$1 spent on our roading infrastructure.

In the recent Investment Performance audit performed independently by NZ Transport Agency, the auditor commented in the final report as follows:

"Tararua District Council's land transport programme is delivered through the Tararua Alliance, an arrangement with Downer NZ where Council staff are co-located with Downer staff to deliver the programme. The arrangement works well and is supported by Transport Agency staff."

"There are good financial processes in place to account for all Transport Agency funded activities. Council has no in-house professional services resource and has not procured any Transport Agency contracts since the previous audit."

There are no recommendations resulting from this report.

Audit rating assessment

The final assessment from the audit was:

Financial processes	Procurement procedures	Contract management	Overall rating = EFFECTIVE
EFFECTIVE	EFFECTIVE	EFFECTIVE	

IN 2018/19 WE ACHIEVED...

78% resident satisfaction with footpaths 

2016/17: 66% 2017/18: 68%

\$15.6 million  total NZTA subsidies received

2016/17: \$9.3m 2017/18: \$13.1m

\$15.2 million  total capital investment

2016/17: \$8.4m 2017/18: \$12.3m

 **1,118** customer service requests relating to roads

2016/17: 1,384 2017/18: 1,554

with an average response rate of  **1.6** DAYS

2016/17: 1.1 days 2017/18: 1.9 days

Asset management strategy, industry engagement, and data quality

A focus this year has been continued implementation of the newly revised Activity Management Plan (AMP) that incorporates the business case approach and One Network Road Classification. Investment decisions and work programmes have referred back to the Activity Management Plan to ensure that decisions being made are consistent with the strategic goals of Tararua District Council and NZ Transport Agency. In developing the Activity Management Plan, a list of required improvements was identified to address shortfalls in terms of data or analysis.

We continue to have a strong presence at a national level with team members part of the Roading Efficiency Group (REG) working group that is refining the One Network Framework that will be the next evolution of the One Network Road Classification (ONRC). The framework will include the ONRC system but also provide a robust framework to help asset management teams consider network use and place as well, in an attempt to think more holistically about the level of service provided and at a broad level help us consider how multimodal networks are used.

The Roading Efficiency Group workshop programme continues to be held throughout the region with Tararua attending and occasionally hosting. These workshops are designed to help local authorities prepare for the next Activity Management Plan round by refreshing the Activity Management Plan required business case approach and to help disseminate strategic NZ Transport Agency guidance. They are also a good place for collaboration between councils within the region and provide multiple opportunities for knowledge sharing. With the Long Term Plan project underway it is important for the staff who will be involved to understand the business case approach and so these workshops are very valuable.

As part of the implementation of the ONRC, the Roading Efficiency Group has created a performance measures reporting tool (PMRT) that has standardised and nationalised the capture of road performance data in order to measure and compare each local authority against each other and against peer groups. This tool has been constantly evolving and over this year and last has included a tool to look at the quality of the data being provided by each local authority.

This year we have used this tool to focus our asset data improvements to great success to improve on the 63 data quality metrics. We have been able to move out of the "red" in almost all cases and have dropped the number of items in the "yellow" right down.

Customer request management

A key benefit to customers since the implementation of the Alliance is the significant improvement in the response to customer requests. Whereas in the traditional model a customer request may require multiple people from the

various supply chain organisations, resulting in delays, the Alliance is able to identify the most appropriate person to respond to the customer request – regardless of their overarching organisation. This has resulted in customer response times being reduced from a historic average of more than seven days to less than two days.

Customer satisfaction surveys are also carried out on a monthly basis, with 10% of all customers who have lodged requests surveyed regarding their satisfaction with the response to their request.

Another key change since implementation of the Alliance is the action taken when responding to customer requests. Previously, the contract operated in a primarily reactive mode, whereby work was carried out in response to customer requests regardless of the severity and Council levels of service agreed to be delivered for the limited investment. This resulted in little forward planning for investment, and the more vocal residents or stakeholders receiving higher levels of service than those who were unwilling to complain.

This lack of consistency and the arbitrary allocation of budget proved inefficient and difficult to control or forecast. The Alliance aimed to drive improvements in value for money outcomes, and effectiveness and efficiency of investment linked to the One Network Road Classification focus to deliver consistent customer levels of service based on the function and use (or classification) of the road.

The Alliance introduced and implemented various initiatives and improvements to improve customer outcomes for all – not just the squeaky wheels. This included basic asset management requirements such as a long term renewals forward works programme to inform maintenance intervention strategies, but also included a visual intervention guide that provides guidance on various fault types and, based on severity, at which stage intervention will occur. This assists in providing consistent levels of service to customers across the district, improving the effectiveness and efficiency of maintenance activities, as well as providing guidance when responding to customer requests. The key outcomes were:

- A reduction of 800 customer service requests from 2017/18 year. This is a huge improvement that we will need to analyse in further detail as to whether it relates to road maintenance techniques.
- Alliance supervisors and crew directly engaging with residents and stakeholders, and building good relationships.
- A total of 25 registered compliments and two complaints for the year.
- Average feedback of 4.1 out of 5 - customer satisfaction survey

Roading

Emergency works

Along with our business-as-usual activities undertaking road maintenance, pavement reseals, and rehabilitation, a huge effort has also been dedicated to repairs relating to emergency work activities from the March–April 2018 and September 2018 events. This work involved responding to flooding, slips, dropouts, and fallen trees across the district. Immediate response to reinstate safe access, subsequent clean-up, and then planned repairs to approximately 230 sites of significant repair from major dropout repairs to undertaking roading retreats, which has resulted in \$6 million expenditure in emergency works. A significant amount of this work has been undertaken using subcontractors as well as our internal resources.

Programme overview

Sealed road maintenance

A high percentage of our sealed pavement repairs relate to preparing the road surfaces in preparation for resealing. This work we call pre-seal repairs so we plan and programme this work to try to achieve a 12 month window ahead for next year's work.

Our inspectors are travelling the roads and gathering data, which our team compiles, and then we plan resources and labour to complete this in an efficient manner starting either from the northern or southern regions. Our system is now electronic based, which allows efficient planning.

Work starts with drainage during the early part of the season followed by our pavement crews who undertake digout and cement stabilisation repairs. These crews have made major efficiency gains with the methods and techniques they are using, which are outperforming other maintenance crews in traditional styled contracts, as well as also working in other regions – such as Central Hawke's Bay – as work lessens here in Tararua.

Pavement resurfacing

Following the pavement repairs, the resealing of roads commenced early December. The Alliance was fortunate enough to have the capability to build up an internal resealing crew with our own bitumen sprayer. This led to huge efficiencies with production and costs as well as creating opportunities for local staff to transition from working in road maintenance to undertaking resealing roles and other opportunities. We have a team member who started with us and is now taking the lead as foreman for our sealing team. This crew is performing above average resealing crews in relation to production from other external teams which is again very positive for Tararua.

Our internal sealing team are busy completing the resealing programme and are doing so very effectively, which is

very rewarding. A total programme of 302,000m² was completed by the end of March 2019.

Pavement rehabilitation

A major part of our delivery programme is pavement rehabilitations. This work involves numerous hours of investigations and designs along with physical construction. Our teams take great pride in delivering a good physical product and we have received numerous compliments regarding our finished product along with the flexibility our teams have when working with local landowners who border the roading sections who are able to offer support for local spoil dumpsites, which can reduce overall costs in regards to haulage.

One of our internal goals has been to obtain a 12 month window on designs meaning we will have all planning and design completed 12 months ahead of our construction teams. Crews started work around October 2018 and completed the majority of sites by 30 March 2019, which then freed up crews to work on flood damage sites.

Unsealed road maintenance and renewal

Continued focus for unsealed roads was to maintain positive shape of the surface and good drainage with the aim of reducing grading frequencies and metal application. Grader operators are given the flexibility to physically inspect roads to plan if the road requires grading as well as to determine any additional requirements for drainage improvements. Again, we are also receiving good feedback from our rural community around the good standard of grading.

Along with grading and maintenance metalling we have also been undertaking several heavy maintenance metal programmes on selected roads which have been identified by our grader operators as requiring an improved base layer of maintenance metal from the standard maintenance metal spreading.

Structures management

Structures form a crucial part of the Tararua District road network, facilitating the movement of people and goods through the district, contributing to an economically productive district.

The purpose of these structures, including bridges, large culverts and retaining walls, is to provide continuous all-weather road access over rivers, streams and uneven terrain, supporting vehicles and ensuring the safety of road users.

They also serve a key function in environmental and/or emergency events where access around the district is crucial, especially for isolated communities with limited access to the rest of the network. Bridges in remote rural areas are used for moving stock and farm machinery along public roads, and are seen as vital for this purpose.

Structures need to be maintained with resilience in mind, as the consequences of under maintaining and/or reactive

emergency repairs can be very costly, both due to the financial cost and implications on customers through loss of accessibility and disruption.

The current condition of bridges and large culverts is fair to good. On the whole, the asset stock is deteriorating slower than expected. This is due to a combination of the standard to which they were constructed, the low traffic demand, the ongoing active maintenance of any detected defects since construction, and the geographical fact that most of these assets are located away from the coastal marine environment and, therefore, have limited exposure to salt.

Recently completed works include:

- The scour protection at bridge N-1 on Gundries Road, near Norsewood. The base of the bridge's central pier had developed a scour hole, exposing the piles. To avoid this progressing to the point where a winter flood would sweep the central pier (and therefore the bridge) away, this has now been rock armoured.
- Repairs to bridge A-30 on River Road near Waione. The upstream side of the bridge was showing erosion around the eastern wing wall and abutment piers, and the existing 1930 bridge guardrail had significant spalling and impact damage. Rock armouring has now been added to the eastern bridge wing wall and abutment, reducing the risk of further erosion there, and the bridge guardrail has now been replaced, significantly improving the sight distance for motorists.
- Replacement of a timber bridge deck on Range Road was replaced. The existing deck has been replaced with new imported hardwood timber deck. While scaffolding was in place, some minor bridge repairs were undertaken including welding to a cracked steel cross member. One of the unsealed bridge approaches was also sealed, to prevent metal migration onto the new timber causing damage.
- The P-12 bridge on Pahiatua-Pongaroa Road near Ngaturi sustained damage from an impact from a stock truck, which demolished part of the guardrail on the southbound side. As the remaining guardrail on the bridge was constructed in 1927, and given how it performed in the impact from a laden truck, it was decided to replace both sides of the bridge guardrail to the modern standard. The insurance company for the trucking firm covered the cost of the replacement southbound guardrail.

District road safety

Tararua Alliance has now created a safety engineer role, which will primarily be looking at district safety programmes to enhance our district safety.

With the closure of the Manawatu Gorge traffic commenced using Ballance Valley Road. This placed a high stress on a low volume local road with roading edge breaks which

generated a safety concern so a decision was made to shoulder widen sections of the road. Funding for this was taken out of our roading improvement budget.

Whilst much of Council's road safety improvements budget was focussed on the roads affected by the Manawatu Gorge closure, minor improvements were also carried out in conjunction with various pavement rehabilitation projects.

Safety improvements have also been carried out at Pahiatua School, following discussions with the school, Police, Pahiatua on Track, and the NZ Transport Agency. Traffic volumes have increased significantly in the area following the closure of the Manawatu Gorge and intervention was required to ensure the safety of those travelling to school. In conjunction with the NZ Transport Agency, electronic signs have been installed, improvements have been made to pavement marking and signage, and the pedestrian crossings and traffic islands have been repainted.

Route 52 improvements

Council signalled intentions to NZ Transport Agency, during the Long Term Plan process, to upgrade Route 52 between the Central Hawke's Bay District Council boundary and Weber Road. The ex-state highway is long, narrow, windy, and historically not constructed to accommodate large and frequent heavy vehicle movements and, as a result, is rapidly deteriorating in places. It is also highly susceptible to damage resulting from weather events, with overslips and dropouts a frequent occurrence following storm events.

Tararua Alliance carried out the design and route investigation focussing on assessment of the current road condition, road alignment, bridges, retaining walls, signage, and any raised safety concerns. Falling weight deflectometer testing was also undertaken to confirm the strength of the existing pavement and enable prioritisation and design of road sections requiring pavement renewal and/or strengthening.

In early 2019, NZ Transport Agency announced the funding category was oversubscribed and funding for this project was unlikely to be approved. Following this, the Provincial Growth Fund (PGF) announced \$20 million of funding for Central Hawke's Bay District Council to upgrade sections of Route 52 within Central Hawke's Bay. An additional \$4 million funding for a potential log rail loading point in Dannevirke was also approved.

This has left a significant gap in the roading infrastructure between Wimbledon and Dannevirke, which has prompted Council to seek a Provincial Growth Fund application to fund this project.

Tararua Alliance has commenced further investigation studies to support such an application along with major stakeholders studies for the potential Dannevirke log rail loading point.

Manawatu Gorge closure

Following the closure of the Manawatu Gorge, NZTA State Highways took over the maintenance of Saddle Road, Mangahao Road, Pahiatua-Mangahao Road, Makomako Road, and Pahiatua Track. Council continued to provide maintenance repairs on Gorge Road and Ballance Valley Roads. These roads were continuing to have a lot of State Highway traffic causing high maintenance costs for Council, however, discussions between Council and NZTA State Highways were positive with the result of NZTA State Highways taking over the maintenance of these additional roads, which has reduced the impact on Council.

Saddle Road upgrade

Council's commitment to the Saddle Road upgrade works finished at the end of June 2019 with the completion of the section known as Site 4, located near the summit of Saddle Road. The work involved completion of two retaining walls and pavement construction. Due to the increased volume of traffic the pavement construction had to be extensively modified to cope with the state highway traffic.

NZTA State Highways now fully manage the Saddle Road from Ashhurst to Woodville.

Footpaths

Pahiatua town centre upgrade

Public consultation sessions were held the end of July 2018. The feedback, suggestions, comments and ideas received during these sessions, as well as subsequent submissions, were positive, which has followed on to a commitment to a single design concept with new footpaths, green space areas, a covered space, cultural and historic features, and parallel parking among others.

The project team is currently finalising design schedules against budgets as well as preparing for the first stage of construction being the renewal of the underground services.

Maintenance

Footpath maintenance has continued with our crews inspecting and recording faults as well as repairs on footpaths requiring intervention. With footpaths now being subsidised by NZ Transport Agency, our operational budgets have increased to address safety and lichen issues. Significant capital spend is deferred until more information on the proposed fibre upgrade is known.

Maintenance work undertaken this year has focussed on vegetation control, spraying of lichen and small repairs in concrete and asphalt footpath surfaces.

Footpath renewals have also centred on upgrading surfaces due to safety concerns with a total of 1,341m² upgraded. Along with Renewals we have also constructed 378m² of new footpaths

Looking forward for the 2019/20 year, we will be looking into pram crossings at intersections to determine the ease for using mobility scooters with the intention to plan and program repairs.

Performance against objectives

Footpaths

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Percentage of residents rate footpaths as "fairly satisfactory" or "very satisfactory" in the community survey	75%	Achieved: 78% (last year: 68%) The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.		

Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	17%	22%	22%	22%	20%
7–8	39%	48%	51%	52%	48%
6	12%	11%	8%	8%	10%
5	13%	12%	12%	10%	12%
1–4	19%	8%	8%	8%	10%

Satisfaction in footpaths has increased significantly from 2017/18. Council significantly increased its investment in maintaining public footpaths in the Long Term Plan due to the availability of NZ Transport Agency funding at 66%.

The percentage of footpaths within the district that fall within the footpath condition standards set out in the Asset Management Plan	90%	Achieved: 98% (last year: 98%) Footpath condition survey was completed in May 2019. The values of this index will range from 2 to 5, similar to our fault severity/priority classification. Condition survey rankings: <ol style="list-style-type: none"> 1. Acceptable 2. Acceptable – monitor 3. Defect – medium 4. Poor – intervention 5. Very poor – safety The overall condition is quite close to the best we can get – only a small number of defects limiting an average of 2. What the results show is that of the 301,638m ² of footpaths in the database for the district, only 760m ² have a defect severity 4 or higher.		
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Performance measure	Target	Achievement	2018/19 results	2017/18 results
Complaints regarding footpaths are responded to within 3 working days*†	90%	Achieved: 98% (last year: 98%) Two out of the 100 customer service requests (120 in 2017/18) were completed outside of the target timeframe.		

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

† The times shown for "response" are reported by the service provider, Tararua Alliance, as part of their contracted responsibilities. This includes travel time. The accuracy of these have not been verified by Council.

Roading

Performance measure	Target	Achievement	2018/19 results	2017/18 results
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number*	0 or less	Achieved: -1 (last year: -1) There were four serious injuries and two fatalities this year, compared to seven in 2017/18. The fatalities were due to a collision between a car and a train at a level crossing on Troup Road. This measure is based on information for the period 1 January 2018 to 31 December 2018.		
The change in level of risk measured by the total number of fatal and serious injuries per kilometre each year on the network	< 0	Achieved: 0.094 The level of risk per kilometre was 0.094 in 2018/19, compared to 0.094 in 2017/18.		 (new measure)
The change in level of risk measured by the total number of fatal and serious injuries by traffic volume each year on the network	< 0	Not achieved: 0.8 The change in risk measured by traffic increased by 0.8 from 2017/18.		 (new measure)
The number of unplanned road closures and the number of vehicles affected by closures annually	Reducing	Baseline: 3 roads, 108 vehicles Three unplanned road closures occurred during the year. Two related to the September flooding event, and one in June. These roads were blocked by slips. The number of vehicles affected is calculated from the Roading Efficiency Group data.	 (baseline measure)	 (new measure)
The number of instances where road access is lost	Reducing	Baseline: Nil	 (baseline measure)	 (new measure)
The 85th percentile roughness on sealed roads	110	Achieved: 110		 (new measure)
The 95th percentile roughness on sealed roads	130	Not achieved: 139		 (new measure)
Proportion of network not available to Class 1 heavy vehicles	Reducing	Baseline: 1% Two out of 394 bridges in the district have weight restrictions posted.	 (baseline measure)	 (new measure)
Proportion of network not available to 50MAX vehicles	Reducing	Baseline: 5% Twenty-one out of 394 bridges have 50MAX restrictions.	 (baseline measure)	 (new measure)

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Customer requests relating to roads are responded to within 3 working days.* †	90%	Achieved: 91% (last year: 97%) Out of 1,118 customer service requests received, 103 were responded to outside of the three-day timeframe. Twenty-three of these were in July due to transitioning from a five-day response time in 2017/18.		

Percentage of residents rating urban roads as "fairly satisfactory" or "very satisfactory" in the community survey	75%	Achieved: 77% The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.		 (new measure)
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Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	11%	11%	13%	14%	14%
7–8	48%	56%	55%	56%	51%
6	13%	14%	13%	11%	12%
5	16%	13%	12%	11%	13%
1–4	12%	6%	8%	8%	10%

Satisfaction with urban roads was significantly higher (77%) than satisfaction with rural roads (50%).

Council is continuing to address issues with rural roads as a result of several major weather events, which could be resulting in lower satisfaction on affected roads. Council has also increased minor safety improvement budgets and NZ Transport Agency has taken over management of Ballance Valley Road due to the Manawatu Gorge closure.

Percentage of residents rating rural roads as "fairly satisfactory" or "very satisfactory" in the community survey	75%	Not achieved: 50% The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.		 (new measure)
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Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	4%	5%	9%	9%	7%
7–8	32%	31%	34%	36%	30%
6	18%	14%	12%	12%	13%
5	14%	13%	11%	12%	16%
1–4	32%	37%	34%	31%	34%

Satisfaction with rural roads significantly decreased in the June survey, and is likely due to the planned \$10 million upgrade of Route 52 not obtaining funding from the National Land Transport Plan. Council continues to lobby for future funding for this needed upgrade.

Performance measure	Target	Achievement	2018/19 results	2017/18 results
The average quality of the ride on the sealed road network is measured by smooth travel exposure.* †	95%	Achieved: 95% (last year: 96%) Urban roads had a smoothness of 84%, and rural roads were 98%.		
The percentage of the sealed local network that is resurfaced.* †	> 5%	Achieved: 5.3% (last year: 5.8%). We completed 5.3% of road resurfacing during the 2018/19 year.		

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

† The times shown for "response" are reported by the service provider, Tararua Alliance, as part of their contracted responsibilities. This includes travel time. The accuracy of these have not been verified by Council.

Solid Waste Management

Activities in this group

01.

SOLID WASTE MANAGEMENT

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

Group level funding impact statement

	2017/18 LTP Year 3 \$000s	2017/18 Plan \$000s	2017/18 Actual \$000s	2018/19 LTP Year 1 \$000s	2018/19 Actual \$000s
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	529	501	501	360	360
Targeted rates	920	925	925	1,010	1,010
Grants and subsidies for operating purposes	52	50	69	50	69
Fees and charges	494	457	478	533	618
Local authorities fuel tax, fines, infringement fees, and other receipts	25	10	51	10	-
Internal charges and overheads recovered	-	-	-	-	-
Total Operating Funding	2,020	1,943	2,024	1,963	2,057
Applications of Operating Funding					
Payment to staff and suppliers	1,652	1,597	1,700	1,589	1,674
Finance costs	92	77	62	69	51
Internal charges and overheads applied	157	140	150	250	275
Other operating funding applications	-	-	-	-	-
Total Applications of Operating Funding	1,901	1,814	1,912	1,908	2,000
Surplus/(Deficit) of Operating Funding	119	129	112	55	57
Sources of Capital Funding					
Subsidies and grants for capital expenditure	-	-	-	-	14
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	11	(12)	(14)	(136)	(14)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of Capital Funding	11	(12)	(14)	(136)	-
Applications of Capital Funding					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	126	123	356	-	65
- to replace existing assets	144	140	11	20	6
Increase (decrease) in reserves	(140)	(147)	(269)	(100)	(14)
Increase (decrease) of investments	-	-	-	-	-
Total Applications of Capital Funding	130	116	98	(80)	57
Surplus/(Deficit) of Capital Funding	(119)	(129)	(112)	(55)	(57)
Funding Balance	-	-	-	-	-

What we achieved

The solid waste activity has operated very smoothly throughout the year. Council's solid waste contractors have performed reasonably well, with very few issues.

Refuse volumes were up on the previous year, possibly due to increased spending on consumer goods and population increases. It is also suspected that some out-of-district refuse has been brought into the district by commercial waste contractors.

Dropoff centre recycling tonnes have increased slightly. It should be noted that the 2018/19 recycling tonnes have increased significantly overall due to Council now sending glass to Auckland for recycling so glass is now measured. Kerbside recycling in its current level of service continues to drop.

Eketahuna landfill closure

Council opted to close the Eketahuna landfill at the consent expiry date of 30 June 2018 and build a transfer station in its place on the current landfill site. The build of the transfer station was completed and it was opened on 1 July. EFTPOS machines have also been provided for both the Eketahuna and Pahiatua transfer stations to enable these sites to become EFTPOS only sites.

Contour and level plans were finalised and Council engaged Ruahine Contractors to do the capping as ground conditions allowed during the summer of 2018/19. However, weather and clay conditions stopped progress before the required 95% compaction was achieved with the contractor getting up to 85% compaction level. This work will be completed in the summer of 2019/20.

Glass recycling

In conjunction with Palmerston North City Council, Tararua District Council established an agreement to send sorted glass to O-I NZ, Auckland. Council has converted nine shipping containers into glass recycling containers with three separate compartments for the different coloured glass. These are situated at Dannevirke, Woodville, Pahiatua, Eketahuna, Weber, Herbertville, Pongaroa, and Akitio. Council has also built nine smaller containers for Norsewood and Ormondville. All of these containers and bins enable the public to colour sort as they recycle their glass. The new glass containers are a lot larger than the previous glass bins. These will be required to be emptied less frequently, resulting in a saving of \$89,000 in annual collection cost from 2017/18.

IN 2018/19 WE ACHIEVED...

86% resident satisfaction with solid waste management 

2016/17: 82%

2017/18: 82%

Fees and charges

Work was completed to determine the total costs of processing refuse. This was done in order to move the fees and charges away from partly rates subsidised to total user pays. Tararua District Council has always been substantially cheaper than neighbouring councils. It is hoped that the increased fees may also deter out of district waste coming into the Tararua.

There were two increases in fees and charges during the 2018/19 financial year:

1. February 2019:
 - Dannevirke – \$140 to \$170 per tonne.
 - Pahiatua, Woodville, Eketahuna, and Pongaroa – \$17 to \$22 per car, and \$37 to \$40 per m³.
2. July 2019:
 - Dannevirke – \$140 to \$225 per tonne.
 - Pahiatua, Woodville, Eketahuna, and Pongaroa – \$22 to \$29 per car, and \$40 to \$45 per m³.

Waste Management and Minimisation Plan

The Waste Management and Minimisation Plan for 2017–2023 has a number of initiatives as outlined below. We will report our progress against these initiatives over the life of the plan.

One initiative – glass sorting for recycling into new glass bottles – is underway. As discussed above, the collection bins have been set up and the glass is transported to Auckland for recycling.

Initiatives	Status	Comments
Closure of Pongaroa landfill and new small transfer station 2021/22.	Not started	Will happen in the 2021/22 year.
Glass sorting and supply to local business for re-use, or transport to Auckland for recycling into new glass bottles	Achieved	Sending glass to Auckland for recycling commenced 1 July 2018.
Expanded education programmes – business, households (urban and rural) with collaboration opportunities	Ongoing	Both the Waste Education NZ and Enviroschools programmes that supply education in schools have been received well. Develop or tap into existing programmes.
Encourage removal of organic household waste from refuse from 2018 with 2,000 subsidised composting bins/worm farms	Ongoing	Pilot education programme has been developed to coincide with the issue of vouchers to attendees. Will deliver two pilot programmes and then evaluate.
Change kerbside recycling collection to fortnightly	Ongoing	Currently being investigated
E-waste amnesty drop-off day each year	Not started	To be fully investigated.
Product stewardship advocacy	Ongoing	Support the sector and other organisations who advocate for a container deposit scheme and product stewardship for key waste streams such as agricultural waste, tyres, e-waste, and packaging.

Performance against objectives

Solid Waste Management

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Percentage of residents rating recycling collection services as "fairly satisfactory" or "very satisfactory" in the community survey	80%	Achieved: 87% (last year: 89%) The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.		

Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	41%	42%	46%	49%	47%
7–8	39%	36%	39%	36%	35%
6	5%	4%	3%	3%	5%
5	7%	9%	6%	7%	6%
1–4	8%	9%	5%	5%	7%

Recycling volumes were slightly higher than last year. Usage of the kerbside recycling service reduced during the year, but usage of the recycling dropoff centres increased. Council will continue to investigate options to increase residents recycling options.

Percentage of residents rating landfills/ transfer station management as "fairly satisfactory" or "very satisfactory" in the community survey	75%	Achieved: 88% (last year: 83%) The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.		
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Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19
9–10	35%	37%	45%	47%	44%
7–8	43%	38%	40%	36%	38%
6	5%	8%	5%	6%	6%
5	7%	11%	6%	6%	6%
1–4	11%	6%	4%	5%	6%

Satisfaction is higher than last year and higher than target. Council completed the closure of the Eketahuna landfill and construction of a new transfer station facility in the same location, operational from 1 July 2018.

Performance measure	Target	Achievement	2018/19 results	2017/18 results																								
Kilograms of waste per resident sent to landfills by the Council per annum	256kg	<p>Not achieved: 286kg</p> <p>Council successfully closed Eketahuna landfill on 30 June 2018, replacing it with a new transfer station.</p> <p>Waste volumes continue to be high. With Council deciding to move to 100% user pays for refuse disposal in July 2019, it is expected that refuse volumes will reduce.</p> <table border="1"> <tr><td>July 2018</td><td>22.21kg</td></tr> <tr><td>August 2018</td><td>24.89kg</td></tr> <tr><td>September 2018</td><td>21.16kg</td></tr> <tr><td>October 2018</td><td>24.16kg</td></tr> <tr><td>November 2018</td><td>24.35kg</td></tr> <tr><td>December 2018</td><td>27.53kg</td></tr> <tr><td>January 2019</td><td>25.02kg</td></tr> <tr><td>February 2019</td><td>22.93kg</td></tr> <tr><td>March 2019</td><td>24.33kg</td></tr> <tr><td>April 2019</td><td>23.14kg</td></tr> <tr><td>May 2019</td><td>24.35kg</td></tr> <tr><td>June 2019</td><td>22.71kg</td></tr> </table>	July 2018	22.21kg	August 2018	24.89kg	September 2018	21.16kg	October 2018	24.16kg	November 2018	24.35kg	December 2018	27.53kg	January 2019	25.02kg	February 2019	22.93kg	March 2019	24.33kg	April 2019	23.14kg	May 2019	24.35kg	June 2019	22.71kg		 (new measure)
July 2018	22.21kg																											
August 2018	24.89kg																											
September 2018	21.16kg																											
October 2018	24.16kg																											
November 2018	24.35kg																											
December 2018	27.53kg																											
January 2019	25.02kg																											
February 2019	22.93kg																											
March 2019	24.33kg																											
April 2019	23.14kg																											
May 2019	24.35kg																											
June 2019	22.71kg																											
Tonnage of recycled materials processed by Council	1,198 tonnes	<p>Not achieved: 1,106 tonnes</p> <p>Council has increased the fees for refuse disposal significantly as of 1 July 2019. It would be anticipated that, as a result, residents will be incentivised to recycle as opposed to refuse disposal. Council will monitor the impact of the fee increase on both refuse and recycling volumes.</p> <table border="1"> <tr><td>July 2018</td><td>64.29 tonnes</td></tr> <tr><td>August 2018</td><td>81.17 tonnes</td></tr> <tr><td>September 2018</td><td>74.79 tonnes</td></tr> <tr><td>October 2018</td><td>95.32 tonnes</td></tr> <tr><td>November 2018</td><td>90.66 tonnes</td></tr> <tr><td>December 2018</td><td>127.22 tonnes</td></tr> <tr><td>January 2019</td><td>100.68 tonnes</td></tr> <tr><td>February 2019</td><td>109.19 tonnes</td></tr> <tr><td>March 2019</td><td>98.22 tonnes</td></tr> <tr><td>April 2019</td><td>100.65 tonnes</td></tr> <tr><td>May 2019</td><td>93.63 tonnes</td></tr> <tr><td>June 2019</td><td>78.00 tonnes</td></tr> </table>	July 2018	64.29 tonnes	August 2018	81.17 tonnes	September 2018	74.79 tonnes	October 2018	95.32 tonnes	November 2018	90.66 tonnes	December 2018	127.22 tonnes	January 2019	100.68 tonnes	February 2019	109.19 tonnes	March 2019	98.22 tonnes	April 2019	100.65 tonnes	May 2019	93.63 tonnes	June 2019	78.00 tonnes		 (new measure)
July 2018	64.29 tonnes																											
August 2018	81.17 tonnes																											
September 2018	74.79 tonnes																											
October 2018	95.32 tonnes																											
November 2018	90.66 tonnes																											
December 2018	127.22 tonnes																											
January 2019	100.68 tonnes																											
February 2019	109.19 tonnes																											
March 2019	98.22 tonnes																											
April 2019	100.65 tonnes																											
May 2019	93.63 tonnes																											
June 2019	78.00 tonnes																											
Percentage of landfills where all Horizons resource consent conditions are met	100%	<p>Achieved: 100% (last year: 67%)</p>																										

Stormwater

Activities in this group

01.

STORMWATER

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

Group level funding impact statement

	2017/18 LTP Year 3 \$000s	2017/18 Plan \$000s	2017/18 Actual \$000s	2018/19 LTP Year 1 \$000s	2018/19 Actual \$000s
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	755	769	769	607	607
Grants and subsidies for operating purposes	-	-	-	-	-
Fees and charges	-	-	2	-	2
Local authorities fuel tax, fines, infringement fees, and other receipts	26	23	26	28	21
Internal charges and overheads recovered	-	-	-	-	-
Total Operating Funding	781	792	797	635	630
Applications of Operating Funding					
Payment to staff and suppliers	90	157	117	144	151
Finance costs	113	95	48	44	56
Internal charges and overheads applied	295	298	320	197	230
Other operating funding applications	-	-	-	-	-
Total Applications of Operating Funding	498	550	485	385	436
Surplus/(Deficit) of Operating Funding	283	242	312	250	194
Sources of Capital Funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	952	923	213	83	213
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of Capital Funding	952	923	213	83	213
Applications of Capital Funding					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,069	1,030	382	150	140
- to replace existing assets	47	45	47	350	253
Increase (decrease) in reserves	119	90	95	(166)	14
Increase (decrease) of investments	-	-	-	-	-
Total Applications of Capital Funding	1,235	1,165	524	334	407
Surplus/(Deficit) of Capital Funding	(283)	(242)	(312)	(250)	(194)
Funding Balance	-	-	-	-	-

What we achieved

Maintenance

Mechanical clearing of open drains was completed in Bowen Street, Ross Street, and Normanby Street in Woodville, and in Tararua Street in Pahiatua. All open-drains across the district have been sprayed with a spraying frequency from two to four times a year.

We have had crews walking the open drains through the urban areas clearing rubbish, dead vegetation and build up prior to the winter. Contractors were engaged to jet out and clean a 600mm diameter stormwater main in Cemetery Road, Dannevirke, that was partially blocked and surcharging. We have also installed an access pad and new gate at the open drain near Alma Street for public safety, and regraded and cleaned out the open drains within the Bush Multisport park in Pahiatua.

Modelling

A report was undertaken by external consultants to look into stormwater drainage flows for our towns. The report suggested 12 options across the four major towns. However, when looking into options, many could be ruled out due to excessive cost and low levels of improvements along with massive disturbance of existing fence lines and modified gardens that individuals have undertaken, as well as drains beneath houses.

The report also highlighted areas where we can now explore heavy maintenance options to clear vegetation and other drain cleaning improvements to ease the problem. Further investigations are needed to explore options.

IN 2018/19 WE ACHIEVED...



No habitable floors flooded
by urban stormwater



71% community satisfaction
with stormwater management

2016/17: 69%

2017/18: 65%

Performance against objectives

Stormwater

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
The number of flooding events where an overflow of stormwater enters a habitable floor*	< 20	Achieved: nil (last year: nil) A flooding event is defined as an overflow of the urban stormwater system that enters a habitable floor. Although we had a number of weather events during the year, no stormwater entered a habitable floor.																																						
For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system*	< 5	Achieved: nil (last year: nil).																																						
Percentage of residents rating stormwater management as "fairly satisfactory" or "very satisfactory" in the community survey	70%	Achieved: 71% (last year: 65%) The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.																																						
<table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>17%</td> <td>29%</td> <td>46%</td> <td>45%</td> <td>41%</td> </tr> <tr> <td>7–8</td> <td>38%</td> <td>24%</td> <td>21%</td> <td>22%</td> <td>24%</td> </tr> <tr> <td>6</td> <td>10%</td> <td>13%</td> <td>9%</td> <td>10%</td> <td>6%</td> </tr> <tr> <td>5</td> <td>17%</td> <td>15%</td> <td>11%</td> <td>9%</td> <td>12%</td> </tr> <tr> <td>1–4</td> <td>18%</td> <td>19%</td> <td>14%</td> <td>14%</td> <td>17%</td> </tr> </tbody> </table>					Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	17%	29%	46%	45%	41%	7–8	38%	24%	21%	22%	24%	6	10%	13%	9%	10%	6%	5	17%	15%	11%	9%	12%	1–4	18%	19%	14%	14%	17%
Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19																																			
9–10	17%	29%	46%	45%	41%																																			
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5	17%	15%	11%	9%	12%																																			
1–4	18%	19%	14%	14%	17%																																			
<p>Satisfaction is higher than last year and the target. Satisfaction was lowest in the periods with a significant rainfall event (September and June). This resulted in surface flooding in both public and private areas but no habitable floors were affected.</p> <p>Storm modelling will be finalised in 2019/20 and projects to improve service levels will be programmed in Year 3 of the current Long Term Plan.</p>																																								
Number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system*	< 9	Achieved: 3.5 (last year: 8.9) A total of 17 customer complaints received (43 last year). Seven related to a heavy rain event in June.																																						

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Number of enforcement actions against Council for not meeting resource consent conditions for discharge from the stormwater system relating to*:				
• abatement notices	0	Achieved: nil (last year: nil)		
• infringement notices	0	Achieved: nil (last year: nil)		
• enforcement orders	0	Achieved: nil (last year: nil)		
• convictions	0	Achieved: nil (last year: nil)		
Median time (hours) to attend a flooding event, measured from the time that Council receives a notification until service personnel reach the site* †	2 hours	Achieved: nil (last year: nil) There have been no flooding events, hence no response required.		

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

† The times shown for "response" are reported by the service provider, Tararua Alliance, as part of their contracted responsibilities. This includes travel time. The accuracy of these have not been verified by Council.

Wastewater

Activities in this group

01.

WASTEWATER

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

Group level funding impact statement

	2017/18 LTP Year 3 \$000s	2017/18 Plan \$000s	2017/18 Actual \$000s	2018/19 LTP Year 1 \$000s	2018/19 Actual \$000s
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	121	105	104	126	128
Targeted rates	2,297	1,984	1,984	2,402	2,436
Grants and subsidies for operating purposes	-	-	-	-	-
Fees and charges	86	80	112	115	119
Local authorities fuel tax, fines, infringement fees, and other receipts	76	3	5	-	7
Internal charges and overheads recovered	-	-	-	-	-
Total Operating Funding	2,580	2,172	2,205	2,644	2,690
Applications of Operating Funding					
Payment to staff and suppliers	856	888	918	1,047	1,228
Finance costs	353	214	270	222	293
Internal charges and overheads applied	340	327	348	318	362
Other operating funding applications	-	-	-	-	-
Total Applications of Operating Funding	1,549	1,429	1,536	1,586	1,883
Surplus/(Deficit) of Operating Funding	1,031	743	669	1,058	807
Sources of Capital Funding					
Subsidies and grants for capital expenditure	120	650	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	351	461	152	465	152
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of Capital Funding	471	1,111	152	465	152
Applications of Capital Funding					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	903	1,386	881	800	268
- to replace existing assets	388	686	1,290	1,523	2,020
Increase (decrease) in reserves	211	(217)	(1,349)	(799)	(1,329)
Increase (decrease) of investments	-	-	-	-	-
Total Applications of Capital Funding	1,502	1,855	822	1,523	959
Surplus/(Deficit) of Capital Funding	(1,031)	(743)	(669)	(1,058)	(807)
Funding Balance	-	-	-	-	-

What we achieved

Resource consents

Consents for Eketahuna and Pahiatua wastewater are under appeal from submitters in relation to some of the conditions from Horizons. Further mediation process will be followed in an attempt for parties to come to an agreement with the conditions that have been tabled. Woodville, Norsewood, and Pongaroa wastewater plants have also started the consent renewal process.

Dannevirke wastewater treatment plant

The membrane filters at the treatment plant have now been replaced after a 14 year lifespan. When the plant was designed, Council built in a future 30% expansion capacity. We have included additional membrane cassettes to take advantage of the treatment process capability. We will also benefit from operational efficiencies with the new technology advancements in these type of membranes.

Health and safety audits

Over the year we have needed to carry out work at and around the treatment plants to meet health and safety requirements and compliance. Some of the work included safety fencing at the oxidation ponds, toilets and showers, signage and safety ropes at oxidation ponds, walkways and handrails around the top of the clarifiers, security and night lighting, access walkways into ponds for servicing valves, and plant chlorine alarms.

Generators

New generators have been purchased and installed at

- Woodville water treatment plant.
- Pongaroa water treatment plant.
- Eketahuna water treatment plant is underway.

We have a 44KVA sized portable generator on a trailer to cover any outage at the Dannevirke water and wastewater plants, Woodville wastewater and if needed anywhere else in the district.

We also have small portable generators to cover Akitio Water, Norsewood water and wastewater and Eketahuna wastewater.

IN 2018/19 WE ACHIEVED...

 **90% community satisfaction** with wastewater management

2016/17: 89%

2017/18: 92%

\$2.3 million of capital investment

2016/17: \$2.6m

2017/18: \$2.2m

 Treatment plant upgrades underway in Akitio, Pongaroa, and Pahiatua

14 All 14 service performance measures met 

OUT OF 14

2016/17: 13 of 14

2017/18: 13 of 14

 **32** customer service requests relating to wastewater

2016/17: 60

2017/18: 65

with an average response rate of **32 minutes** 

2016/17: 77 mins

2017/18: 33 mins

 and taking an average of **110 minutes** to resolve

2016/17: 41 mins

2017/18: 115 mins

A new permanent generator is programmed to be installed at the Pahiatua water and wastewater plants sites capable of running both treatment plants.

Water and wastewater compliance

Staff have been following the water sampling and testing schedule throughout the district for E. coli and total coliforms as per the required regulations set out in Drinking Water Standards for New Zealand for all treatment plants and reticulation. All the results are uploaded into Drinking Water Online and staff check this data for accuracy and updating any transgression information. Ministry of Health staff have direct access to this information at any time.

Staff also keep in regular communication with Horizons compliance staff on issues with river flow levels in regards to abstraction and meeting consent requirements. Drinking water assessors are also involved with staff at treatment plant visits for implementation reviews

The risk assessments for Pahiatua, Akitio, and Norsewood water have been completed and accepted by the drinking water assessors.

The compliance team work directly with operations team to ensure capture of all data, plant log checks, validations/calibrations and equipment service frequency are recorded and completed.

Maintenance

As part of the heavy mains cleaning of Dannevirke wastewater mains, the inverted syphon was also drained and jetted. Approximately 1.5 ton of material was removed from this section of pipe, additional to the almost 30 tonnes removed from the wider wastewater reticulation network. Carrying out this work has not only improved the capacity of the wastewater network, but also provided a better understanding of the condition of this asset. Further investigation and detailed condition assessments will be carried out on the syphon in the future, to understand its expected remaining useful life.

Renewals

Renewed a section of sewer main in London Street, Dannevirke, which joins on to a section renewed last year. A pipe bursting unit was utilised to install the pipe, reducing disruption to motorists and members of the public. Although launch pits were still required, we were able to burst the concrete sewer main across Denmark Street, which would have required full stop/go if carried out using the conventional open cut method.

Additionally, 400m of wastewater renewal was completed in Princess Street, Pahiatua, and 405m of sewer relining in

High Street, Dannevirke – this is the first time fibre glass reinforced relining has been utilised in the district. Relining this section of wastewater main was the best and most cost efficient option. The entire 405m and lateral work was undertaken over four nights, keeping disruption to affected businesses to a minimum.

Thirty-eight wastewater manhole replacements were completed. This is the final phase of works from the Eketahuna earthquake in 2014.

A new Kliptank and associated pipework was constructed in the Canterbury Spinners Ltd wastewater project due to capacity issues with the wastewater network during high volume rain events. Non-return valves, a diversion manhole, pump station, kliptank and associated pipework were installed at Canterbury Spinners Ltd in Miller Street, Dannevirke.

With the installation of the Kliptank, Canterbury Spinners Ltd now have capacity to retain their trade waste discharge on-site. Once the reticulation flow has receded, the on-site Kliptank can be drained into the council wastewater network to be treated.

This system now allows Canterbury Spinners Ltd to continue manufacturing during heavy rain, rather than having to stop production and send their work force home.

Pump stations

All wastewater pump stations across the district have been pumped down, water blasted clean and condition reports compiled for each individual station. This will enable the Alliance to develop routine maintenance programmes and prioritised component renewal forward works programmes.

The wastewater pump station in Stairs Street, Dannevirke, has been upgraded. This included the installation of a new control cabinet and renewal of SCADA components. An old power pole and pillar box were also removed as part of the works.

Our new CCTV operator has started with us and is underway inspecting various pipes around the district. A pipe inspected was the wastewater main in Chamberlain Street in Dannevirke, which was identified as requiring urgent remedial works. The ability for us to proactively identify issues and then action repairs before major failure occurs is critical.

Performance against objectives

Wastewater

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
The number of dry weather sewage overflows from the wastewater system per 1,000 connections*	< 5	Achieved: 0.4 (last year: 1.3) Two complaints received (seven last year). One relates to a blockage, while the other was the result of sewer main repairs.																																						
Percentage of residents rating wastewater management as "fairly satisfactory" or "very satisfactory" in the community survey	80%	Achieved: 90% (last year: 92%) The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.																																						
<table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>47%</td> <td>49%</td> <td>49%</td> <td>51%</td> <td>50%</td> </tr> <tr> <td>7–8</td> <td>40%</td> <td>29%</td> <td>37%</td> <td>37%</td> <td>34%</td> </tr> <tr> <td>6</td> <td>5%</td> <td>10%</td> <td>6%</td> <td>5%</td> <td>6%</td> </tr> <tr> <td>5</td> <td>3%</td> <td>11%</td> <td>5%</td> <td>4%</td> <td>4%</td> </tr> <tr> <td>1–4</td> <td>5%</td> <td>1%</td> <td>2%</td> <td>3%</td> <td>6%</td> </tr> </tbody> </table>					Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	47%	49%	49%	51%	50%	7–8	40%	29%	37%	37%	34%	6	5%	10%	6%	5%	6%	5	3%	11%	5%	4%	4%	1–4	5%	1%	2%	3%	6%
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<p>Satisfaction has improved during the year and is consistent with last year and higher than target. Council continues with its capital investment programme in its wastewater schemes.</p>																																								

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Number of schemes with consents that are current	4	Achieved: 4 (last year: 4) Council is progressing with resource consent renewals for Pahiatua, Eketahuna, and Woodville. The renewal for these are in progress and will involve capital investments that are programmed to meet new conditions.		

Are consents current?



Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to*:

• abatement notices	0	Achieved: nil (last year: nil)		
• infringement notices	0	Achieved: nil (last year: nil)		
• enforcement orders	0	Achieved: nil (last year: nil)		
• convictions	0	Achieved: nil (last year: nil)		
Median response time to attend a sewage fault, measured from the time Council receives notification to the time that service personnel reach the site* †	1 hour	Achieved: 31 minutes (last year: 33 minutes) Council continues to provide prompt response to issues via the Tararua Alliance. Forty-five faults were received during the year.		
Median time to resolve a sewage fault, measured from the time Council receives notification to the time that service personnel confirm resolution of the blockage or other fault* †	5 hours	Achieved: 1 hour 50 minutes (last year: 1 hour 55 minutes) Council continues to provide prompt resolution to issues via the Tararua Alliance.		

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Number of complaints received about wastewater per 1,000 connections for*:				
• sewerage odour	< 4	Achieved: 1.1 (last year: 3.2) Five complaints received during 2018/19. One related to a lateral that was blocked, rodded and cleared with a possible issue with the property lateral. Second complaint due to odour from a grated manhole, which has since been replaced with a solid manhole lid. Third complaint investigated but no odour present.	✓	✓
• sewerage system faults	< 5	Achieved: 1.1 (last year: 4.8) Five complaints received during 2018/19 (27 last year). Two were as a result of a sewer repair being undertaken, and one due to flooding.	✓	✓
• sewerage system blockages	< 7	Achieved: 4.7 (last year: 3.4) Twenty-two complaints received during 2018/19 (20 last year).	✓	✓
• Council's response to the above issues	< 3	Achieved: nil (last year: nil)	✓	✓
• total number of recorded complaints	< 19	Achieved: 6.8 (last year: 11.5) Council received 32 customer service requests during 2018/19 (65 total last year) relating to wastewater.	✓	✓

* These performance measures are provided by the Department of Internal Affairs and are mandatory.

† The times shown for "response and resolution" are reported by the service provider, Tararua Alliance, as part of their contracted responsibilities. This includes travel time. The accuracy of these have not been verified by Council.

Water Supplies

Activities in this group

01.

WATER SUPPLIES

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

Group level funding impact statement

	2017/18 LTP Year 3 \$000s	2017/18 Plan \$000s	2017/18 Actual \$000s	2018/19 LTP Year 1 \$000s	2018/19 Actual \$000s
Sources of Operating Funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	2,465	2,276	2,326	2,395	2,497
Grants and subsidies for operating purposes	-	-	-	-	-
Fees and charges	-	7	3	5	3
Local authorities fuel tax, fines, infringement fees, and other receipts	123	227	278	268	254
Internal charges and overheads recovered	-	-	-	-	-
Total Operating Funding	2,588	2,510	2,607	2,668	2,754
Applications of Operating Funding					
Payment to staff and suppliers	847	921	1,114	949	1,258
Finance costs	288	297	277	261	366
Internal charges and overheads applied	296	242	299	311	354
Other operating funding applications	-	-	-	-	-
Total Applications of Operating Funding	1,431	1,460	1,690	1,520	1,978
Surplus/(Deficit) of Operating Funding	1,157	1,050	917	1,148	776
Sources of Capital Funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	309	1,012	1,693	512	1,693
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total Sources of Capital Funding	309	1,012	1,693	512	1,693
Applications of Capital Funding					
Capital Expenditure:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,069	1,400	2,166	910	2,453
- to replace existing assets	407	443	628	1,355	1,130
Increase (decrease) in reserves	(10)	218	(184)	(604)	(1,114)
Increase (decrease) of investments	-	-	-	-	-
Total Applications of Capital Funding	1,466	2,061	2,610	1,661	2,469
Surplus/(Deficit) of Capital Funding	(1,157)	(1,050)	(917)	(1,148)	(776)
Funding Balance	-	-	-	-	-

What we achieved

Woodville impounded supply

Weather and poor underfoot conditions delayed the completion of the floating cover installation. This part of the project has been completed and staff are harvesting water into the new storage facility as and when the condition and turbidity of the water in the Mangapapa Stream allows.

The main power service connection has been replaced from Oxford Road to the treatment plant and impounded supply. This also includes a new transformer and the opportunity to also install fibre to our system operations.

Pongaroa water treatment

The plant building and chlorine room has been completed and concrete storage tanks are in place with pipework underway. Treatment components are being fitted by the supplier, with electrical connections and SCADA telemetry system to follow.

A new agreement for the management of the scheme with the Pongaroa Rural Water Supply Society is being drawn up, which will address the new requirements and expectations of Council for maintaining this scheme. Plant commission is planned for the second quarter of 2019/20.

Pahiatua water storage and treatment plant

The installation of the new 6,000m³ reservoir at the top of Wakeman Street has been completed. The town now has around six days total water storage for the township, depending on daily usage and demand.

Planning is well underway with the new water treatment plant project. The design for the new plant is being finalised at present. The building itself will be built to Level 3 of the building code, which is of a higher earthquake rating than normal commercial buildings.

Council decided to draw Pahiatua's water from two sources – the bore and the Mangatainoka River. This gives Council security and sustainability of supply for the future. However, the quality of water from the river can be changeable depending on weather conditions. Adverse rainfall and high river flows turn the water very turbid and, during low river flows, very hot weather can cause an algal growth in the river.

To address these issues, Council has made a decision to go with a high quality membrane filtration technology treatment that is capable of treating water with very high

IN 2018/19 WE ACHIEVED...

82%

community satisfaction with management of urban water supplies

2016/17: 81%

2017/18: 71%

\$3.4 million

of capital investment

2016/17: \$3.4m

2017/18: \$2.8m



Capacity of water supplies increased for **Woodville, Pahiatua, Eketahuna, and Pongaroa**

2016/17: Eketahuna

2017/18: nil

Treatment plants upgraded in **Akitio and Pongaroa**



2016/17: nil

2017/18: Pahiatua (UV)

turbidity from the river supply. A process known as advanced oxidation (AOx) is also included in the design. This procedure will help to achieve removal of taste and odour from the water.

The power feed connections and transformer has been renewed and up sized to allow enough power to run both the water and wastewater treatment plants. A new generator is also being installed to allow plants to function if the power goes down.

The changes to design and building requirements to address the challenges has impacted the project timelines, but Council is confident the process it has followed will achieve the right outcomes for the community. The estimated timeframe for the completion of the build is August 2020.

Akitio treatment plant

The new containerised water treatment plant has now been completed and commissioned. A 7,500 litre raw water settling tank was installed to supply the plant over an extended sustainable period rather than a frequent on off operation. Two backwash tanks have also been installed for plant resilience. With the treatment plant upgrade residents, property owners, holiday makers and visitors have access to treated water which will now meet the Drinking Water Standards for New Zealand.

Dannevirke treatment plant

The infiltration gallery at the headworks in the Tamaki River has been extended upstream to allow Council to have security and quality of river water. The new pipe has also been encased in a filter pack with the addition of manholes and control valves. We also refurbished the existing gallery laterals at the same time.

The result of this work has recharged the river bed area around the intake abstraction area. The outcome of this is we are able to harvest water at a lower velocity, which in turn has improved the water quality and quantity available.

Water compliance

Staff have been following the water sampling and testing schedule throughout the district for E. coli and total coliforms, as per the required regulations set out in the Drinking Water Standards for New Zealand, for all treatment plants and reticulation. All the results are uploaded into Drinking Water Online and staff check this data for accuracy and updating any transgression information. Ministry of Health staff have direct access to this information at any time.

Staff also keep in regular communication with Horizons compliance staff on issues with river flow levels in regards to abstraction and meeting consent requirements. Drinking water assessors are also involved with staff at treatment plant visits for implementation reviews.

The risk assessments for Pahiatua, Akitio, and Norsewood water have been completed and accepted by the drinking water assessors.

The compliance team work directly with the operations team to ensure capture of all data, plant log checks, validations/calibrations and equipment service frequency are recorded and completed.

Transgression in water quality

During the year, Council issued three boil water notices for Pongaroa water. The reasons for this were all due to very high turbid water at the intake supply and low chlorine residual in the town reticulation network.

Water safety plans

The Pongaroa Water Scheme Safety Plan (WSP) document is being updated at present as the new treatment plant has now been completed. This will then be presented to Ministry of Health for review and approval.

Dannevirke, Norsewood, Woodville, Pahiatua and Eketahuna water scheme safety plans are all current.

Once the Pahiatua treatment plant upgrade has been completed, the Pahiatua Water Scheme Safety Plan will need to be updated to incorporate the new treatment plant processes.

For Akitio water scheme, it is not compulsory to produce a water scheme safety plan for a water supply with a population under 500 people.

Resource consents

The current renewal process for the Eketahuna Water Take Resource Consent is underway with Horizons Regional Council. All other consents are current and compliant.

Asset management plan improvements

At the beginning of June, our new Three Waters Assets Engineer commenced work with Tararua Alliance.

The initial goal has been to start looking at the various systems in place for gathering data and managing water, stormwater, and wastewater assets. This has meant understanding Council's asset database as well as the interaction between the asset mapping interface, to

determine the most efficient way to commence formulating a plan of attack for future investment, renewal and rehabilitation of water, stormwater, and wastewater assets.

We are currently looking through the CCTV survey data and footage with a view to prioritising on the basis of condition surveys. We also looked through the Assetic data and have started gathering information with a view to analysing asset information to determine the level and detail behind assets in the district. This is in progress with some good data being gathered, helping to build a picture of overall assets within the district, age demographic, condition, number of assets and areas serviced.

A trial was undertaken with some software, Pipeflow Expert, to determine if there is benefit to modelling parts of the network locally to assist with future growth and extension to the reticulation network as well as understanding the limitations within the network. A business case has been put forward outlining the software's capability.

There is also an investigation into hardware – a portable open channel flow meter – that could assist in understanding the impact of inflow and infiltration in the district and help determine the network's areas that are most at risk and hone in on the most critical areas as the basis for a programme of rehabilitation or renewal. The plan is to evaluate benefit and present back opportunities.

Maintenance

Our water maintenance work remains steady, responding to various reactive faults. With work being predominately responsive, our planned renewals suffer with availability of crews. There has recently been a noticeable increase in reactive water maintenance requests. This has included two full water lateral replacements due to the poor condition of existing galvanised pipes.

Renewals

Water main renewals were undertaken in Wakeman Street, Pahiatua. This was to tie in with the new mains being laid during the Pahiatua town centre upgrade. We also installed a watermain in Wakeman between Sedcole Street and Main Street, including 11 laterals to supply the houses and have firefighting capabilities. This enables us to undertake maintenance without shutting down the trunk-main and subsequently affecting the majority of the town. This also prevents pressure related issues on laterals to houses.

An existing 250mm concrete trunk water main in Wakeman Street, Pahiatua, was also renewed. The replacement undertaken was to replace the old concrete water main. This will then connect into the new water main proposed to be installed as part of the Pahiatua town centre upgrade project. This was prioritised to align with the "one dig plan" as it was a roading reseal site and we had on going issues with the water laterals leaking.

Renewals were also undertaken in Alfredton Road, Eketahuna where 45 water laterals were replaced. There have been an ongoing issues for Council, with the aluminium tapping bands regularly failing. The work was also prioritised to align with the road resurfacing programme.

A sub-main was installed along Newman Road, in Eketahuna. This was completed to replace a temporary line that had been installed approximately five years ago.

A new water main in Neptune Street, Dannevirke, was also completed including all house service lines.

Performance against objectives

Water Supplies

Performance measure	Target	Achievement	2018/19 results	2017/18 results																																				
Percentage of customers rating availability of water as "satisfactory" or "very satisfactory" in the community survey	75%	<p>Achieved: 88% (last year: 85%)</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-18</th> <th>Sep-18</th> <th>Feb-19</th> <th>Apr-19</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>49%</td> <td>54%</td> <td>52%</td> <td>53%</td> <td>53%</td> </tr> <tr> <td>7–8</td> <td>32%</td> <td>34%</td> <td>35%</td> <td>32%</td> <td>32%</td> </tr> <tr> <td>6</td> <td>4%</td> <td>3%</td> <td>1%</td> <td>2%</td> <td>3%</td> </tr> <tr> <td>5</td> <td>6%</td> <td>8%</td> <td>9%</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>1–4</td> <td>9%</td> <td>1%</td> <td>3%</td> <td>6%</td> <td>6%</td> </tr> </tbody> </table>	Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19	9–10	49%	54%	52%	53%	53%	7–8	32%	34%	35%	32%	32%	6	4%	3%	1%	2%	3%	5	6%	8%	9%	6%	6%	1–4	9%	1%	3%	6%	6%	✓	✓
Score	Jun-18	Sep-18	Feb-19	Apr-19	Jun-19																																			
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<p>Satisfaction has increased from last year. This reflects Council's capital investment programme in its water schemes. This year, Council completed its water storage projects in Woodville and Pahiatua.</p>																																								
<p>Number of recorded complaints per 1,000 connections to Council's networked reticulation system for:</p>																																								
• drinking water pressure or flow*	< 4	<p>Achieved: 1.0 (last year: 0.9)</p> <p>There were five customer service requests received compared to five last year.</p>	✓	✓																																				
• drinking water taste*	< 5	<p>Achieved: 0.6 (last year: 1.6)</p> <p>There were three customer service requests received compared to nine last year.</p>	✓	✓																																				

Performance measure	Target	Achievement	2018/19 results	2017/18 results
<ul style="list-style-type: none"> drinking water clarity* 	< 5	<p>Not achieved: 10.8 (last year: 5.6)</p> <p>There were 52 customer service requests received (31 last year).</p> <p>Council is improving communication to residents, starting by posting to Facebook and the Tararua District Council web page when and where mains flushing will be occurring and what residents can expect as a result. We will also investigate other suitable communication methods to inform affected residents of mains flushing.</p> <p>This issue was compounded due to Fire and Emergency NZ doing fire hydrant testing, affecting residents' water clarity.</p>		
<ul style="list-style-type: none"> drinking water odour* 	< 4	<p>Achieved: 0.8 (last year: 1.3)</p> <p>There were four customer service requests received (seven last year). Two each were received in Pahiatua and Dannevirke. Council is investing in a new water treatment plant in Pahiatua to meet the Drinking Water Standards and to address taste and odour issues.</p>		
<ul style="list-style-type: none"> continuity of supply* 	< 5	<p>Achieved: 2.5 (last year: 2.9)</p> <p>There were 12 customer service requests received during the year (16 last year).</p>		
<ul style="list-style-type: none"> Council's response to the issues above* 	< 2	<p>Achieved: nil (last year: nil)</p> <p>There were no customer service requests received during the year, compared to nil last year.</p>		
<ul style="list-style-type: none"> total number of recorded complaints* 	< 25	<p>Achieved: 15.7 (last year: 25.2).</p> <p>There were 76 customer complaints received during the year (72 last year).</p>		
Number of schemes with a Public Health Management Plan in place	7 [†]	<p>Not achieved: 6 (last year: 6)</p> <p>All schemes, except for Akitio, have a Water Safety Plan in place. The new Akitio treatment plant was commissioned with the Water Safety Plan to be completed now that the treatment plant is installed.</p> <p>Pongaroa's Water Safety Plan will be updated to incorporate changes from the recently commissioned treatment plant.</p>		
Number of schemes that comply with Part 4 (bacteria compliance criteria) of the NZ Drinking Water Standards*	7 [†]	<p>Not achieved: 6 (last year: 3)</p> <p>We have revisited our testing regime in 2019 to ensure we are collecting the correct number of samples, including recruiting a water sampler in September.</p> <p>E. coli was present in water sampling in Pongaroa in September. Council placed a boil water notice with immediate effect as a precaution to residents in Pongaroa. The new treatment plant will address future issues.</p>		

Performance measure	Target	Achievement	2018/19 results	2017/18 results
Number of schemes that comply with Part 5 (protozoal compliance criteria) of the NZ Drinking Water Standards*	7	Not achieved: nil (last year: 4) Twenty-four hour monitoring is now in place in five schemes. Twelve months of data is required to be available for assessment (after UV disinfection was installed). Therefore, new plants at Akitio and Pongaroa will not be compliant until 12 months from the commissioning of the new treatment plant. Pahiatua will have 24 hour monitoring in place with the construction of its new treatment plant due in mid 2020. Norsewood requires further investment to enable 24 hour monitoring.		
Median response time to attend an urgent call-out, measured from the time Council receives notification to the time that service personnel reach the site* †	1 hour	Achieved: 23 minutes (last year: 23 minutes)		
Median time to resolve an urgent call-out, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption* †	5 hours	Achieved: 1 hour 54 minutes (last year: 3 hours 53 minutes)		
Median response time to attend a non-urgent call-out, measured from the time Council receives notification to the time that service personnel reach the site* †	8 hours	Achieved: 2 hours 40 minutes (last year: 2 hours and 43 minutes)		
Median time to resolve a non-urgent call-out, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault or interruption* †	24 hours	Achieved: 6 hours 24 minutes (last year: 4 hours 56 minutes)		
The percentage of real water loss from the Council's networked reticulation schemes based on the minimum night flow (MNF) analysis*	< 20%	Achieved: 9% (last year: 12%)		
Average consumption of drinking water per day per resident connected to a Council scheme*	< 300 litres	Achieved: 258 litres (last year: 266 litres)		

* These performance measures are provided by the Department of Internal Affairs and are mandatory.

† The target has been adjusted from the published Long Term Plan due to a typo error. Council only has seven water schemes.

‡ The times shown for "response and resolution" are reported by the service provider, Tararua Alliance, as part of their contracted responsibilities. This includes travel time. The accuracy of these have not been verified by Council.

04

**FINANCIAL
STATEMENTS**

Statement of comprehensive revenue and expense for the year ended 30 June 2019

	Note	2017/18 Actual \$000s	2018/19 Actual \$000s	2018/19 Plan \$000s
Revenue				
Rates	2	21,409	22,204	22,395
Grants and subsidies		13,161	15,905	9,548
Fees and charges	4	2,324	2,473	2,743
Finance revenue	3	192	96	224
Dividends and subvention		-	-	-
Other revenue	5	436	360	376
Forestry sales		317	271	-
Development and financial contribution		-	-	-
Total operating revenue		37,839	41,309	35,286
Expenditure				
Other operating expenses	9	17,947	18,871	17,097
Depreciation and amortisation	10	13,120	13,212	13,117
Personnel costs	7	5,352	6,035	5,549
Finance costs	3	679	1,448	830
Total operating expenditure before asset gains/losses		37,098	39,566	36,593
Operating surplus/(deficit) before asset gains/losses		741	1,743	(1,307)
Other asset gains/(losses)	6	129	1,551	79
Operating surplus/(deficit) before tax		870	3,294	(1,228)
Less taxation expense/plus refund	11	-	-	-
Surplus/(deficit) after tax		870	3,294	(1,228)
Surplus/(deficit) attributable to:				
Parent interest (Tararua District Council)	23	870	3,294	(1,228)
Non-controlling interest	23	-	-	-
Surplus/(deficit) for the period		870	3,294	(1,228)
Other Comprehensive Revenue and Expense				
Gains/(losses) on assets revaluation	24	41,063	9,607	18,736
Financial assets at fair value through other comprehensive revenue & expense	24	-	-	-
Tax on equity items		-	-	-
Other Comprehensive Revenue and Expense Subtotal		41,063	9,607	18,736
Total Comprehensive Revenue and Expense		41,933	12,901	17,508

Explanations of major variances against budget are provided in Note 36.
These statements should be read in conjunction with the 'Notes to the Financial Statements'.

Statement of changes in equity for the year ended 30 June 2019

	Note	2017/18 Actual \$000s	2018/19 Actual \$000s	2018/19 Plan \$000s
Balance at 1 July		877,466	919,370	878,962
Total comprehensive revenue & expense previously reported		41,933	12,901	17,508
Dividends Paid		-	-	-
Total Balance at 30 June		919,399	932,271	896,470
Total Comprehensive Revenue and Expense attributable to:				
Tararua District Council		41,933	12,901	17,508
Minority Interest		-	-	-
Total Comprehensive Revenue and Expense		41,933	12,901	17,508
Detailed Changes				
Accumulated Funds				
Balance at 1 July*		348,461	344,780	341,610
Net Surplus/(Deficit) after Tax for the Year		870	3,294	(1,228)
Fair value through equity		-	-	-
Net transfers between Equity and Reserves		(4,522)	2,543	2,084
Dividends paid		-	-	-
Balance at 30 June		344,809	350,615	342,466
Asset Revaluation Reserves				
Balance at 1 July		497,368	538,431	503,419
Increase/(Decrease) in Revaluation Reserves		41,063	9,608	18,736
Balance at 30 June		538,431	548,039	522,155
Special Funded Reserves				
Balance at 1 July		31,595	36,114	33,883
Increase/(Decrease) in Special Reserves		4,519	(2,543)	(2,084)
Balance at 30 June		36,114	33,571	31,799
Trust Funds				
Balance at 1 July		42	46	50
Increase/(Decrease) in Trust Funds		4	-	-
Balance at 30 June		46	46	50
Minority interest		-	-	-
Total Equity at 30 June		919,400	932,271	896,470

* Refer to Note 23 for explanation of opening balance adjustment.

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

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

Statement of financial position as at 30 June 2019

	Note	2017/18 Actual \$000s	2018/19 Actual \$000s	2018/19 Plan \$000s
Assets				
Current Assets				
Cash and cash equivalent	1	3,535	3,921	2,018
Debtors and other receivables	12	6,097	7,272	3,874
Other financial assets	15	2,478	1,325	4,579
Non-current assets held for sale	16	-	184	-
Inventories	14	68	111	115
Total Current Assets		12,177	12,813	10,586
Non-Current Assets				
Other financial assets	15	257	353	278
Investment held in New Zealand Local Government Insurance Corporation Ltd	15	118	118	-
Debtors and other receivables	12	-	-	-
Investment Property	16	1,641	1,512	1,649
Forestry assets	13	2,072	3,555	1,539
Intangible assets	19	1,254	1,281	1,203
Property, plant & equipment – operational	18	42,918	42,805	39,677
Property, plant & equipment – infrastructure	18	879,314	899,769	863,522
Property, plant & equipment – restricted	18	4,770	4,770	4,770
Total Non-Current Assets		932,343	954,163	912,638
Total Assets		944,520	966,976	923,224
Liabilities				
Current Liabilities				
Payables and deferred revenues	20	5,796	6,575	4,087
Borrowings – current	22	4,000	6,000	2,000
Employee entitlements	8	464	573	448
Provision for landfill aftercare	21	109	105	-
Derivative Financial Instrument	30	5	234	-
Total Current Liabilities		10,375	13,487	6,535

	Note	2017/18 Actual \$000s	2018/19 Actual \$000s	2018/19 Plan \$000s
Non-Current Liabilities				
Borrowings – non-current	22	13,000	19,000	19,072
Derivative Financial Instrument	30	682	1,211	-
Employee entitlements	8	28	29	29
Tenant contributions	17	480	480	475
Provision for landfill aftercare	21	560	500	641
Total Non-Current Liabilities		14,751	21,220	20,217
Total Liabilities		25,126	34,707	26,752
Equity				
Accumulated Funds	23	344,809	350,612	342,466
Asset Revaluation Reserves	24	538,431	548,040	522,155
Special Funded Reserves	25	36,114	33,571	31,799
Trust Funds	26	46	46	50
Total Equity		919,400	932,269	896,470
Total Liabilities and Equity		944,526	966,976	923,222

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

Statement of cash flows for the year ended 30 June 2019

	Note	2017/18 Actual \$000s	2018/19 Actual \$000s	2018/19 Plan \$000s
Cash Flows from Operating Activities				
Cash was provided from:				
Rates		21,652	22,263	22,885
Grants and subsidies		11,576	14,932	9,548
Fees, charges and other receipts (including Donations)		2,933	2,892	2,743
Interest received		202	118	224
Dividends & subvention payment received		-	-	-
Income tax refunds		-	-	-
Other revenue		808	-	376
GST refunds		-	-	-
		37,171	40,205	35,776
Cash was applied to:				
Payments staff and suppliers		22,314	24,405	23,137
Interest paid		551	685	830
Income tax payments		-	-	-
GST payments		-	-	-
		22,865	25,090	23,967
Net cash inflow (outflow) from operating activities	27	14,306	15,115	11,809
Cash Flows from Investing Activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment		-	47	-
Proceeds from investment property		-	-	-
Proceeds from investments realised		2,906	1,153	250
		2,906	1,200	250
Cash was applied to:				
Purchase of property, plant and equipment		19,629	23,929	18,316
Purchase of Intangible assets		229	-	-
Purchase of investments		96	-	(2,184)
		19,954	23,929	16,132
Net cash inflow (outflow) from investing activities		(17,048)	(22,729)	(15,882)

	Note	2017/18 Actual \$000s	2018/19 Actual \$000s	2018/19 Plan \$000s
Cash Flows from Financing Activities				
Cash was provided from:				
Proceeds from borrowings		9,000	10,000	8,072
Tenant contributions received			-	-
		9,000	10,000	8,072
Cash was applied to:				
Dividend paid		-	-	-
Tenant contributions repaid			-	-
Repayment of borrowings		3,000	2,000	4,000
		3,000	2,000	4,000
Net cash inflow (outflow) from financing activities		6,000	8,000	4,072
Net increase (decrease) in cash held		3,258	386	
Total cash resources at start of the year		277	3,535	2,018
Total cash resources at end of the year	1	3,535	3,921	2,017

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

Whole of Council funding impact statement for the year ended 30 June 2019

	2017/18 Actual \$000s	2017/18 Plan \$000s	2018/19 Actual \$000s	2018/19 Plan \$000s
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	7,491	7,722	8,025	7,963
Targeted rates	14,818	14,268	15,032	14,921
Grants and subsidies for operating purposes	5,266	3,678	6,667	4,181
Fees, charges	2,324	2,755	2,554	2,743
Interest and Dividends from investments	192	175	96	224
Local authorities fuel tax, fines, infringement fees, and other receipts	753	687	631	376
Total Operating Funding	30,844	29,285	33,005	30,408
Applications of Operating Funding				
Payment to staff and suppliers	24,204	22,166	25,840	23,137
Finance costs	679	515	1,447	830
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	24,883	22,681	27,287	23,967
Surplus/(Deficit) of Operating Funding	5,961	6,604	5,719	6,441
Sources of Capital Funding				
Subsidies and grants for capital expenditure	7,895	5,271	9,238	5,367
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(588)	1,177	-	4,072
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	7,307	6,448	9,238	9,440
Applications of Capital Funding				
Capital Expenditure:				
- to meet additional demand	-	28	-	80
- to improve the level of service	6,949	5,019	7,395	5,662
- to replace existing assets	12,851	9,295	16,487	12,574
Increase (decrease) in reserves	(6,532)	(1,290)	(8,924)	(2,184)
Increase (decrease) of investments	-	-	-	(250)
Total Applications of Capital Funding	13,268	13,052	14,958	15,882
Surplus/(Deficit) of Capital Funding	(5,961)	(6,604)	(5,719)	(6,441)
Funding Balance	-	-	-	-

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

	2017/18 Actual \$000s	2017/18 Plan \$000s	2018/19 Actual \$000s	2018/19 Plan \$000s
Revenue				
Statement of Comprehensive Revenue and Expense	37,839	34,067	41,309	35,286

Summary Funding Impact Statement

Sources of Operating Funding

Total operating funding	30,844	29,285	33,005	30,408
Add sources of capital funding:				
- Subsidies and grants for capital expenditure	7,895	5,272	9,238	5,367
- Investment (gains/losses)	-	-	-	-
Other dedicated capital funding	-	-	-	-
Less rates remission and discount	(560)	(490)	(559)	(489)
Less internal rates revenue eliminated	(340)	-	(375)	-
Total Revenue	37,839	34,067	41,309	35,286

Expenditure

Statement of Comprehensive Revenue and Expense	37,098	33,666	39,566	36,593
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Summary Funding Impact Statement

Application of Operating Funding

Total application of operating funding	24,883	22,683	27,287	23,967
Add depreciation and amortisation expense	13,120	11,473	13,212	13,117
Less rates remission and discount	(565)	(490)	(559)	(491)
Less internal rates revenue eliminated	(340)	-	(375)	-
Total Expenditure	37,098	33,666	39,566	36,593

Statement of accounting policies

For the year ended 30 June 2019

Reporting entity

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

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

Tararua District Council has an associate, Manawatu-Wanganui Lass Limited, a 14% owned associate – public benefit entity. They are domiciled and incorporated in New Zealand.

The financial statements of Council are for the year ended 30 June 2019. The financial statements were authorised for issue by Council on 31 October 2019.

Basis of preparation

Statement of compliance

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

Measurement base

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

Functional and presentation currency

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

Disclosure regards Tararua Aquatic Centre Trust

The Office of the Auditor General (OAG) has assessed that the Tararua Aquatic Centre Trust (TACT) continues to be controlled by Council, and should be consolidated into Council group financial statements. The Council does not agree with this assessment and has sought independent advice, and based on this advice has decided that for the 2018/19 Annual Report, it will not prepare a consolidated Annual Report. The Council will continue to discuss with the OAG to resolve this matter by the 2019/20 Annual Report.

The financial statements in the 2018/19 Annual Report are of Council only.

Changes in accounting policies

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

Associates

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

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

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

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

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

Revenue

Revenue is measured at fair value.

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

Exchange and non-exchange transactions

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

Rates revenue

The following policies of rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not

sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

- Rates arising from late payment penalties are recognised on as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Contribution revenue

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

Government subsidies

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

Provision of services

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

Vested assets

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

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

Sales of goods

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

Commission

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

Dividends

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

Interest revenue

Interest revenue is recognised using the effective interest method.

Borrowing costs

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

Grant expenditure

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

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

Foreign currency

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

Income tax

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

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

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow

from the manner in which the Council expects to recover or settle the carrying amount of its assets and liabilities.

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

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

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

Leases

Finance leases

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

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

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

Operating leases

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

Cash and cash equivalents

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

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

Debtors and other receivables

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

Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the cost adjusted for any loss on service potential.

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

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

Financial assets

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

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

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

Financial assets at fair value through surplus or deficit

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

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

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

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

Derivative Financial Instruments

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

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

Loans and receivables

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

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

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

Held to maturity investments

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

After initial recognition, they are measured at amortised cost using the effective interest method less impairment. Gains

and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

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

Council includes in this category:

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

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

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

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

Impairment of financial assets

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

Loans and other receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms.

Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account.

Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due).

For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that the Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Fair value through other comprehensive revenue and expense

For equity investments classified as fair value through other comprehensive revenue and expense, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) is removed from equity and recognised in the surplus or deficit.

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

Non-current assets held for sale

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

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

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

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

Property, plant and equipment

Property, plant and equipment consists of:

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

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

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

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

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset.

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

Subsequent costs

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

flow to Council and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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

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

Asset category	Useful life	Depreciation rate
Operational and Restricted Assets		
Buildings	9–80	(1.3%–11.1%)
Computer equipment	2–20	(5%–50%)
Fibre cabling and conduits	20–30	(3%–5%)
Furniture and fittings	2–45	(2.2%–50%)
Library collections	1–10	(10%–100%)
Motor vehicles	5–20	(5%–20%)
Plant and equipment	2–33	(3%–50%)
Swimming pools	15–50	(2%–6.7%)
Infrastructural Assets		
Roading		
Top surface (seal)	12–16	(6.3%–8.3%)
Top surface (unsealed)	1–5	(20%–100%)
Pavement (seal base course)	90	(1.1%)
Pavement (unsealed base course)	Not depreciated	
Sub-base (rural)	Not depreciated	
Sub-base (urban)	40	(2.5%)
Formation	Not depreciated	
Drainage	20–90	(1.1%–5%)
Bridges and culverts	70–120	(0.8%–1.4%)
Railings	30–50	(2%–3.3%)
Retaining walls	90	(1.1%)
Kerbing	25–100	(1%–4%)
Footpaths	10–90	(1.1%–10%)
Signs and road markings	5–12	(8.3%–20%)
Streetlights	25–60	(1.7%–4%)

Asset category	Useful life	Depreciation rate
Stormwater		
Pipes	50–140	(0.7%–2%)
Manholes	90–140	(0.7%–1.1%)
Wastewater Network		
Pipes and manholes	50–135	(0.7%–2%)
Treatment ponds	55–65	(1.5%–1.8%)
Pumps	20–40	(2.5%–5%)
Flow monitoring equipment	20	(5%)
Water Network		
Monitoring equipment (hardware)	5–30	(3.3%–20%)
Pipes, hydrants, valves	40–150	(0.7%–2.5%)
Treatment plants	10–100	(1%–10%)
Pumps	15–30	(3.3%–6.7%)
Tanks	40–200	(0.5%–2.5%)
Waste management	2–17	(5.9%–50%)
Items under construction	Non-depreciable	

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

Revaluation

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

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

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

Council assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the

assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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

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

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

Operational and restricted land and buildings

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

Land under roads

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

Unformed or paper roads

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

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

Intangible assets

Software acquisition and development

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

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

Staff training costs are recognised as an expense when incurred.

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

Carbon credits

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

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

Carbon credits are not amortised.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in surplus or deficit.

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

	Useful life	Depreciation rate
Computer software	3–8 years	12.5–33%

Forestry assets

Forestry assets are revalued annually at fair value less estimated point of sale costs. Fair value is determined based

on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

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

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

Investment property

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

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

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

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

Impairment of non-financial assets

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

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

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

Livestock

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

Payables and deferred revenue

Payables and deferred revenue are initially measured at face value.

Employee benefits

Short-term entitlements

Employee benefits that expect to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

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

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

Long-term entitlements

Long service leave and retirement leave

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

Superannuation schemes

- **Defined Contribution Schemes**

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

- **Defined Benefit Schemes**

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

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

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Financial guarantee contracts

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

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

Borrowing

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

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

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total

liabilities. Equity is disaggregated and classified into a number of components.

The components of equity are:

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

Asset revaluation reserve

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

Special funded and Council created reserves

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

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

Trust funds

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

Good and service tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council at the beginning of the year in the most current of the Annual Plan or the Long Term Plan.

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

Cost allocation

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

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

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

Statement of cash flows

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

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

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

Rounding

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

Critical accounting estimates and assumptions

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

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

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

Landfill aftercare provision

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

Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the 'New Zealand Infrastructural Asset Valuation and Depreciation Guidelines' published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

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

Property, plant and equipment useful lives and residual values

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

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

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

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

Council has made changes to past assumptions concerning useful lives and residual values. Council has increased the life range on bridges from 100 years to 140 years, and has also increased the life range on water monitoring equipment from five years to 20 years. The carrying amounts of property, plant and equipment are disclosed in Note 19.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying Council's accounting policies for the period ended 30 June 2018.

Classification of property

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

Notes to financial statements

For the year ended 30 June 2019

1. Cash and cash equivalents

The average interest rate received on the bank deposit for the 2018/19 year was 3.45%. In 2017/18 this was 3.09%.

	2017/18 Actual \$000s	2018/19 Actual \$000s
Cash at bank and in hand	3,480	3,890
Term deposits maturing 3 months or less from date of acquisition	55	32
Total Cash and Cash Equivalents	3,535	3,921

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

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

The Council holds unspent funds, included in cash at bank and investments, of \$45,000 (2018: \$46,000). These unspent funds relate to trusts received (Note 27). The restrictions generally specify how the funds are required to be spent.

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

	2017/18 Actual \$000s	2018/19 Actual \$000s
Cash and cash equivalent current asset	3,480	3,890
Short term deposits maturing 3 months or less from date of acquisition	55	32
Cash and cash equivalent current liability – bank overdraft	-	-
Total Cash Resources	3,535	3,921

2. Rates revenue

	2017/18 Actual \$000s	2018/19 Actual \$000s
General Rates		
Uniform annual general charge	3,891	4,258
General land rates	3,357	3,753
Targeted Rates Attributable to Group of Activities		
Community and Recreation Facilities	1,679	1,731
District Promotion and Economic Development	465	635
Regulatory Services	14	-
Roading and Footpaths	6,639	6,160
Solid Waste Management	925	1,010
Stormwater	769	607
Wastewater	1,991	2,402
Water Supplies	1,776	1,854
Rates revenue before discount	21,506	22,410
Less 3% discount for full payment at time of first instalment	(87)	(94)
Rates revenue after discount	21,419	22,316
Plus metered water charges	550	647
Less rates refunds	-	(35)
Less rates remissions	(406)	(430)
Less rates internally charged to Council	(340)	(375)
Plus net rates penalties	186	81
Total revenue from rates	21,409	22,204

Rates Remissions

	2017/18 Actual \$000s	2018/19 Actual \$000s
Rates Remissions		
Town centre refurbishment development loans	8	8
Sewerage – educational establishments	81	86
General rates	280	297
General rates – not for profit sports and cultural	37	39
Total	406	430

Council had 10,375 rateable assessments as at 30 June 2019. The total capital and land value of these assessments were \$5,615,879,880 and \$3,476,582,480 respectively.

3. Finance revenue and finance costs

	2017/18 Actual \$000s	2018/19 Actual \$000s
Finance Revenue		
Interest on bank deposits	192	96
Total Finance Revenue	192	96
Finance Costs		
Interest on bank overdraft	-	-
Landfill interest expense	(10)	(25)
Fair value movement of derivative	98	758
Interest on secured loans	591	715
Total Finance Costs	679	1,448
Net Finance (Costs)/Gain	(487)	(1,352)

4. Fees and charges

	2017/18 Actual \$000s	2018/19 Actual \$000s
Building and planning consent charges	400	446
Dog registration fees	246	273
Landfill and transfer station charges	478	618
Pensioner housing rent	384	417
Trade waste charges	110	116
Petroleum tax	169	171
Rendering of services	-	-
Other fees and charges	537	432
Total	2,324	2,473

5. Other revenue

	2017/18 Actual \$000s	2018/19 Actual \$000s
Revenue from the various domain boards	180	205
Insurance recoveries:		
- motor vehicles	47	-
- buildings	40	-
Other	169	155
Total Miscellaneous Revenue	436	360

6. Other gains and losses

	2017/18 Actual \$000s	2018/19 Actual \$000s
Gain/(Loss) on disposal of property, plant & equipment	(325)	13
Gain (Loss) on Investment properties	39	-
Gain (Loss) on change in forestry value	415	1,538
Total Gains/(Losses)	129	1,551

7. Personnel costs

Salaries and wages includes movements in employee benefit liabilities.

	2017/18 Actual \$000s	2018/19 Actual \$000s
Salaries and wages	5,017	5,485
Defined contribution plan employer contributions	137	155
Training costs	183	285
Increase/(decrease) in employee entitlements/liabilities	16	110
Total Employee Benefit Costs	5,352	6,035

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

During the year to 30 June 2019, the total remuneration and value of other non-financial benefits received by, or payable to the Mayor, Councillors, the Chief Executive, and senior managers of the Council were as follows:

	2017/18 \$000s	2018/19 \$000s
Mayor		
Tracey Collis	87	94
Tracey Collis, motor vehicle	4	4
Councillors		
Allan Benbow	36	38
Ernie Christison	26	10
James Crispin	28	31
Alison Franklin	25	28
Shirley Hull	29	31
Carole Isaacson	26	28
Peter Johns	25	28
Kerry Sutherland	-	15
Andrew Thompson	25	27
Total Mayor and Councillors	311	334
Community Boards		
Charlie Death	8	8
Diana Eagle	4	4
Terry Hynes	6	6
Ross Macdonald	10	12
Sharon Shannon	4	4
Kim Spooner	6	6
Pat Walshe	6	6
Pauline Wilson	4	4
Total Community Boards	48	50
Chief Executive		
Blair King, employee benefit costs	221	227
Defined contribution plan - employer contributions	7	7
Blair King, motor vehicle	10	10
Total Chief Executive	238	244
Severance Payments		
All employees	-	-

The above comparatives have changed for the defined contribution plan - employer contributions and, motor vehicle. These have changed to reflect the actual remuneration received by the Chief Executive for the prior year. A calculation error for the 2017/18 figures was picked up during our preparation of the 2018/19 annual report and therefore, corrected.

Total employee annual remuneration by band

Remuneration Band	2017/18	Remuneration Band	2018/19
Less than \$60,000	54	Less than \$60,000	55
\$60,000–\$79,999	21	\$60,000–\$79,999	19
\$80,000–\$99,999	11	\$80,000–\$99,999	14
\$100,000–\$239,999	6	\$100,000–\$139,999	6
Total	92	\$140,000–\$259,999	3
		Total	97

Total remuneration includes non-financial benefits provided to employees.

At balance date, Council employed 64 (2018: 63) full-time employees, with balance of staff representing 15.4 (2018: 14.3) full-time equivalent employees. At balance date, Council employed 10 casual staff (2018: six).

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

8. Employee entitlements

	2017/18 Actual \$000s	2018/19 Actual \$000s
Current Portion		
Accrued pay	119	156
Annual leave	341	415
Long service leave	3	3
Total Current Portion	464	573
Non-current Portion		
Retirement leave	28	29
Total Non-current Portion	28	29
Total Employee Entitlements	492	602

Employee provisions – movements

	2017/18 Actual \$000s	2018/19 Actual \$000s
Opening Balance	476	492
Additional provision	454	594
Amount used	(438)	(485)
Net Movement for the Year	16	110
Closing Balance	492	602

9. Other operating expenses

	2017/18 Actual \$000s	2018/19 Actual \$000s
Audit fees for financial statement audit – current year	116	118
Audit fees for debenture trust deed	4	4
Audit fees for Long Term Plan	66	-
Impairment of receivables movement (see note 12)	(34)	(83)
Inventory consumption	48	(43)
Rental and operating lease expenses	57	50
Other operating expenses	17,690	18,825
Total Other Operating Expenses	17,947	18,871

10. Depreciation and amortisation expense by group of activities

	2017/18 Actual \$000s	2018/19 Actual \$000s
Building Communities and Leadership	3	6
Community and Recreation Facilities	1,982	2,394
District Promotion and Economic Development	10	10
Regulatory Services	44	46
Roading and Footpaths	8,805	8,456
Solid Waste Management	91	70
Stormwater	222	222
Wastewater	933	990
Water Supplies	1,030	1,018
Total	13,120	13,212

This note is disclosed to be compliant with Schedule 10 of the Local Government Act 2002.

11. Taxation

	2017/18 Actual \$000s	2018/19 Actual \$000s
Relationship between Tax and Accounting Profit		
Operating surplus/(deficit) before income tax	870	3,294
Prima facie tax @ 28%	244	922
Tax effect of permanent differences:		
- Non-deductible expenditure	(244)	(922)
- Deferred tax adjustment	-	-
Total Income Tax Expense	-	-

12. Debtors and other receivables

(Amounts include GST)	2017/18 Actual \$000s	2018/19 Actual \$000s
Current Portion		
Rates receivables	1,673	1,614
Sundry debtors	331	622
Sundry debtors - NZ Transport Agency: roading subsidies	3,284	3,970
Interest accrued	25	3
Prepayments	454	431
Other receivables	741	959
	6,507	7,599
Less provision for impairment of receivables	(410)	(327)
Current Portion	6,097	7,272
Non-current Portion		
Prepayments	-	-
Non-current Portion	-	-
Total Trade And Other Receivables	6,097	7,272
Total receivables comprise:		
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	5,581	6,634
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	516	638

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

(Amounts include GST)	2017/18 Actual \$000s	2018/19 Actual \$000s
Total rates receivable	1,673	1,614
Less assessed impairment	(391)	(278)
Net assessed as collectible after rating sales and expected collection	1,282	1,336
Collectible split for rating years as:		
> 12 months	731	754
< 12 months	551	582
Carrying amount	1,282	1,336

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

(Amounts include GST)	2017/18 Actual \$000s	2018/19 Actual \$000s
Current	3,193	3,371
1 month	1,475	2,126
2 months	148	3
Over 2 months	(4)	51
	4,812	5,551

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value. The carrying amount of receivables that are past due, but not impaired, whose terms have been renegotiated is \$NIL (2018: \$NIL).

Impairment

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

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

The status of receivables as at 30 June 2019 are detailed below:

- There is only one concentration of credit risk with respect to receivables. Council has one large debtor in respect of NZ Transport Authority providing government subsidy for Roding. This concentration of risk and reliance on Government is not considered to be a matter of concern because of the New Zealand Government's strong credit rating.
- The face value of loans to related parties is \$NIL (2018: \$NIL).
- The carrying value of trade and other receivables (excluding loans to related parties) approximates their fair value. As of 30 June 2019, all overdue receivables have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

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

Impairment of receivables

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

	2017/18 Actual \$000s	2018/19 Actual \$000s
At 1 July	375	410
Additional/(reduction in) provisions made during the year	35	(83)
Less receivables written off during period	-	-
At 30 June	410	327

13. Forestry assets

	2017/18 Actual \$000s	2018/19 Actual \$000s
Balance at 1 July	1,656	2,072
Increases due to purchases	-	-
Gains/Losses arising from changes in fair value - less estimated sale costs	489	1,483
Decreases due to sales	-	-
Decrease due to harvest	(74)	-
Balance at 30 June	2,072	3,555

Council

Council owns 426.2 hectares of pinus radiata forest at year end (2018: 370.4 hectares). The trees are at varying stages of maturity ranging from 0–30 years. Market changes have made many previous uneconomical stands feasible to harvest.

During the 2018/19 year, Council did not conduct any harvesting at Kaiparoro forest (2017/18: 10.7 hectares) due to weather and contractor availability. Council did harvest 3.4 hectares from a joint venture block (2017/18: nil).

Registered valuer, ForestStat Ltd, has valued forestry assets as at 30 June 2019. A post-tax discount rate of 6.5% was used to discount the present value of expected cash flows.

Financial risk management strategies

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

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

14. Inventory and livestock

	2017/18 Actual \$000s	2018/19 Actual \$000s
Held for distribution inventory		
Rural fire consumables	-	-
Paper stock	30	24
i-SITE stock	3	3
Commercial inventory		
Livestock	7	7
Material stocks	27	77
Total Inventory and Livestock	68	111

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

15. Other financial assets

	2017/18 Actual \$000s	2018/19 Actual \$000s
Current Portion		
Short term deposits greater than 3 months but less than 12 months	2,478	1,325
Total Current Portion	2,478	1,325
Non-current Portion		
Term deposits greater than 12 months	-	-
Local Government Funding Agency borrower notes	240	336
Tararua Aquatic Community Trust settled by Council (Initial \$500 capital)	1	1
New Zealand Local Government Insurance Corporation Limited	118	118
MW LASS shares	16	16
Total Non-current Portion	375	471
Total Investments	2,852	1,796

Term deposits

The carrying amount of term deposits approximates their fair value.

Impairment

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

16. Investment property

	2017/18 Actual \$000s	2018/19 Actual \$000s
Balance at 1 July	1,602	1,641
Additional disposal from reclassification	-	(184)
Disposals/sales	-	-
Fair value gains/(losses) on valuation	39	55
Balance at 30 June	1,641	1,512
Rental revenue	20	41
Direct operating expenses	(37)	(78)
Surplus/(Deficit)	(17)	(37)

Council investment properties are valued annually at fair value effective 30 June. All investment properties are valued based on open market evidence. The valuation was performed by independent registered valuer Alex Robson (MPINZ) of Aon New Zealand. Aon New Zealand are experienced valuers with extensive market knowledge in the type and location of property owned by Council.

Non-current assets held for sale

	2017/18 Actual \$000s	2018/19 Actual \$000s
Buildings	-	45
Land	-	139
Total non-current assets held for sale	-	184

The Council-owned property on Vogel Street, Woodville has been presented as held for sale following the approval by Council on 24 April 2018 to sell the premises.

The property has no further use to Council. Council is further negotiating with purchaser. The accumulated property revaluation reserve recognised in equity for the Vogel Street property at 30 June 2019 is \$0 – due to the building being earthquake prone it has been impaired and, therefore, has no revaluation reserve.

17. Tenant contributions

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

At 30 June 2019 the loans repayable to tenants totalled \$480,075 (2018: \$480,075).

18. Property, plant and equipment

Valuation

Council valuations

Infrastructure assets – roading network, water network, sewerage network and stormwater network

These assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over- or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The most recent valuation was performed in-house, and reviewed by independent registered valuer, Pauline True at Stantec Ltd, using optimised depreciated replacement cost. Stantec Ltd are experienced valuers with extensive market knowledge in the type and location of assets owned by Council. The valuation was effective as at 1 July 2018.

The total fair value valued by Council and reviewed by Stantec Ltd was \$846,319,598. There are no amounts of property, plant and equipment pledged as security for liabilities.

Land (operational, restricted, and infrastructural)

The most recent valuation of land and buildings was performed by an independent registered valuer, Alex Robson of Aon New Zealand. The valuation was effective as at 1 July 2017.

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

The total fair value of land valued by Aon New Zealand was \$9,977,200.

Buildings (operational and restricted)

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

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

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

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

The most recent valuation was performed by an independent registered valuer, Alex Robson of Aon New Zealand. Aon New Zealand are experienced valuers with extensive market knowledge in the type and location of assets owned by Council. The valuation was effective as at 1 July 2017.

The total fair value of buildings (including improvements) valued by Aon New Zealand was \$29,195,000.

Disposal

The net gain on disposal of property, plant and equipment of \$13,255 has been recognised in the statement of comprehensive revenue and expense in the line item "Other asset gains/losses" and disclosed in Note 6.

Additions

Additions for the year totalled \$29,335,000. These consisted of constructed assets.

Council 2019

	Cost or valuation opening bal 1-Jul-18 \$000s	Accumulated depreciation opening bal 1-Jul-18 \$000s	Carrying amount opening bal 1-Jul-18 \$000s	Current year additions \$000s	Current year disposals \$000s
Operational Assets					
At Valuation					
Buildings	29,919	(1,339)	28,580	430	-
Land	9,948	-	9,948	169	-
At Cost					
Computer equipment	2,227	(1,606)	621	220	-
Fibre cabling and conduits	1,190	(370)	820	51	-
Furniture and fittings	826	(658)	168	46	-
Library collections	1,753	(1,325)	428	87	-
Motor vehicles	1,476	(747)	729	337	(137)
Plant and machinery	2,985	(2,061)	924	161	(4)
Swimming pools	520	(253)	267	18	-
Work in progress	433	-	433	907	-
Total Operational Assets	51,277	(8,359)	42,918	2,426	(141)
Infrastructure Assets					
At Valuation					
Roading network	685,516	(7,315)	678,201	11,969	-
Roading bridges and culverts	71,523	(1,349)	70,174	1,036	-
Roading land	24,395	-	24,395	-	-
Roading and forestry roads	315	-	315	-	-
Wastewater treatment plants and facilities	17,610	(494)	17,116	1,125	-
Wastewater network and other assets	16,002	(405)	15,597	856	-
Stormwater systems	11,302	(222)	11,080	274	-
Street-lighting	1,587	(64)	1,523	15	-
Waste management	1,319	(1,042)	277	100	-
Water supply treatment plants and facilities	9,906	(321)	9,585	3,853	-
Water supply network and other assets	34,179	(692)	33,487	793	-
At Cost					
Work in Progress	17,564	-	17,564	6,888	-
Total Infrastructure Assets	891,218	(11,904)	879,314	26,909	-

Current year impairment changes \$000s	Current year depn \$000s	Reverse accumul depn on sales or revaluation \$000s	Revaluation movements \$000s	Adjustments* (allocate WIP) (re-class assets) \$000s	Cost or valuation 30-Jun-19 \$000s	Accumul depn & impairment closing bal 30-Jun-19 \$000s	Carrying amount closing bal 30-Jun-19 \$000s
-	(1,339)	-	-	-	30,349	(2,678)	27,671
-	-	-	-	-	10,117	-	10,117
-	(318)	-	-	-	2,447	(1,924)	523
-	(53)	-	-	-	1,241	(423)	818
-	(24)	-	-	-	872	(682)	190
-	(176)	-	-	-	1,840	(1,501)	339
-	(191)	103	-	-	1,676	(835)	841
-	(307)	-	-	-	3,142	(2,368)	774
-	(14)	-	-	-	538	(267)	271
-	-	-	-	(79)	1,261	-	1,261
-	(2,422)	103	-	(79)	53,483	(10,678)	42,805
-	(6,938)	7,315	4,461	-	701,946	(6,938)	695,008
-	(1,370)	1,349	(1,978)	-	70,581	(1,370)	69,211
-	-	-	-	-	24,395	-	24,395
-	-	-	-	-	315	-	315
-	(550)	494	(167)	-	18,568	(550)	18,018
-	(404)	405	(695)	-	16,163	(404)	15,759
-	(222)	222	(331)	-	11,245	(222)	11,023
-	(70)	64	(309)	-	1,293	(70)	1,223
-	(16)	-	-	-	1,419	(1,058)	361
-	(326)	321	(998)	1,054	13,815	(326)	13,489
-	(677)	692	(1,290)	(1,054)	32,628	(677)	31,951
-	-	-	-	(5,436)	19,016	-	19,016
-	(10,573)	10,862	(1,307)	(5,436)	911,384	(11,615)	899,769

	Cost or valuation opening bal 1-Jul-18 \$000s	Accumulated depreciation opening bal 1-Jul-18 \$000s	Carrying amount opening bal 1-Jul-18 \$000s	Current year additions \$000s	Current year disposals \$000s
Restricted Assets					
At Valuation					
Cemetery Reserves	1,551	-	1,551	-	-
Parks and Reserves	1,973	-	1,973	-	-
Roading Reserves	646	-	646	-	-
Sundry Reserves	365	-	365	-	-
War Memorials	235	-	235	-	-
Total Restricted Assets	4,770	-	4,770	-	-
Total Council Assets	947,265	(20,263)	927,002	29,335	(141)
Plus Intangible Amortisation					
Total Parent Depreciation and Amortisation					

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

† Correction of forestry roads incorrectly captured in road network.

Current year impairment changes \$000s	Current year depn \$000s	Reverse accumul depn on sales or revaluation \$000s	Revaluation movements \$000s	Adjustments* (allocate WIP) (re-class assets) \$000s	Cost or valuation 30- Jun-19 \$000s	Accumul depn & impairment closing bal 30- Jun-19 \$000s	Carrying amount closing bal 30-Jun-19 \$000s
-	-	-	-	-	1,551	-	1,551
-	-	-	-	-	1,973	-	1,973
-	-	-	-	-	646	-	646
-	-	-	-	-	365	-	365
-	-	-	-	-	235	-	235
-	-	-	-	-	4,770	-	4,770
-	(12,995)	10,965	(1,307)	(5,515)	969,637	(22,293)	947,344
	(217)						
	(13,212)						

Council 2018

	Cost or valuation opening bal 1-Jul-17 \$000s	Accumulated depreciation opening bal 1-Jul-17 \$000s	Carrying amount opening bal 1-Jul-17 \$000s	Current year additions \$000s	Current year disposals \$000s
Operational Assets					
At Valuation					
Buildings	23,449	(4,056)	19,393	784	
Land	9,152	-	9,152	-	-
At Cost					
Computer equipment	1,987	(1,454)	533	240	-
Fibre cabling and conduits	1,095	(329)	766	95	-
Furniture and fittings	804	(637)	167	22	-
Library collections	1,660	(1,275)	385	93	-
Motor vehicles	1,911	(905)	1,006	250	(685)
Plant and machinery	2,786	(1,834)	952	222	(23)
Swimming pools	520	(236)	284	-	-
Work in progress	493	-	493	220	-
Total Operational Assets	43,857	(10,726)	33,131	1,926	(708)
Infrastructure Assets					
At Valuation					
Roading network	649,976	(5,651)	644,325	8,906	-
Roading bridges and culverts	73,332	(1,525)	71,807	381	-
Roading land	24,395	-	24,395	-	-
Roading and forestry roads	315	-	315	-	-
Wastewater treatment plants and facilities	16,483	(425)	16,058	1,073	-
Wastewater network and other assets	16,640	(420)	16,220	453	-
Stormwater systems	11,431	(224)	11,207	239	-
Street-lighting	1,420	(72)	1,348	368	-
Waste management	1,088	(1,009)	79	231	-
Water supply treatment plants and facilities	10,189	(455)	9,734	54	-
Water supply network and other assets	34,641	(527)	34,114	933	-
At Cost					
Work in Progress	12,218	-	12,218	6,720	-
Total Infrastructure Assets	852,128	(10,308)	841,820	19,358	-

Current year impairment changes \$000s	Current year depn \$000s	Reverse accumul depn on sales or revaluation \$000s	Revaluation movements \$000s	Adjustments* (allocate WIP) (re-class assets) \$000s	Cost or valuation 30-Jun-18 \$000s	Accumul depn & impairment closing bal 30-Jun-18 \$000s	Carrying amount closing bal 30-Jun-18 \$000s
	(1,339)	4,056	5,702	(16)	29,919	(1,339)	28,580
-	-	-	796	-	9,948	-	9,948
-	(152)	-	-	-	2,227	(1,606)	621
-	(41)	-	-	-	1,190	(370)	820
-	(21)	-	-	-	826	(658)	168
-	(50)	-	-	-	1,753	(1,325)	428
-	(204)	362	-	-	1,476	(747)	729
-	(228)	1	-	-	2,985	(2,061)	924
-	(17)	-	-	-	520	(253)	267
-	-	-	-	(280)	433	-	433
-	(2,052)	4,419	6,498	(296)	51,277	(8,359)	42,918
-	(7,315)	5,651	26,949	†(315)	685,516	(7,315)	678,201
-	(1,349)	1,525	(2,190)	-	71,523	(1,349)	70,174
-	-	-	-	-	24,395	-	24,395
-	-	-	-	-	315	-	315
-	(494)	425	54	-	17,610	(494)	17,116
-	(405)	420	(1,091)	-	16,002	(405)	15,597
-	(222)	224	(368)	-	11,302	(222)	11,080
-	(64)	72	(201)	-	1,587	(64)	1,523
-	(33)	-	-	-	1,319	(1,042)	277
-	(321)	455	(337)	-	9,906	(321)	9,585
-	(692)	527	(1,395)	-	34,179	(692)	33,487
-	-	-	-	(1,374)	17,564	-	17,564
-	(10,895)	9,299	21,421	(1,689)	891,218	(11,904)	879,314

	Cost or valuation opening bal 1-Jul-17 \$000s	Accumulated depreciation opening bal 1-Jul-17 \$000s	Carrying amount opening bal 1-Jul-17 \$000s	Current year additions \$000s	Current year disposals \$000s
Restricted Assets					
At Valuation					
Cemetery Reserves	1,551	-	1,551	-	-
Parks and Reserves	1,973	-	1,973	-	-
Roading Reserves	646	-	646	-	-
Sundry Reserves	365	-	365	-	-
War Memorials	235	-	235	-	-
Total Restricted Assets	4,770	-	4,770	-	-
Total Council Assets	900,755	(21,034)	879,721	21,284	(708)
Plus Intangible Amortisation					
Total Parent Depreciation and Amortisation					

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

† Correction of forestry roads incorrectly captured in road network.

Current year impairment changes \$000s	Current year depn \$000s	Reverse accumul depn on sales or revaluation \$000s	Revaluation movements \$000s	Adjustments* (allocate WIP) (re-class assets) \$000s	Cost or valuation 30- Jun-18 \$000s	Accumul depn & impairment closing bal 30- Jun-18 \$000s	Carrying amount closing bal 30-Jun-18 \$000s
-	-	-	-	-	1,551	-	1,551
-	-	-	-	-	1,973	-	1,973
-	-	-	-	-	646	-	646
-	-	-	-	-	365	-	365
-	-	-	-	-	235	-	235
-	-	-	-	-	4,770	-	4,770
-	(12,947)	13,718	27,919	(1,985)	947,265	(20,263)	927,002
	(170)						
	(13,117)						

Insurance of assets

Asset Type	Note	Total book value of council assets	Total gross replacement value of council assets	Total value of assets covered by insurance contracts	Total value of assets covered by financial risk sharing arrangements	Total value of assets self-insured	Reserve fund total
Motor vehicles	3	841	1,856	1,856	-	-	-
Buildings and other operational assets		30,746	10,194	-	-	-	-
Road and footpath assets	1	782,554	1,015,098	-	669,965	343,373	1,760
Wastewater network	2	35,913	60,367	22,736	36,220	1,395	16
Stormwater network	2	11,232	17,881	7,141	10,729	7	4
Water supply network	2	47,177	80,403	30,962	48,242	1,182	12
Total		908,463	1,185,799	62,695	736,156	345,957	1,792

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

1. Council received average 79% subsidy from NZ Transport Agency for flood damage work and average 66% for operational and renewal expenditure in 2018/19. These percentages have been used for calculating the financial risk sharing portion. Council also maintains a special fund for the sole purpose of funding emergency roading works from a natural disaster.
2. In the event of a natural disaster, central government may contribute up to 60% towards the restoration of water, stormwater, and wastewater assets.
3. The gross replacement cost of motor vehicles is the total cost of new vehicles. Insurance will only cover the market value of our current motor vehicle fleet. In the event of total loss, Council will fund the difference from depreciation reserves.

Work in progress

Year ended
2017/18 Year ended
2018/19

Operational Assets

Balance	433	1,262
Made up of:		
Buildings	443	777
Computer equipment	-	1
Fibre cabling and conduits	-	-
Furniture and fittings	-	1
Plant and machinery	-	-
Swimming pools	-	483

Infrastructure Assets

Balance	17,564	17,754
Made up of:		
Roading network	7,702	11,250
Roading - forestry roads	386	-
Wastewater treatment plants and facilities	2,472	2,275
Wastewater network and other assets	1,176	422
Stormwater systems	326	297
Waste management	111	32
Water supply treatment plants and facilities	5,243	3,126
Water supply network and other assets	148	352

19. Intangible assets

	Opening balance 1 July			Additions	Disposals/ transfers	Revaluation movement
	Cost or valuation	Accumulated depreciation	Carrying amount			
	\$000s	\$000s	\$000s			
2018/19						
Computer software	2,074	(1,705)	369	546	-	-
Intangible WIP	358	-	358	-	(354)	-
Library ebooks	7	(7)	-	-	-	-
Easement rights	12	-	12	-	-	-
Carbon credits	515	-	515	-	-	52
Total	2,966	(1,712)	1,253	546	(354)	52
2017/18						
Computer software	1,952	(1,537)	415	122	-	-
Intangible WIP	278	-	278	80	-	-
Library ebooks	7	(5)	3	-	-	-
Easement rights	12	-	12	-	-	-
Carbon credits	411	-	411	-	-	104
Total	2,660	(1,542)	1,118	202	-	104

20. Payables and deferred revenue

	2017/18 Actual \$000s	2018/19 Actual \$000s
Payables and deferred revenue under exchange transactions		
Trade payables	4,946	5,546
Interest accrued	92	123
Revenue in advance	149	-
Amounts payable to contractors as retentions	192	231
Total	5,379	5,900
Payables and deferred revenue under non-exchange transactions		
Other taxes payable (e.g. GST and PAYE)	118	267
Grants payable	71	48
Rates revenue in advance	227	360
Total	416	675
Total payables and deferred revenue	5,796	6,575

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.

Amortisation impairment expense	Closing balance 30 June		
	Cost or valuation	Accumulated amortisation	Carrying amount
	\$000s	\$000s	\$000s
(217)	2,620	(1,922)	698
-	4	-	4
-	7	(7)	-
-	12	-	12
-	567	-	567
(217)	3,210	(1,929)	1,281
(168)	2,074	(1,705)	369
	358	-	358
(2)	7	(7)	-
-	12	-	12
-	515	-	515
(170)	2,966	(1,712)	1,254

21. Provision for landfill aftercare

The Council has six landfills. Only the Pongaroa landfill is currently operational. Eketahuna landfill was closed on 30 June 2018 and Pongaroa landfill is due for closure in 2021. The other four landfills have been closed and capped. Council has a legal obligation under the various resource consents to provide ongoing maintenance and monitoring services at the landfill sites after closure.

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

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

The cash outflows for landfill post-closure costs are expected to occur over the next 40 years. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account known future technology. Council has discounted the provision using a discount rate of 3.76% (2018: 4.22%).

	2017/18 Actual \$000s	2018/19 Actual \$000s
Landfill aftercare provision		
Opening balance	645	669
Additional provisions during the year	56	(17)
Amounts used during the year	(22)	(21)
Unused amounts reversed during the year	-	-
Discount unwinding	(10)	(25)
Closing balance	669	606

Made up of

Current portion	109	105
Non-current portion	560	501
Total provision	669	606

22. Borrowings

	2017/18 Actual \$000s	2018/19 Actual \$000s
Current		
Bank overdraft	-	-
Secured loans	4,000	6,000
Total current borrowings	4,000	6,000
Non-current		
Secured loans	13,000	19,000
Total non-current borrowings	13,000	19,000
Total borrowings	17,000	25,000

Fixed-rate borrowings

	Maturity Date	Interest Rate 2017/18	Interest Rate 2018/19	2017/18 Actual \$000s	2018/19 Actual \$000s
Current					
Multi-Option Credit Facility	-	-	-	-	-
LGFA Commercial Paper	20 August 2018	2.21%	-	1,000	-
LGFA Commercial Paper	17 September 2018	2.30%	-	1,000	-
LGFA Bond Issue	15 March 2019	2.58%	-	1,000	-
LGFA Bond Issue	15 March 2019	2.70%	-	1,000	-
LGFA Commercial Paper	15 July 2019	-	2.12%	-	1,000
LGFA Commercial Paper	18 September 2019	-	1.99%	-	3,000
LGFA Bond Issue	15 April 2020	2.71%	2.51%	-	2,000
Total current borrowings				4,000	6,000
Non-current					
LGFA Bond Issue	15 May 2021	3.02%	2.70%	2,000	2,000
LGFA Bond Issue	15 April 2023	2.94%	2.75%	1,000	1,000
LGFA Bond Issue	15 August 2023	3.03%	2.72%	1,000	1,000
LGFA Bond Issue	14 April 2022	2.56%	2.44%	1,000	1,000
LGFA Bond Issue	15 October 2022	2.88%	2.68%	1,000	1,000
LGFA Bond Issue	15 April 2024	2.77%	2.65%	1,000	1,000
LGFA Bond Issue	15 October 2024	2.99%	2.80%	1,000	1,000
LGFA Bond Issue	15 April 2025	3.02%	2.82%	1,000	1,000
LGFA Bond Issue	15 April 2026	2.87%	2.75%	2,000	2,000
LGFA Bond Issue	15 April 2024	-	2.60%	2,000	2,000
LGFA Bond Issue	15 April 2025	-	2.56%	-	1,000
LGFA Bond Issue	14 April 2022	-	2.36%	-	1,000
LGFA Bond Issue	15 April 2027	-	2.70%	-	1,000
LGFA Bond Issue	15 April 2021	-	2.16%	-	1,000
LGFA Bond Issue	15 April 2025	-	2.46%	-	1,000
LGFA Bond Issue	15 April 2027	-	2.58%	-	1,000
Total non-current borrowings				13,000	19,000
Total Borrowings				17,000	25,000

Secured Loans

The Council's secured debt of \$25 million (2018: \$17 million) is mostly issued at floating rates of interest.

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

Security

Any overdraft is secured against rates. The maximum amount that can be drawn down against the overdraft facility is \$NIL (2018: \$500,000). There were no restrictions on the use of this facility. As at year end, the amount drawn down was \$NIL (2018: \$NIL)

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

	2017/18 \$000s	2018/19 \$000s
Other borrowing facilities and amount drawn down as at 30 June		
Multi-Option Credit Line Facility		
- Limit	3,000	3,000
- Drawn down	-	-
- Limit	500	-
- Drawn down	-	-
BNZ Business Visa		
- Limit	140	50
- Drawn down	3	15
Liabilities outstanding under Letter of Credit		
None	-	-
Outstanding commitments on forward exchange contracts		
None	-	-

Refinancing

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

Maturity analysis and effective interest rates

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

	Overdraft Council	Secured Loans
Expense interest rates 2019		
Less than one year	-	6,000,000
weighted average effective interest rate	-	2.19%
Later than one year but not more than five years	-	11,000,000
weighted average effective interest rate	-	2.68%
Later than five years	-	8,000,000
weighted average effective interest rate	-	2.58%
Expense interest rates 2018		
Less than one year	-	4,000,000
weighted average effective interest rate	-	2.45%
Later than one year but not more than five years	-	7,000,000
weighted average effective interest rate	-	2.83%
Later than five years	-	6,000,000
weighted average effective interest rate	-	2.92%

Internal borrowing

Group of activities	Opening balance 1 July 2018 \$000s	Adjustments* \$000s	New loans \$000s	Loans repaid \$000s	Closing balance 30 June 2019 \$000s	Interest paid \$000s
Community and Recreation Facilities	1,832	-	230	(148)	1,914	66
District	1,445	(32)	306	(85)	1,634	53
District Promotion	90	-	(1)	(4)	84	3
Regulatory Services	529	(1)	6	(24)	510	18
Roading	3,815	-	951	(332)	4,434	146
Solid Waste	2,231	(1)	34	(142)	2,122	77
Stormwater	1,561	-	140	(174)	1,527	56
Wastewater	8,449	(1)	266	(759)	7,955	293
Water Supplies	9,579	-	2,310	(560)	11,329	366
Total	29,531	(33)	4,242	(2,230)	31,509	1,078

* The adjustments are due to corrections in the opening balances.

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

23. Equity

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

	Council Accum Funds \$000s	Council Asset Rev Res \$000s	Council Special Funded Res \$000s	Council Trusts \$000s	Council Total Equity \$000s
2019					
Balance at 1 July	344,809	538,431	36,114	46	919,400
Adjustment*	(29)	-	-	-	(29)
Adjusted balance 1 July	344,780	538,431	36,114	46	919,371
Net surplus/(deficit) for the year	3,294	-	-	-	3,294
Fair value through equity, valuation gains	-	-	-	-	-
Increases/(decreases) from revaluation	-	9,607	-	-	9,607
Tax on equity items	-	-	-	-	-
Change in equity for the year before transfers of equity reserves	3,294	9,607	-	-	12,902
Transfers between equity reserves:					
Net Appropriation from Accumulated Funds to Special Funds	2,543	-	(2,543)	-	-
Net Appropriation to Accumulated Funds from Trust Funds	-	-	-	-	-
Net Transfers from Revaluation Reserves to Accumulated Funds	-	-	-	-	-
Total change in equity for the period	5,837	9,607	(2,543)	-	12,902
Balance at 30 June	350,617	548,039	33,571	46	932,269
2018					
Balance at 1 July	348,461	497,367	31,595	42	877,465
Net surplus/(deficit) for the year	870	-	-	-	870
Fair value through equity, valuation gains	-	-	-	-	-
Increases/(decreases) from revaluation	-	41,064	-	-	41,064
Tax on equity items	-	-	-	-	-
Change in equity for the year before transfers of equity reserves	870	41,064	-	-	41,934
Transfers between equity reserves:					
Net Appropriation from Accumulated Funds to Special Funds	(4,519)	-	4,519	-	-
Net Appropriation to Accumulated Funds from Trust Funds	(4)	-	-	4	-
Net Transfers from Revaluation Reserves to Accumulated Funds	-	-	-	-	-
Total change in equity for the period	(3,653)	41,064	4,519	4	41,934
Balance at 30 June	344,809	538,431	36,114	46	919,400

* Adjustment relates to a historical error found in our system where our asset register and general ledger did not agree. This has been amended in the 2018/19 financial year.

24. Revaluation reserves

2019

	Balance 1 July 2018 \$000s	Revaluation assets changes \$000s	Disposals/value adjustment \$000s	Balance 30 June 2019 \$000s
Council Revaluation Reserves				
Fixed Assets Revaluation Reserves				
Operational: Land	7,046	-	-	7,046
Operational: Buildings	25,311	-	-	25,311
Intangible: Carbon Credits	422	52	-	474
Heritage Assets	8	-	-	8
Reserves: Cemetery	1,158	-	-	1,158
Reserves: Parks and Reserves	1,525	-	-	1,525
Reserves: Roading	524	-	-	524
Reserves: Sundry	294	-	-	294
Reserves: War Memorials	115	-	-	115
Roading Network	389,152	11,531	-	400,683
Roading Land	4,527	-	-	4,527
Bridges and Culverts	49,656	(629)	-	49,027
Stormwater	8,389	(109)	-	8,280
Water Network	35,686	(1,275)	-	34,413
Wastewater	14,617	37	-	14,654
Total fixed assets revaluation reserves	538,431	9,607	-	548,039

2018

	Balance 1 July 2017 \$000s	Revaluation assets changes \$000s	Disposals/value adjustment \$000s	Balance 30 June 2018 \$000s
Council Revaluation Reserves				
Fixed Assets Revaluation Reserves				
Operational: Land	6,249	797	-	7,046
Operational: Buildings	15,553	9,758	-	25,311
Intangible: Carbon Credits	317	105	-	422
Heritage Assets	8	-	-	8
Reserves: Cemetery	1,158	-	-	1,158
Reserves: Parks and Reserves	1,525	-	-	1,525
Reserves: Roading	524	-	-	524
Reserves: Sundry	294	-	-	294
Reserves: War Memorials	115	-	-	115
Roading Network	356,996	32,156	-	389,152
Roading Land	4,527	-	-	4,527
Bridges and Culverts	50,321	(665)	-	49,656
Stormwater	8,534	(145)	-	8,389
Water Network	36,436	(750)	-	35,686
Wastewater	14,808	(191)	-	14,617
Total fixed assets revaluation reserves	497,368	41,063	-	538,431

25. Special funded reserves

2019

	Balance 1 July 2018 \$000s	Transfers in \$000s	Transfers out \$000s	Transfer interest in \$000s	Balance 30 June 2019 \$000s
Tararua General Purpose	1,773	-	-	10	1,783
Council Depreciation	28,680	7,083	(10,099)	824	26,488
Tararua Emergency Rooding	1,600	1,321	(1,246)	87	1,762
Tararua Gratuity	68	-	-	1	69
Infrastructure Protection Reserve	51	-	-	1	52
Tararua Housing	1,128	417	(586)	18	977
Dannevirke Airport Authority	4	-	-	-	4
District Cemeteries	23	-	(23)	-	-
Makuri Water Scheme	13	-	-	-	13
Recreation Grant	41	20	(2)	1	60
Tenant Contribution	506	-	(21)	-	485
Pongaroa Water Supply Depreciation	105	5	-	4	114
Heritage Reserve	73	10	(10)	1	74
Biodiversity Protection	22	10	-	-	32
Election	(30)	30	-	-	-
Waste Management	326	83	(214)	8	203
TACT Wai Splash Depreciation	135	50	(27)	6	164
Forestry Reserve	1,041	338	(533)	1	847
Bush Multisport Depreciation	128	20	(144)	2	6
Domain Boards Bank Balances	427	205	(195)	-	437
Total Council	36,114	9,592	(13,100)	964	33,570

Summary of special fund movements

	Balance 30 June 2018 \$000s	Net transfer (to)/from Accumulated Funds \$000s	Balance 30 June 2019 \$000s
Total Council	36,114	(2,544)	33,570

2018

	Balance 1 July 2017 \$000s	Transfers in \$000s	Transfers out \$000s	Transfer interest in \$000s	Balance 30 June 2018 \$000s
Tararua General Purpose	1,714	17	-	42	1,773
Tararua Land Subdivision and Development	-	-	-	-	-
Council Depreciation	23,456	10,353	(5,943)	814	28,680
Tararua Emergency Roading	2,330	396	(1,231)	105	1,600
Tararua Gratuity	86	-	(20)	2	68
Infrastructure Protection Reserve	47	-	-	4	51
Tararua Housing	1,110	384	(417)	51	1,128
Dannevirke Airport Authority	4	-	-	-	4
District Cemeteries	23	-	-	-	23
Makuri Water Scheme	12	-	-	1	13
Recreation Grant	78	-	(38)	1	41
Tenant Contribution	492	-	-	14	506
Pongaroa Water Supply Depreciation	202	15	(118)	6	105
Heritage Reserve	74	-	(3)	2	73
Biodiversity Protection	22	-	-	-	22
Election	(67)	37	-	-	(30)
Waste Management	291	97	(70)	8	326
TACT Wai Splash Depreciation	143	-	(12)	4	135
Forestry Reserve	1,096	262	(318)	1	1,041
Bush Multisport Depreciation	125	-	-	3	128
Domain Boards Bank Balances	361	180	(132)	18	427
Total Council	31,599	11,741	(8,302)	1,076	36,114

Reserves

The Council has an obligation to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community; and to act in the best interest of its ratepayer.

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

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

These reserves are disaggregated into the following categories:

Depreciation Reserves

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

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

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

Special Reserves

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

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

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

Description	Activity to which fund relates	Purpose of fund
Dannevirke Airport Authority	Commercial Investment	To account for any surplus from Dannevirke Aerodrome and proceeds from sales/disposal of Dannevirke Aerodrome assets. This reserve will be used solely for operation and capital expenditure for Dannevirke Aerodrome.
District-Wide Cemetery	Cemeteries	To accumulate funds from the purchase of cemetery plots in the district. This reserve will be used solely for operation and capital expenditure for the Cemeteries activity.
Recreation Grant	Community Support	To accumulate funds to support recreational projects in the district.
Tenant Contribution (Debt Repayment)	Pensioner Housing	To account for and refund tenant contributions for leasing of Council's housing properties.
Heritage Reserve	Community Support	To accumulate funds to be used to further the district land use outcomes. The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 2: Schedule of Heritage Resources.
Biodiversity Protection	Parks and Reserves	To support: <ul style="list-style-type: none"> • Sustainable management of the district's natural and physical environment • Protection and enhancement of the community's environment values The reserve is to be applied to the management and protection of those items listed in the District Plan Part 9 Appendix 3: Schedule of Natural Features (significant trees, vegetation and habitats landscapes).
Election	Representation	To account for elections funds rate funded each year to spread out election cost in each election year.
Infrastructure Protection Reserve	Water Supplies, Wastewater, Stormwater	This reserve is created to accumulate funds to pay for Council's share of the mutual insurance liability under LAPP in the event of a major event experienced by LAPP member councils.
Waste Management	Solid Waste	To account for the waste management levies received. This reserve will be solely used to fund specific projects for this activity.
Domain Boards Bank Balances	Parks and Reserves	To account for the bank balances of the domain boards in trust.
Forestry Reserve	Commercial Investments	Proceeds from forestry not otherwise required for the funding of continued operations and maintenance of the forest. This reserve can be used to fund internal borrowing.

26. Trust accounts

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

	Balance 1 July 2018 \$000s	Funds Received \$000s	Expenses Paid \$000s	Interest Earned \$000s	Balance 30 June 2019 \$000s
Dannevirke Fairbrother	8	-	-	-	8
Dannevirke Urban Campsite	1	-	-	-	1
Ormondville Play Group	1	-	-	-	1
Pahiatua Heritage	24	-	-	1	25
Arts Council of NZ	3	21	(23)	1	2
Mayoral Storm Relief Fund	9	-	-	-	9
Total Council	46	21	(23)	2	46

Summary of trust fund movements

	Balance 1 July 2018 \$000s	Net transfer to/(from) Accumulated Funds \$000s	Balance 30 June 2019 \$000s
Total Council	46	-	46

27. Reconciliation of net surplus to net cash inflow from operating activities

	2017/18 Actual \$000s	2018/19 Actual \$000s
Reported surplus/(deficit) from Statement of Comprehensive Revenue and Expense	870	3,294
Add (Less) Non-cash Items		
Depreciation and amortisation	13,120	13,212
Impairment losses/(recoveries)	-	-
Effect of change in discount rate on provisions and discount unwind	(73)	(25)
Value of forests sold	125	-
Changes in fair value	512	602
Other (gains)/losses & revaluation (increases)/decreases	(129)	(1,538)
Bad debts written off or bad debt provision	35	-
Total non-cash items	13,590	12,251
Add/(Less) Movements in Working Capital Items		
(Increase)/decrease in inventory and livestock	48	(43)
(Increase)/decrease in accounts receivable & prepayments	1,449	(773)
Increase/(decrease) in accounts payable & accruals	1,655	510
Increase/(decrease) in employee provisions	16	109
(Increase)/decrease in net GST	(12)	(234)
Total movements in working capital	(154)	(430)
Add/(less) items classified as investing activities	-	-
Total items classified as investing activities	-	-
Net cash surplus from operating activities	14,306	15,115

28. Related party disclosures

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related party transactions required for disclosure

Council has had three transactions with a small business where a Councillor is an owner. The transactions were for catering services.

In two transactions Council received discounts for events held for the community. As a discount was applied, these are not considered at arm's length and therefore requires disclosure.

The third transaction was conducted on normal business terms for catering for an event for which the Councillor was an attendee.

The value of all three transactions totalled \$400.96 (including GST).

Key management personnel compensation

	2017/18 \$000s	2018/19 \$000s
Councillors		
Remuneration	311	329
Full-time equivalent members	9	9
Senior management team, including the chief executive		
Remuneration	848	916
Full-time equivalent members	5	6
Total key management personnel remuneration	1,159	1,245
Total full-time equivalent personnel	14	15

29. Capital commitments and operating leases

2019

	< 1 Year \$000s	1-5 Years \$000s	> 5 Years \$000s	Total \$000s
Capital Commitments				
Water Supplies	3,483	-	-	-
Community and Recreation Facilities	41	-	-	-
Solid Waste	32	-	-	-
Wastewater	22	-	-	-
Total capital commitments	3,578	-	-	-

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

Alliance collaborative agreement

In October 2014, the Tararua District Council formed an alliance with Downer New Zealand to undertake road corridor maintenance activities on its road, footpath, and stormwater networks. This collaborative agreement (the Tararua Alliance) replaced the maintenance contract the Council previously had with Infracon Limited (in liquidation). In 2016 management of the water and wastewater reticulation networks was added to the agreement. The Tararua Alliance brought together members of the Council's Engineering Services team and Downer New Zealand Ltd to form a single delivery team to undertake all facets of the transportation and utilities reticulation infrastructure – including asset management, regulatory functions, design, physical works, and performance management.

The Tararua Alliance agreement is for a term of five years and the budgets for each year will be determined as part of Council's planning process. The budgets for 2019/20 are as follows:

- Operational expenditure (including overheads and finance cost) - \$7,251,000
- Capital expenditure \$12,666,000

2018

	< 1 Year \$000s	1-5 Years \$000s	> 5 Years \$000s	Total \$000s
Capital Commitments				
Roading network	1,394	-	-	1,394
Water Supplies	658	-	-	658
Community and Recreation Facilities	234	-	-	234
Support	28	-	-	28
Total capital commitments	2,313	-	-	2,313

Operating leases as lessee

The Council lease two buildings in the normal course of its business.

These leases have a non-cancellable term of 5 years and 10 years.

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	2017/18 \$000s	2018/19 \$000s
Not later than one year	158	183
Later than one year and not later than five years	477	554
Later than five years	230	122
Total non-cancellable operating leases	865	859

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$NIL (2018: \$NIL).

Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition.

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

Operating leases as lessor

Investment property and reserve lands are leased under operating leases. The majority of the leases have a non-cancellable term of five years.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2017/18 \$000s	2018/19 \$000s
Not later than one year	20	26
Later than one year and not later than five years	26	68
Later than five years	-	4
Total non-cancellable operating leases	46	98

No contingent rents have been recognised during the period.

30. Derivative financial instruments

	2017/18 Actual \$000s	2018/19 Actual \$000s
Current Liability Portion		
Interest rate swaps	5	234
Total current liability portion	5	234
Non-current Liability Portion		
Interest rate swaps	682	1,211
Total non-current liability portion	682	1,211
Total derivative financial instruments	687	1,445

The notional principal amount of the outstanding interest rate swap contracts for the Council were \$20.5 million (2018: \$15.5 million). At 30 June 2019, the fixed interest rates of interest rate swaps varied from 1.88% to 4.99% (2018: 2.69% to 4.99%).

Gains and losses are recognised in the Statement of Comprehensive Revenue and Expense (see Note 3) on interest rate swap contracts.

31. Financial instruments

Financial instrument categories

The accounting policies for financial instruments have been applied to the line items below:

	2017/18 Actual \$000s	2018/19 Actual \$000s
Financial Assets		
Fair value through the surplus or deficit - held for trading	-	-
Loans and Receivables		
Cash and cash equivalents	3,535	3,921
Debtors and other receivables	6,094	7,272
Other financial assets		
- term deposits	2,478	1,325
- community loans	-	-
- loans to related parties	-	-
Total loans and receivables	12,107	12,518
Fair Value Through Other Comprehensive Revenue and Expense		
Other financial assets		
- Local Government Funding Agency borrower notes	240	336
- local authority and government stock	135	135
Total fair value through other comprehensive revenue and expense	375	470
Total financial assets	12,482	12,988
Financial Liabilities		
Fair Value Through the Surplus or Deficit		
Borrowings		
- interest rate swaps	687	1,445
Financial Liabilities at Amortised Cost		
Creditors and other payables	5,790	6,575
Borrowings		
- bank overdraft	-	-
- secured loans	17,000	25,000
- debentures	-	-
Total financial liabilities at amortised cost	23,477	33,020

Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.

- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Valuation Technique			
	Total \$000s	Quoted market price \$000s	Observable inputs \$000s	Significant non-observable inputs \$000s
2019				
Financial Assets				
Unlisted shares:				
- New Zealand Local Government Insurance Corporation Limited	118	-	-	118
- Unlisted shares (MW LASS)	16	-	-	16
- Local Government Funding Agency borrower notes	336	-	-	336
Financial Liabilities				
Derivative financial instruments	1,445	-	1,445	-
2018				
Financial Assets				
Unlisted shares:				
- New Zealand Local Government Insurance Corporation Limited	118	-	-	118
- Unlisted shares (MW LASS)	16	-	-	16
- Local Government Funding Agency borrower notes	240	-	-	240
Financial Liabilities				
Derivative financial instruments	687	-	687	-

There were no transfers between the different levels of the fair value hierarchy.

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	2017/18 \$000s	2018/19 \$000s
Balance at 1 July	278	374
Gain and losses recognised in the surplus or deficit	-	-
Gain and losses recognised in other comprehensive revenue and expense	-	-
Purchases	37	96
Balance at 30 June	315	470

32. Financial instrument risks

Council have a series of policies to manage the risks associated with financial instruments. Council are risk averse and seeks to minimise exposure from its treasury activities. Council has established Treasury and Risk Management Policy. This policy does not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

Council

Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through other comprehensive revenue and expense. This relates to shares in Civic Assurance which are held at net asset backing value as impairment of a New Zealand Government owned company is not deemed necessary.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Council

Council has purchased plant and equipment associated with the construction of certain infrastructural assets from overseas which required it to enter into transactions denominated in foreign currencies. All such purchases have now been completed so there is no exposure to this risk.

It is Council's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above specified amounts by entering into forward foreign exchange contracts to hedge the foreign currency risk exposure. This means Council is able to fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Council

Council actively manages interest rate risk through fixing of funding costs using swaps, therefore reducing the uncertainty related to interest rate movements. Council's Treasury and Risk Management Policy is to maintain fixed rate debt between the range of 55%–90% compared to floating debt.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates.

Council

Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk. Council manages the variability of interest rates by using fixed rate swaps for external borrowing and term deposits for cash investments.

Credit risk

In the normal course of its activities, the Council incurs credit risk from debtors and financial institutions. Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss.

Council

Due to the timing of its cash inflows and outflows, the Council invests surplus cash into term deposits, which gives rise to credit risk. There are no significant concentrations of credit risks except that Council's cash resources are mainly held by two trading banks.

Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risks

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

	2017/18 Actual \$000s	2018/19 Actual \$000s
Cash at bank and term deposits	6,013	5,246
Debtors and other receivables	6,097	7,272
Community and related party loans	-	-
Local Government Funding Agency borrower notes	240	336
Local authority and government stock	135	135
Total credit risk	12,485	12,989

Credit quality of financial assets

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

	2017/18 Actual \$000s	2018/19 Actual \$000s
Counterparties with Credit Ratings		
Local Government Funding Agency		
AA+ / AA-1+	240	336
Cash at Bank and Term Deposits		
AA-	6,013	5,246
Counterparties without Credit Ratings		
Community and related party loans		
Existing counterparty with no defaults in the past	-	-
Existing counterparty with defaults in the past	-	-
Total community and related party loans	-	-

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has only one significant concentration of credit risk in relation to debtors (NZ Transport Agency). This concentration of risk and reliance on Government is not considered to be a matter of concern because of the New Zealand Government's strong credit rating.

Council has a large number of other credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers, there is no other significant risk.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due.

Council

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its borrowings in accordance with its funding and financial policies, which includes Liability Management Policy. These policies have been adopted as part of the Council's Long Term Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$200,000 (2018: \$200,000). There are no restrictions on the use of this facility. Council has a pre-approved multi-option facility of another \$3 million to be used in the event of a natural disaster.

Contractual maturity analysis of financial liabilities

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

	Carrying amount \$000s	Contractual cash \$000s	Less than 1 year \$000s	1–2 years \$000s	2–5 years \$000s	More than 5 years \$000s
2019						
Creditors and other payables	6,575	6,575	6,575	-	-	-
Net settled derivative liabilities	1,445	1,445	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured Loans	25,000	27,486	6,571	3,490	9,050	8,375
Total	33,020	35,506	13,146	3,490	9,050	8,375
2018						
Creditors and other payables	5,790	5,790	5,790	-	-	-
Net settled derivative liabilities	687	687	5	29	261	392
Bank overdraft	-	-	-	-	-	-
Secured Loans	17,000	18,834	4,045	2,097	5,535	7,157
Total	23,477	25,311	9,840	2,126	5,796	7,549

Contractual maturity analysis of financial assets

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

	Carrying amount \$000s	Contractual cash \$000s	Less than 1 year \$000s	1–2 years \$000s	2–5 years \$000s	More than 5 years \$000s
2019						
Cash and Cash Equivalents	3,921	3,921	3,921	-	-	-
Debtors and other receivables	7,272	7,272	7,272	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- term deposits	1,325	1,325	1,325	-	-	-
- community and related party loans	-	-	-	-	-	-
- Local Government Funding Agency borrower notes	336	336	-	-	-	336
- local authority and government stock	135	135	-	-	-	135
Total	12,989	12,989	12,518	-	-	471
2018						
Cash and Cash Equivalents	3,535	3,535	3,535	-	-	-
Debtors and other receivables	6,094	6,094	6,094	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Other financial assets:						
- term deposits	2,478	2,478	2,478	-	-	-
- community and related party loans	-	-	-	-	-	-
- Local Government Funding Agency borrower notes	240	240	-	-	-	240
- local authority and government stock	135	135	-	-	-	135
Total	12,482	12,482	12,107	-	-	375

Sensitivity analysis

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

Interest Rate Risk	Note	-100bps	-100bps	+100bps	+100bps
		Profit	Other Equity	Profit	Other Equity
2018/19					
Financial Assets					
Cash and Cash Equivalents	1	(39)	-	39	-
Financial Liabilities					
Nett settled derivatives	2	(2,397)	-	(571)	-
Borrowings:					
- bank overdraft		-	-	-	-
- LGFA loans	3	(170)	-	(170)	-
- multi-option credit facility		-	-	-	-
Total sensitivity to interest rate risk		(2,606)	-	(702)	-
2017/18					
Financial Assets					
Cash and Cash Equivalents	1	(35)	-	35	-
Financial Liabilities					
Nett settled derivatives	2	(1,238)	-	(178)	-
Borrowings:					
- bank overdraft		-	-	-	-
- LGFA loans	3	80	-	(80)	-
- multi-option credit facility		-	-	-	-
Total sensitivity to interest rate risk		1,193	-	(223)	-

Explanation of sensitivity analysis – Council

1 Cash and cash equivalents include deposits at call totalling \$3,921,000 (2018: \$3,535,000).

A movement in interest rates of plus or minus 1% has an effect on interest revenue of \$36,170 (2018: \$35,450).

2 Council has in place interest rate swaps with Westpac as at year end to hedge the rise of interest rates in the future.

3 The value of loans under swap arrangements totalled \$8,000,000 (2018: \$9,000,000), with \$17,000,000 unhedged.

33. Capital management

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

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

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Revenue and Financial Policies in the Council's Long Term Plan.

The Council has the following Council-created reserves:

- Asset Revaluation Reserves
- Special funded reserves
- Trust funds

Any gain or loss on infrastructure asset revaluation is applied to the specific asset reserve.

Special funded reserves are reserves restricted by Council decision. Transfers to and from these reserves are at the discretion of the Council. Interest is added to these funds where applicable.

Trust Funds are set up where the Council has been donated funds that are restricted for a particular purpose. Interest is added to trust funds where applicable, and deductions are made where funds have been used for the purpose they were donated.

34. Contingent assets and liabilities

Council is aware of the following contingent liabilities existing at year end.

	2017/18 Actual \$000s	2018/19 Actual \$000s
Contingent Liabilities		
Weathertight claims	50	-
Total contingent liabilities	50	-

The weathertight claim has been withdrawn by the property owners and the Ministry of Business. As a result, the contingent liability for Council's share no longer exists.

Local Government Funding Agency (LGFA)

The Council is a guarantor of LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from Standard and Poor's of AA+.

As at 30 June 2019, the Council is one of several local authority borrowers and guarantors of the LGFA. The LGFA's loans to local authorities are \$9.8 billion (2018: \$8.6 billion), of which the Group and the Council have borrowed \$0.025 billion (2018: \$0.017 billion). As a result, the council's cross guarantee on LGFA's loans to other local authorities is 0.26% of \$9.8 billion (2018: Nil).

PBE Accounting Standards require the Group and the council to recognise the guarantee liability at fair value. However, the Council have been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Group and the Council consider the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- the council is 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.

35. Post balance date events

There are no post balance date events.

36. Major budget variations

Explanations for major variances from Council's budget figures in Year 1 of the 2018–2028 Long Term Plan are detailed below.

Statement of comprehensive revenue and expense

Revenue

- Subsidies are \$6.4 million higher than budgeted. This is driven from NZ Transport Agency subsidies for Saddle Road development of \$2.4 million budgeted in 2016/17, and emergency work subsidy of \$4 million. A significant portion of the emergency work was at an enhanced subsidy rate of 86%.
- Fees and charges are under budget by \$270,000. This is due to writing off a number of non-recoverable debtors.
- Finance Revenue is \$128,000 under budget, due to significantly lower interest rates on investments. There is a corresponding saving in Finance Costs.
- Other revenue is lower than budget due to inclusion of budgeted forestry revenue – see below.
- Forestry Revenue has been budgeted under Other Revenue. Total revenue is higher than budgeted by \$75,000 as a number of roadside tree stands delivered good value logs. However, there is a corresponding increase in expenditure to recover difficult to harvest roadside stands.

Expenses

- Other operating expenditure is higher than budget by \$1.8 million. Significant variances are explained below:

\$000s

Deduct unfavourable budget variances

Roading emergency works as explained under subsidies	(1068)
Harvesting roadside tree stands as explained under forestry	(457)
IT alliance being fully operational/ additional software licences	(153)
Treatment cost for Water Supplies	(121)
Community support (contribution towards Bush Multisport Trust floodlight repairs unbudgeted)	(86)
Increase in cost to tidy up Tudor Road in preparation for Pahiatua town centre upgrade.	(84)

Add favourable budget variances

Savings in consultants fees in Regulatory activity	103
Favourable variance relates to an underspend in extraordinary maintenance due to contractor unavailability for the Victoria Avenue tree replanting project.	125

Budget variance (1,741)

- Personnel costs are higher than budget by \$486,000. This is driven from additional resource required to monitor water quality, address risk issues and meet legislative requirements.
- Finance costs are higher than budget by \$618,000. This is made up by two components, the first is the interest costs incurred on our secured loans totalled \$715,000 compared to the budgeted costs of \$830,000. This saving is offset by an unbudgeted swap valuation movement of \$758,000 which is a non-cash accounting adjustment. Very low interest rates are offsetting slightly higher debt levels.

Other gains/(losses)

- The favourable variance is driven from a significant increase in forestry valuation driven by higher log prices and better quality valuation data.

Gain and losses on asset revaluations

- Gain on asset revaluation was \$9.1 million lower than budgeted. The most recent valuation showed unit rates did not increase as quickly as originally estimated.

Statement of Financial Position

Assets

- Cash and cash equivalents is higher than budgeted by \$2 million due to timing of debtors balance at 30 June requiring cash to settle.
- Debtors and other receivables is \$3.2 million higher than budget, made up of the June 2019 subsidy claim from NZ Transport Agency. Due to the volume of emergency work late in the season, the claim was significantly higher than budgeted.
- Other financial assets (current portion) is lower than budgeted by \$3.2 million. This is due to holding less term deposits as cash was required to fund debtors at year end (see above).
- Non-current assets held for sale of \$184,000 were not budgeted for however at 30 June one of our investment properties was actively being marketed for sale.
- Other financial assets (non-current portion) is more than budget by \$75,000 as Council holds more borrower notes than planned.
- Investment property is less than budgeted with the movement of one of our properties to assets held for sale.
- Forestry assets are higher than budgeted by \$2 million due to a favourable valuation movement (see 'Other gains/losses' above) and delays with harvesting mean less stock was extracted.
- Intangible assets are higher than budgeted \$78,000 mainly due to increase in value of carbon credits Council holds.
- Property, plant and equipment is significantly higher than budgeted due to higher project completion and a higher opening asset balance from the large revaluation movements in 2017/18 not recognised in year one of the Long Term Plan.

Liabilities

- Payables and deferred revenue is \$2.5 million greater than budgeted, due to timing of payments at year end.
- Borrowings (both current and non-current) are \$4 million greater than budgeted. This is due to significant capital works in the year.
- Employee entitlements are higher than budget by \$125,000 due to timing of accrued pay and slightly higher leave balance.
- Derivative Financial Instruments of \$1.4 million at year end was not budgeted for. This reflects the movements of swaps used to give Council certainty of borrowing costs.

Equity

- Accumulated funds are higher than budgeted due to the favourable operating surplus for the period.
- Asset revaluation reserves are significantly greater than budgeted due to the revaluation resulting in significantly higher opening balance from prior year.
- Special funded reserves are higher than budgeted due to Rooding revaluation resulting in higher depreciation transferred into the depreciation reserve, combined with enhanced subsidy for Rooding emergency renewals.

Statement of cash flows

Operating activities

Net cash inflow from operating activities is higher than budget by \$3.3 million. This is driven from higher subsidies from NZ Transport Agency for emergency works in the roading network.

Investing activities

Net cash outflow from investing activities is higher than budget by \$6.8 million. As mentioned above, roading emergency works was significantly higher than planned.

Financing activities

Net cash inflow from financing activities is higher than budget by \$4.8 million, driven by higher borrowings to fund capital development projects.

Council's interests in other entities

The Local Government Act 2002, Schedule 10 (28) requires Council to provide information regarding its involvement in trading organisations (CCTOs), companies, and other organisations under the control of Council or in which Council has a significant interest.

Manawatu-Wanganui LASS Limited

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

Tararua District Council owns 1/7th equal share or 14% of this company and has a liability for \$1,000 share capital.

05

**GENERAL
INFORMATION**

Council

HER WORSHIP THE MAYOR



Mrs T H (Tracey) Collis
PO Box 115, Dannevirke 4942
06 374 4080
tracey.collis@tararua.govt.nz

SOUTH WARD COUNCILLORS



Cr A K (Alison) Franklin
615 Ridge Road North, RD 3, Pahiatua 4983
06 376 6487
alison.franklin@tararua.govt.nz



Cr S (Shirley) Hull
Mangahao Road, RD 3, Pahiatua 4983
06 376 7283
shirley.hull@tararua.govt.nz

NORTH WARD COUNCILLORS



Deputy Mayor

Cr A L (Allan) Benbow

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



Cr J E (Jim) Crispin

8 Stairs Street, Dannevirke 4930
06 374 6768 • 027 717 8862
jim.crispin@tararua.govt.nz



Cr C J (Carole) Isaacson

63 Umutaoroa Road, RD 8, Dannevirke 4978
06 374 5577 • 027 307 5013
carole.isaacson@tararua.govt.nz



Cr K (Kerry) Sutherland

33 McPhee Street, Dannevirke 4930
06 374 7940 • 027 626 3311
kerry.sutherland@tararua.govt.nz



Cr P (Peter) Johns

44 McLean Street, Woodville 4920
06 376 5048 • 027 442 7115
peter.johns@tararua.govt.nz



Cr A J (Andy) Thompson

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

Community boards

Dannevirke Community Board

Generally meets on the first Monday of the month at 3:00pm.

- **Chairperson**
Mr W R (Ross) Macdonald
91 Piri Piri Road, RD 7, Dannevirke 4977
06 374 7996
gloriarossmacdonald@gmail.com
- **Deputy Chairperson**
Mr P (Pat) Walshe
2 Cuba Street, Dannevirke 4930
06 374 5702
patrickw11@hotmail.com
- Mr T (Terry) Hynes
281 Top Grass Road, Rua Roa, RD 8, Dannevirke 4930
06 374 5761
kinvara281@gmail.com
- Ms K (Kim) Spooner
2 Lower Domain Road, Dannevirke 4930
06 374 9090
kimsponer@xtra.co.nz
- **Councillor**
Mrs C (Carole) Isaacson
RD 8, Umutaoroa, Dannevirke 4978
06 374 5577
carole.isaacson@tararuadc.govt.nz

Eketahuna Community Board

Generally meets on the first Friday of the month at 10:00am.

- **Chairperson**
Mr C C (Charlie) Death
Nireaha Road, RD 2, Eketahuna 4994
06 375 8503
deaths@inspire.net.nz
- **Deputy Chairperson**
Ms S (Sharon) Shannon
125 Larsens Road, Eketahuna
06 375 8130
bevansharon@hotmail.com
- Mrs D F (Diana) Eagle
1775 Mangaone Valley Road, RD 4,
Eketahuna 4993
06 376 8256 or 027 323 3570
eagleeketahuna@xtra.co.nz
- Ms P (Pauline) Wilson
102 Stanly Street, Eketahuna 4900
06 375 8805
paulinewilson@xtra.co.nz
- **Councillor**
Mr A J (Andy) Thompson
393 Ballance Valley Road, RD 3, Pahiatua 4983
06 376 7372 or 027 482 4345
andy.thompson@tararuadc.govt.nz

Council committees

Chief Executive's Performance Appraisal Committee

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

Tribunal and Hearings Committee

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

Audit and Risk Committee

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

Works Liaison Committee

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

Tararua District Licensing Committee

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

Iwi Liaison Working Party

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

Management team

Executive staff

Blair King ME (Civil) CPEng
Chief Executive

Peter Wimsett CA, BBS
Manager Strategy and District Development

Raj Suppiah CA
Chief Financial Officer

(Vacant)
Tararua Alliance Manager

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

Dave Watson
Group Manager – Plant and Property

Chris Whiley
Tararua IT Alliance Manager

Jackie Hitt
Human Resources Manager

Directory

Head office and council chamber

PO Box 115
Dannevirke 4942

26 Gordon Street
Dannevirke

Telephone: (06) 374 4080

Fax: (06) 374 4137

General email: info@tararua.govt.nz

Council website: www.tararua.govt.nz

District website: www.tararua.com

Facebook: TararuaDC

Service centre locations

Dannevirke
26 Gordon Street, Dannevirke
(06) 374 4080

Eketahuna
31 Main Street, Eketahuna
(06) 376 0219

Pahiatua
136 Main Street, Pahiatua
(06) 376 0110

Woodville
45 Vogel Street, Woodville
(06) 376 0200

Other

Bankers

Westpac New Zealand Ltd
Dannevirke

Bank of New Zealand
Dannevirke

Auditors

Audit New Zealand
PO Box 149
Palmerston North
On behalf of the Auditor-General

Insurance Brokers

Aon New Zealand Ltd
Wellington

Glossary of terms

Activity The operation of a facility or the provision of a service.

Asset Management Plan A plan, which identifies the current status of an asset, future renewal programme and options to meet growth due to demand/expansion.

Capital Development The creation of new assets or the addition of new components to existing assets that extend any asset's service potential.

Capital Renewal The replacement of existing assets when they have reached the end of their useful life.

Community Outcomes The community's priorities for the future of the district, identified through a community consultation process.

Cost of Service The true cost of performing an activity. Calculated as the total of direct costs, support costs, depreciation, interest and debt servicing.

Depreciation The cost or value of the economic benefit of an asset used during a financial year.

Groups of Activities The Council's services are divided into nine groups of activities based on their relationship and the rationale for providing them.

Indicator Flag or signal that represent an issue of concern or which measure change or progress toward a desired outcome.

Infrastructural Assets Systems and networks that provide a continued service to the community that are not generally regarded as tradeable. These assets include roads, footpaths, water and sewerage services, and stormwater systems.

Long Term Plan (LTP) A plan which outlines the Council's programme for the next 10 years and how it will contribute to achieving the community outcomes.

Measure The actual piece of information or data used to gauge an indicator.

Operational Expenditure All funding for providing services on a day to day basis, excluding renewal and capital expenditure.

Operating Revenue Revenue received as part of day-to-day activities. Includes user charges and rates but not capital revenue (such as new loans).

Performance Measure Measure by which organisational performance may be judged in relation to objectives.

Policy A course of action or set of parameters adopted by the Council or by management within which decisions can be made and action can be taken.

Revenue and Financing Policy The Revenue and Financing Policy sets out who should pay for Council's activity and how they should pay for the activity.

Service Delivery Plan Outlines each of the Council's activities including service levels, performance measures, issues and future demand.

Targeted Rate A rate levied over a particular group of properties that receive or are capable of receiving a specific service or benefit additional to that provided by general rate funding.

Toby A valve situated at the property boundary for the purpose of controlling the flow of water to the property.

User fees and charges Fees charged to the community for use of specific services and facilities provided by the Council.

Vision Council's view of the future state of its community. It is used to inspire people into action, define future direction and implies that what we do now can influence and change the future for the better.



info@tararua.govt.nz

www.tararua.govt.nz

Dannevirke Service Centre

26 Gordon St, Dannevirke
PO Box 115, Dannevirke 4942
Ph: 06 374 4080 (24 hours)
Fax: 06 374 4137

**Woodville Service Centre
& Library**

45 Vogel St, Woodville
Ph: 06 376 0200 (24 hours)
Fax: 06 376 1025

Pahiatua Service Centre

136 Main Street, Pahiatua
Ph: 06 376 0110 (24 hours)
Fax: 06 376 0113

**Eketahuna Service Centre
& Library**

31 Main Street, Eketahuna
Ph: 06 376 0219 (24 hours)
Fax: 06 376 8181