



Annual Report

2019/20

YEAR TWO OF THE 2018–2028 LONG TERM PLAN



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 2019/2020

ⓉARARUA 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 2019 to 30 June 2020 against what was forecast in Year 2 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.



Mayor's message

To adapt a sporting cliché – it has been a year of two halves for your Council.

The first half of the year was one of celebration as we achieved some significant milestones as a district. October saw the election of your new Council, with the results returning a good balance of new and experienced councillors.

Immediately following the election, we celebrated 30 years since Tararua District was established as part of the local government reforms. This provided a great opportunity for Council to tour the district hearing from our communities as we shared a cup of tea and slice of birthday cake.

We also achieved 20 years of partnership with Rangitāne o Tamaki Nui-ā-Rua. This milestone provided us with the opportunity to review how our partnership had evolved, and confirmed that there was still more work to be done by both parties to give full effect to this important relationship.

Our celebrations in the first half of the year saw the signing of our Memorandum of Partnership with Ngāti Kahungunu ki Tāmaki nui-a-Rua. This extension of our partnerships binds Council and our iwi partners like never before, and I am confident our ties will continue to strengthen for the benefit of us all.

The first half saw Council adopt the new *Land of Ranges* branding for Tararua District. A low-key launch of the branding was implemented, with the entry signage on Saddle Road and Pahiatua Track being replaced. The new branding has also been incorporated within our district marketing material such as our Visitor Guide, new 'Must-do Walks and Rides' guide, and marketing signage. Plans are underway for wider implementation of this exciting new brand.

The opportunities to celebrate these milestones with our key stakeholders have brought our district closer together and has made us stronger, which became a vitally important foundation to work from as we moved towards the second half of the year.

As we came to the end of 2019, we faced an emerging water shortage in Woodville following technical challenges at the water treatment plant. Compounding this was our understanding that the summer period was forecast to



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become one of the driest on record. This prompted water restrictions to be implemented across the district to help mitigate the impact.

As river flows reduced, in Woodville and Dannevirke in particular, we opened our Emergency Operations Centre in Dannevirke to manage what had become an emerging crisis. Our communities heeded our call to help reduce water usage, with water savings reaching 25% recorded at times.

As the water crisis grew into an unprecedented drought, Council implemented emergency measures to ensure drinking water would remain available to residents. Actions taken included coordinating water deliveries to those on tank water, regularly meeting with large water users to reduce usage, leak detection work, and undertaking enabling works for water to be transported into the area by train from Palmerston North.

While the water crisis has abated in our towns, we are still conscious that our rural communities are still experiencing the effects of the unprecedented drought. Council continues to work with rural groups to help alleviate these impacts where at all possible.

The lessons learnt from the water crisis are being included in the Water Bylaw review currently being undertaken by Council. Public consultation on the proposed Water Bylaw will begin shortly.

Of course, our second half challenges did not end with the water crisis. Just as we began to scale back our emergency response to the water situation, a new crisis emerged with Covid-19. Our Emergency Operations Centre remained open to help manage this new threat and its impact on our livelihoods and way of life.

Council responded by coordinating the collective response from our communities and linking this into regional and national initiatives. The welfare of our people became paramount, and Council staff manned the phones to understand what our communities and businesses needed. One of the key responses undertaken became the delivery of food and other essential supplies to community organisations or directly to our residents' doorsteps.

As I reflected on the challenges of Covid-19, I came to realise it also brought us benefits. The Covid-19 response has established or strengthened so many of our stakeholder relationships across the district, whether they be with iwi, community organisations, businesses, regional organisations, or Central Government agencies.

As Tararua, along with the rest of New Zealand, re-opened for business, we launched the #LoveLocalTararua brand to encourage us all to support our local economy. I've been delighted to see this brand adopted and grow, and we're seeing the results in spending data. I feel there is a genuine confidence about our recovery and have tremendous confidence in our future.

I believe we are stronger as a district than we have ever been in our 30-year history and that we must not only retain, but build on, these new or stronger relationships. Just as Winston Churchill once said, "Never let a good crisis go to waste." We've had our fair share of crises, let's not let them go to waste, let's continue to build a stronger Tararua District together.



Tracey Collis
Mayor



Chief Executive's message

As the Mayor has said in her comments, it certainly has been a year of two halves.

Last year was one of putting foundations in place for the future and this year started with beginning to build more of the structure we need for that future.

We continued the Pahiatua Main Street upgrade and water treatment plant projects and our consenting processes for wastewater. We continued our planning for growth by forecasting current and future demands on our infrastructure as well as understanding the most suitable areas to accommodate that growth.

Our investigations into future growth are certainly timely as the numbers show it has started. Resource consent applications are up 72% on the year before and subdivision consents 122%. While building consents are up only 1.7% in total, building consents for new single-story dwellings are up 62%. We forecast these numbers are just the beginning of what Tararua will experience.

We have also been involved in consenting for some key projects for our district. Arguably the most important project we have been involved in consenting is the new Te Ahu a Turanga: Manawatū Tararua Highway. The new Turitea Windfarm is another significant project we have been consenting on.

We have also continued our investment in training of staff and communities. Our Civil Defence training has grown significantly recently and provides resilience in the event of emergencies. Our staff continue to be recognised by their peers. Our Risk Manager, Sandy Lowe, attended a conference in Nashville, USA as part of her prize for winning the Brookfield Emerging Leadership Award last year. Our IT Alliance Manager, Chris Whiley, was awarded the ALGIM ICT Leadership Award.

Our focus altered significantly as we headed towards the second half of the year. Our water infrastructure came under pressure during the unprecedented drought we have



Our investigations into future growth are certainly timely as the numbers show it has started



**Council has continued
to attract external
funding from a range of
sources during the year**

experienced. Our emergency management team came together to monitor and manage the water crisis over a prolonged period with a positive outcome. We continue to evaluate the water crisis to inform the Water Bylaw review that is continuing. Our installation of internet connected water meters for extraordinary water users will also contribute valuable data for the bylaw review.

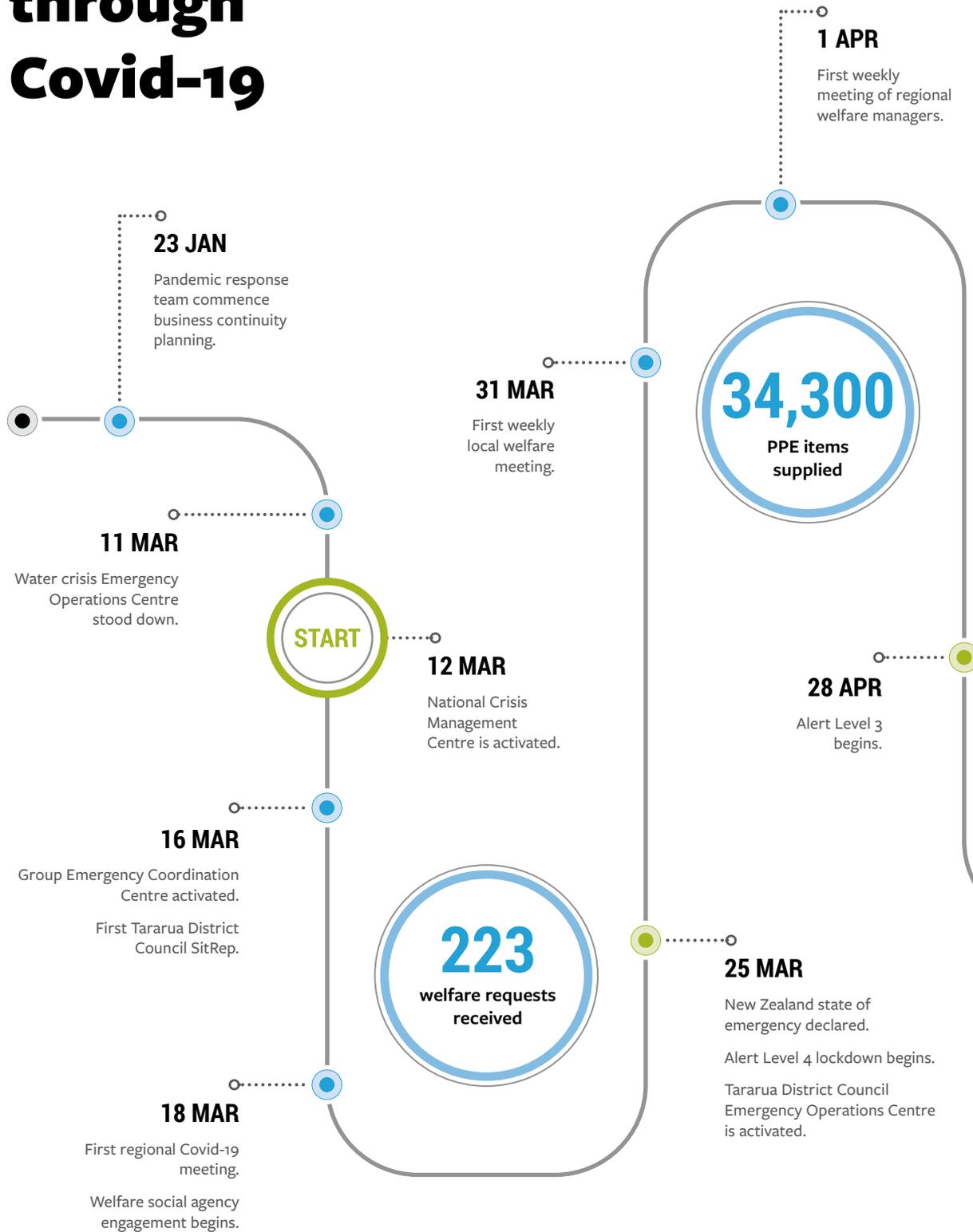
Covid-19 placed significant pressure on Council staff as they managed the pandemic on top of the water crisis and business as usual demands. Our team has developed or deepened many community relationships during the crises we have experienced, and these relationships continue to improve as we lead the district through recovery towards a new future.

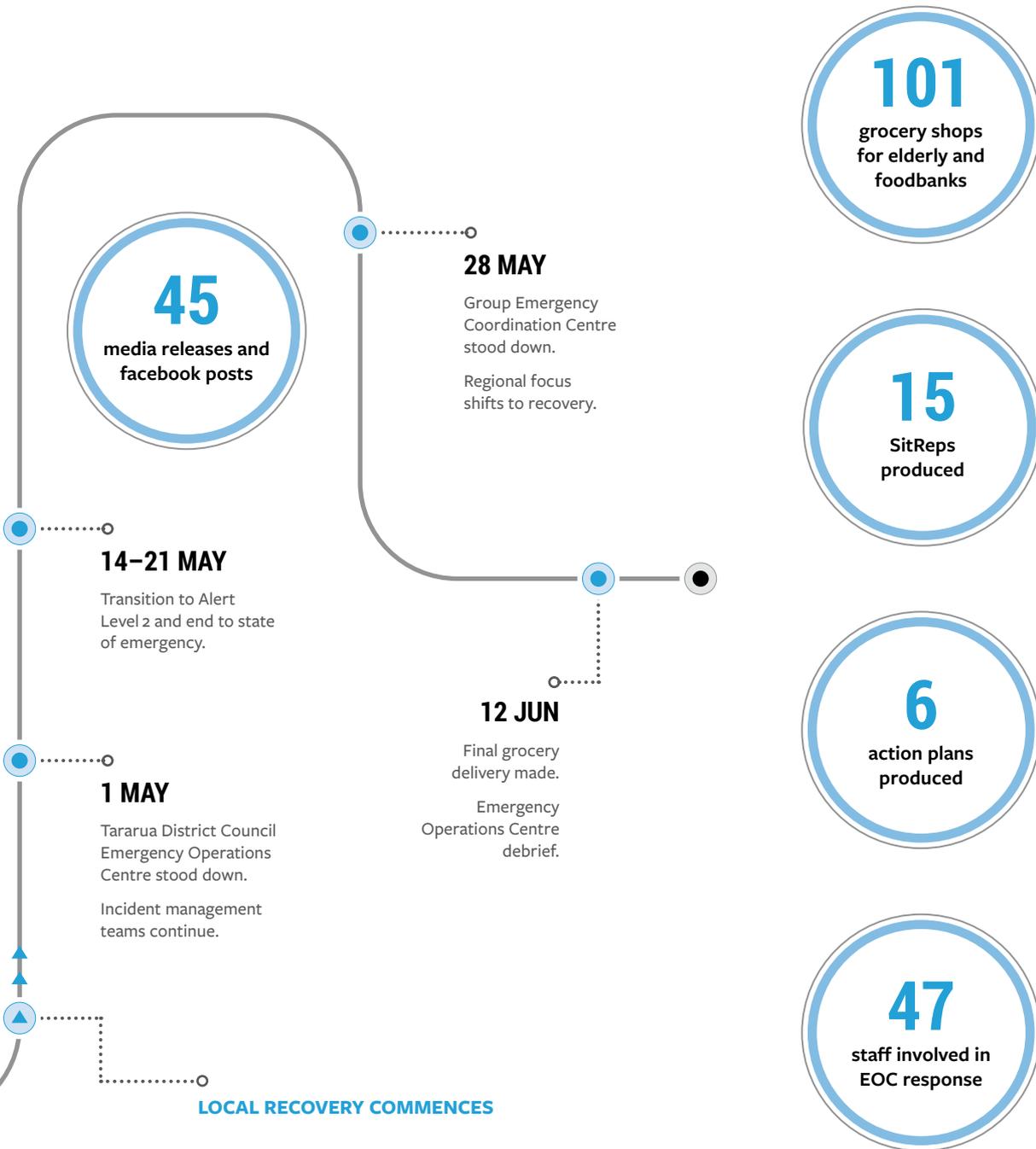
Council has continued to attract external funding from a range of sources during the year. This external funding is important as it reduces the costs that must be met by ratepayers. Key funding received came from the Provincial Growth Fund, Eastern and Central Community Trust and Central Energy Trust. We thank these funders for their support.

As we look to the year ahead, we will continue to lead the district recovery from the unprecedented series of crises we have faced and look forward to working with our Iwi partners and other stakeholders towards the goals we have set for the future.

Blair King
Chief Executive

Our journey through Covid-19





836
outbound calls to businesses and the elderly

We continued to support the drought response throughout Covid-19.

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.



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, refocussed, and expanded on the strategies given new challenges and achievements.

Resilience through robust foundations

In previous years, Council had invested in increasing bulk water storage, pandemic planning, and moving to on-line transactions, whilst ensuring collaborative partnerships with suppliers. This included increasing staff capacity for granting consents, operating treatment plants to meet compliance standard, ensuring safety and innovation culture is at the forefront of work programmes, and maximising external funding options.

This year the water crisis, drought, and Covid-19 truly tested staff's resilience in not only responding to these events but also maintaining "business as usual" and at the same time, innovating and improving our systems and processes.

The following are the highlights:

Awards and recognition

We continued to acknowledge the importance of recognising staff for their achievements and contributions to Council by nominating them for external awards. This year, two staff were recognised, and we had five notable nominations:

Awarded

- Risk Manager, Sandy Lowe, was awarded the John Garvey Scholarship giving her the opportunity to attend the ICMA Annual Conference in Portland Oregon in 2021.
- Chris Whiley, Manager of the IT Alliance, was awarded the ALGIM ICT Leadership Award.

Nomination

- Finance Team – NZ CFO Summit – Finance Team of the Year
- Eleanor Roberts – ALGIM – Best Customer Experience Award
- Jackie Hitt – NZHR – Human Resources Generalist of the Year
- Raj Suppiah – NZ CFO Summit – CFO of the Year

As all of these awards are contested nationally it reflected well on our organisation when many of those nominated were selected as finalists.

Business continuity plans

During Covid-19, we had to quickly develop our Business Continuity Plans for the four different pandemic levels. This gave us an opportunity to assess what can be completed remotely and electronically, and what services are critical to the continuing operation of Council. As a result, some internal processes were amended and improvements implemented.

Recovery strategy

A recovery strategy was developed with an outcome to lead the social and economic recovery for the Tararua District following the nationwide Covid-19 pandemic and the drought experienced throughout the district.

The three key strategies to help us achieve the outcomes are:

1. Seek out new ideas and initiatives that could enhance recovery.
2. Maximise the benefits of opportunities that will aid in recovery.
3. Identify and manage risks to reduce or eliminate problems, seek ideas and maximise opportunities.

We have developed a document listing what is "done, doing, and in the pipeline". This is published monthly, informing the community of the progress on the recovery projects.

External funding and influence

We have been very successful in obtaining external funding:

- \$500,000 grant from the Provincial Growth Fund for roadside tree harvesting to provide 27 people with employment post-Covid, and enable works as part of the Route 52 strengthening and safety project.
- Approval for \$315,000 grant from Central Government to obtain additional treated water if required for Woodville, to supplement the 65 days continuous drawdown on the new impounded supply.
- \$355,000 grant from the Provincial Growth Fund for an economic and social impacts study into the feasibility of upgrading Route 52. This was initially as part of a study to investigate a forestry rail hub in Dannevirke.
- We received \$393,000 funding from the Ministry of Health for the new Pongaroa Water Treatment Plant.
- \$165,000 was received during the year towards the Digital Hub, Right Tree Right Place investigations, and developing strategies related to economic development and tourism.

We also organised a ministers visit to understand “right tree right place” concerns. That, in part, has helped shape the proposed Labour Policy of requiring consent for planting trees on higher quality (classes 1–3) rural land.

Council continues to advocate and apply for funding opportunities through “shovel ready” projects and other Provincial Growth Fund funds with \$89.4 million applied for to improve infrastructure and community facilities throughout the district.

Risk management

Strategic risk management and planning for adverse events has been a focus of this area of work, seeing business continuity planning updated for all functions as part of Tararua District Council’s response to the global Covid-19 pandemic. This planning has ensured we have identified essential services and staff, and determined how these

can be managed during a pandemic event, increasing our resilience as an organisation.

Work has now begun for business continuity planning for critical infrastructure, with our water storage, treatment and reticulation at top of mind following the 2019/2020 drought event. Further exploration and assessment of strategic risks will aid council in decision making and assist with prioritisation of work.

Deep dives into critical health and safety risks for the organisation have been completed with specific consideration given to ensuring the safety of the public, staff and our contractors.

Collaborative partners

Council established three collaborative agreements. This is our preferred model where people, trust, behaviours and outcomes are the focus. Their achievements are many but the following highlights the culture and broader outcomes they have delivered.

Tararua Alliance

Provided expertise during the water crisis to analyse the current and forecasted situation to help the Emergency Operations Centre focus the limited resources in the right place through scenario modelling.

Reticulation physical works delivery team were able to park their planned workload and dedicate their time to the response.

As the event worsened, they became the lead planners on the action plan to bring water from outside our district via rail to both Dannevirke and Woodville.

The team that performs sexton work were called to dig a grave but ended up being pallbearers for a family that, due to lockdown restrictions, were not allowed to have enough people there to perform that task.

Looking at further ways to engage and support the community with projects, such as the barbecue-based trailer that is already being utilised by community groups to help fundraising efforts.

Working with UCOL and MSD to re-establish both an adult learning programme for civil trade qualifications and

the Gateway programme for school age students to gain exposure, experience and some initial training in civil works.

IT Alliance

Our IT Alliance stepped up during the Covid-19 shutdown, particularly in ensuring systems were in place to support the “new normal”. For example:

- Completed planned Citrix upgrade early, and all staff were required to test their remote access prior to the commencement of lockdown.
- 93% of staff able to work remotely during lockdown within the first few days.
- Implemented Microsoft Teams within 48 hours to enable remote staff/councillors to communicate and participate in meetings.
- Provided invaluable GIS mapping of rural sector during the continuing drought and water crisis. This data was used for the co-ordination of over 100 tanker deliveries of water to drought-stricken farmers.

Filtar Alliance

The Filtar Alliance (Filtec and Council) urgently ensured Covid-specific health and safety protocols were in place, enabling essential work to continue during the Covid level 4 shutdown to ensure we remained on track to deliver the Pahiatua water treatment plant.

Innovation

Digital information management

During the Level 4 Lockdown many staff worked remotely while still requiring access to incoming information. Records and Information staff responded quickly, working with other departments to develop methods of digital distribution of documents and incoming mail. This enabled many business-as-usual functions such as payment of invoices to be completed without delay. Most of these processes will continue to be used beyond lockdown and will be developed and expanded to incorporate other internal functions.

IoT smart devices

A successful trial of IoT meter installation was completed during this financial year. These meters will aid the Council in keeping track of consumption, leakage and over-consumption of water on exceptional water connections in both urban and rural areas. This is more than the quarterly manual reading that we currently undertake. This information is fundamental to save this valuable resource and to reduce associated maintenance costs especially in times of a shortage of water. A second stage project is now planned to roll out an additional 100 meters to provide further data to help inform decisions around water usage.

Project management framework

A review of the existing project management framework was initiated, and the idea of a project concept was introduced. This allows the senior leadership team to assess ideas against strategic direction before it moves into a feasibility phase, which focuses on risk and funding options. This review provides opportunity to improve and embed project management culture into the organisation with a focus on forward thinking and planning.

Procurement broader outcome

Council revisited its procurement strategies and explored the desire to include broader outcomes. The Tararua Alliance procurement strategy with NZ Transport Agency was updated to reflect the “Four Well-beings” outcomes and creating wider public value.

Council was successful in securing \$500,000 in funding from the Provincial Growth Fund for the removal of trees along Route 52. The objectives of this project was to ensure the broader outcomes of social procurement and redeployment of unemployed or otherwise displaced people was achieved. As at 30 June, we had contracted six local contractors who, in total, employed 34 staff. This exceeded our expectations and numbers agreed with Provincial Growth Fund for this project.

This year, the Tararua Alliance contracted out the stormwater, wastewater, and water service connections. This initiative was to achieve the following outcomes:

1. Assist local contractors to recover from the impact of Covid-19.

2. Upskill and grow our local contractors.
3. Give local residents more options for contracting building work.
4. Refocus the Tararua Alliance onto more value added projects.

Love local campaign

As part of the Covid-19 response, Council developed the *Love Local* marketing campaign. The campaign was designed to encourage Tararua residents to support local businesses wherever possible. Promotion included district-wide signage, website and social media promotion, and regular feature articles in the Bush Telegraph newspaper. The campaign has been a success, with other businesses and organisations adopting the branding for marketing initiatives. Council intends developing a strategy for the continued use of the *Love Local* brand beyond Covid-19.



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.

There were eight serious injury accidents this year, compared to eight serious injury accidents and two fatalities last year. The causes were not due to road factors.

A total of 71 safety audits were completed on internal sites, with 71 scoring high results. For external contractors, a total of 22 sites audited, with 22 scoring high results and no sites closed down. A total of 495 safety observation reports were completed by all staff. No first aid treatments were reported, and three near miss reports were completed.

The Tararua Alliance completed five heavy metal overlays and three seal extension works to improve the overall quality of the unsealed network. These major treatments are targeted and more extensive renewal works designed to improve safety and provide resilience to areas of the network in distress.

We continued with our safety assessments of the road network, specifically around out of context curves with a focus on inconsistent

journeys. This will become a dedicated and focused project as part of the next Rooding Asset Management Plan.

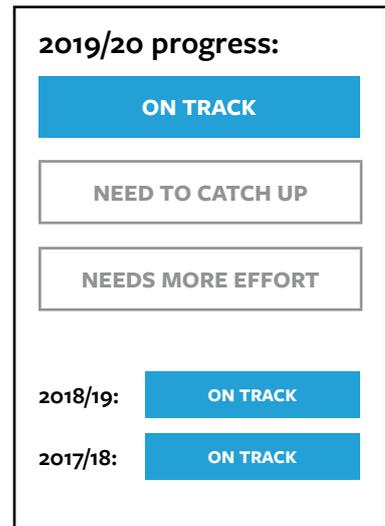
We continue to maintain our parks, reserves, playground equipment and sports facilities to relevant safety standards.

The overall condition of our footpaths is close to the best we can get – only a small number of defects noted. What the results show is that, of the 322,660m² of footpaths in the database for the district, none had a defect severity grading of 4 or 5 (5 being the highest).

Council invested \$640,000 in minor safety projects during the year.

Council has received \$500,000 from the Provincial Growth Fund to address the dangerous trees along Route 52. This project will also help improve the resilience of the road.

Overall public satisfaction with urban roads has remained consistent with last year, despite the impact of Covid-19 on our work programmes. This reflects the increase in budgets.



01. CONTINUED INVESTMENT IN CORE INFRASTRUCTURE

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

Optimisation of wastewater treatment plants is ongoing.

Water leak detection was completed for Dannevirke and Woodville.

The Woodville impounded supply floating cover installation was completed in October 2019, and filling of the 90,000m³ storage facility was undertaken and commissioned.

To reduce water loss, leak detection surveys were carried out in Woodville and Dannevirke. This was successful in locating 13 leaks in Woodville equating to 200m³ loss in a 24-hour period, and 54 leaks in Dannevirke equating to 469m³ loss in 24 hours.

Data was collated and analysed throughout the water crisis to help understand how demand could be met against supply available. Programmes have been identified to incorporate the modelling and data analysis as part of the monitoring and alerts systems.

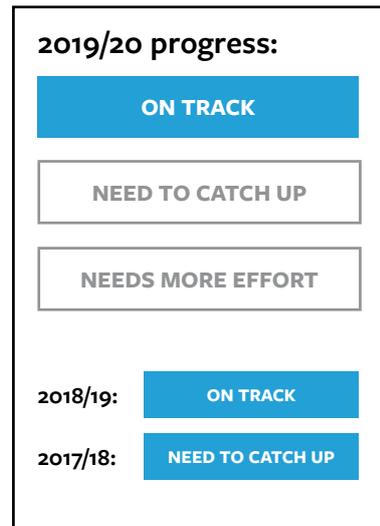
Council commissioned a report to estimate the economic impact of the rail hub project on Route 52. Funding for this study was from the Provincial

Growth Fund. Council also included the Route 52 project in the Crown Infrastructure “shovel ready” projects to obtain further funding to improve this road.

Stormwater modelling was completed. Further investigation of the key potential projects identified will be carried out based on benefit versus value, while considering climate change impacts and Council’s outcomes and strategic focus.

Additional funding was provided for sealed road maintenance to enable the Tararua Alliance to get close to a full year ahead with the pre-reseal pavement repairs. The benefit in doing this is to avoid inefficiencies and duplication of movements around the network and, more importantly, it allows the repairs to bed in properly before the renewal treatment is completed.

Bridge and large culvert repairs and component replacements were completed to extend the current life of the assets.



01. CONTINUED INVESTMENT IN CORE INFRASTRUCTURE

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

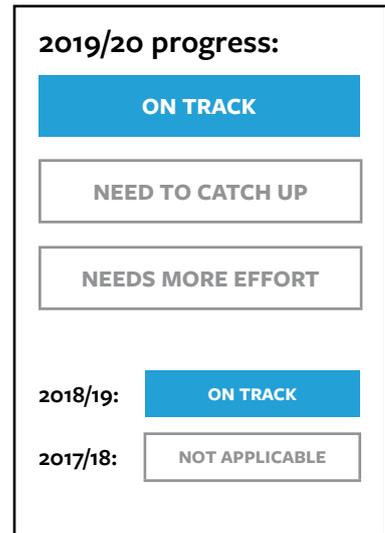
Prompt response to reinstate safe access, subsequent clean-up, and then planned repairs to approximately 215 sites of significant repair, has resulted in \$5.98 million expenditure in emergency works.

Fibre roll-out for the urban areas has commenced, with Dannevirke being the first.

During the year, Tararua Alliance graded over 2,000km of unsealed roads and spread over 11,000 cubic

metres of aggregate to ensure the roads stayed in good condition.

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.



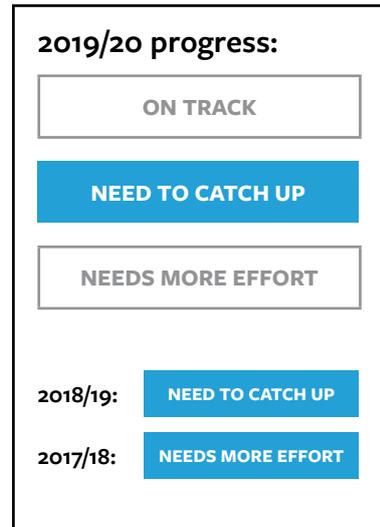
01. CONTINUED INVESTMENT IN CORE INFRASTRUCTURE

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

Five 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 Eketāhuna wastewater schemes. A consent application for Woodville was lodged early 2018/19.

Council has partnership agreements with Rangitāne o Tamaki Nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua.



01. CONTINUED INVESTMENT IN CORE INFRASTRUCTURE

To meet legally required performance standards.

Five of our seven wastewater schemes are operating under temporary consents (current consents have expired). We are currently going through the Pahiatua, Eketāhuna, and Woodville wastewater consents renewal process. We will be submitting to Horizons the renewal for the Pongaroa and Norsewood wastewater consents. We continue to monitor our impact on the receiving environment whilst operating under these consent conditions to ensure we are minimising our impact on the receiving environment.

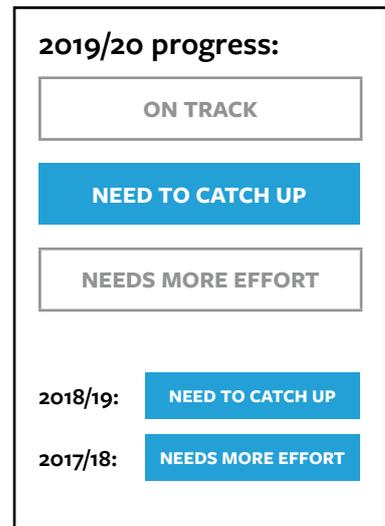
We had no enforcement actions against Council for not meeting resource consent conditions for our wastewater schemes.

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

All water supply schemes, except for Akitio, have a Water Safety Plan in place. Akitio does not require a water safety plan as its population is lower than the threshold.

We complied with Part 4 of the drinking water standards (bacteria compliance criteria).

Part 5 of the drinking water standards was non-compliant as this requires 24-hour monitoring of our water schemes. Twenty-four-hour monitoring is now in place in three out of seven schemes. Twelve months of data is required to be available for assessment (after UV disinfection was installed).



02. PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

Supporting and facilitating growth in local business.

The Tararua Business Network team provides support and guidance to prospective business owners. Fifteen entrepreneurs were assisted during the year.

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 team deliver training and workshops to current or prospective business owners across the district. During the year the team delivered 9 workshops including social media training and financial management.

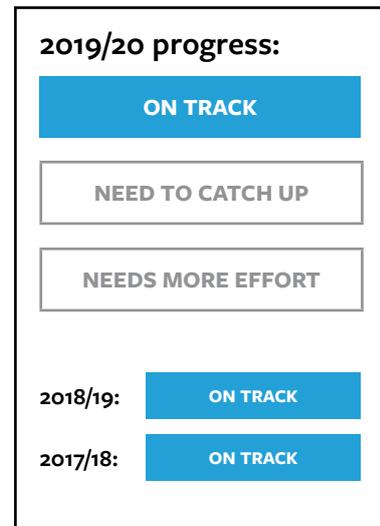
The Tararua Business Network team continued to collaborate with CEDA, the Regional Business Partners network. This network supports growth and innovation of New Zealand businesses through training, mentoring and research and development funding.

Council continued to explore external funding from the Provincial Growth

Funding. This year we were successful in obtaining funding for Tourism and Trails Strategy, Economic Development Support, Labour market strategy, Digital Hub, Right Tree Right Place, rail hub, Pongaroa Water Treatment Plant upgrade and Roadside Trees. Total funding received was slightly above \$1.43 million.

The Economic Development team were heavily involved in the response to Covid-19 supporting the community and businesses. The team also spearheaded a telephone survey of businesses across the district on behalf of Council, CEDA, Ministry of Social Development and the local Chambers of Commerce. The survey provided insights into what would be necessary during the recovery phase of the pandemic.

As part of the Covid-19 response Council developed the Love Local marketing campaign. The campaign was designed to encourage Tararua residents to support local businesses wherever possible.

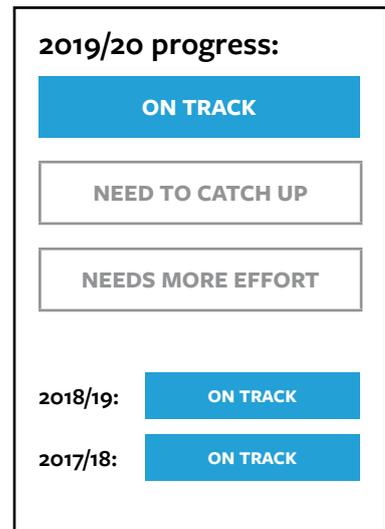


02. PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

Build district identity.

A new district brand was developed and adopted by Council during the year after consultation with our Iwi partners. The *Land of Ranges* brand was given a soft launch with the billboards on Saddle Road and Pahiatua Track replaced.

This year we also launched a new ‘Must-do Walks and Rides’ guide for the district. A limited number of guides were printed as we anticipate hearing about old walk and cycle tracks that have either been omitted or require work to re-establish.



02. PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

Promote the district by telling our story.

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, 22 community organisations were provided event marketing support.

Council continued to engage with the Trustees of the newly established Te Awa Community Foundation. The Te Awa Community Foundation’s vision is building funds to enhance our communities for future generations through the generosity of people today.

Shortly after the local government election in October 2019 the marketing team organised a series of 30th anniversary celebrations across the district. The 30th anniversary celebrations were a fantastic opportunity for returning and new Councillors to engage with the communities that make up Tararua District. The celebrations were well received by the public, with feedback

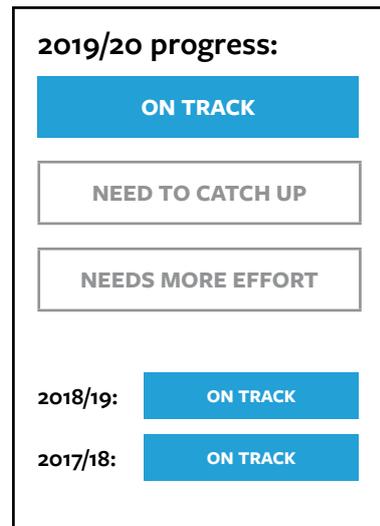
received being overwhelmingly positive.

Council attended the three day COVI Motorhome Caravan and Outdoor Supershow in Auckland during the year. The 2020 show was held just prior to Covid-19 and we incorporated the new *Land of Ranges* branding on the stand. The new branding received incredibly positive feedback from the over 800 prospective visitors spoken to.

Council attended the Hamilton Motorhome Show for the first time in 2019. We utilised the same marketing material and stand that we took to the COVI Show in Auckland.

Council continued our strategic support for the Woodville MotoX during the year and switched race sponsorship in 2020 from the River Race to the junior racing events, co-sponsoring alongside Palmerston North Airport.

Council continues to develop its relationship with members of the New Zealand Motor Caravan Association. Tararua District continues to have three (Dannevirke, Woodville and



Pahiatua) of the 50 or so Motorhome Friendly Towns in New Zealand. This has been a key feature of Tararua District’s popularity amongst this key visitor market.

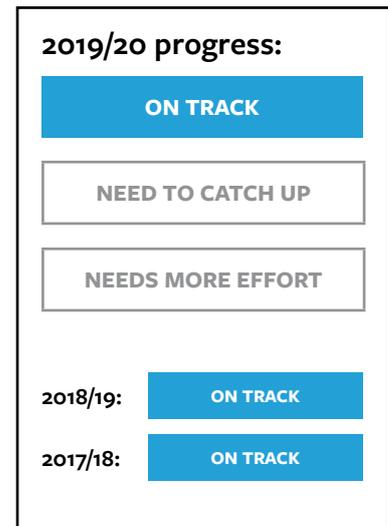
Council continued its sponsorship of the North Range Trio running event in 2019. The event attracted 450+ entrants with an equal number of supporters in attendance.

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

02. PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

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

Four hundred and thirty-seven welcome packs were distributed during the year, a 38% increase on the previous year.

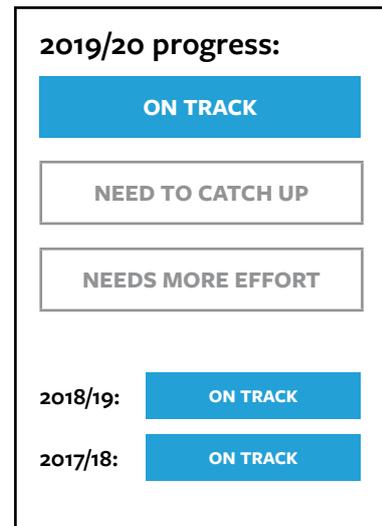


02. PROMOTING AND FACILITATING ECONOMIC DEVELOPMENT

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

Council was successful in securing \$26,000 from Central Government’s Responsible Camping Fund during the year. This funding paid for mowing, rubbish collection and toilet cleaning at seven reserves and domains across the district.

Council spent \$74,000 replacing the steps at the Waihi Falls Reserve, improving safety of the walking track to the base of the falls.

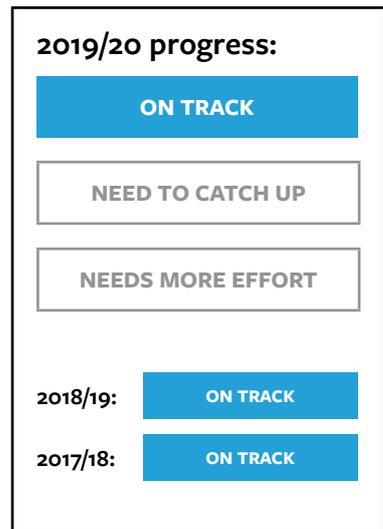


03. CONTINUED FINANCIAL VIABILITY THROUGH SUSTAINABLE GROWTH AND INVESTMENT

Ensuring affordability

Rates increased to 4.2% from 3.95% last year and from 2.23% in the 2017/18 year. These increases are required to fund the significant increases in emergency repairs,

operational expenditure with regards to compliance and infrastructure insurance and increases in service levels.



03. CONTINUED FINANCIAL VIABILITY THROUGH SUSTAINABLE GROWTH AND INVESTMENT

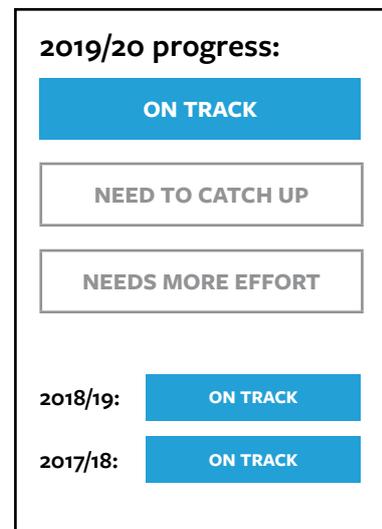
Reducing financial and business risk

Managing our exposure to interest rates and funding risk by holding our external debt as a combination of short and long term debt, with appropriate risk management strategies, we are 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 4.22% to 2.68%.

The Treasury Risk Management Policy was reviewed and updated to reflect the current challenges and strategies allowing for greater participation in low floating rates but recognising long term investment rate risk.

Adequate insurance policies are in place to mitigate risk of unplanned asset replacements due to natural disasters. Council is also improving asset data and exploring loss modelling from natural disasters.



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 financial prudence limits in the Long Term Plan.

Depreciation reserves for future asset replacements is \$31 million, a decrease of \$1 million from the previous year.

We continue to maintain 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 going forward.

Our external debt continued to increase from \$25 million to \$35 million, against a projected \$27 million debt forecast. This was the result of our significant investment in our infrastructure.

2019/20 progress:

ON TRACK

NEED TO CATCH UP

NEEDS MORE EFFORT

2018/19: ON TRACK

2017/18: NEED TO CATCH UP

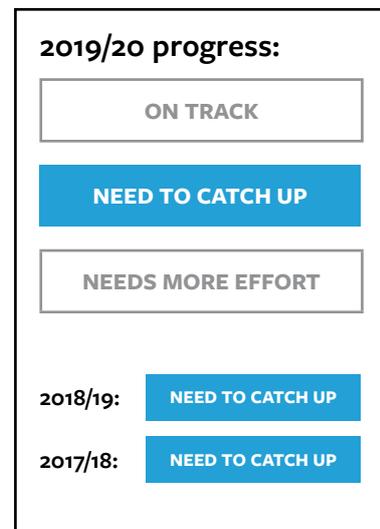
03. CONTINUED FINANCIAL VIABILITY THROUGH SUSTAINABLE GROWTH AND INVESTMENT

Cost control

Operating expenditure, excluding depreciation and finance costs, was \$27.2 million (\$24.9 million last year). The main driver for this is a combination of unbudgeted expenditure for emergency roading repairs from weather events, pre-reseal repairs on the roading network, and roadside trees felling. This amounted to \$2.3 million.

Increases were also noted in staff cost as additional unbudgeted resources were required to meet regulatory compliance, growth (increase in number of consents, completing growth impact analysis) and managing new projects.

We also exceeded our budgets in water supply due to responding to increased compliance, monitoring and treatment costs.



Financial performance scorecard

The 2018 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 achieved an unfavourable operating result to budget, with 2019/20 being an unfavourable variance of \$822,000.

This is boosted by subsidies from NZ Transport Agency (NZTA) of \$14.1 million compared to a budget of \$9.9 million. This is due to a continuation of the emergency road works programme addressing 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 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 \$600,000.

Excluding this unbudgeted work we incurred significantly higher expenditure in water supply, with

significant additional costs incurred as we ensured drinking water was able to be delivered during the severe drought that impacted much of our district. This resulted in Council operating an Emergency Operations Centre, coordinating water deliveries and actively managing the water crisis. Activities included addressing leaks and installing a pipeline in Dannevirke to enable water to be trained into the district, however this was not required due to the conservation efforts of ratepayers.

The Covid-19 pandemic also caused an unbudgeted increase in costs, with additional software licences being required to enable staff and councillors to operate remotely during the lockdown. Council also operated a full Emergency Operations Centre to coordinate the response to the pandemic, followed by initiating recovery programmes post-lockdown to ease the economic and social impact on the community.

2019/20 progress:

ACHIEVED

MINOR VARIATION

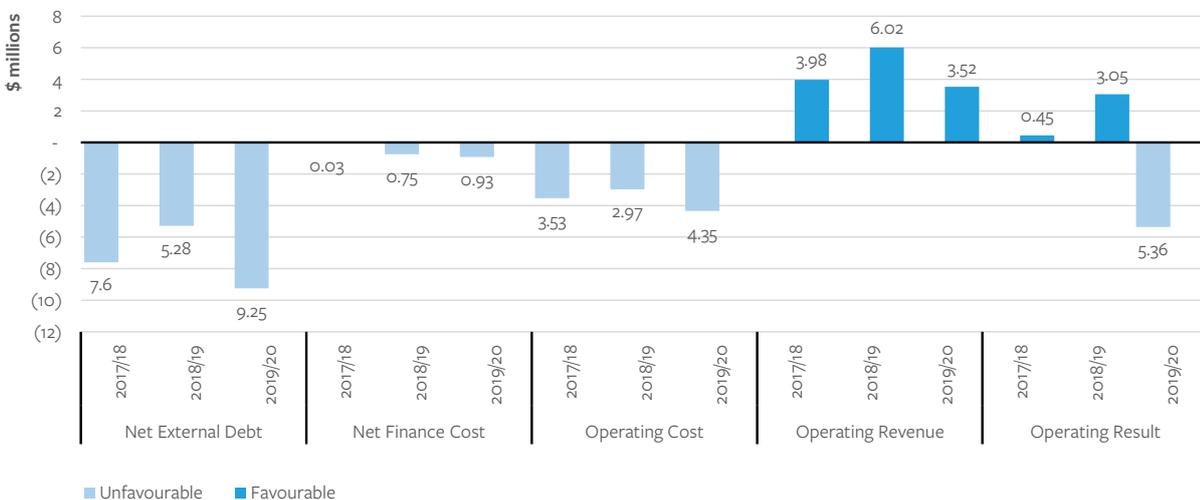
SIGNIFICANT VARIATION

2018/19: MINOR VARIATION

2017/18: MINOR VARIATION

Council also continued roadside tree harvesting this year, however losses in this activity have been offset partly from funding from the Provincial Growth Fund. 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 record 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 (below) highlights that we have been able to achieve reducing average interest rates year-on-year for the prior three years, from 4.22% to 2.68%.

In May 2020, Council adopted an updated Treasury and Risk Management Policy enabling greater flexibility and participation in lower floating interest rates, and allowing for increased debt capacity for the upcoming Long Term Plan by

increasing the debt to revenue limit from 100% of total revenue to 150%.

Our external debt increased higher than expected this year, from \$25 million to \$35 million, against a projected \$27 million debt forecast. Opening balance debt was \$4 million higher than expected. The remaining \$4 million variance was due to a higher than planned capital spend due to the end of year carry-forwards, emergency works and increase in scope of several projects. Our cash balance at balance date was \$2.6 million.

Despite the higher than planned net debt, our strong balance sheet allowed us to provide relief to residents impacted from Covid-19 and drought whilst still leaving us well placed to achieve Council's long-term strategy by having sufficient headroom to invest in core infrastructure going forward.

2019/20 progress:

ACHIEVED

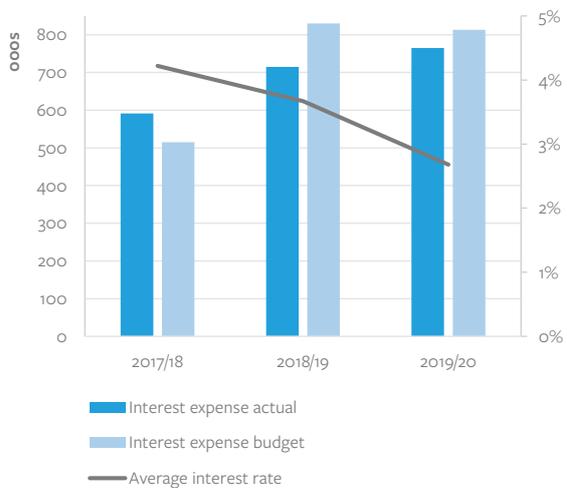
MINOR VARIATION

SIGNIFICANT VARIATION

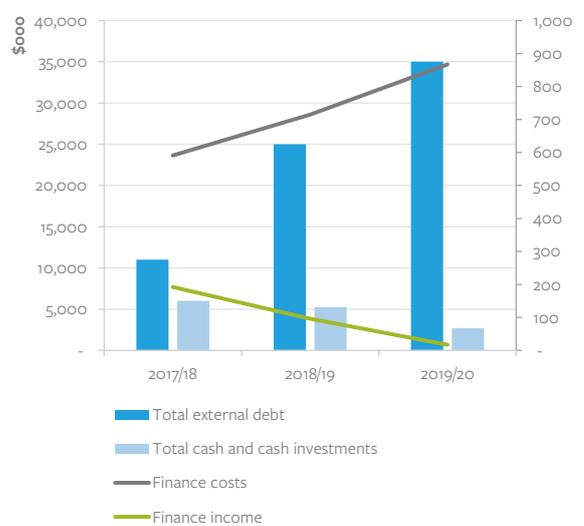
2018/19: ACHIEVED

2017/18: 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 is Core Infrastructure. In the 2019/20 year, 88% of spending was on core infrastructure (Roading, footpaths, water, wastewater, stormwater, solid waste).

A strong focus for Council has been on improving the delivery of the planned capital programme, with the introduction of a Programmes and Projects Team in 2018/19. Excluding unplanned emergency works, our capital expenditure delivery has increased from 71% in 2016/17 to 82% in 2019/20.

The Covid-19 pandemic lockdown that occurred in New Zealand from March to May impacted on our delivery in 2019/20. The roading activity was significantly impacted, resulting in \$1.6 million of renewal work having to be carried forward into the 2020/21

year (nil 2018/19). Prior to the Covid-19 event, Council was on target to achieve 88% of its planned capital programme. The overall improvement in delivery over the previous four years reflects the investment Council has made to improve the capability and capacity to deliver capital projects.

Total capital expenditure for 2019/20 was \$26.9 million against a \$27.9 million budget inclusive of \$6.6 million of carry forward budget from the previous year. This is compared to \$23.9 million spent in 2018/19. \$4.2 million of spending consisted of unplanned emergency renewals in Roading activity. Over the last three years Council spent \$12.2 million in unplanned emergency renewals from significant weather events. Council responded by increasing its emergency works budget in the 2019/20 Annual Plan by \$600,000. More emphasis on drainage and resilience works was

2019/20 progress:

ACHIEVED

MINOR VARIATION

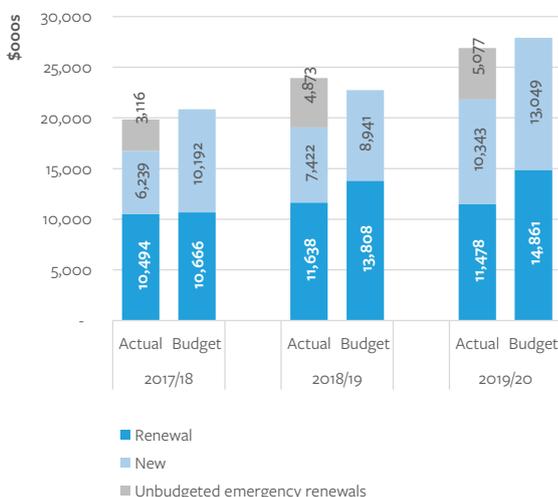
SIGNIFICANT VARIATION

2018/19: ACHIEVED

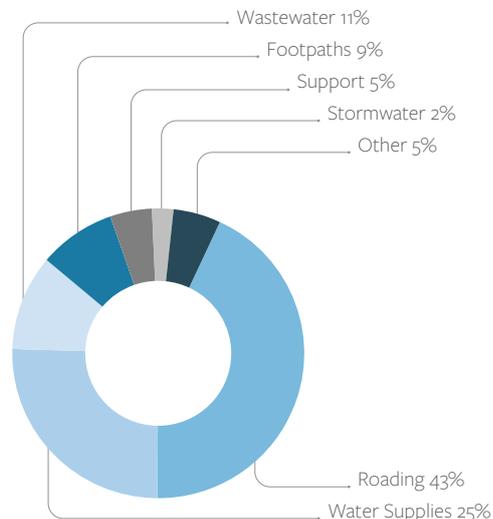
2017/18: ACHIEVED

included in the 2018–2028 Long Term Plan to reduce the impact on service levels as a result of increased weather-related events.

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.

Two emergency events – Covid-19 and severe drought – impacted on our service performance results in 2019/20. Of the 112 service performance measures, 11 measures were impacted by either Covid-19 lockdown or the water crisis caused by the severe drought.

Overall, Council achieved 71% of its service performance measures. This is a slight reduction from 80% achieved in 2018/19, reflecting the impact of the two emergency events. A highlight for the year was 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. We continue to apply for external funding

required to upgrade Route 52 with a “shovel ready” application lodged with Crown Infrastructure Partners and the Provincial Growth Fund. This project would help improve satisfaction with rural roads. We will carry forward unspent funding to complete the road reseal programme that was impacted by Covid-19. A solid waste audit is planned for the 2020/21 year to better understand our waste stream and identify opportunities to reduce waste and increase recycling volumes.

Customer enquiries and demand in the regulatory group continues to increase, contributing to 4 out of 15 measures not being met. Council has introduced two building cadets to increase future capacity and capability and has added a 3rd planner to the planning department in June 2020 due to the 40% increase in resource consent applications as a result of growth pressures.

2019/20 progress:

ON TRACK

NEED TO CATCH UP

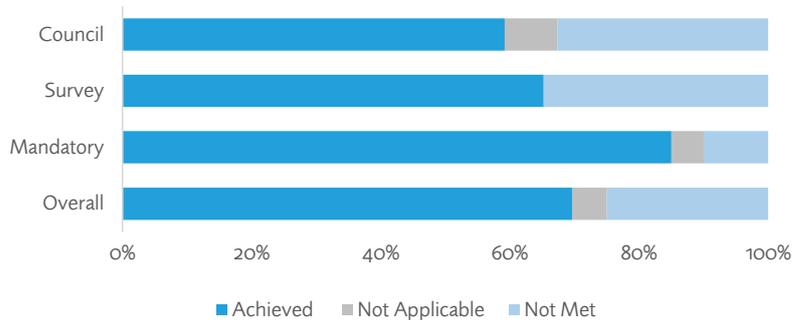
NEEDS MORE EFFORT

2018/19: ON TRACK

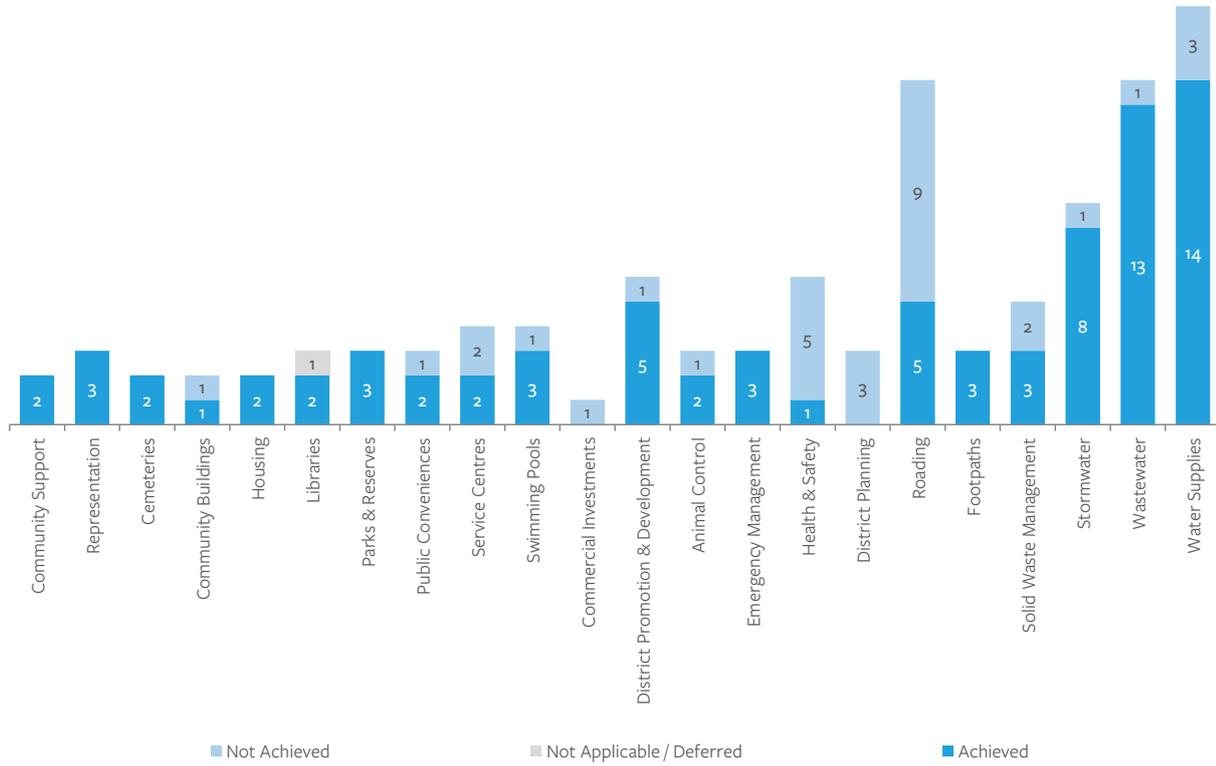
2017/18: ON TRACK

For details on Council performance for the service performance measures, refer to the ‘Activities and Service Performance’ section of this report.

SERVICE PERFORMANCE MEASURES ACHIEVEMENT RATE BY CATEGORY



SERVICE PERFORMANCE MEASURES FOR THE YEAR BY COUNCIL ACTIVITIES



Community survey scorecard

Council continued 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.

Three surveys were completed over the prior 12 months – September, January, and May. A total of 451 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.

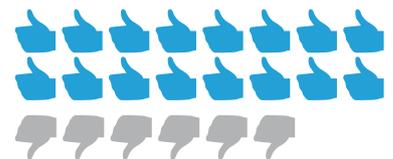
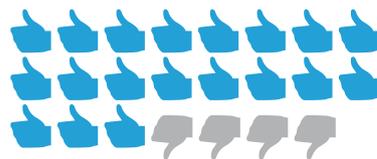
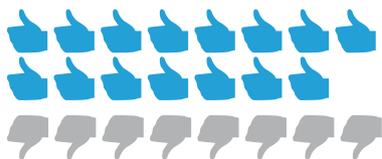
Feedback from the results of the survey has been used to determine appropriate strategies to address and/or manage the community expectations. These include:

- Rooding – Council has applied to Crown Infrastructure Partners and Provincial Growth Fund to upgrade Route 52

as part of “shovel ready” projects. Council will continue to advocate for funding for the necessary safety and resilience improvements for this route.

- Water – Completing Pahiatua water treatment plant and continuing to address the water supply and compliance issues.
- Feedback on recycling methods used by residents, along with the upcoming waste stream audit, helps to inform decisions on how to enhance and encourage recycling services.

COMMUNITY SURVEY RESULTS



2020 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:

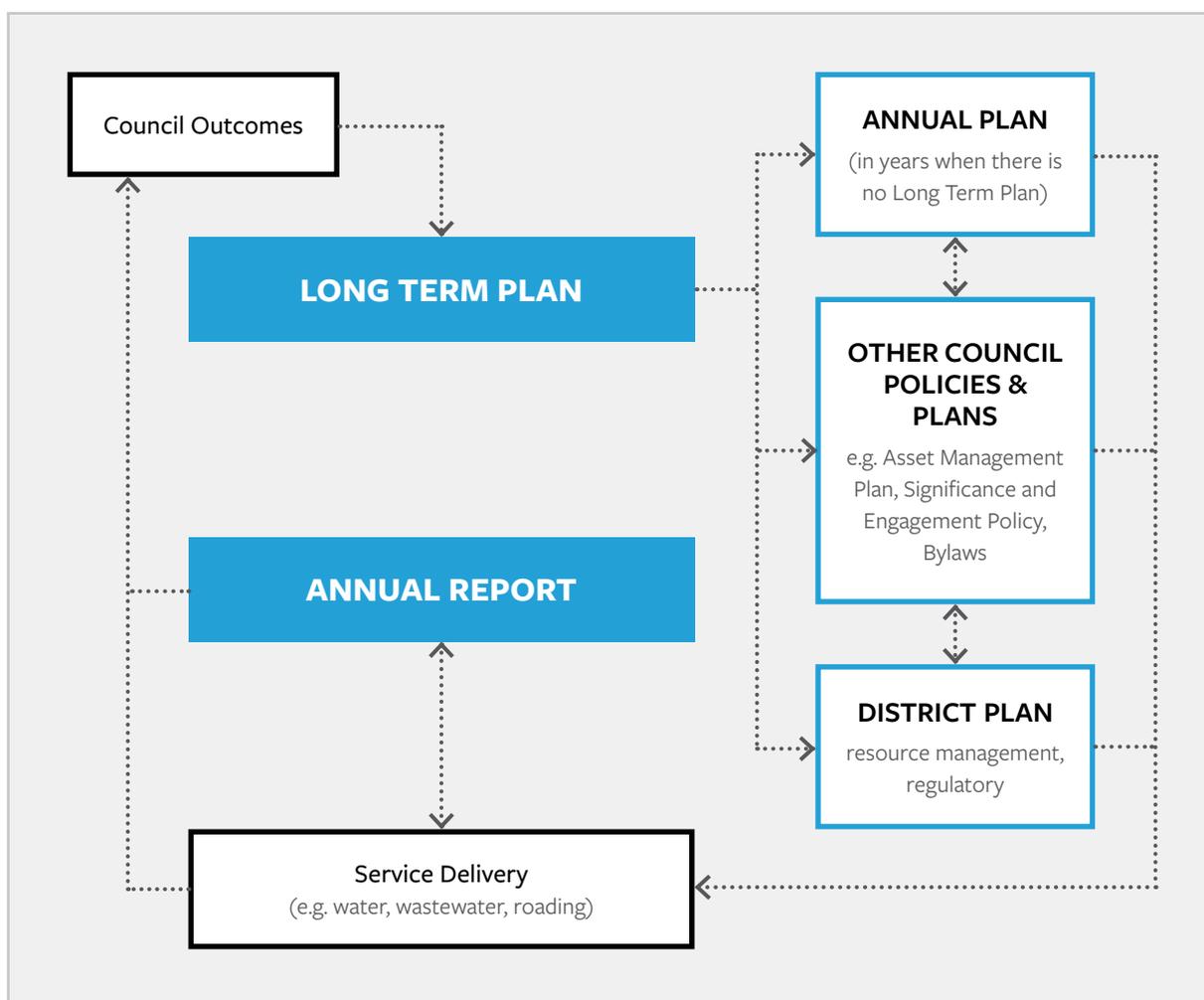
| | | | |
|--|-----|-----------|-----------|
| Satisfied with vision and leadership | 81% | 2019: 80% | 2018: 80% |
| Satisfied with overall Council performance | 82% | 2019: 79% | 2018: 85% |
| Satisfied with staff | 86% | 2019: 85% | 2018: 86% |
| Satisfied with availability of water | 86% | 2019: 89% | 2018: 85% |
| Satisfied with quality of water | 74% | 2019: 78% | 2018: 73% |
| Satisfied with financial management | 73% | 2019: 73% | 2018: 74% |
| Satisfied with being kept informed and involved in any decision-making process | 78% | 2019: 75% | - |
| Satisfied with Council recreational facilities | 95% | 2019: 95% | 2018: 94% |
| Satisfied with Council community buildings | 94% | 2019: 95% | 2018: 93% |
| Satisfied with library opening hours and range of books/other materials | 98% | 2019: 98% | 2018: 93% |
| Satisfied with managing and issuing building consents | 86% | 2019: 82% | 2018: 85% |
| Satisfied with provision of dedicated walkways/cycleways | 77% | 2019: 75% | 2018: 95% |
| Satisfied with rural roads | 50% | 2019: 51% | 2018: 54% |
| Satisfied with urban roads | 75% | 2019: 76% | 2018: 73% |
| Feel safe from dogs | 82% | 2019: 85% | 2018: 77% |
| People that have used Council recreational facilities | 83% | 2019: 96% | 2018: 86% |
| People that have used Council community buildings | 83% | 2019: 75% | 2018: 86% |

02

REPORTS

Linkage between Council policies and plans

This Annual Report gives outcomes for the 2019/20 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 2020.

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:

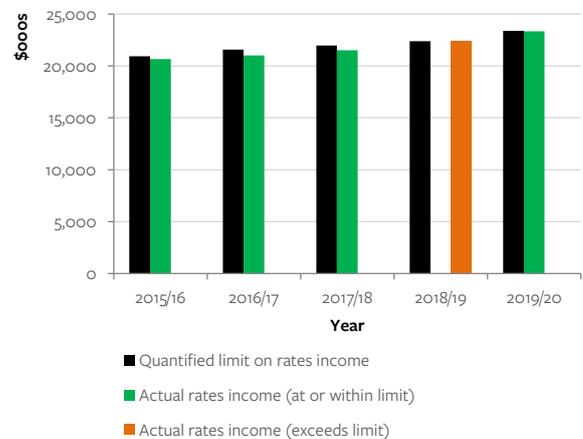
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

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

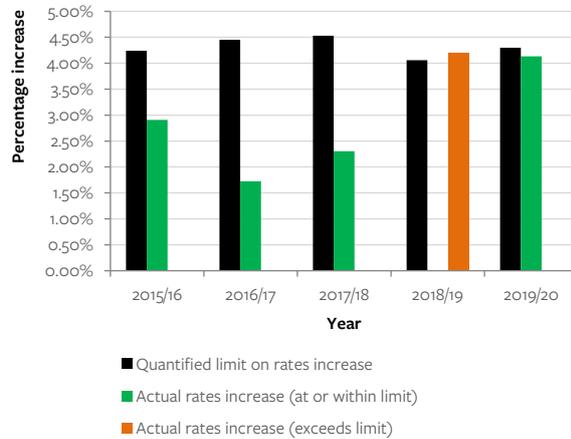


Rates (increases) affordability

This 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 2015/16 | Actual 2016/17 | Actual 2017/18 | Actual 2018/19 | Actual 2019/20 |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Quantified limits | 4.24% | 4.45% | 4.53% | 4.06% | 4.30% |
| Rates increase | 2.91% | 1.72% | 2.30% | 4.20% | 4.13% |
| Available headroom* | \$267,000 | \$564,000 | \$468,000 | (\$31,000) | \$38,000 |

* Denotes difference between quantified limits and actual rate increases.

The rates income and increase benchmarks for 2018/19 was not met. 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 increasing our overall rates revenue.

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.

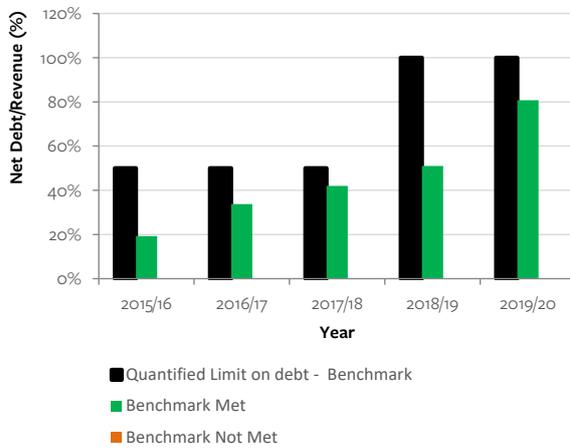
The following four graphs compares Council's actual borrowing with the quantified limits on borrowing stated in the Financial Strategy included in the 2018–2028 Long Term Plan.

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

Quantified limits

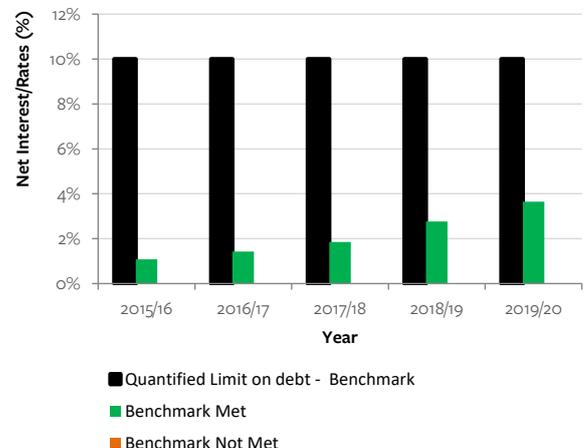
1. Net external debt as a percentage of total revenue will not exceed 100%.

DEBT AFFORDABILITY
(NET DEBT AGAINST TOTAL REVENUE)



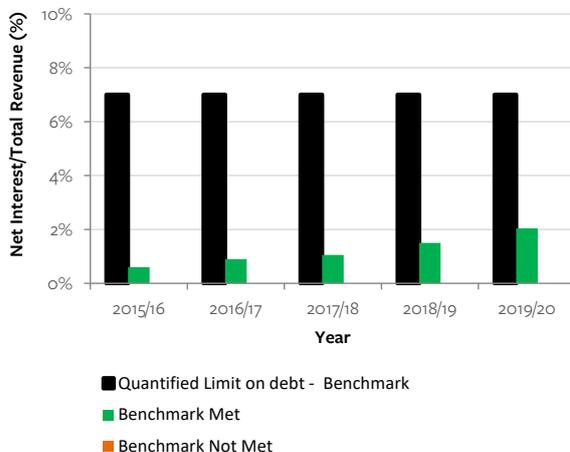
3. Net interest on external debt as a percentage of annual rates income will not exceed 10%.

DEBT AFFORDABILITY
(NET INTEREST AGAINST RATES REVENUE)



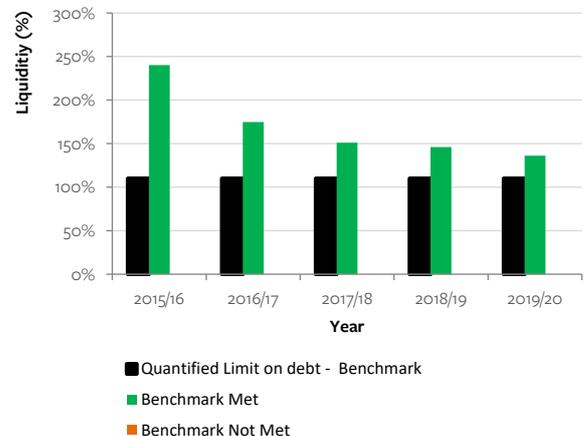
2. Net interest on external debt as a percentage of total revenue will not exceed 7%.

DEBT AFFORDABILITY
(NET INTEREST AGAINST TOTAL REVENUE)



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

DEBT AFFORDABILITY
(LIQUIDITY)

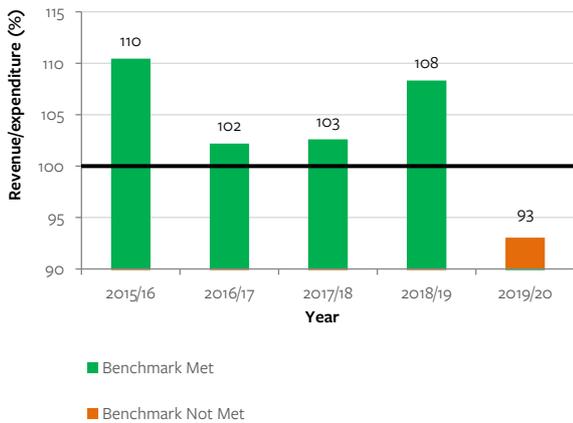


Balanced budget benchmark

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

2019/20

Council revenue is significantly lower than its operating expenses mainly due to the forestry revaluation (\$1.3 million) and the loss on disposal of infrastructure assets (\$1.9 million).

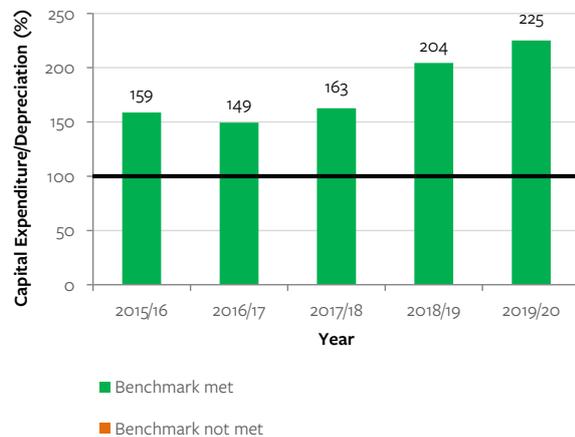
Essential services benchmark

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 \$24.4 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.

2019/20

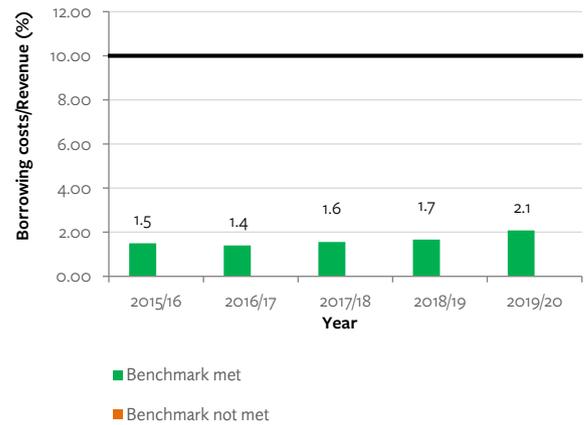
Council continues to invest in core infrastructure. Total depreciation for core infrastructure was \$10.9m, and we spent \$24.4 million. The main driver for this investment is due to roading of \$14 million mainly driven from emergency renewals. We also invested in Water (\$6.9 million) and Wastewater (\$2.9 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



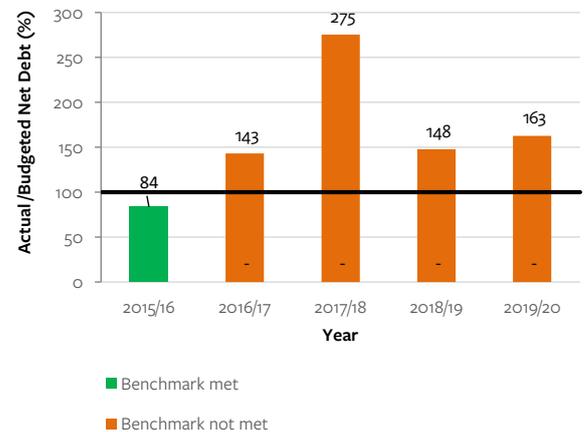
Debt control benchmark

This 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.

Note: 2018/19 was updated in 2019/20 to include derivative financial instruments to be consistent with the years prior to 2018/19.

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.

2019/20

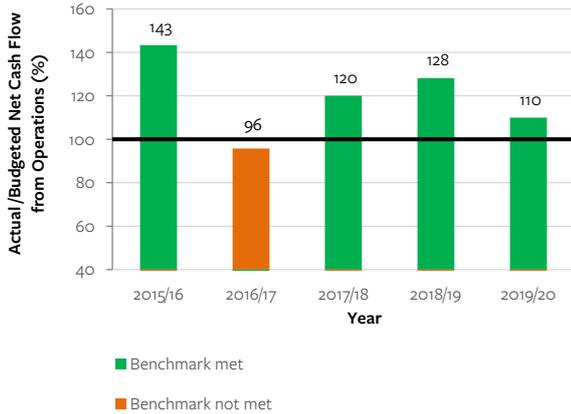
The reason we failed to meet the debt control benchmark is due to difference in the opening balances to plan (\$4m). The remaining difference is due to the high completion of the capital program which comprised of unplanned carry forwards and unplanned emergency works during the year.

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:

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 2020.

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

| | Annual Plan budget \$000s | Annual Plan actual \$000s | Carry forwards budget \$000s | Carry forwards actual \$000s | Total budget \$000s |
|--------------------------------|---------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------|
| Roading Development | 1,200 | 481 | 162 | 162 | 1,362 |
| Minor safety improvements | 1,200 | 481 | 162 | 162 | 1,362 |
| Route 52 | (40) | 493 | 40 | 40 | - |
| Route 52 development | - | 88 | - | - | - |
| Rail hub impact study | (40) | 405 | 40 | 40 | - |
| Saddle Road Development | - | 21 | - | - | - |
| Saddle Road | - | 21 | - | - | - |

| Total actual \$000s | Source of funding | Comments |
|------------------------|-------------------|---|
| 643 | | |
| 643 | Level of Service | In progress. Covid-19 restrictions delays have limited ability to complete this work. Carry forward amount was estimated and included in the 2020/21 Annual Plan. Remaining budget will be carried forward to next financial year to be completed as part of the NZTA final year block funding. |
| 533 | | |
| 88 | Renewal | Completed. |
| 445 | Growth | Completed. |
| 21 | | |
| 21 | Level of Service | Completed. Minor expenditure. No planned spend for this project. |

| | Annual Plan budget \$000s | Annual Plan actual \$000s | Carry forwards budget \$000s | Carry forwards actual \$000s | Total budget \$000s |
|--|---------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------|
| Roading Renewals | 6,140 | 10,261 | 1,070 | 193 | 7,210 |
| Carpark renewals | 157 | 66 | 193 | 193 | 350 |
| Drainage renewals | 550 | 527 | - | - | 550 |
| LED streetlighting | (877) | - | 877 | - | - |
| Pavement rehabilitation | 1,625 | 1,519 | - | - | 1,625 |
| Traffic services renewal | 200 | 168 | - | - | 200 |
| Unsealed road metalling | 880 | 579 | - | - | 880 |
| Bridge renewals | 250 | 3 | - | - | 250 |
| Emergency reinstatement | 900 | 5,077 | - | - | 900 |
| Level crossing renewals | 30 | 39 | - | - | 30 |
| Sealed roads resurfacing | 2,225 | 1,853 | - | - | 2,225 |
| Structures component replacements | 200 | 468 | - | - | 200 |
| Pahiatua Main Street Upgrade | 2,202 | 2,457 | 1,764 | 1,724 | 3,966 |
| Fibre ducting for Pahiatua town centre upgrade | 192 | 266 | - | - | 192 |
| Pahiatua town centre upgrade | 1,953 | 1,736 | 249 | 249 | 2,202 |
| Stormwater reticulation renewals | (32) | - | 281 | 241 | 249 |
| Pahiatua Main Street reticulation renewals | (761) | 38 | 1,042 | 1,042 | 281 |
| Water reticulation renewals | 850 | 418 | 192 | 192 | 1,042 |

| Total actual \$000s | Source of funding | Comments |
|------------------------|-------------------|--|
| 10,454 | | |
| 259 | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Carry forward amount was estimated and included in the 2020/21 Annual Plan. |
| 527 | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year to be completed as part of the NZTA final year block funding. |
| | Renewal | Completed. |
| 1,519 | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year to be completed as part of the NZTA final year block funding. |
| 168 | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year to be completed as part of the NZTA final year block funding. |
| 579 | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year to be completed as part of the NZTA final year block funding. |
| 3 | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year to be completed as part of the NZTA final year block funding. |
| 5,077 | Renewal | In progress. Overspend due to higher than expected flood damage repairs. Total flood damage for the year was \$5.82 million. Work not completed this year will be added to next year's budget as a variation. |
| - | Renewal | Completed. |
| 1,853 | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Carry forward amount was estimated and included in the 2020/21 Annual Plan. Remaining budget will be carried forward to next financial year to be completed as part of the final year for the NZTA final year block funding. |
| 468 | Renewal | Completed. Overspend will be carried forward to reduce the NZTA final year block funding. |
| 4,181 | | |
| 266 | Level of Service | In progress. Covid-19 restrictions delays impacted this programme. Carry forward amount was estimated and included in the 2020/21 Annual Plan. This overspend will be carried forward to offset against next year's budget. |
| 1,985 | Level of Service | In progress. Covid-19 restrictions delays had impacted this programme. Carry forward amount was estimated and included in the 2020/21 Annual Plan. This underspend will be carried forward to next year. |
| 241 | Renewal | In progress. Covid-19 restrictions delays had impacted this programme. Carry forward amount was estimated and included in the 2020/21 Annual Plan. This underspend will be carried forward to next year. |
| 1,080 | Renewal | In progress. Covid-19 restrictions delays had impacted this programme. Carry forward amount was estimated and included in the 2020/21 Annual Plan. This overspend will be carried forward to offset against next year's budget. |
| 610 | Renewal | In progress. Covid-19 restrictions delays had impacted this programme. Carry forward amount was estimated and included in the 2020/21 Annual Plan. This underspend will be carried forward to next year. |

| | Annual Plan budget \$000s | Annual Plan actual \$000s | Carry forwards budget \$000s | Carry forwards actual \$000s | Total budget \$000s |
|--|---------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------|
| Footpaths | 405 | 323 | - | - | 405 |
| Footpath renewals | 325 | 295 | - | - | 325 |
| Footpath development | 30 | 28 | - | - | 30 |
| Village main street upgrade | 50 | - | - | - | 50 |
| Infrastructure Growth | 255 | 57 | - | - | 255 |
| Stormwater reticulation network extensions | 85 | 14 | - | - | 85 |
| Wastewater reticulation network extensions | 100 | 18 | - | - | 100 |
| Water reticulation network extensions | 70 | 25 | - | - | 70 |
| Dannevirke Water Supply | - | 125 | - | - | - |
| Dannevirke soda ash conversion | - | 125 | - | - | - |
| Woodville Water Supply | - | 296 | - | - | - |
| Woodville water storage | - | 296 | - | - | - |
| Water Treatment Developments | 4,230 | 3,822 | 915 | 915 | 5,145 |
| Pahiatua water membrane treatment plant | 4,000 | 3,672 | 855 | 855 | 4,855 |
| Pongaroa treatment plant stage 2 | 100 | - | - | - | 100 |
| Water data telemetry | 20 | 24 | - | - | 20 |
| Eketāhuna water storage tank | 60 | 119 | 60 | 60 | 120 |
| Pressure reducing valves Dannevirke | 50 | 6 | - | - | 50 |
| Water Treatment Renewals | 70 | 46 | - | - | 70 |
| Water health and safety renewals | 15 | 1 | - | - | 15 |
| Leak detection | 25 | 7 | - | - | 25 |
| Water treatment unplanned renewals | 30 | 38 | - | - | 30 |

| Total actual \$'000s | Source of funding | Comments |
|----------------------|-------------------|---|
| 323 | | |
| 295 | Renewal | In progress. With the commencement of the fibre installation, this project will be rolled out as the contractor has completed their work. Remaining budget will be carried forward to next financial year. |
| 28 | Level of Service | Completed. |
| - | Level of Service | In progress. Covid-19 restrictions delays have limited ability to commence this work, which required consultation with the community. This project will be re-programmed as part of the 2021-2031 Long Term Plan. |
| 57 | | |
| 14 | Growth | In progress. Carry forward remaining budget to next financial year end as waiting on growth projection and network modelling to be finalised. |
| 18 | Growth | In progress. Carry forward remaining budget to next financial year end as waiting on growth projection and network modelling to be finalised. |
| 25 | Growth | In progress. Carry forward remaining budget to next financial year end as waiting on growth projection and network modelling to be finalised. |
| 125 | | |
| 125 | Level of Service | Completed |
| 296 | | |
| 296 | Level of Service | Completed |
| 4,737 | | |
| 4,527 | Level of Service | In progress. Covid-19 restrictions delays have limited ability to complete this work. Also due to Covid-19 there had been variations to time and cost as well (extra safety measures due to social distancing required). Plant is expected to be commissioned in October 2020. Remaining budget will be carry forward to next year. |
| - | Level of Service | In progress. Covid-19 restrictions delays have limited ability to complete this work. Main task is to House connections for plumbing. Carry forward to next year. |
| 24 | Level of Service | Completed. |
| 179 | Level of Service | In progress. Project near completion. Pumps and piping still to be completed. Remaining work will be reforecast and a variation to next year's budget will be put forward next year. |
| 6 | Level of Service | In progress. Project not progressed due to Covid-19 priorities. Remaining budget will be carry forward to next year. |
| 46 | | |
| 1 | Renewal | In progress. Project not progressed due to Covid-19 priorities. Remaining budget will be carry forward to next year. |
| 7 | Renewal | Completed. Extensive leak detection work was undertaken during the year and funded from the Water Leakage Strategy and Implementation budget. |
| 38 | Renewal | Completed. |

| | Annual Plan budget \$000s | Annual Plan actual \$000s | Carry forwards budget \$000s | Carry forwards actual \$000s | Total budget \$000s |
|--|---------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------|
| Water Reticulation Renewals | 925 | 526 | 222 | 179 | 1,147 |
| Water leakage strategy and implementation | 300 | - | 222 | 179 | 522 |
| Reticulation water mains renewals | 600 | 524 | - | - | 600 |
| Water reticulation unplanned renewals | 25 | 2 | - | - | 25 |
| Pongaroa Town Water Supply | - | 36 | - | - | - |
| Pongaroa town water supply | - | 36 | - | - | - |
| Pahiatua Water Supply | - | 83 | - | - | - |
| Pahiatua water supply 45 day storage | - | 83 | - | - | - |
| Akitio Water Supply | - | 20 | - | - | - |
| Akitio upgrade | - | 20 | - | - | - |
| Wastewater Treatment Developments | 630 | 564 | 257 | 74 | 887 |
| Pahiatua wetland development | 200 | - | 156 | 45 | 356 |
| Eketāhuna discharge consent renewal | 26 | 473 | 26 | 26 | 52 |
| Eketāhuna wetland development | 100 | 5 | - | - | 100 |
| Portable dewatering plant | 100 | 64 | - | - | 100 |
| Wetland development- design | (46) | - | 72 | - | 26 |
| Eketāhuna wastewater treatment plant investigation | 100 | 7 | - | - | 100 |
| Pongaroa wastewater treatment upgrade | 140 | - | - | - | 140 |
| Dannevirke shower and toilet facility | 10 | 16 | 3 | 3 | 13 |
| Wastewater Resource Consents | 148 | - | 52 | 15 | 200 |
| Pongaroa discharge consent renewal | 148 | - | 52 | 15 | 200 |

| Total actual \$000s | Source of funding | Comments |
|---------------------|-------------------|---|
| 706 | | |
| 179 | Level of Service | In progress. Remaining budget to be carried forward to next year. |
| 524 | Renewal | In progress. Covid-19 restrictions delays had impacted this programme. Carry forward amount was estimated and included in the 2020/21 Annual Plan. This project is treated as completed. |
| 2 | Renewal | Completed. |
| 36 | | |
| 36 | Level of Service | In progress. Project nearing completion. Remaining work will be reforecast and a variation to next year's budget will be put forward next year. |
| 83 | | |
| 83 | Level of Service | In progress. Project near completion. Remaining work will be reforecast and a variation to next year's budget will be put forward next year. |
| 20 | | |
| 20 | Level of Service | Completed. |
| 638 | | |
| 45 | Level of Service | In progress but waiting on completing of resource consenting process. New projects has been budgeted in next year with design component completed next year and the procurement and construction the following year. |
| 499 | Level of Service | In progress but waiting on completion of the resource consenting process. Cost to date will be treated as overspend this year. Remaining work will be reforecast and a variation to next year's budget will be put forward next year. |
| 5 | Level of Service | In progress but waiting on completing of resource consenting process. New projects has been budgeted in next year with design component completed next year and the procurement and construction the following year. |
| 64 | Level of Service | In progress but potential change of project scope. Remaining budget will be carried forward to next year. Project scope and budgets with be redeveloped. |
| - | Level of Service | In progress but waiting on completing of resource consenting process. New projects has been budgeted in next year with design component completed next year and the procurement and construction the following year. |
| 7 | Level of Service | In progress but waiting on completing of resource consenting process. New projects has been budgeted in next year with design component completed next year and the procurement and construction the following year. |
| - | Level of Service | In progress but waiting on completing of resource consenting process. New projects has been budgeted in next year with design component completed next year and the procurement and construction the following year. |
| 19 | Level of Service | Completed. |
| 15 | | |
| 15 | Renewal | In progress. Delay due to focus being on Eketāhuna, Pahiatua, and Woodville consenting process. Remaining budget will be carried forward to next year. |

| | Annual Plan budget \$000s | Annual Plan actual \$000s | Carry forwards budget \$000s | Carry forwards actual \$000s | Total budget \$000s |
|--|---------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------|
| Eketāhuna | | | | | |
| Wastewater Reticulation Renewals | - | 11 | - | - | - |
| Eketāhuna earthquake sewer main renewal - phase 2 | - | 11 | - | - | - |
| Wastewater Treatment Renewals | 239 | 412 | 200 | 14 | 439 |
| Wastewater health and safety renewals | 15 | - | - | - | 15 |
| Norsewood wastewater consent | 250 | 13 | - | - | 250 |
| Wastewater treatment unplanned renewals | 30 | 74 | - | - | 30 |
| Pahiatua wastewater filter renewal | 25 | - | - | - | 25 |
| Woodville wastewater filter renewal | 25 | 31 | - | - | 25 |
| DAF clarifier | - | 189 | - | - | - |
| CCTV camera for wastewater | - | 41 | - | - | - |
| Dannevirke wastewater dose pumps | (192) | - | 200 | 14 | 9 |
| Dannevirke wastewater treatment plant | 76 | 53 | - | - | 76 |
| District telemetry wastewater | 10 | 10 | - | - | 10 |
| Wastewater Reticulation Renewals | 1,314 | 688 | 18 | (4) | 1,332 |
| Wastewater reticulation unplanned renewals | 25 | 21 | - | - | 25 |
| Wastewater reticulation renewals | 400 | 307 | - | - | 400 |
| Infiltration strategy and implementation | 903 | 359 | - | - | 903 |
| Pump station | (14) | - | 18 | (4) | 4 |
| District-wide Generators | - | 162 | - | - | - |
| District-wide water generator | - | 162 | - | - | - |
| Stormwater Development | 657 | 107 | - | - | 657 |
| District stormwater development | 657 | 107 | - | - | 657 |
| Stormwater Renewals | (457) | - | 507 | 281 | 50 |
| Reticulation renewals | (457) | - | 507 | 281 | 50 |

| Total actual \$000s | Source of funding | Comments |
|---------------------|-------------------|--|
| 11 | | |
| 11 | Renewal | Completed. |
| 426 | | |
| - | Renewal | On hold. Due to project priorities, project was deferred and budget diverted to other water renewal projects. |
| 13 | Renewal | In progress. Delay due to focus on wastewater consents. Remaining budget will be carried forward to next year. |
| 74 | Renewal | Completed. |
| - | Renewal | On hold. Waiting the completion of the consenting process and investigation of the dewatering plant. To be carry forward to next year. |
| 31 | Renewal | Completed. |
| 189 | Renewal | Completed. New project. Trailing a new process as part of plant optimisation. |
| 41 | Renewal | Completed. Unplanned renewal of the CCTV camera. |
| 14 | Renewal | Completed. |
| 53 | Renewal | In progress. Fencing is to be completed. Remaining budget to be carried forward to next year. |
| 10 | Renewal | Completed. |
| 684 | | |
| 21 | Renewal | Completed. |
| 307 | Renewal | Completed. Covid-19 restrictions delays had impacted this programme. Carry forward amount was estimated and included in the 2020/21 Annual Plan. |
| 359 | Renewal | Project impacted by Covid-19. Project has been rescope and included in the 2020/21 Annual Plan. |
| (4) | Renewal | Completed. |
| 162 | | |
| 162 | Level of Service | Completed. Project was to address resilience of water and wastewater treatment plants in an emergency. |
| 107 | | |
| 107 | Level of Service | In progress. Project was dependent on the outcomes from the stormwater modelling where network improvements will be identified. Additional modelling work is required to cater for growth and collection of flow data to further inform decisions will be carried out next year and strategies will be included in the Long Term Plan. |
| 281 | | |
| 281 | Renewal | Completed. One new project was identified as urgent and completed during the year. |

| | Annual Plan budget \$000s | Annual Plan actual \$000s | Carry forwards budget \$000s | Carry forwards actual \$000s | Total budget \$000s |
|---|---------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------|
| Solid Waste Developments | 82 | 71 | - | - | 82 |
| Eketāhuna landfill closure | 72 | 71 | - | - | 72 |
| Pongaroa capping | 10 | - | - | - | 10 |
| Solid Waste Renewals | 10 | 6 | - | - | 10 |
| Minor capital renewals | 10 | 6 | - | - | 10 |
| Community Buildings Renewal | 297 | 161 | - | - | 297 |
| Woodville Sports Hall | - | 42 | - | - | - |
| District-wide seating renewal | 3 | 4 | - | - | 3 |
| Dannevirke Town Hall renewals | 35 | 28 | - | - | 35 |
| Eketāhuna renewals | 23 | 5 | - | - | 23 |
| Community buildings unplanned renewals | 50 | 36 | - | - | 50 |
| Dannevirke Carnegie consent options | 100 | - | - | - | 100 |
| Norsewood War Memorial Hall | 15 | 4 | - | - | 15 |
| Woodville Community Centre renewals | 2 | - | - | - | 2 |
| Woodville Sport Stadium - install heating | 17 | - | - | - | 17 |
| Pahiatua Town Hall renewals | 52 | 46 | - | - | 52 |
| Parks and Reserves Developments | 234 | 53 | 15 | 10 | 249 |
| District-wide walkway development | 35 | 14 | - | - | 35 |
| District-wide drainage | 5 | - | - | - | 5 |
| Mangatainoka toilet upgrade | 199 | 39 | - | - | 199 |
| Eketāhuna playground upgrade | (5) | - | 15 | 10 | 10 |
| Parks and Reserves Renewals | (102) | 126 | 199 | 44 | 97 |
| District-wide fencing | 10 | 6 | - | - | 10 |
| District-wide minor renewals | 10 | 16 | - | - | 10 |
| Bush Multisport toilet renewal | (164) | - | 199 | 44 | 35 |
| District-wide playground matting | 30 | 27 | - | - | 30 |
| Eketāhuna Domain renewal | 2 | - | - | - | 2 |
| Dannevirke Domain renewal - grandstand | 10 | 3 | - | - | 10 |
| Waihi Falls walkway | - | 74 | - | - | - |

| Total actual \$000s | Source of funding | Comments |
|------------------------|-------------------|--|
| 71 | | |
| 71 | Renewal | Completed. |
| - | Level of Service | In progress. Project not progressed due to Covid-19 priorities. Remaining budget will be carried forward to next year. |
| 6 | | |
| 6 | Renewal | Project not progressed due to Covid-19 priorities. Remaining budget will be carried forward to next year. |
| 161 | | |
| 42 | Renewal | Completed. New project as the toilet required urgent repairs |
| 4 | Renewal | Completed |
| 28 | Renewal | In progress. Project scope has changed and additional budgets in provided for in the budgets for next year. |
| 5 | Renewal | Completed. |
| 36 | Renewal | Completed. |
| - | Renewal | Project on hold and waiting on consultation with community on the future of the building. |
| 4 | Renewal | Completed. |
| - | Renewal | Completed. Budget not required. |
| - | Level of Service | In progress. Fencing is to be completed. Remaining budget to be carried forward to next year. |
| 46 | Renewal | Completed. |
| 63 | | |
| 14 | Level of Service | Completed. |
| - | Level of Service | In progress. Project not progressed due to Covid-19 priorities. Remaining budget will be carried forward to next year. |
| 39 | Level of Service | Completed. |
| 10 | Level of Service | In progress. Project scope has changed and redesign is required. Remaining budget to be carried forward to next year |
| 170 | | |
| 6 | Renewal | Completed. |
| 16 | Renewal | Completed. |
| 44 | Renewal | Completed |
| 27 | Renewal | Completed. |
| - | Renewal | Completed. Budget not required. |
| 3 | Renewal | Completed. |
| 74 | Renewal | Completed. New project and was required to address safety issues. |

| | Annual Plan budget \$000s | Annual Plan actual \$000s | Carry forwards budget \$000s | Carry forwards actual \$000s | Total budget \$000s |
|--|---------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------|
| Camping Ground Developments | 115 | 4 | - | - | 115 |
| District-wide power outlets | 45 | - | - | - | 45 |
| Eketāhuna Camping Ground - 2 new cabins | 25 | - | - | - | 25 |
| Dannevirke Campground accessible toilet and new cabins | 45 | 4 | - | - | 45 |
| Camping Ground Renewals | 28 | 5 | 25 | 8 | 53 |
| District-wide campground renewals | 4 | 7 | - | - | 4 |
| Dannevirke hardstand | (5) | - | 25 | 6 | 20 |
| Pahiatua Campground septic tank renewal | 29 | - | - | - | 29 |
| Public Convenience Renewals | 18 | 6 | 29 | 2 | 47 |
| Dannevirke Exeloos renewal | (26) | - | 29 | 2 | 3 |
| Public conveniences district-wide renewals | 10 | 2 | - | - | 10 |
| Woodville toilet resurface | 34 | 4 | - | - | 34 |
| Administrative Building Renewals | 122 | 61 | 81 | 31 | 203 |
| Pahiatua service centre | 41 | 7 | - | - | 41 |
| Dannevirke Civic Centre renewals | 145 | 58 | - | - | 145 |
| Eketāhuna library renewals | 12 | - | - | - | 12 |
| Woodville library/service centre renewals | (36) | - | 41 | - | 5 |
| Buildings Earthquake Strengthening | 679 | 136 | 227 | 20 | 906 |
| Dannevirke Civic Centre | 180 | 44 | - | - | 180 |
| Dannevirke Sports Centre earthquake assessment | (72) | - | 82 | 10 | 10 |
| Woodville Sports Stadium earthquake assessment | (115) | - | 125 | - | 10 |
| Pahiatua Service Centre | 425 | 79 | - | - | 425 |
| Community buildings assessments under new guidelines | 189 | 13 | 10 | 10 | 199 |
| Dannevirke Library development | 72 | - | 10 | - | 82 |
| Pensioner Housing Developments | (139) | - | 199 | 8 | 60 |
| Pensioner housing options investigation | (139) | - | 199 | 8 | 60 |

| Total actual \$'000s | Source of funding | Comments |
|----------------------|-------------------|--|
| 4 | | |
| - | Level of Service | Project impacted by Covid-19. Project has been included in the 2020/21 Annual Plan. |
| - | Level of Service | Project scope changed and will be reviewed as part of the Long Term Plan. |
| 4 | Level of Service | Project impacted by Covid-19. Project has been included in the 2020/21 Annual Plan. |
| 12 | | |
| 7 | Renewal | Completed. |
| 6 | Renewal | Completed. |
| - | Renewal | Project scope changed and will require redesign. Design work will be completed next year, project cost estimate and variation to budgets sought. |
| 8 | | |
| 2 | Renewal | Completed. |
| 2 | Renewal | Completed. Budget used as required. |
| 4 | Renewal | Project not progressed due to Covid-19 priorities. Remaining budget will be carry forward to next year. |
| 95 | | |
| 7 | Renewal | In progress. Project scope has changed and additional budgets in provided for in the budgets for next year. |
| 58 | Renewal | Project rescope and included in next year's budgets. Budget not required. |
| - | Renewal | Completed. |
| - | Renewal | Project not progressed due to Covid-19 priorities. Remaining budget will be carry forward to next year. |
| 156 | | |
| 44 | Level of Service | Project rescope and included in next year's budgets. Budget not required. |
| 10 | Renewal | Completed. |
| - | Renewal | Completed. |
| 79 | Renewal | Project rescope and included in next year's budgets. Budget not required. |
| 23 | Renewal | Project rescope and included in next year's budgets. Budget not required. |
| - | Level of Service | Project not progressed due to Covid-19 priorities. Remaining budget will be carried forward to next year. |
| 8 | | |
| 8 | Growth | Project rescope and included in next year's budgets. Budget not required. |

| | Annual Plan budget \$000s | Annual Plan actual \$000s | Carry forwards budget \$000s | Carry forwards actual \$000s | Total budget \$000s |
|--|---------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------|
| Pensioner Housing Renewals | 130 | 71 | 36 | - | 166 |
| Fencing and scooter sheds | (6) | - | 36 | - | 30 |
| Pensioner housing earthquake securing | - | 3 | - | - | - |
| Annual renewal of 2 units | 136 | 11 | - | - | 136 |
| Unplanned electrical work | - | 56 | - | - | - |
| Cemetery Developments | 40 | 37 | - | - | 40 |
| Mangatera new area | 40 | 37 | - | - | 40 |
| Cemetery Renewals | 10 | 13 | - | - | 10 |
| Ormondville Cemetery renewal | 10 | 13 | - | - | 10 |
| Library Renewals | 110 | 111 | - | - | 110 |
| Books | 100 | 93 | - | - | 100 |
| Furniture and fittings | 10 | 18 | - | - | 10 |
| Pool Replacement | 78 | 125 | - | - | 78 |
| Eketāhuna pool replacement | 76 | 118 | - | - | 76 |
| Pahiatua pool replacement | 2 | 7 | - | - | 2 |
| Swimming Pool Renewals | (9) | 16 | 76 | 24 | 67 |
| Woodville pool renewal | 40 | 16 | - | - | 40 |
| District-wide plumbing and electrical renewals | (49) | - | 76 | 24 | 27 |
| Information Centres | 103 | - | 60 | 1 | 163 |
| Computer hardware development | (13) | - | 20 | 1 | 7 |
| District-wide signage renewal | 36 | - | - | - | 36 |
| District-wide information centres development | 40 | - | 40 | - | 80 |
| Visitor survey infrastructure development | 40 | - | - | - | 40 |
| Civil Defence | 102 | - | 36 | 1 | 138 |
| Digital radio network development | 100 | - | - | - | 100 |
| Civil defence equipment renewal | (1) | - | 36 | 1 | 35 |
| Radio renewals | 3 | - | - | - | 3 |

| Total actual \$'000s | Source of funding | Comments |
|----------------------|-------------------|---|
| 71 | | |
| - | Renewal | Budget to be used as required. There had been no request from tenants |
| 3 | Renewal | Completed. |
| 11 | Renewal | Project not progressed due to Covid-19 priorities. Project has been included in the 2020/21 Annual Plan. Budget not required. |
| 56 | Renewal | Completed. |
| 37 | | |
| 37 | Growth | Completed. |
| 13 | | |
| 13 | Renewal | Completed. |
| 111 | | |
| 93 | Renewal | Completed. |
| 18 | Renewal | Completed. |
| 125 | | |
| 118 | Renewal | Completed. Overspent due to additional concrete work. |
| 7 | Renewal | Project is included in next year's budgets as feasibility study is completed, project scope determined and an external project manager appointed. |
| 40 | | |
| 16 | Renewal | Completed. |
| 24 | Renewal | Completed. |
| 1 | | |
| 1 | Level of Service | Project is on hold and will be revisited in the Long Term Plan. |
| - | Renewal | Project impacted by Covid-19. Budget to be carry forward to next year. |
| - | Level of Service | Project is on hold and will be revisited in the Long Term Plan. |
| - | Level of Service | Project is on hold and will be revisited in the Long Term Plan. |
| 1 | | |
| - | Level of Service | Project not progressed due to Covid-19 priorities. Remaining budget will be carry forward to next year. |
| 1 | Renewal | Project not progressed due to Covid-19 priorities. Remaining budget will be carry forward to next year. |
| - | Renewal | Budget to be used as required. |

| | Annual Plan budget \$000s | Annual Plan actual \$000s | Carry forwards budget \$000s | Carry forwards actual \$000s | Total budget \$000s |
|---|---------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------|
| Connectivity | 360 | - | 60 | - | 420 |
| Fibre ducting development | 20 | - | - | - | 20 |
| Mobile black spot - rights to large cell towers | 100 | - | - | - | 100 |
| Mobile black spot - rights to small cell towers | 100 | - | - | - | 100 |
| Wireless blackspot extensions | 75 | - | 50 | - | 125 |
| Extension of proposed broadband services | 25 | - | - | - | 25 |
| Town superfast wireless development | 40 | - | 10 | - | 50 |
| Community Support | (26) | 100 | 150 | 57 | 124 |
| Ducting for electric vehicle charging stations | 44 | 100 | 50 | 50 | 94 |
| District-wide town CCTV renewals | (70) | - | 100 | 7 | 30 |
| Project Management Office | 56 | - | 74 | - | 130 |
| Project Management Office | 56 | - | 74 | - | 130 |
| Support Developments | 191 | 119 | 61 | 22 | 252 |
| CCTV renewals | 14 | 5 | - | - | 14 |
| Hardware renewal | 20 | 108 | - | - | 20 |
| Unmanned aerial vehicles renewal | 15 | - | - | - | 15 |
| Software development | 61 | - | 61 | 22 | 122 |
| Council fibre extensions | 81 | - | - | - | 81 |
| Emergency Operations Centre equipment | - | 5 | - | - | - |
| Vehicle Renewals | 292 | 316 | - | - | 292 |
| Vehicle renewals | 292 | 316 | - | - | 292 |

| Total actual \$000s | Source of funding | Comments |
|---------------------|-------------------|---|
| - | | |
| - | Level of Service | Completed. |
| - | Level of Service | Project was dependent on the Tararua Connect project with Crown Infrastructure. Project is on hold and will be revisited in the Long Term Plan. |
| | Level of Service | Project was dependent on the Tararua Connect project with Crown Infrastructure. Project is on hold and will be revisited in the Long Term Plan. |
| - | Level of Service | Telco connectivity group have not completed work required for government funding of wireless work in district. Project will be revisited in the Long Term Plan. |
| - | Level of Service | Project not progressed due to Covid-19 priorities. Remaining budget will be carry forward to next year. |
| - | Level of Service | Project was dependent on the Tararua Connect project with Crown Infrastructure. Project is on hold and will be revisited in the Long Term Plan. |
| 157 | | |
| 150 | Level of Service | Completed. |
| 7 | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year. |
| - | | |
| - | Renewal | Completed. |
| 141 | | |
| 5 | Level of Service | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year. |
| 108 | Level of Service | Completed. Overspend due to equipping staff and Council with computers and equipment to work remotely. |
| - | Level of Service | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year. |
| 22 | Level of Service | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year. |
| - | Level of Service | Project not progressed due to Covid-19 priorities. Remaining budget will be carry forward to next year. |
| 5 | Renewal | Completed. |
| 316 | | |
| 316 | Renewal | Completed. |

| | Annual Plan budget \$000s | Annual Plan actual \$000s | Carry forwards budget \$000s | Carry forwards actual \$000s | Total budget \$000s |
|--|---------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------|
| Support Renewals | 671 | 457 | - | - | 671 |
| CCTV renewals | 10 | - | - | - | 10 |
| Hardware renewal | 370 | 132 | - | - | 370 |
| Telephones renewal | - | 56 | - | - | - |
| Software renewal | 244 | 200 | - | - | 244 |
| Unmanned aerial vehicles renewal | 47 | - | - | - | 47 |
| IBIS implementation | - | 69 | - | - | - |
| Animal Control Renewals | 5 | 16 | - | - | 5 |
| Dannevirke SPCA power replacement | 5 | 16 | - | - | 5 |
| Water Supply Reticulation Development | - | 60 | - | - | - |
| Metering and management - IoT devices | - | 60 | - | - | - |
| Commercial Property | - | 14 | - | - | - |
| Commercial Property Renewals | - | 14 | - | - | - |
| Total | 21,375 | 23,069 | 6,535 | 3,829 | 27,910 |

| Total actual \$000s | Source of funding | Comments |
|------------------------|-------------------|--|
| 457 | | |
| - | Renewal | Project not progressed due to Covid-19 priorities. Remaining budget will be carried forward to next year. |
| 132 | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year. |
| 56 | Renewal | Completed. |
| 200 | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year. |
| - | Renewal | In progress. Covid-19 restrictions delays have limited ability to complete this work. Remaining budget will be carried forward to next financial year. |
| 69 | Renewal | Completed. |
| 16 | | |
| 16 | Renewal | Completed. |
| 60 | | |
| 60 | Level of Service | Completed. |
| 14 | | |
| 14 | Level of Service | Completed. |
| 26,898 | | |

Summary of capital projects

| Group of Activity | Annual Plan Budget | Annual Plan Actual | Carry Forwards Budget | Carry Forwards Actual |
|---|--------------------|--------------------|-----------------------|-----------------------|
| Communities and Recreational Facilities | 812 | 741 | 796 | 115 |
| District Promotion and Economic Development | 699 | 379 | 170 | 51 |
| Regulatory Services | 107 | 16 | 36 | 1 |
| Roading and Footpaths | 9,658 | 13,316 | 1,521 | 644 |
| Solid Waste Management | 92 | 78 | - | - |
| Stormwater Drainage | 253 | 121 | 788 | 522 |
| Support | 1,939 | 1,069 | 326 | 69 |
| Wastewater | 1,670 | 1,731 | 1,569 | 1,141 |
| Water Supplies | 6,145 | 5,617 | 1,329 | 1,286 |
| Grand Total | 21,375 | 23,069 | 6,535 | 3,829 |

| Type | Annual Plan Budget | Annual Plan Actual | Carry Forwards Budget | Carry Forwards Actual |
|--------------------|--------------------|--------------------|-----------------------|-----------------------|
| Growth | 116 | 499 | 239 | 48 |
| Level of Service | 10,633 | 8,134 | 2,061 | 1,662 |
| Renewals | 10,626 | 14,436 | 4,235 | 2,119 |
| Grand Total | 21,375 | 23,069 | 6,535 | 3,829 |

| Total Budget | Total Actual |
|---------------|---------------|
| 1,608 | 856 |
| 869 | 431 |
| 143 | 17 |
| 11,179 | 13,960 |
| 92 | 78 |
| 1,041 | 643 |
| 2,265 | 1,138 |
| 3,239 | 2,871 |
| 7,474 | 6,904 |
| 27,910 | 26,898 |

| Total Budget | Total Actual |
|---------------|---------------|
| 355 | 547 |
| 12,694 | 9,796 |
| 14,861 | 16,555 |
| 27,910 | 26,898 |

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 committee structure 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 considers this is an effective mechanism for Councillors involvement in enhancing and fulfilling their role as elected representatives.

Council committees

The Council has seven 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
- Strategy and Policy Committee
- Finance Committee
- Economic Development and Marketing 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.

Strategy and Policy Committee

The Strategy and Policy Committee acts in an advisory role by:

1. Discussing strategies, plans, and policies that advance the Council's vision and goals, and comply with the purpose of the Local Government Act.
2. Reviewing proposed submissions in response to government legislation proposals and regional or national policy issues.
3. Recommending topics for community engagement forums and receiving feedback and status reports from such forums.

Finance Committee

The Finance Committee acts in an advisory role by:

1. Reviewing business cases to be considered by Council on capital programmes prior to Council adopting the projects into the Long Term Plan or Annual Plan.
2. Acting as a community interface for consultation on the thirty-year infrastructure policy and asset management plans.

Economic Development and Marketing Committee

The Economic Development and Marketing Committee acts in an advisory role by:

1. Reviewing proposed Provincial Growth Fund applications and progress of Accelerate25.
2. Recommending for approval by Council the Economic Development Plan.
3. Providing feedback on website initiatives and i-SITE review.

Community boards and community committees

Elected community boards represent Dannevirke and Eketāhuna 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.

First meeting of Council following the 2019 election

At the first meeting of Council following the 2019 election Matua Manahi Paewai opened the meeting with a karakia ably supported by tamariki of Te Kura Kaupapa Māori o Tamaki Nui a Rua performing a waiata. This made for a special occasion for the mayor and councillors to start their new term of office.

Memorandum of partnership

Council has a long-standing Memorandum of Partnership with Rangitāne o Tamaki Nui-ā-Rua. This covers processes for engagement in decision-making, and the relationship reached a milestone in 2020 through its 20th anniversary.

Engagement is taking place with Rangitāne o Tamaki Nui-ā-Rua through discussion with them on refreshing the Memorandum of Partnership and its meaning in terms of working together collaboratively.

A Memorandum of Partnership was signed with Ngāti Kahungunu ki Tāmaki nui-a-Rua Trust in September 2019 at a joint function held in the Council Chamber for that purpose.

Through entering into these agreements 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 Rangitāne o Tamaki Nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua iwi distinctly and separately.

Negotiated 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 has finalised Treaty of Waitangi deed of settlements with each of the district's iwi. This included the return by the Crown of Pukaha Mount Bruce National Wildlife Centre to Rangitāne o Tamaki Nui-ā-Rua, and their decision to gift this significant district environmental facility back for the benefit of all people.

Wastewater consenting process

Applications for wastewater treatment plants consent renewals for Eketāhuna, Pahiatua and Woodville continued 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 Rangitāne o Tamaki Nui-ā-Rua through the consenting process Pahiatua and Eketāhuna consents were both under appeal.

With direction from the Environment Court through mediation, discussion continued in an endeavour to resolve issues, and this resulted in an acceptable way forward being agreed.

Ngāti Kahungunu ki Tāmaki nui-a-Rua entered into a Memorandum of Understanding with Council setting out the basis of their support for the granting of these consents, taking into account their views and position on this matter.

Covid-19

Special thanks are conveyed to both Rangitāne o Tamaki Nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua for the outstanding resource, care and commitment they dedicated to looking after our people, particularly during the Covid-19 lockdown.

Rangitāne o Tamaki Nui-ā-Rua delivered significant packages across the district including groceries, vouchers, firewood and household goods.

Ngāti Kahungunu ki Tāmaki nui-a-Rua provided a significant food parcel delivery programme and maintained regular contact with the welfare group of agencies and Council. They delivered family food parcels on a daily basis; and acknowledged the celebration of Easter through the delivery of Easter eggs to the community.

Civil defence emergency management

Civil defence emergency management and resilience training programmes are being developed for groups including Rangitāne o Tamaki Nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua along with rural communities.

Pahiatua town centre upgrade

Liaison is being undertaken with Rangitāne o Tamaki Nui-ā-Rua and Ngāti Kahungunu ki Tāmaki nui-a-Rua as part of the Pahiatua Main Street project plan to include an iwi design as part of the town centre upgrade.

Sale of former Woodville depot

Council entered into a sale and purchase agreement with Ngāti Kahungunu ki Tāmaki nui-a-Rua to sell them the former Woodville Infracon depot to develop a visitor centre and tourist trail highlighting Maori culture.

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.



Independent Auditor's Report

To the readers of Tararua District Council's annual report for the year ended 30 June 2020

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

We are also required to report on:

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

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

We completed our work on 9 December 2020. This is the date on which we give our report.

Opinion

Unmodified opinion on the audited information, excluding the Activities and Service Performance

In our opinion:

- the financial statements on pages 174 to 249:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2020;
 - 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 180, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- the statement about capital expenditure for each group of activities on pages 52 to 165, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 88 to 165, 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.

Qualified opinion on the Activities and Service Performance Statement – our work was limited with respect to the verification of the number of complaints for some services

In our opinion, except for the possible effects of the matter described in the *Basis for our qualified opinion* section of our report, the Statement of Service Performance on pages 85 to 171:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, 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

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 46 to 51, 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 our qualified opinion

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the total number of complaints (per 1,000 connections) received about the following:

- drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the District Council's response to any of these issues;
- sewage odour, sewerage system faults and blockages, and the District Council's response to issues with the sewerage system; and
- the performance of the stormwater system.

These measures are important because the number of complaints is indicative of the quality of services received by ratepayers.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including on how to count complaints. Our audit testing found that the District Council has not been counting complaints in accordance with this guidance and that the Council's method of counting was likely to have understated the actual number of complaints received both in the current year and in the comparative year to 30 June 2019.

Complete records for all complaints made to the District Council were not available and we were unable to determine whether the District Council's reported results for these performance measures were materially correct.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the number of complaints reported against these three performance measures.

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 qualified opinion on the audited information.

Emphasis of matter - Impact of Covid-19

Without further modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in notes 13, 17, 19, 36, 37 and 38 to the financial statements and pages 85 to 171 of the Activities and Service Performance Statement.

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 annual plan.

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

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

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

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 45, 74 to 76, and 250 to 259 but does not include the audited information and the disclosure requirements.

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

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out a limited assurance engagement related to the District Council's debenture trust deed which is compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the District Council.



Debbie Perera
Audit New Zealand
On behalf of the Auditor General
Palmerston North, 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 2020 fairly reflects the financial and non-financial position, and operations of the Council.



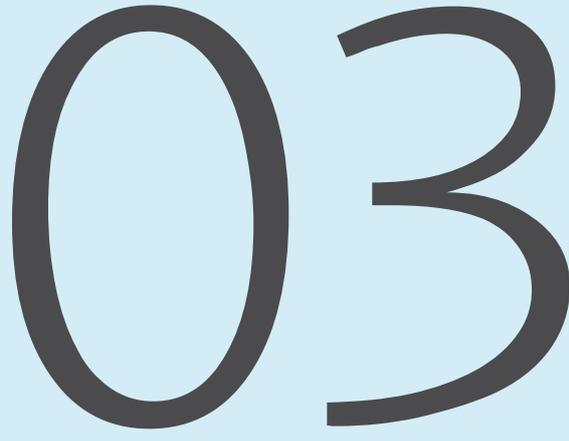
Tracey Collis
Mayor

9 December 2020



Bryan Nicholson
Chief Executive

9 December 2020



**ACTIVITIES
AND SERVICE
PERFORMANCE**

Introduction

Activities and service performance

Activities index

| | |
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| 87 | Building Communities and Leadership |
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| 112 | District Promotion and Economic Development |
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| 164 | Water Supplies |

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

These services – called “activities” – help to make the Tararua District 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.

Key research survey results

The following explains the rating system of 1–10 used for the Key Research survey performance measures in this section:

| | |
|-------------|-----------------------|
| 1–4 | Very dissatisfied |
| 5 | Somewhat dissatisfied |
| 6 | Somewhat satisfied |
| 7–8 | Satisfied |
| 9–10 | Very satisfied |

How the Council outcomes and four well-beings relate to Council services

Council outcomes

The Council outcomes are the link between the Vision and the Council activities, providing the focus for the groups of activities and measures in the Long Term Plan. These replaced the community outcomes that were in the 2009 Community Plan. The Local Government Amendment Act 2010 changed the focus from community owned outcomes to ones that Council owned and controlled.

Council outcomes key

- Strongly Related
- Related
- Partially Related

Well-beings

In May 2019, the Local Government Act 2002 was amended to reinstate the four aspects of community well-being into the purpose of the local government. This means that the Council among others is now required to play a broader role in promoting the social, economic, environmental, and cultural well-being of communities.

Four wellbeings key

-  Social
-  Cultural
-  Environmental
-  Economic

The table below summarises the effects of our activities on the four well-beings and Council outcomes.

| 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

| | 2018/19 LTP Year 1 \$000s | 2018/19 Actual \$000s | 2019/20 LTP Year 2 \$000s | 2019/20 Plan \$000s | 2019/20 Actual \$000s |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|-----------------------------|
| Sources of Operating Funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 1,985 | 1,985 | 2,075 | 2,116 | 2,116 |
| Targeted rates | - | 20 | - | - | - |
| Grants and subsidies for operating purposes | - | - | - | - | - |
| Fees and charges | - | - | - | - | 43 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 26 | 19 | 82 | 78 | 70 |
| Total Operating Funding | 2,011 | 2,024 | 2,157 | 2,194 | 2,228 |
| Applications of Operating Funding | | | | | |
| Payment to staff and suppliers | 1,342 | 1,510 | 1,481 | 1,533 | 1,674 |
| Finance costs | - | - | - | - | 2 |
| Internal charges and overheads applied | 579 | 618 | 634 | 653 | 643 |
| Other operating funding applications | - | - | - | - | - |
| Total Applications of Operating Funding | 1,921 | 2,128 | 2,115 | 2,186 | 2,319 |
| Surplus/(Deficit) of Operating Funding | 90 | (104) | 42 | 7 | (91) |
| Sources of Capital Funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | 354 |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | (30) | - | 20 | 20 | 155 |
| Gross proceeds from sale of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total Sources of Capital Funding | (30) | - | 20 | 20 | 509 |
| Applications of Capital Funding | | | | | |
| Capital Expenditure: | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | 42 | - | - | 579 |
| - to replace existing assets | 30 | - | 31 | 30 | - |
| Increase (decrease) in reserves | 30 | (146) | 31 | (3) | (160) |
| Increase (decrease) of investments | - | - | - | - | - |
| Total Applications of Capital Funding | 60 | (104) | 62 | 27 | 418 |
| Surplus/(Deficit) of Capital Funding | (90) | 104 | (42) | (7) | 91 |
| 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 underveranda lighting, and public crime prevention closed circuit TV systems (CCTV).

Supporting and enabling the community

CCTV was installed in the Pahiatua and Dannevirke Council service centres and libraries meaning added security for staff and patrons. This completes Council's project to install CCTV at all service centres and libraries.

A significant project is underway for the Pahiatua Town Centre with new underground power, duct for fibre optics. The fibre optics will lead to broad capability to install public CCTV for community safety. The power duct will allow a new footpath lighting system to be installed in the central business district (CBD) of the upgrade and enable future electric vehicle (EV) sites to be considered. Provision for EV's will become essential in the future as NZ moves to achieve zero carbon by 2050 and EVs become widely adopted.

The installation of ultra-fast broadband fibre installation in the major four towns is now underway as part of the Crown Infrastructure projects.

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.

Grants

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

- Pukaha Mount Bruce: forest restoration and predator control – \$14,000.



- Funding for town mainstreet committees – \$47,000.
- Grants to community boards and community committees – \$52,000.
- District information centres – \$88,000.

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 was facilitated through monthly meetings being held, and the work undertaken by elected representatives was supported through their appointments to various committees, liaison with community organisations and following up issues and concerns raised by residents.

The triennial local authority election was held in October 2019, with three new councillors and Eketāhuna Community Board members being elected to join sitting members successfully re-elected for the new term of office.

The following was completed and achieved:

Governance

- Signed a Memorandum of Partnership with Ngāti Kahungunu ki Tāmaki nui-a-Rua iwi.
- Worked constructively with iwi through regular meetings with their representatives and consultation on significant issues as provided in the Memorandum of Understandings with Rangitāne and Ngāti Kahungunu.
- Provided a public forum at the commencement of each monthly Council meeting and established a new committee structure following the election; including monthly workshops of the Strategy and Policy Committee, Economic Development and Marketing Committee, Works Liaison Committee, and Finance Committee.
- 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.
- Reached agreement with New Zealand Transport Agency to maintain Saddle Road, Pahiatua Track and Ballance Valley Road as alternative routes as a result of the Manawatū Gorge closure.
- Completed the Chief Executive's end of term review and determined to advertise the vacancy arising for the position at the conclusion of the existing five-year employment agreement.
- Appointed Maria Brensell as the Council's Electoral Officer.

Regional collaboration

- Signed the Triennial Agreement for the Manawatū-Whanganui region setting out the direction for collaboration between the region's territorial authorities.

Advocacy

- Pursued with Government and advocated for the district on land use change to forestry carbon farming, particularly in respect of the economic ramifications arising from the sale of productive farmland in the district and the resulting consequential social and economic impacts.

- Maintained good relationships with Horizons Regional Council through working collaboratively on protecting the environment of the district and its economic development through the Accelerate25 lead team.
- Advocated in the interests of the district through submitting to the Ministry for the Environment on the Government's freshwater reforms.
- Maintained dialogue and liaison with New Zealand Transport Agency regarding progressing the construction of the Te Ahu a Turanga – Manawatū Tararua State Highway; and supported joint territorial decision-making for the resource consenting process.
- Represented the district on the Tararua River Management Governance Group and the Tararua Health and Wellbeing Group.
- Continued to seek funding from Government to enable the upgrade of Route 52 and maintaining contact with Weber/Wimbledon/Herbertville/Pongaroa residents regarding this matter.

Policies and strategies

- Adopted the Water Supply Bylaw, and determined further work is required for its review in the following financial year to manage the supply of water particularly with regard to extraordinary users.
- Approved the final proposed Change No.1 to the Operative District Plan.
- Adopted the 2018/19 Annual Report.
- Recognised the need for funding to prepare for the district's growth by investing \$80,000 from the General-Purpose Reserve to undertake a network analysis and investment project involving detailed work to determine the impacts of growth on the district's infrastructure as part of the residential capacity review.
- Adopted an Economic Development Plan for the district.
- Endorsed the Tararua District Visitor and Walk-Cycle Strategy and Action Plan as a basis to guide future planning for the development of these facilities.
- Adopted the policy on elected members allowances and the recovery of expenses to include the option of paying a childcare allowance when a member is engaged on local authority business.
- Reviewed and adopted an updated Treasury Risk Management Policy to align the policy to Council's strategic objectives to provide more flexibility in managing interest rate risk.

- Commenced workshops to develop the 2021–2031 Long Term Plan.
- Progressed a proposal to build six new pensioner flats in Dannevirke.

Enabling the community

- Worked with the Friends of Carnegie Dannevirke Tararua Group as they considered their intentions to propose a plan to earthquake strengthen and preserve the Dannevirke Carnegie heritage building.
- Discussed with Te Awa Community Foundation the feasibility of establishing a Tararua District Community Foundation.
- Supported communities through the International Representatives Scheme, Community Development Recreation Reserve, Heritage Protection Reserve, Biodiversity Reserve and discretionary funding for Community Boards and Community Committees.
- Recognised the contribution of community volunteers through Council's district civic honours, Wackrow Memorial Youth Award presented by Dannevirke Community Board and Alf Rowden Humanitarian Award presented by Eketāhuna Community Board.
- 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.
- Supported the Love Local Tararua campaign.
- Worked with Connect Tararua on providing the district with robust and fully functioning connectivity community infrastructure.

Drought and Covid-19

- Responded to the impacts of drought, water supply crisis and Covid-19 pandemic (both during lockdown), and the community's recovery through working with support agencies and in conjunction with Council's Emergency Operations Centre through placing emphasis on ensuring residents welfare and wellbeing.
- Recognised the impact of Covid-19 lockdown on Anzac Day as no community services or poppy fundraising collections were possible by donating to each of the district's Returned and Services Associations, thereby acknowledging and looking after the welfare of their serviceman and families.
- Continued meetings during Covid-19 lockdown through the use of Zoom audio-visual link with the Mayor and Councillors.
- Advocated for the district on the Regional Economic Recovery Taskforce through the Mayor's appointment as a member.

- Supported the district's recovery from drought and Covid-19 through adopting the 2020/21 Annual Plan with a reduced rates increase, not applying penalties for late payments of rates and metered water charges, temporarily waiving fees and charges for regular users of Council community and recreation facilities, and maintaining other fees and charges at existing levels.

Performance against objectives

Community Support

Performance measure

Percentage of residents rating Council's involvement in community support as "fairly satisfactory" or "very satisfactory" in the community survey

Target

75%

Achievement

Achieved 82% (last year: 79%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 14% | 11% | 14% | 17% |
| 7-8 | 52% | 54% | 53% | 52% |
| 6 | 13% | 13% | 14% | 13% |
| 5 | 11% | 10% | 12% | 12% |
| 1-4 | 10% | 9% | 7% | 6% |

Council supported a number of organisations, during the year, in grants totalling \$337,774.

All organisations receiving grants meet accountability requirements of Council

100%

Achieved 100%

No issues identified with grants and their use for the purpose intended.

2019/20 results



2018/19 results



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 86% (last year: 81%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|------------------------------|--------|--------|--------|--------|
| MAYOR | | | | |
| 9-10 | 33% | 33% | 41% | 45% |
| 7-8 | 43% | 48% | 44% | 41% |
| 6 | 8% | 10% | 7% | 6% |
| 5 | 9% | 6% | 4% | 4% |
| 1-4 | 7% | 4% | 4% | 4% |
| COUNCILLORS | | | | |
| 9-10 | 13% | 16% | 15% | 20% |
| 7-8 | 50% | 39% | 46% | 47% |
| 6 | 15% | 18% | 15% | 14% |
| 5 | 12% | 17% | 15% | 10% |
| 1-4 | 10% | 9% | 10% | 9% |
| MAYOR AND COUNCILLORS | | | | |
| 9-10 | 23% | 25% | 29% | 32% |
| 7-8 | 46% | 44% | 45% | 44% |
| 6 | 12% | 14% | 11% | 10% |
| 5 | 11% | 11% | 9% | 8% |
| 1-4 | 8% | 6% | 7% | 6% |

Satisfaction improved from 81% in 2018/19 to 86% in 2019/20.

The three yearly elections were held in October, with a mix of new and experienced councillors elected.

2019/20 results



2018/19 results



Performance measure

Percentage of residents rating the overall performance of the community boards and community committees as “fairly satisfactory” or “very satisfactory” in the community survey

Target

75%

Achievement

Achieved 83% (last year: 80%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 16% | 13% | 17% | 19% |
| 7-8 | 55% | 47% | 50% | 54% |
| 6 | 9% | 11% | 10% | 10% |
| 5 | 10% | 22% | 14% | 10% |
| 1-4 | 10% | 7% | 8% | 7% |

2019/20 results

✓

2018/19 results

✓

Percentage of Council committee meetings that meet the requirements of the Local Government Official Information and Meetings Act

100%

Achieved 100%

Meetings were publicly notified by newspaper, generally through the Bush Telegraph.

2019/20 results

✓

2018/19 results

✓

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

| | 2018/19 LTP Year 1 \$000s | 2018/19 Actual \$000s | 2019/20 LTP Year 2 \$000s | 2019/20 Plan \$000s | 2019/20 Actual \$000s |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|-----------------------------|
| Sources of Operating Funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 3,430 | 3,442 | 3,406 | 3,418 | 3,430 |
| Targeted rates | 1,751 | 1,731 | 1,843 | 1,922 | 1,902 |
| Grants and subsidies for operating purposes | 6 | 10 | 5 | 4 | 0 |
| Fees and charges | 744 | 681 | 773 | 758 | 762 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 415 | 390 | 415 | 308 | 334 |
| Total Operating Funding | 6,346 | 6,255 | 6,442 | 6,411 | 6,429 |
| Applications of Operating Funding | | | | | |
| Payment to staff and suppliers | 3,853 | 3,832 | 3,770 | 3,826 | 3,937 |
| Finance costs | 64 | 66 | 69 | 55 | 56 |
| Internal charges and overheads applied | 1,329 | 1,471 | 1,379 | 1,427 | 1,580 |
| Other operating funding applications | - | - | - | - | - |
| Total Applications of Operating Funding | 5,246 | 5,369 | 5,217 | 5,308 | 5,573 |
| Surplus/(Deficit) of Operating Funding | 1,101 | 886 | 1,225 | 1,103 | 856 |
| Sources of Capital Funding | | | | | |
| Subsidies and grants for capital expenditure | 100 | 50 | - | - | 26 |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 162 | (18) | (4) | 16 | (50) |
| Gross proceeds from sale of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total Sources of Capital Funding | 262 | 32 | (4) | 16 | (24) |
| Applications of Capital Funding | | | | | |
| Capital Expenditure: | | | | | |
| - to meet additional demand | 80 | - | 143 | 100 | - |
| - to improve the level of service | 330 | 289 | 71 | 125 | 141 |
| - to replace existing assets | 1,250 | 936 | 791 | 705 | 727 |
| Increase (decrease) in reserves | (297) | (308) | 216 | 187 | (36) |
| Increase (decrease) of investments | - | - | - | - | - |
| Total Applications of Capital Funding | 1,363 | 918 | 1,221 | 1,117 | 832 |
| Surplus/(Deficit) of Capital Funding | (1,101) | (886) | (1,225) | (1,103) | (856) |
| Funding Balance | - | - | - | - | - |

What we achieved

Cemeteries

Maintenance

The old macrocarpa trees at the Ormondville cemetery have been removed and the roots excavated. A new drain has been established along Dump Road, and a parking area made available on both sides of the road. A new fence has been installed, and the lawn area has been levelled and re-grassed.

Capital investment

Mangatera Cemetery has had a new long berm installed which provides an additional 84 plots and some development has been carried out on the cemetery extension. A new kerb and channel has also been installed to keep vehicles and stormwater off the new ashes area.

Mangatainoka Cemetery had two new concrete berms installed, providing 66 new plots.

Community Buildings

Compliance

Asbestos that was identified in the Dannevirke Town Hall has been removed by a specialist removal company.

Earthquake strengthening plans have been drawn for strengthening work in the Pahiatua Service Centre with the building consent lodged. Plans are currently being drawn for roof and strengthening work in the Dannevirke Administration Building.

Dannevirke Sports Centre has had an initial earthquake-prone inspection conducted by Beca, and they are now carrying out a more detailed plan of strengthening work required.

Independent condition assessments have been carried out of the exterior and interior for all community buildings within the district.

Maintenance

The exterior of the Eketāhuna Community Centre was painted with a clear coat over the cladding to protect it from the weather.

IN 2019/20 WE ACHIEVED...

94% community satisfaction with facilities 

2017/18: 95%

2018/19: 95%

5,400 customer service requests received 

2017/18: 7,794

2018/19: 7,036

99% pensioner housing occupancy 

2017/18: 97%

2018/19: 99%

18 performance measures met 

OUT OF 23

2017/18: 24 of 27

2018/19: 19 of 23

3,795 booked hours for use of community buildings, and parks and reserves 

2018/19: 5,199 hours

Capital investment

The 24-hour public toilet at the Norsewood RSA Memorial Hall has been upgraded.

New heating has been installed in the stadium area of the Woodville sports complex.

The interior painting of the Eketāhuna library/service centre has been completed.

The Eketāhuna Community Centre had a refurbishment of the supper room and main hall floors – they were both sanded and polyurethaned.

Housing

Compliance

An independent consultant has been carrying out condition assessments on all the district pensioner units. This includes an internal and an external review.

Maintenance

We have redecorated four flats this year, as tenants have vacated in Pahiatua, Woodville, and Dannevirke.

All old electrical wiring has been replaced in Kowhai Place flats in Pahiatua.

Capital investment

Pensioner housing rentals are at a premium throughout the district and all units are full. The enquiries and waiting lists for people wanting pensioner accommodation are increasing. As a result, Council has agreed, in principle, to build another six pensioner flats in Dannevirke.

Libraries

Staff development

Initiated dual training where library staff also receive customer service training. Once training is completed, the team will have greater flexibility as well as the ability to support service at all branches when needed.

Technology

The BC Book mobile application was launched in October 2019. This replaced the existing BookMyne application on APNK (Aotearoa People's Network Kaharoa).

Chromebooks replaced existing desktop computers from July 2019. Free classes were available to help with the transition to these Google-powered laptops.

Since May 2020, further applications have been added to widen the range of tasks the Chromebooks are able to undertake. More quick links have also been added to the landing page. A reminder was sent about the correct way to access Microsoft Word and GoogleDocs to write a curriculum vitae using the formatting inherent in the programmes.

Ebooks

Tararua Library became aware of five free ebook sites in March 2020. Three of these resources are for our children and Young People to access, one is for audio books, and the last is for romance novels. These resources are available through the Library website until the end of August 2020.

During the Covid-19 lockdown, Tararua Library experienced a 477% increase in the use of ebook resources.

Digital newsletter

During the Alert Level 4 lockdown, team members working from home were able to collate and send the first Tararua Library digital newsletter. This will be an ongoing task allowing the Library to publicise events as well as changes in each of the branches.

Adult programmes

Over the year, 753 adults attended Library-led programmes and events. This is an increase of 16% (103) over the previous year. A decision was made to move the Annual Adult Quiz night from October, in any given year, to May. Covid-19 lockdown measures prevented the event from being held this May. Consequently, there has been a year without this popular event taking place. It will now be held in July 2020.

At Alert Level 3 of New Zealand's response to Covid-19, Tararua Library's team were able to support our older library members with a one-off contactless delivery of items if they agreed to do so. Forty percent (222) of those over the age of sixty-five who were contacted took up the offer of a refresh. Anecdotal evidence suggests that this was greatly appreciated. Tararua Library are currently looking at sustainable ways of continuing this programme.

Children's programmes

In 2019, a decision was made to withdraw from the Eastern and Central Community Trust funded reading programmes, which the Library had been part of since their inception in 1997. Dwindling support from our community and resistance to suggested programme changes from the organising committee drove this decision. It was felt that Library staff could develop and deliver children's programmes more in tune with the Tararua community needs.

The first of these programmes to be introduced was our Winter Reading Challenge. Delivered with the support of 13 schools across the Tararua District, 925 children participated to complete six different literacy related challenges. One of these challenges was to “Book a Librarian” – deliberately chosen to follow a National Library strategy of greater collaboration between public libraries and schools.

The second children’s programme to be introduced was to be during the 2019/20 summer holidays. However, the resignation of the District Librarian saw the Senior Librarian, also in charge of Children’s Services, shift focus to enable library services overall to seamlessly continue. STEM (science, technology, engineering, and mathematics) activities such as origami, jigsaws, board games, gaming, and LEGO were available to children visiting the libraries.

The Covid-19 pandemic meant that the Library’s usual term one holiday Digital Literacy programme also did not run as planned and the National Simultaneous Storytime, usually so well attended in libraries, was run virtually.

Other children’s programmes that did run were our annual Year 7/8 quiz, Maths is Fun, Little Ears, and YOLO – our preschool and Year 7/8 book club.

Introduced at all Tararua District libraries was LEGO Play – drop-in sessions where children could stretch their imaginations through playing with LEGO and explore STEM concepts.

During the course of the year, 1,641 children attended events and programmes at their local library.

Traditional library use

Use of physical items continues to drop in line with the experience of other public libraries around New Zealand. Overall, there has been a drop of 4% up until the end of February, when statistics can be relied upon. This is consistent with the previous year.

Overall, the pedestrian count is down by 15%. Worst hit is Eketāhuna, while Woodville came off best. There is a possibility that the change at Eketāhuna is a response to the increase in online and direct debit payments to Council as the Library and Service Centre are a shared space. With less need to ‘visit town’, the opportunity to checkout a physical item “while I’m here” is lessened. The change at Woodville may be less likely to do with the change to the way payments are made, and more likely to be due to a larger urban population which has experienced a buoyant property market over the past year.

Active borrowers, APNK (Aotearoa People’s Network Kaharoa) usage of computer hardware and high speed internet, and new memberships are all up on previous years. New memberships soared by 19%, with Eketāhuna and Pahiatua experiencing the biggest increases. This was matched in Eketāhuna by the increase in APNK usage. This appears to be in line with the downturn in physical visits and items borrowed.

It has been noticed at Dannevirke Library, that the change to laptops in July has translated into a drop in APNK use. It may be that laptops are perceived as more difficult to use or that the library needs more desks/tables for people to feel comfortable in using them. Ebook issues are up a massive 124% on the previous year.

Community spaces

This year Tararua Library played host to two visiting authors. The same number of author events as the previous year.

Our regular groups – knitting, poetry, book clubs, etc – continue to enjoy meeting in the library spaces. A total of 11 weeks was spent at Alert Levels that precluded any of our groups using the Library spaces. The comments made on their return indicated their appreciation at being able to connect once again.

The Tararua Library team is planning the launch of “Hostaspace”, where community members wanting to demonstrate or share a skill, hobby, or practice are hosted at a branch. Guidelines are being prepared that cover Health and Safety, suitable activities, and expectations of both parties.

Covid-19 effects

All Tararua Library branches were closed for between eight and half and nine weeks in response to the pandemic. It was recognised that libraries are spaces used by the community to meet and connect as well as to access resources both physical and digital. This would have provided the perfect breeding ground for the spread of the disease. The Library team noticed that under Level 2, although we were open and providing limited services, some people chose to continue restricting their movements to spaces such as libraries. Once the nation moved to Alert Level 1, more services could be provided such as regular programmes, Chromebook use, and newspapers. There has been a return to almost pre-Covid-19 activity levels.

Connectiveness

If there is one thing the Library team has learned through New Zealand’s response to the pandemic, it is just how disadvantaged our citizens without access to the internet and devices to connect to it truly are. While we were able to continue offering e-resources to those who are technologically literate and are part of the digital world, our regular users of the public Wi-Fi and Chromebooks were unable to connect until Alert Level 1 – a total of eleven weeks without access to any digital resource. Twenty percent of Tararua District’s population does not have access to the internet. Of that twenty percent, only eight percent have a device capable of connecting to it. An opportunity exists for the Library to promote the Skinny Jump programme throughout our district to connect more people to the internet. We need to be inventive in providing the devices to do so.

Book orders delayed

The shipment of book orders became an issue as airfreight and logistics caused erratic and sporadic opportunities for cargo to be sent. Publishers moved to shipping via sea freight, which has added at least two weeks to delivery times. Since catching up with the backlog that accumulated during lockdown, delivery has slowed right down to two months between ordering and receiving “on-shelf” items. Publishing is primarily undertaken in Singapore and Hong Kong. We may see further issues filling our orders in the coming months.

New offering for services

When opportunities presented themselves to provide online storytelling and e-resources to our library members, we took them. There were a number of offerings for free – either for a limited time or for the foreseeable future. These were made available through the Tararua Library web page and Facebook page. Contactless delivery was made available to the over-65 age group.

The Library team have been engaged in “start, stop, continue” planning, looking at ways to incorporate these opportunities into our business-as-usual activity.

Time for planning

One other positive effect for the Library team was the opportunity to complete some advanced planning of programmes. This provided the room for the team to discuss new promotions and programmes that could be introduced once we reached Alert Level 2 and resumed normal working hours. The result has been the “Life’s a puzzle” and “Hostaspace” services, and the “Magazine popularity contest” event.

Parks and Reserves

Maintenance

A review of service delivery options was carried out on parks and reserves services to decide whether Council contracts services out or brings them in-house. The conclusion was that these would go out to market. This has been completed with contracts now awarded to successful contractors. These new contracts start 1 August 2020.

New matting was installed under the Viking ship at the Dannevirke playground along with the topping up of playground mulch under the rest of the play equipment.

The gardens on the corner of Trafalgar and Cuba Streets, Dannevirke have been replanted.

Utilisation

All camping ground figures have decreased from last year due to the impact of Covid-19.

| Camping ground | 2017/18 | 2018/19 | 2019/20 |
|-------------------|---------------|---------------|---------------|
| Dannevirke | 7,041 | 7,489 | 7,116 |
| Eketāhuna | 5,239 | 5,557 | 4,557 |
| Pahiatua | 6,045 | 4,847 | 4,059 |
| Woodville | 1,351 | 1,259 | 867 |
| Total | 19,676 | 19,152 | 16,599 |
| % increase | 31% | -3% | -13% |

Capital investment

The toilets under the grandstand at Bush Multisport, Pahiatua, have had a major renovation. We have had great feedback and comments from the public on the extensive improvement made to these facilities.

Waihi Falls track access has been upgraded as part of an essential health and safety appraisal. New handrails have been installed, the steps have been rebuilt, the track has been metallised at the bottom with a small clearing and a new viewing platform installed.

Public Conveniences

A total of 85 customer service requests were received for maintenance and cleanliness, which is made up of 31 blockages, 47 maintenance issues, and seven cleanliness complaints. This is a slight increase as last year’s total was 84.

Service Centres

The customer service centres handled close to 26,500 calls this financial year, which averaged about 108 calls per day (approximately five less calls per day compared with last year). Customers waited an average of just 14 seconds to have their calls answered and the average talk time was 1.5 minutes. We also had approximately 34,000 people through the doors at the Dannevirke and Pahiatua service centres, and close to 25,000 at Woodville and Eketāhuna.

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). Of these calls, 1,570 were requests for service, the balance for obtaining information only.

Council met its targets for both waiting time and abandoned calls. The percentage of abandoned calls reduced slightly to 2.2%, compared with 2.4% last year. This was due to being fully staffed most of the year.

A total of 5,400 customer requests were entered into our system (last year 7,036). This is lower than previous years, which may be due to better maintenance of council assets and infrastructure plus communication from the wider

council teams advising of what council is doing, why and when it will be completed.

Covid-19

During the Covid-19 lockdown, service centre staff continued to answer phones Monday to Friday, from 8am–5pm. We felt it to be a valuable service to our community having “locals” answer the phones to help alleviate residents’ concerns or being able to direct them to those that could help. Over this period, call numbers dropped to about half of what we would normally take in a day.

Team morale was kept high by having dress-up days and utilising Microsoft Teams to “chat” with each other across the different service centres around the district.

Perspex screens have been installed in all offices not only due to Covid-19 but for other safety measures as well.

Some customer services staff were also part of the Emergency Operations Centre team.

Swimming Pools

Utilisation

The Pahiatua, Woodville, and Eketāhuna pools enjoyed great swimming seasons with the hot and dry summer spell.

Pool Statistics

| Woodville | Pahiatua | Eketāhuna |
|-----------|----------|-----------|
| 3,229 | 17,771 | 3,084 |

Capital investment

The Eketāhuna pool opened, on 21 December 2019, after the renovation of the large pool was completed and the demolition of the old sheds and erection of a new large shelter area for visitors. The pool committee have reported a successful season with satisfied customers.

Performance against objectives

Cemeteries

Performance measure

Percentage of residents rating cemeteries as “fairly satisfactory” or “very satisfactory” in the community survey

Target

90%

Achievement

Achieved 92% (last year: 94%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 43% | 40% | 43% | 48% |
| 7-8 | 47% | 44% | 43% | 40% |
| 6 | 4% | 6% | 5% | 5% |
| 5 | 3% | 8% | 6% | 5% |
| 1-4 | 3% | 2% | 3% | 3% |

Satisfaction with cemeteries remains high at 92%.

2019/20 results



2018/19 results



Percentage of cemeteries in district with plots available for next 12 months – based on historical burial data

100%

Achieved 100%

All cemeteries in the district have more than adequate number of plots available.



Community Buildings

Performance measure

Percentage of residents rating community buildings as “fairly satisfactory” or “very satisfactory” in the community survey

Target

90%

Achievement

Achieved 94% (last year: 96%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 38% | 27% | 29% | 33% |
| 7-8 | 52% | 60% | 56% | 53% |
| 6 | 6% | 7% | 7% | 8% |
| 5 | 3% | 6% | 5% | 4% |
| 1-4 | 1% | 1% | 2% | 2% |

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.

2019/20 results



2018/19 results



The increase from previous year in the total number of hours per annum facilities are booked through Council

> 1%

Not achieved -35% (last year: -15%)

Due to Covid-19, all facilities were closed for April and part of May. This contributed to the lower utilisation.

To provide relief to regular users and encourage utilisation post Covid-19, Council waived fees from 1 June for three months.

Council also did not increase fees and charges for hireage in the 2020/21 financial year.

Council is planning on an improved system of monitoring usage for 2020/21. This will help to accurately assess demand for setting fees, and for where we need to revisit strategies for improved utilisation.



Housing

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results |
|---|--------|---|-----------------|-----------------|
| Percentage of housing units which, when inspected, are found to have maintenance issues which are more than minor | < 10% | Achieved 5% (last year: 3%) Annual inspections were undertaken in June this year, due to Covid-19. All old electrical wiring at Pahiatua was replaced. | ✓ | ✓ |
| Tenants' satisfaction with the landlord service received from Council | 90% | Achieved 93% (last year: 90%) In the annual tenant survey, satisfaction improved slightly to 93% in 2019/20. Council staff undertook regular checks on residents during the Covid-19 response to ensure residents' needs were met. Council continues to invest in its pensioner units, with insulation and ventilation improvements being prioritised in 2020/21. | ✓ | ✓ |

Libraries

Performance measure

Library facilities are clean, welcoming, and open at times suited to the community based on an annual survey

Target 90%

Achievement

Not completed - (last year: 100%)

The annual Library survey was not completed, this year, due to Covid-19.

| Category | 2017/18 | 2018/19 | 2019/20 |
|--------------------------|------------|------------|----------|
| Completely satisfied | 150 | 280 | - |
| Very satisfied | 78 | 117 | - |
| Moderately satisfied | 13 | 16 | - |
| Not very satisfied | 3 | 2 | - |
| Not at all satisfied | 2 | - | - |
| Not applicable | 0 | 1 | - |
| Total respondents | 246 | 416 | - |

2019/20 results



2018/19 results



Percentage of residents rating libraries as “fairly satisfactory” or “very satisfactory” in the community survey

Target 90%

Achieved 96% (last year: 97%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 52% | 50% | 54% | 55% |
| 7-8 | 42% | 43% | 39% | 37% |
| 6 | 3% | 6% | 3% | 4% |
| 5 | 2% | 2% | 2% | 1% |
| 1-4 | 1% | - | 1% | 2% |



Satisfaction continues to be high at 96%.

During Covid-19, library staff phoned library users over 70 and undertook a delivery service of books.

Performance measure

Percentage of customers satisfied with children's programmes (annual survey)

Target

90%

Achievement

Achieved 97% (last year: 99%)

The annual survey was completed in the third quarter. The results were:

| Category | 2017/18 | 2018/19 | 2019/20* |
|-----------------------------|------------|------------|-----------|
| Completely satisfied | 55 | 116 | 15 |
| Very satisfied | 45 | 66 | 13 |
| Moderately satisfied | 8 | 19 | 2 |
| Not very satisfied | 2 | 1 | 0 |
| Not at all satisfied | 0 | 1 | 1 |
| Not applicable | 131 | 207 | 0 |
| Total respondents | 241 | 410 | 31 |

* These numbers are based on the winter reading programme run in term three last year.

This measure has been impacted by fewer programmes run this year. This was, in part, due to Covid-19 restrictions.

2019/20 results



2018/19 results



Parks and Reserves

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------|--|-----------------|-----------------|--------|--------|--------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|----|----|----|----|---|----|----|----|----|-----|----|----|----|----|---|---|
| Percentage of residents rating parks and reserves as “fairly satisfactory” or “very satisfactory” in the community survey | 90% | Achieved 95% (last year: 95%) For an explanation of the scores below, see page 85. <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-19</th> <th>Sep-19</th> <th>Feb-20</th> <th>May-20</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>34%</td> <td>33%</td> <td>34%</td> <td>35%</td> </tr> <tr> <td>7–8</td> <td>56%</td> <td>55%</td> <td>50%</td> <td>53%</td> </tr> <tr> <td>6</td> <td>5%</td> <td>8%</td> <td>9%</td> <td>7%</td> </tr> <tr> <td>5</td> <td>3%</td> <td>2%</td> <td>4%</td> <td>3%</td> </tr> <tr> <td>1–4</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> </tr> </tbody> </table> Satisfaction with parks and reserves remains very high at 95%. | Score | Jun-19 | Sep-19 | Feb-20 | May-20 | 9–10 | 34% | 33% | 34% | 35% | 7–8 | 56% | 55% | 50% | 53% | 6 | 5% | 8% | 9% | 7% | 5 | 3% | 2% | 4% | 3% | 1–4 | 2% | 2% | 2% | 2% | ✓ | ✓ |
| Score | Jun-19 | Sep-19 | Feb-20 | May-20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9–10 | 34% | 33% | 34% | 35% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7–8 | 56% | 55% | 50% | 53% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 5% | 8% | 9% | 7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 3% | 2% | 4% | 3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1–4 | 2% | 2% | 2% | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of recorded incidences where parks and reserves are found to be below the agreed maintenance standard | < 5 | Achieved 1 (last year: 1) One complaint received about vandalism of a fence and general maintenance of Eketāhuna Rugby Club facilities. | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of playgrounds in the district that had no faults under the AUS/NZ playground safety standard | 95% | Achieved 100% (last year: 100%) 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. | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Public Conveniences

Performance measure

Percentage of residents rating public conveniences as “fairly satisfactory” or “very satisfactory” in the community survey

Target 90%

Achievement

Not achieved 81% (last year: 87%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 35% | 24% | 25% | 26% |
| 7-8 | 46% | 41% | 46% | 46% |
| 6 | 6% | 6% | 6% | 8% |
| 5 | 8% | 21% | 17% | 13% |
| 1-4 | 5% | 8% | 6% | 7% |

Satisfaction has significantly declined from the previous year’s result of 87%.

2019/20 results



2018/19 results



The number of complaints received per annum about the maintenance and cleanliness of public toilets (excluding graffiti and vandalism)

< 100

Achieved 85 (last year: 84)

Number of service requests



The bulk of the complaints are blockages and leaks (31), and maintenance (47).

A significant reduction in complaints were received in the third quarter due to Covid-19 reducing facilities open to only those on priority routes. The fourth quarter accounted for only 10% of all complaints.



Percentage of customer requests responded to within 48 hours

85%

Achieved 97% (last year: 90%)

Sixty-seven customer service requests were received, with all but two responded to within the agreed timeframe..



Service Centres

Performance measure

Percentage of customers who lodge faults/requests are satisfied with the service provided

Target

85%

Achievement

Not achieved 76% (last year: 73%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 48% | 41% | 44% | 44% |
| 7-8 | 21% | 23% | 22% | 26% |
| 6 | 4% | - | 3% | 5% |
| 5 | 5% | 10% | 7% | 5% |
| 1-4 | 22% | 26% | 24% | 19% |

The number of residents who answered this question was only 91. Of the 91, 22 residents were not satisfied (25%).

2019/20 results



2018/19 results



Average wait time for incoming calls

20 seconds

Achieved 15 seconds (last year: 14.4)



| | | |
|----------------|--|------------|
| July 2019 | | 16 seconds |
| August 2019 | | 14 seconds |
| September 2019 | | 15 seconds |
| October 2019 | | 16 seconds |
| November 2019 | | 15 seconds |
| December 2019 | | 12 seconds |
| January 2020 | | 11 seconds |
| February 2020 | | 18 seconds |
| March 2020 | | 12 seconds |
| April 2020 | | 10 seconds |
| May 2020 | | 13 seconds |
| June 2020 | | 15 seconds |

Call numbers were lower in December and January resulting in decreased response time.

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------|---|-----------------|-----------------|------------------------|-------------|--------|------------------------|----------------|------|------------------------|--------------|------|------------------------|---------------|------|------------------------|---------------|------|------------------------|--------------|------|------------------------|---------------|------|------------------------|------------|------|------------------------|------------|------|------------------------|----------|------|------------------------|-----------|------|------------------------|--|--|
| Percentage of abandoned calls | < 5% | Achieved 2.3% (last year: 2.4%) | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <table border="1"> <tr><td>July 2019</td><td>↓ 3%</td><td>(2,583 calls received)</td></tr> <tr><td>August 2019</td><td>↓ 2%</td><td>(2,675 calls received)</td></tr> <tr><td>September 2019</td><td>↓ 2%</td><td>(2,447 calls received)</td></tr> <tr><td>October 2019</td><td>↓ 3%</td><td>(2,561 calls received)</td></tr> <tr><td>November 2019</td><td>↓ 3%</td><td>(2,454 calls received)</td></tr> <tr><td>December 2019</td><td>↓ 3%</td><td>(1,520 calls received)</td></tr> <tr><td>January 2020</td><td>↓ 2%</td><td>(1,484 calls received)</td></tr> <tr><td>February 2020</td><td>↓ 3%</td><td>(2,386 calls received)</td></tr> <tr><td>March 2020</td><td>↓ 2%</td><td>(2,549 calls received)</td></tr> <tr><td>April 2020</td><td>↓ 1%</td><td>(1,394 calls received)</td></tr> <tr><td>May 2020</td><td>↓ 2%</td><td>(2,126 calls received)</td></tr> <tr><td>June 2020</td><td>↓ 2%</td><td>(2,179 calls received)</td></tr> </table> | July 2019 | ↓ 3% | (2,583 calls received) | August 2019 | ↓ 2% | (2,675 calls received) | September 2019 | ↓ 2% | (2,447 calls received) | October 2019 | ↓ 3% | (2,561 calls received) | November 2019 | ↓ 3% | (2,454 calls received) | December 2019 | ↓ 3% | (1,520 calls received) | January 2020 | ↓ 2% | (1,484 calls received) | February 2020 | ↓ 3% | (2,386 calls received) | March 2020 | ↓ 2% | (2,549 calls received) | April 2020 | ↓ 1% | (1,394 calls received) | May 2020 | ↓ 2% | (2,126 calls received) | June 2020 | ↓ 2% | (2,179 calls received) | | |
| July 2019 | ↓ 3% | (2,583 calls received) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| August 2019 | ↓ 2% | (2,675 calls received) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| September 2019 | ↓ 2% | (2,447 calls received) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| January 2020 | ↓ 2% | (1,484 calls received) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| February 2020 | ↓ 3% | (2,386 calls received) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| March 2020 | ↓ 2% | (2,549 calls received) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April 2020 | ↓ 1% | (1,394 calls received) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May 2020 | ↓ 2% | (2,126 calls received) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June 2020 | ↓ 2% | (2,179 calls received) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of customers who lodge faults/requests are satisfied with the afterhours service received | 90% | Not achieved 67% (last year: 76%) | ✗ | ✗ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <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-19</th> <th>Sep-19</th> <th>Feb-20</th> <th>May-20</th> </tr> </thead> <tbody> <tr><td>9–10</td><td>44%</td><td>68%</td><td>38%</td><td>42%</td></tr> <tr><td>7–8</td><td>24%</td><td>-</td><td>23%</td><td>25%</td></tr> <tr><td>6</td><td>8%</td><td>-</td><td>-</td><td>-</td></tr> <tr><td>5</td><td>4%</td><td>16%</td><td>8%</td><td>12%</td></tr> <tr><td>1–4</td><td>20%</td><td>16%</td><td>31%</td><td>21%</td></tr> </tbody> </table> <p>The number of residents who answered this question was 19. Of the 19, six residents were not satisfied (33%) with the afterhours phone service.</p> | Score | Jun-19 | Sep-19 | Feb-20 | May-20 | 9–10 | 44% | 68% | 38% | 42% | 7–8 | 24% | - | 23% | 25% | 6 | 8% | - | - | - | 5 | 4% | 16% | 8% | 12% | 1–4 | 20% | 16% | 31% | 21% | | | | | | | | |
| Score | Jun-19 | Sep-19 | Feb-20 | May-20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9–10 | 44% | 68% | 38% | 42% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7–8 | 24% | - | 23% | 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 8% | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 4% | 16% | 8% | 12% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1–4 | 20% | 16% | 31% | 21% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Swimming Pools

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------|--|-----------------|-----------------|--------|--------|--------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|----|----|-----|-----|---|----|----|----|----|-----|----|----|----|----|---|---|
| Percentage of residents rating pools as “fairly satisfactory” or “very satisfactory” in the community survey | 80% | Achieved 87% (last year: 87%) For an explanation of the scores below, see page 85. <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-19</th> <th>Sep-19</th> <th>Feb-20</th> <th>May-20</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>36%</td> <td>39%</td> <td>29%</td> <td>31%</td> </tr> <tr> <td>7–8</td> <td>47%</td> <td>45%</td> <td>48%</td> <td>43%</td> </tr> <tr> <td>6</td> <td>4%</td> <td>4%</td> <td>11%</td> <td>13%</td> </tr> <tr> <td>5</td> <td>7%</td> <td>6%</td> <td>6%</td> <td>5%</td> </tr> <tr> <td>1–4</td> <td>6%</td> <td>6%</td> <td>6%</td> <td>8%</td> </tr> </tbody> </table> | Score | Jun-19 | Sep-19 | Feb-20 | May-20 | 9–10 | 36% | 39% | 29% | 31% | 7–8 | 47% | 45% | 48% | 43% | 6 | 4% | 4% | 11% | 13% | 5 | 7% | 6% | 6% | 5% | 1–4 | 6% | 6% | 6% | 8% | ✓ | ✓ |
| Score | Jun-19 | Sep-19 | Feb-20 | May-20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9–10 | 36% | 39% | 29% | 31% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7–8 | 47% | 45% | 48% | 43% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 4% | 4% | 11% | 13% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 7% | 6% | 6% | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1–4 | 6% | 6% | 6% | 8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Results are the same as last year. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The number of weeks each year Wai Splash is open for public use | 50 weeks | Not achieved 44 weeks (last year: 51 weeks) This measure was not met due to the Covid-19 lockdown. | ✗ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The number of weeks each year outdoor pools are open for public use | > 10 weeks | Achieved 12 weeks (last year: 8 weeks) Eketāhuna opened 21 December 2019 and closed 15 March 2020 (12 weeks). Pahiatua opened 15 December 2019 and closed 15 March 2020 (13 weeks). Woodville opened on 14 December 2019 and closed 8 March 2020 (12 weeks). | ✓ | ✗ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pools meet the ‘PoolSafe’ safety standards | 100% | Achieved 100% 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. | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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

| | 2018/19 LTP Year 1 \$000s | 2018/19 Actual \$000s | 2019/20 LTP Year 2 \$000s | 2019/20 Plan \$000s | 2019/20 Actual \$000s |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|-----------------------------|
| Sources of Operating Funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 401 | 389 | 420 | 403 | 391 |
| Targeted rates | 601 | 601 | 631 | 604 | 604 |
| Grants and subsidies for operating purposes | - | 115 | - | - | 181 |
| Fees and charges | 7 | 49 | 7 | 7 | 50 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 243 | 341 | 54 | 33 | 392 |
| Total Operating Funding | 1,252 | 1,496 | 1,112 | 1,047 | 1,619 |
| Applications of Operating Funding | | | | | |
| Payment to staff and suppliers | 747 | 1,459 | 677 | 756 | 1,805 |
| Finance costs | 10 | 3 | 26 | 8 | 9 |
| Internal charges and overheads applied | 291 | 342 | 306 | 312 | 349 |
| Other operating funding applications | - | - | - | - | - |
| Total Applications of Operating Funding | 1,048 | 1,804 | 1,009 | 1,076 | 2,163 |
| Surplus/(Deficit) of Operating Funding | 204 | (308) | 103 | (30) | (544) |
| Sources of Capital Funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 480 | 7 | 541 | 353 | 426 |
| Gross proceeds from sale of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total Sources of Capital Funding | 480 | 7 | 541 | 353 | 426 |
| Applications of Capital Funding | | | | | |
| Capital Expenditure: | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 483 | - | 568 | 357 | 417 |
| - to replace existing assets | 36 | 1 | - | - | - |
| Increase (decrease) in reserves | 165 | (301) | 75 | (34) | (535) |
| Increase (decrease) of investments | - | - | - | - | - |
| Total Applications of Capital Funding | 684 | (301) | 643 | 323 | (119) |
| Surplus/(Deficit) of Capital Funding | (204) | 308 | (103) | 30 | 544 |
| Funding Balance | - | - | - | - | - |

Payments to staff and suppliers are higher than budget due to the continued roadside tree removal project aimed at improving road safety.

What we achieved

Commercial Investments

Forestry overview

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 from this activity. Currently this shortfall is funded from the forestry reserve, however, Council was successful in securing \$500,000 in funding from the Provincial Growth Fund as one of its “shovel ready” projects submitted for the removal of trees along Route 52. Council will utilise this money in the 2020/21 financial year. As part of this new project, Council went through a procurement process to engage local contractors to carry out the works. Council was trying to ensure the broader outcomes of social procurement and redeployment of unemployed or otherwise displaced people was achieved. As at 30 June, we had contracted six local contractors who in total employed 34 staff. This exceeded our expectations and numbers agreed with Provincial Growth Fund for this project.

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

District Promotion and Development

The ability to implement projects from the Tararua District Economic Development Plan was significantly impacted

IN 2019/20 WE ACHIEVED...

\$665,000 of external funding received
2018/19: \$165,000

426ha of forestry blocks
2017/18: 370ha | 2018/19: 426ha
valued at **\$2.3 million**
2017/18: \$2.1m | 2018/19: \$3.6m

36

events involved
in or supported



by both the district water crisis and Covid-19. The primary impact was the need to divert staff resources from projects to the water and pandemic responses. We have reported under the five strategic themes developed in the Economic Development Plan.

These are:

- Tararua District identity
- District marketing
- Support and grow business
- Community sector growth
- Education and youth

We have also reported on key communications and community engagement highlights for the year.

Tararua District identity

District branding and signage

A new district brand was developed and adopted by Council during the year, after consultation with our iwi partners. The *Land of Ranges* brand was given a soft launch with billboards on Saddle Road and Pahiatua Track replaced.

New signage was proposed for the entry points to the district on SH2 at Norsewood and Eketāhuna, however, the need to divert staff resources has meant a delay to the next financial year. This district branding will then extend to town signage as well.

The *Land of Ranges* branding has been, and will continue to be, incorporated into other marketing material.

Pahiatua town centre upgrade

The team continued strong involvement in the Pahiatua town centre upgrade project throughout the year. In addition to ensuring the local economy would benefit from the project wherever possible, the team oversaw project communications.

Communications to keep the business community and wider public informed of project progress included regular Bush Telegraph articles, signage, email newsletters, and project meetings open to the public. The team were also heavily involved in the formal community consultation for the project.

Small town upgrades

The small town upgrades were due to commence this year, beginning in Norsewood. This project stalled during the year as resources were diverted to the water crisis and pandemic.

30th anniversary

In November 2019, shortly after the local elections, the team organised a series of events to celebrate the 30th anniversary of the formation of the Tararua District. Seven “high tea” events were held, with a commemorative cake cut at each celebration.

The 30th anniversary celebrations were a fantastic opportunity for new and returning councillors to engage with the communities that make up Tararua District. The celebrations were well received by the public, with feedback received being overwhelmingly positive.

Archives Central, the Manawatu-Whanganui LASS shared service facility that manages Council’s archives, produced several visual displays for the high teas. Included was a comprehensive timeline showing all preceding agencies through to the amalgamation in 1989.

District marketing

Tararua i-SITE Visitor Information Centre

i-SITE is New Zealand’s official visitor information network with over 80 centres nationwide. i-SITE New Zealand commenced a strategic review of the network during the year, which became delayed due to Covid-19. The outcome of the strategic review has not yet been received.

The Tararua i-SITE Visitor Information Centre, located in Woodville, was significantly impacted by Covid-19 and closed for the lockdown. With almost no international visitors in the country, the i-SITE is seeing lower numbers than usual, consisting of mainly domestic visitors.

Visitor and walk cycle guides

The Tararua District Visitor Guide continues to be distributed in record numbers. During the year, we also updated the front cover to incorporate the new *Land of Ranges* branding.

This year, we also launched a new ‘Must-do Walks and Rides’ guide for the district. A limited number of guides were printed as we anticipate hearing about old walk and cycle tracks that have either been omitted or require work to re-establish. This guide also incorporates the new *Land of Ranges* branding.

The Visitor Guide continues to be the primary discussion and distribution material 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 Tararua District map are included in each pack along with local information provided by some towns.

During the year, 437 welcome packs were distributed, a 38% increase on the previous year.

Events

Council continued to attend a number of events, both within the district and further afield, to promote Tararua District to prospective visitors. Some of the events we would normally attend were cancelled due to Covid-19.

Events attended during the year were:

COVI Motorhome Show

Attendance at this three-day show in Auckland supports our strategy to attract New Zealand Motor Caravan Association (NZMCA) members to visit Tararua District. The 2020 show was held just prior to Covid-19 and we incorporated the new *Land of Ranges* branding on the stand. The new branding received incredibly positive

feedback from the over 800 prospective visitors spoken to.

Hamilton Motorhome Show

Council attended the Hamilton Motorhome Show for the first time in 2020. We utilised the same marketing material and stand that we took to the COVI Show in Auckland. Once again, the stand attracted significant visitors and saw over 750 people take part in our survey. Interestingly, the geographic spread of visitors was quite different from the Auckland show, which demonstrated the value of attending both.

NZMCA Tararua District Golf Open

This inaugural event was held in February 2020 and attracted good numbers for its first year, particularly given it clashed with the Mission Concert in Hawke's Bay. Participants played Dannevirke and Pahiatua golf courses over two days. Meals were provided by each club and participants were able to stay on-site in the motorhomes. Feedback from participants was extremely positive with all indicating they would play again.

Woodville MotoX

Council switched race sponsorship in 2020 from the River Race to the junior racing events, co-sponsoring alongside Palmerston North Airport.

We also continued our strategic support of the event following the audit undertaken in the previous year. 2020 saw the Friday night registration transfer from the event site to Woodville Sports Stadium to encourage attendees to shop locally. Surveys suggest this was successful and will be continued.

A second initiative to encourage attendees to visit Tui Brewery on the Saturday night was not successful, with nobody using the free bus provided. Saturday night activities will be reviewed, and different opportunities trialled to support local businesses.

We continue to investigate growth opportunities with the event organisers, including televising the event, as we approach the 60th anniversary in 2021.

North Range Trio

Council continued its sponsorship of this event in 2019. 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.

The 2019 event also included a Sport Manawatu run event called the 'Mini Dinger' as a community participation walk/run event. A participation event is required as part of Council's sponsorship with Sport

Manawatu. Collaborating with the North Range Trio reduces costs for the participation event while also encouraging people to aspire to the longer events over time, as well as increasing overall event participation and supporter attendance.

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 Council's 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

The 2020 Sports Awards were postponed due to Covid-19.

Hilux Rural Games

Cancelled due to Covid-19.

Central Districts Field Days

Cancelled due to Covid-19.

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 (Dannevirke, Woodville and Pahiatua) of the 50 or so Motorhome Friendly Towns in New Zealand. This has been a key feature of Tararua District's popularity amongst this key visitor market.

Responsible Camping Fund

Council was successful in securing \$25,960 from Central Government's Responsible Camping Fund, during the year. This funding paid for mowing, rubbish collection, and toilet cleaning at seven reserves and domains across the district for the period between Labour Weekend 2019 and ANZAC weekend 2020.

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 guidance 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. Fifteen 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 nine 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 (RBP)

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 network provider for the Manawatū-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.

During Covid-19, NZTE increased funding to the RBP network, which provided more Business Growth Advisors and funding for capability vouchers.

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 Manawatū-Whanganui region.

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.

Provincial Growth Fund

Council continued to apply for funding from the Provincial Growth Fund during the year, as well as continuing the projects commenced with earlier funding received.

During the year, two projects were completed. These were:

Land use diversification

This project investigated the opportunities to grow and develop markets for four horticulture crops in Tararua District – feijoas, hazelnuts, cider apples, and berries. The findings of the research were due to be released in a workshop as part of the Manawatū AgriFood Week events. Unfortunately, the event was cancelled at the last minute due to Covid-19. The proposed workshop will be held at a later date.

Tourism and Trails Strategy

This project was completed during the year and resulted in the development of the Tararua District Visitor and Walk/Cycle Strategy and Action Plan.

The walk/cycle strategy highlighted opportunities for development, including the proposed Lindauer Walkway from Woodville to Ferry Reserve as a key first project given funding opportunities related to the building of the new Te Ahu a Turanga: Manawatū Tararua Highway. Council is working with a local community group in Woodville to further this project.

The Tararua District Visitor and Walk/Cycle Strategy and Action Plan is available on the Council website.

A number of new applications were submitted to the Provincial Growth Fund during the current year and approved. These were:

Economic Development Support

Council was successful in receiving a small amount of funding from PGF to employ a part time person to

support applications and projects related to the PGF. The funding ceased at 30 June 2020.

Labour market strategy

Council continued to be involved in both local and regional Skills and Talent Working Groups. In addition, the Economic Development Manager has been appointed to an Interim Regional Skills Leadership Group overseen by the Ministry of Business, Innovation and Employment (MBIE).

During the year Council supported Tararua REAP to develop an application to the Te Ara Mahi Fund (funded by Provincial Growth Fund) for the employment of two Employment Liaison roles to help connect those looking for work to employers. The application was approved towards the end of the financial year and advertising for roles undertaken.

Digital Hub

Council was approved funding to establish one of five digital hubs nationally, in Woodville. The Digital Hub will provide small-medium enterprises and rural businesses access to good digital connectivity and technology. It will also provide tertiary students a study space connected to good technology and a co-working space for business owners and employees.

The Digital Hub is being built in the i-SITE space in Woodville and is due to open early in the new financial year. Provincial Growth Fund funding will support the Digital Hub for five years and includes provision to employ a management role.

Right Tree Right Place

With forestry a key topic for Tararua District at present, Council was delighted to be approved funding from Te Uru Rakau (PGF funded) to undertake a Right Tree Right Place study. This study will initially investigate ten different tree species that might be suitable for planting in Tararua District. Five of the ten will then be selected for in-depth studies. The funding also includes the opportunity to engage with our iwi partners to investigate trees of cultural significance as part of the study.

Covid-19 support

The Economic Development team were heavily involved in the response to Covid-19. The team collated and disseminated information to businesses and the community around entitlements available and how to apply for them.

The team also spearheaded a telephone survey of businesses across the district on behalf of Council, CEDA, Ministry of Social Development and the local Chambers of Commerce. The survey provided insights into what would be necessary during the recovery phase of the pandemic.

As part of the Covid-19 response, Council developed the #LoveLocalTararua marketing campaign. The campaign was designed to encourage residents to support local businesses wherever possible. Promotion included district-wide signage, website and social media promotion and regular feature articles in the Bush Telegraph newspaper. The campaign has been a success, with other businesses and organisations adopting the branding for marketing initiatives. Council intends developing a strategy for the continued use of the Love Local brand beyond Covid-19.

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, 22 community organisations were provided event marketing support.

Community foundation

Council continued to engage with the Trustees of the newly established Te Awa Community Foundation to establish whether Tararua District should join them or establish independently.

Following the signing of a Memorandum of Understanding with the Te Awa Community Foundation, Council provided a small amount of funding and staff resource to further develop the foundation's policies and marketing material.

The Te Awa Community Foundation trustees have made progress in engaging with other districts in the region, during the year, to gain agreement to represent the Horizons region. With agreement looking positive, we anticipate Tararua District joining Te Awa early in the new financial year.

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 continue around expanding YES into Tararua schools.

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 several public consultations, notifications, and promotions in Tararua District during the year. These included:

- Local Government New Zealand (LGNZ) national campaign: Vote 2019
- New Zealand Shake Out 2019 national earthquake drill
- Emergency Mobile Alert (National Campaign)
- Hydrant Flushing Programme
- Addition of a projects section on Council's website to house information about major projects and activities
- Project communications for Pongaroa water treatment plant
- Project communications for Pahiatua town centre upgrade (ongoing)
- Project communications for Pahiatua water treatment plant (ongoing)
- Tararua water restrictions, including water conservation messaging
- Emergency Management – medium-scale drought and Covid-19
- #LoveLocalTararua campaign

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 2018/19, and Summary of the Annual Report – adopted on 31 October 2019.
- Annual Plan 2020/21 – adopted on 22 June 2020.
- Fees and Charges 2019/20 – adopted on 24 June 2020.

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

Council's website, www.tararua.govt.nz, is managed by the Communications team. 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 | 2019/20 results | 2018/19 results |
|---------------------------------|--------|---|---|---|
| Net operating surplus each year | > 5% | <p>Not achieved -125% (last year: -87%)</p> <p>Our commercial forests have recently been harvested with no planned harvesting occurring this year. The current focus is on removing roadside trees for the purpose of improving road safety as opposed to a commercial return. Due to the costs associated with harvesting these small roadside lots, and requirement for traffic management, roadside trees cost more to harvest than the returns they provide.</p> |  |  |

District Promotion and Development

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results |
|--|----------------------|--|---|---|
| Number of workshops and/or seminars delivered | Minimum 10 per annum | Not achieved 9 (last year: 11) This measure has been directly impacted due to the Covid-19 lockdown. Only nine workshops were completed. However, we promoted webinars delivered from different agencies as part of resources made available on Council's website and Facebook page, and continue to link businesses with the Central Economic Development Agency (CEDA). |  |  |
| Number of research reports and/or feasibility studies delivered | Minimum 2 per annum | Achieved 2 (last year: 2) The Tourism and Trails Strategies were completed in September. An alternative land use report was completed in February. |  |  |
| Number of major events that Tararua is directly involved in | Minimum 5 events | Achieved 5 events attended (last year: 7) Tararua was involved in five major events. These were the Hamilton Motorhome Show, North Range Trio, Woodville MotoX, Dannevirke A & P Show, and COVI Motorhome Show. |  |  |
| Number of community events that are actively supported by Council | Minimum 10 per annum | Achieved 22 (last year: 31) Community events receive a variety of support, including design assistance and merchandise for prizes. |  |  |
| Percentage of i-SITE customers surveyed are satisfied with the services received | 85% | Achieved 100% (last year: 100%) Twelve surveys were completed with 100% satisfaction. |  |  |

Performance measure

Percentage of survey respondents that consider the Bush Telegraph Council page and website content useful or very useful

Target

65%

Achievement

Achieved 87% (last year: 85%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 30% | 25% | 27% | 29% |
| 7-8 | 47% | 54% | 48% | 48% |
| 6 | 8% | 8% | 10% | 10% |
| 5 | 8% | 8% | 10% | 8% |
| 1-4 | 7% | 6% | 5% | 5% |

Four hundred and nineteen survey respondents relied on the following sources for Council information:

| Source | 2019 | 2020 |
|----------------------|------|------|
| Bush Telegraph | 50% | 60% |
| Other newspapers | - | 1% |
| Council's website | 18% | 12% |
| Others | 14% | 6% |
| Facebook | 9% | 16% |
| Council publications | 3% | 2% |
| Radio | 2% | 1% |
| Don't know | 4% | 2% |
| 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 Facebook are increasingly being relied upon.

2019/20 results



2018/19 results



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

| | 2018/19 LTP Year 1 \$000s | 2018/19 Actual \$000s | 2019/20 LTP Year 2 \$000s | 2019/20 Plan \$000s | 2019/20 Actual \$000s |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|-----------------------------|
| Sources of Operating Funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 1,341 | 1,341 | 1,415 | 1,410 | 1,410 |
| Targeted rates | - | - | - | - | - |
| Grants and subsidies for operating purposes | - | - | - | - | - |
| Fees and charges | 882 | 833 | 899 | 945 | 1,061 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 15 | 59 | 15 | 22 | 28 |
| Total Operating Funding | 2,238 | 2,234 | 2,329 | 2,377 | 2,499 |
| Applications of Operating Funding | | | | | |
| Payment to staff and suppliers | 1,732 | 1,667 | 1,787 | 1,834 | 1,978 |
| Finance costs | 18 | 18 | 22 | 17 | 15 |
| Internal charges and overheads applied | 456 | 526 | 479 | 491 | 536 |
| Other operating funding applications | - | - | - | - | - |
| Total Applications of Operating Funding | 2,206 | 2,211 | 2,288 | 2,343 | 2,529 |
| Surplus/(Deficit) of Operating Funding | 32 | 24 | 41 | 34 | (31) |
| Sources of Capital Funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 126 | 43 | 122 | 74 | (19) |
| Gross proceeds from sale of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total Sources of Capital Funding | 126 | 43 | 122 | 74 | (19) |
| Applications of Capital Funding | | | | | |
| Capital Expenditure: | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 150 | 7 | 153 | 100 | 7 |
| - to replace existing assets | 5 | 11 | 3 | 43 | 10 |
| Increase (decrease) in reserves | 4 | 49 | 7 | (35) | (67) |
| Increase (decrease) of investments | - | - | - | - | - |
| Total Applications of Capital Funding | 159 | 67 | 163 | 108 | (50) |
| Surplus/(Deficit) of Capital Funding | (32) | (24) | (41) | (34) | 31 |
| Funding Balance | - | - | - | - | - |

What we achieved

Animal Control

Afterhours service contract

During the year, Council decided to publicly advertise for suppliers to deliver afterhours animal and noise control services. This involved reviewing the scope of services, priorities, and performance expectations. It also involved reviewing procedures and processes. Allied Security starts as the new service provider on 1 July 2020.

Dog education

Fifteen articles were published to provide dog education. Articles covered dog registration, dog safety, nuisance barking, microchips and preferred ownership.

Dog registration

3,209 people (previously registered) were known to own dogs in the district. The number of owners has increased by 0.5% compared to the previous year (3,194).

6,873 dogs (previously registered) were known to be in the district. The number of dogs has decreased by 0.7% compared to the previous year (6,923).

79 dogs (previously registered) remained unregistered at the end of the year. The number of unregistered dogs has decreased by 40% compared to the previous year (133).

Classified dogs

Five hundred and twenty-seven dogs were classified as preferred owner. These dogs are considered a lower risk to public safety. The number of these dogs has increased by 6% compared to the previous year (497).

One hundred and eighteen dogs were classified as dangerous or menacing. These dogs are considered a higher risk to public safety. The number of these dogs has decreased by 5% compared to the previous year (124 dogs).

Dog complaints

Complaints received about dogs totalled 874. The majority of complaints were in relation to barking and roaming. Complaints have decreased by 14% compared to the previous year (1,013).

Eighty-six of the complaints were received about dogs attacking or rushing people or other animals. These

IN 2019/20 WE ACHIEVED...

79% resident satisfaction with animal control 

2017/18: 78%

2018/19: 64%

 **3,209** known dog owners

2017/18: 3,148

2018/19: 3,194

with **6,873** registered dogs 

2017/18: 6,838

2018/19: 6,923

Staff trained in Civil

Defence:
SPECIALISED: **2**

INTERMEDIATE: **24**

BASIC FOUNDATION: **10**



1 staff deployed in the Southland flood emergency

47 staff in Council's EOC during the Covid-19 pandemic

383



building consents processed

2017/18: 354

2018/19: 353

over an average of **15 days**

2017/18: 14 days

2018/19: 14 days

complaints have increased by 28% compared to the previous year (67).

On these occasions, owners are either given a warning letter, infringement notice, or prosecution. Dogs are either surrendered, classified as menacing or dangerous, or euthanised by court order.

5 owners were prosecuted for offences. Prosecutions have increased compared to the previous year (2).

Impounded dogs

Dogs seized and impounded for offences totalled 213. Impounded dogs receive food, water, exercise, and veterinary treatment (if required). The number of impounded dogs has decreased by 18% compared to the previous year (260).

One hundred and fifty-four dogs were claimed and returned to owners, and 32 dogs were rehomed. Dogs are rehomed in partnership with organisations such as the SPCA.

Thirty-three dogs were euthanised. The number of dogs euthanised has decreased by 27% compared to the previous year (45).

Stock complaints

Two hundred and fifteen complaints were received about roaming stock. These complaints have decreased by 7% compared to the previous year (231).

Covid-19 impacts

During Alert Level 4, the animal control team attended complaints about dog attacks only (an essential service). All other complaints were responded to by telephone. Services resumed as normal from Alert Level 3.

District Planning

Turitea wind farm

In October 2019, Mercury Energy commenced 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 District 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. In November 2019, Mercury Energy announced its intentions to construct the remaining 27 consented turbines in the southern area of the wind farm site.

Te Ahu a Turanga: Manawatū Tararua Highway

In November 2018, the New Zealand Transport Agency (NZTA) notified the Palmerston North City Council, Manawatū 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 Manawatū Gorge. Hearings were held in March and April 2020 by a panel of independent commissioners, to hear submissions and report and make recommendations on the requirement. In June 2020, the NZ Transport Agency decided to confirm the requirement subject to conditions. Appeals against the decision have been received from three parties.

Resource consents

101 applications were made for resource consent. The number of applications has increased by 42% compared to the previous year (72).

Eighty-five of the applications made were for subdivision consent. The number of subdivision applications has increased by 73% compared to the previous year (49).

Sixteen of the applications made were for land use consent. The number of land use applications decreased by 30% compared to the previous year (23).

Applications continue to increase in complexity and there are increasing enquiries in relation to subdivisions and land use development. This is putting additional pressure on resourcing and the ability to meet the statutory timeframes.

Eighty-three applications were processed to a decision (grant or refuse). The number of applications processed to a decision has increased by 19% compared to the previous year (70).

It took on average 18.3 working days for most (non-notified) applications to be processed. The average number of working days to receive a decision has increased by 6% compared to the previous year (17.2 days).

To manage the increase in demand, planning consultants were used where possible. Council also recruited a third planner in June.

Seven applications exceeded statutory timeframes. The number of applications exceeding timeframes has increased compared to the previous year (two).

Six of those applications were processed within an additional five working days.

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

| | 2018/19 | 2019/20 |
|---|------------------|------------------|
| Applications received | 72 | 101 |
| Subdivision applications | 49 | 85 |
| Land use applications | 23 | 16 |
| Applications processed | 70 | 83 |
| Processed on time | 68 | 76 |
| Percentage processed on time | 97% | 91% |
| Processed exceeding time | 2 | 7 |
| Average processing days (non-notified) | 17.2 days | 18.3 days |
| Non-notified | 70 | 83 |
| Limited-notified | - | - |
| Publicly notified | - | - |
| Resource consent decisions | | |
| Refused consent | - | - |
| Granted consent | 70 | 83 |
| Percentage granted | 100% | 100% |

Covid-19 impacts

During Alert Level 4, applications for resource consent continued to be processed remotely. However, some site inspections were not able to be performed unless the application was for an essential service. Low risk applications were processed to a decision without a site inspection.

Applications considered high risk were processed as much as possible, with site inspections resuming at Alert Level 3.

Emergency Management

Emergency management/district resilience

Emergency management's work in reduction and readiness was put on hold for part of the year as Council responded to the drought, the resulting critical water shortages, and Covid-19 pandemic. Emergency management's focus has moved to supporting recovery and this work will continue for some time alongside reduction and readiness activities.

During the year our emergency management capacity and capability has continued to grow. Engagement with partner agencies and community groups continued. We remain well placed to respond to future events.

Emergency response to Covid-19, drought, and critical water shortages

Emergency management led or supported responses to critical water shortages in Woodville and Dannevirke, the drought, and Covid-19 from December through to June (7 months). These events have been the most significant test of Council emergency management operations since the 2004 floods. Debriefing of the response within Council, with the community, and partner agencies has been positive, and no critical failures in the response were identified. Plans are in place to take advantage of learnings.

Approximately fifty staff were directly involved in the emergency responses, and Council coordinated with a number of volunteers and partner organisations. The value in training and development undertaken by staff outside their normal role has been evident and the experience gained will be invaluable in future events.

The responses showed the value in local, regional, and community emergency management relationships established and has identified new opportunities to work more closely in future.

Recently upgraded technology for the emergency operations centre provided the platform to successfully operate a partly 'virtual' centre during the Covid-19 response.

Community resilience

Norsewood, Woodville, Makuri, Akitio, Pongaroa, Totara College and Dannevirke South School, along with our rural schools remain involved in civil defence and community resilience. Council continues to provide a district wide community civil defence centre radio network and maintain community civil defence centre kits in each town.

Emergency management community highlights for this year include a "neighbours" community resilience event at Pukaha National Wildlife Centre, our civil defence school radio programme and promotion of Shakeout 2019, as well as many other opportunities to promote disaster resilience. Again, we coordinated the "safety precinct" area at the Dannevirke A & P Show featuring displays by Tararua Alliance, East Coast LAB, Fire and Emergency New Zealand, Police, Road Safe Central, and New Zealand Defence Force.

Sector engagement

Council continues to facilitate the Tararua Emergency Management Committee and Tararua Local Civil Defence Welfare Committee. The committees provide a valuable platform to share information and develop relationships. This year's goals to establish a local lifeline utilities committee and deliver a multi-agency exercise will be deferred until 2020/21.

Council continues to represent Tararua on regional civil defence emergency management forums at all levels and

sectors including mayoral, chief executive, emergency manager, rural, and as a lifeline utility. A focus this year has been on national emergency management reforms, development of a regional critical generator plan, planning for disaster recovery, and developing a planning framework for a large Hikurangi Subduction Zone earthquake and tsunami.

Training and development

Delivery of community training was affected by the temporary withdrawal of central government funding in 2018/19, and then by the emergency responses.

This year we continued to maintain foundation level civil defence training well above the eighty percent benchmark. We had ten staff attend the basic foundation level training, twenty four staff attend intermediate level training courses and two staff attend specialist emergency operations centre training. One staff member was seconded to assist with the Southland flood emergency and we had about 50 Council staff participate in the pandemic and water crisis Emergency Operations Centre.

Digital radio network

The development of a civil defence digital radio network to replace or compliment the existing analogue network was not completed. Changes in technology, national emergency management reforms, and the goals of producing a system that will support multiple agencies and provide close to 100% district-wide coverage, have delayed development of an acceptable solution.

Health and Safety

Building

Accreditation (building consent authority)

An International Accreditation New Zealand (IANZ) audit carried out in November found no serious non-compliances and identified 13 general non-compliances that were addressed. Tararua District Council's accreditation to consent and inspect building work and issue code compliance certificates was approved in May 2020.

Building information

Requests made for building information files totalled 148. This included applications, plans, specifications, and certificates. The number of requests has increased by 30% compared to the previous year (114).

Building consents

400 applications were made for building consent. The number of building applications has increased by 1.7% compared to the previous year (393).

Forty-one of the applications were for new houses. The number of applications has increased by 105% compared to the previous year (20).

Seven of the applications were for new commercial/industrial buildings. The number of these buildings has increased compared to the previous year (three).

Applications continue to increase in complexity and there are increasing enquiries in relation to building work. New houses and commercial/industrial buildings are time consuming to consent and inspect. This is putting additional pressure on resourcing and the ability to meet the statutory timeframes.

383 applications were processed to a decision (grant or refuse). The number of applications processed to a decision has increased by 8.5% compared to the previous year (353).

It took on average 15 working days for most applications to be processed. The average number of working days to receive a decision has increased by 10% compared to the previous year (13.6 days).

To manage the increase in demand, council advertised twice for an experienced and qualified building officer but was unsuccessful. Council recruited two new building officer cadets in January.

Thirty applications exceeded statutory timeframes. The number of applications exceeding timeframes has decreased by 45% compared to the previous year (54).

Of those applications, 86% were processed within an additional five working days.

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

| | 2018/19 | 2019/20 |
|--|--------------|--------------|
| Applications received | 393 | 400 |
| New residential buildings | 20 | 41 |
| New commercial/industrial buildings | 3 | 7 |
| Applications processed | 70 | 83 |
| Processed on time | 299 | 353 |
| Percentage processed on time | 84.7% | 92.2% |
| Processed exceeding time | 54 | 30 |
| Average processing days (non-notified) | 13.6 days | 15.0 days |
| Building work values | | |
| Total value | \$15,160,392 | \$28,249,788 |
| Average value | \$42,947 | \$73,759 |

Covid-19 impacts

During Alert Level 4, applications for building consent continued to be processed remotely. However, some building inspections were not able to be performed unless the consent was for an essential service. Building inspections resumed at Alert Level 3.

Environmental health

Environmental health services contract

Following a resignation, Council contracted Palmerston North City Council to provide environmental health services. This included verifying food businesses, inspecting regulated premises (hairdressers, funeral homes, camping grounds, and offensive trades), and responding to health complaints. The contract started on 1 August 2019.

Food safety plans

One hundred and nine food safety plans (Template Food Control Plans and National Programmes) were registered with the Council. The number of registrations has increased by 1% compared to the previous year (108).

Forty-five food safety plans were verified by the Council. The number of verifications has decreased by 58% compared to the previous year (108).

Regulated premises

Twenty-six premises (Hairdressers, Funeral Homes, Camping Grounds, and Offensive Trades) were registered with the Council.

Thirteen premises were inspected by the Council.

Covid-19 impacts

During Alert Level 4, verifications of food businesses were not able to be performed because these were not considered essential services. During Alert Level 3 and 2, verifications had to be performed remotely because social distancing requirements could not be met if performed in person. Services resumed as normal from Alert Level 1.

Twenty-eight food business and regulated premises were refunded three months of registration fees to help support their recovery. Feedback received from the businesses was overwhelmingly positive.

Alcohol licensing

Licences

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 chairperson and members convene meetings,

as required, to decide on contested applications and applications that require hearings.

One hundred and sixty-four applications were made for alcohol licences. The number of applications has increased by 11% compared to the previous year (148).

Thirty-six of the applications were for premises licences (new and renewal), 54 were for special licences, 69 were for manager certificates (new and renewal), and five were for temporary authorities.

One hundred and six applications were determined during the year. All applications were granted. None were refused. No hearings were held, as no applications were opposed or received objections.

None of the applications determined by the District Licensing Committee were appealed to the Alcohol Regulatory and Licensing Authority (ARLA).

Covid-19 impacts

During Alert Level 4, inspections of licenced premises were not able to be performed because these were not considered essential services. However, no new applications were received (that would require an inspection) and renewal applications continued to be processed remotely. Services resumed as normal from Alert Level 3.

General compliance

Illicit dumping complaints

One hundred and fifty-one complaints were received about illicit dumping. The number of complaints has increased by 14% compared to the previous year (132).

Ninety-eight percent of illicit dumping complaints were responded to within 48 hours. Council's response time has decreased compared to the previous year (98.5%).

Abandoned vehicle complaints

Fifty-seven complaints were received about abandoned vehicles. These complaints have decreased by 31% compared to the previous year (83).

89.5% of abandoned vehicle complaints were responded to within 48 hours. Council's response time has decreased compared to the previous year (98.8%).

Overhanging vegetation complaints

Twenty-four complaints were received about vegetation blocking footpaths. These complaints have decreased by 25% compared to the previous year (32).

One hundred percent of overhanging vegetation complaints were responded to within 48 hours. Council's response time is the same compared to the previous year (100%).

Covid-19 impacts

During Alert Level 4, noise control could not attend complaints about excessive noise in person as these were not an essential service. Complaints were responded to by telephone. Services resumed as normal from Alert Level 3.

Also, during Alert Level 4 the general inspector could not inspect pool barriers for safety as these were not an essential service. Services resumed as normal from Alert Level 3.

Performance against objectives

Animal Control

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------------------------|--|-----------------|-----------------|--------|--------|--------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|----|----|----|----|---|----|----|----|----|-----|-----|----|----|-----|--|--|
| Percentage of residents rate dog control as “fairly satisfactory” or “very satisfactory” in community survey | 80% | Not achieved 79% (last year: 64%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| For an explanation of the scores below, see page 85. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-19</th> <th>Sep-19</th> <th>Feb-20</th> <th>May-20</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>30%</td> <td>56%</td> <td>39%</td> <td>35%</td> </tr> <tr> <td>7–8</td> <td>30%</td> <td>31%</td> <td>41%</td> <td>36%</td> </tr> <tr> <td>6</td> <td>4%</td> <td>4%</td> <td>8%</td> <td>8%</td> </tr> <tr> <td>5</td> <td>7%</td> <td>4%</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>1–4</td> <td>29%</td> <td>4%</td> <td>6%</td> <td>15%</td> </tr> </tbody> </table> | Score | Jun-19 | Sep-19 | Feb-20 | May-20 | 9–10 | 30% | 56% | 39% | 35% | 7–8 | 30% | 31% | 41% | 36% | 6 | 4% | 4% | 8% | 8% | 5 | 7% | 4% | 6% | 6% | 1–4 | 29% | 4% | 6% | 15% | | |
| Score | Jun-19 | Sep-19 | Feb-20 | May-20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9–10 | 30% | 56% | 39% | 35% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7–8 | 30% | 31% | 41% | 36% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 4% | 4% | 8% | 8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 7% | 4% | 6% | 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1–4 | 29% | 4% | 6% | 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Satisfaction with animal control has significantly increased from 2018/19 (64%) to 79% in 2019/20. The target increased from 75% to 80% this year. The number of dissatisfied people increased from 6 to 13 in the May survey. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of calls that involve dog attacks responded to during working hours to within 2 hours | 100% | Achieved 100% (last year: 100%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Thirty-eight attacks were reported during working hours. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Educational publications are available to the community | Minimum of 6 articles per year | Achieved 15 (last year: 12) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fifteen articles have been published this year. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

District Planning

Performance measure

Percentage of applicants satisfied with the service, based on the customer satisfaction survey

Target

85%

Achievement

Not achieved 60% (last year: 69%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 22% | 27% | 37% | 33% |
| 7-8 | 42% | - | 16% | 17% |
| 6 | 6% | 18% | 16% | 11% |
| 5 | 11% | 18% | 11% | 24% |
| 1-4 | 19% | 37% | 21% | 16% |

The number of residents who responded to this question was 30. Of the 30, 11 were not satisfied with the service received from Council in regards to managing and issuing resource consents.

2019/20 results



2018/19 results



Percentage of customers that receive a decision on their application within the statutory timeframe

100%

Not achieved 91% (last year: 96%)

One hundred and one resource consent applications were received (last year: 49). This was a 106% increase in applications. Seven exceeded the statutory timeframes (three last year)



Non-compliances are resolved within three months of customer complaint

95%

Not achieved 33% (last year: 43%)

Fifteen complaints have been received this year. Five were resolved inside the timeframe. The significant demand from public enquiries have increased 50% this year, resulting in delays meeting timeframes. Contracting is being used to improve capacity, however, there is limited extra capacity available from the consultants also.

Additional resources are planned for 2020/21 to improve this issue.



Emergency Management

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results |
|---|----------------------|---|-----------------|-----------------|
| The number of local training exercises performed annually to ensure community civil defence readiness | 1 or more | <p>Achieved 1 (last year: 2)</p> <p>One training exercise was undertaken in July 2019.</p> <p>An Emergency Operations Centre or Incident Management Team has been activated for most of the last five months to manage the drought, water crisis, and Covid-19 events. Forty-seven staff have been directly involved in the Emergency Operations Centre or Incident Management Team and many more staff have had exposure to civil defence emergency management through their interactions with the Emergency Operations Centre. All three of our local controllers have been involved in leading responses and we have a recovery manager leading initial recovery actions.</p> | ✓ | ✓ |
| Percentage of Council staff who have completed the Civil Defence and Emergency Management Foundation Course | 80% | <p>Achieved 87% (last year: 93%)</p> <p>87% of staff have a minimum training of the Emergency Management Foundations Course.</p> <p>This is a reduction from 95% in the first quarter because of the number of new staff arriving.</p> <p>An Emergency Operations Centre or Incident Management Team has been activated for most of the last five months to manage the drought, water crisis, and covid-19 events. Forty-seven staff have been directly involved in the Emergency Operations Centre or Incident Management Team and many more staff have had exposure to civil defence emergency management through their interactions with the Emergency Operations Centre.</p> | ✓ | ✓ |
| Conduct a full civil defence Emergency Operations Centre exercise and participate in Group and National exercises | 2 exercises per year | <p>Achieved 3 (last year: 3)</p> <p>One practice exercise has been completed this year. Two further events – the water shortage crisis and Covid-19 – were real events that resulted in the full operation of the Emergency Operations Centre, and co-ordination both regionally and nationally.</p> | ✓ | ✓ |

Health and Safety

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results |
|--|--------|---|-----------------|-----------------|
| All swimming pool and/or spa fencing inspected once every three years | 100% | Not achieved 63% (last year: 100%) The amendments to the Building Act meant all pools were due for inspection in the 2019/20 year. There are 225 active pools – 143 have been inspected since 1 January 2017, when legislation commenced. Covid-19 impacted on the time available to complete inspections, resulting in less pools being inspected in 2019/20. | ✘ | ✔ |
| Percentage of registered premises inspected for compliance within statutory timeframes | 95% | Not achieved 46% (last year: 45%) There are 124 registered premises in the district comprising 24 premises under the Health Act, and 100 food businesses under the Food Act. Thirteen out of 24 registered premises were inspected (nine hairdressers, and four camping grounds), and 45 out of 100 food control plans were audited. Covid-19 impacted on the time available to complete inspections and audit food safety plans. | ✘ | ✘ |
| Consents issued within statutory timeframes | 100% | Not achieved 92% (last year: 85%) Thirty out of 383 consents processed exceeded timeframes, compared to 55 out of 353 exceeding timeframes last year. Demand has increased, especially for new builds, which are more complex to process. | ✘ | ✘ |
| Percentage of licensed premises inspected annually for compliance | 95% | Not achieved 94% (last year: 98%) Sixty-four out of 68 businesses were inspected for compliance. Covid-19 impacted the ability to conduct inspections during April and May. | ✔ | ✔ |
| Percentage of noise complaints responded to within two hours of a complaint | 90% | Not achieved 73% (last year: 90%) A total of 406 complaints were received (273 last year) and 109 fell outside the target response time. These relate to the performance of the afterhours contractor, particularly sending correct time information. Council has contracted a new service provider for 2020/21. | ✘ | ✔ |
| Percentage of complaints responded to within 48 hours | 95% | Achieved 97% (last year: 98%) A total of 233 customer requests were received. Seven fell outside the target response time. | ✔ | ✔ |

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

| | 2018/19 LTP Year 1 \$000s | 2018/19 Actual \$000s | 2019/20 LTP Year 2 \$000s | 2019/20 Plan \$000s | 2019/20 Actual \$000s |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|-----------------------------|
| Sources of Operating Funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 35 | 35 | 32 | 27 | 27 |
| Targeted rates | 6,155 | 6,130 | 6,394 | 6,328 | 6,338 |
| Grants and subsidies for operating purposes | 4,126 | 6,473 | 4,182 | 4,369 | 5,061 |
| Fees and charges | 165 | 174 | 169 | 165 | 164 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 419 | 312 | 414 | 265 | 312 |
| Total Operating Funding | 10,900 | 13,125 | 11,191 | 11,154 | 11,901 |
| Applications of Operating Funding | | | | | |
| Payment to staff and suppliers | 6,564 | 7,187 | 6,655 | 6,910 | 7,842 |
| Finance costs | 129 | 146 | 184 | 125 | 155 |
| Internal charges and overheads applied | 1,440 | 2,091 | 1,482 | 1,629 | 1,983 |
| Other operating funding applications | - | - | - | - | - |
| Total Applications of Operating Funding | 8,133 | 9,424 | 8,322 | 8,664 | 9,980 |
| Surplus/(Deficit) of Operating Funding | 2,767 | 3,701 | 2,869 | 2,490 | 1,922 |
| Sources of Capital Funding | | | | | |
| Subsidies and grants for capital expenditure | 5,267 | 9,174 | 6,452 | 6,461 | 8,223 |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 1,240 | 569 | 1,440 | 283 | 1,703 |
| Gross proceeds from sale of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total Sources of Capital Funding | 6,507 | 9,743 | 7,892 | 6,744 | 9,927 |
| Applications of Capital Funding | | | | | |
| Capital Expenditure: | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 2,505 | 3,780 | 3,429 | 2,605 | 2,502 |
| - to replace existing assets | 6,932 | 11,375 | 7,912 | 7,342 | 10,837 |
| Increase (decrease) in reserves | (162) | (1,711) | (581) | (713) | (1,491) |
| Increase (decrease) of investments | - | - | - | - | - |
| Total Applications of Capital Funding | 9,275 | 13,444 | 10,760 | 9,234 | 11,849 |
| Surplus/(Deficit) of Capital Funding | (2,767) | (3,701) | (2,869) | (2,490) | (1,922) |
| Funding Balance | - | - | - | - | - |

Emergency works reinstatements resulted in higher payments to staff and suppliers, asset replacements, and operating subsidies from NZ Transport Agency than budgeted.

What we achieved

Roading

Emergency works

A component of emergency works repairs each year is starting to become part of business as usual. At the end of our fifth full financial year of the Alliance we are conscious that emergency works has increased each year over that time to the point where it is a significant part of our operational business. During the year, we did work on 215 sites to the value of just over \$6 million, 18 of which were major repairs with a cost of over \$100,000. Due to the unpredictability of this work, it is difficult to commit full time resource to it, however, we have worked closely with local subcontractors within Tararua to help complete the repairs once the designs are confirmed in-house and that seems to be working well.

Wherever possible we have been using the repair as an opportunity to improve the resilience and user experience as well. The example below of the Mangahei Road retreat repair has made great improvement to the road alignment as well as fixed the underlying issue caused by the weather event.

We have also been trying to utilise alternate repair methodologies where a benefit to doing so is apparent. An example of this is where a culvert on Norsewood-Ormondville Road was damaged during an event. Instead of digging up the road to get to the pipe (which in this case would have meant a very deep cut), pipe jacking technology was used to push a new pipe through instead, keeping the road intact and saving massive disruptions to the local residents and road users.

Programme overview

Sealed road maintenance

This year an additional funding injection into this activity has enabled us to get close to a full year ahead with our pre-reseal pavement repairs. The benefit in doing this is that normally our resurfacing activity has to wait for the pre-reseal repairs to be complete before performing their activity which leads in inefficiencies and duplication of movements around the network. This also gives the repairs an opportunity to bed in properly before the renewal treatment is completed.

Our inspectors routinely inspect our roads for Pavement faults and with the increased investment the overall number

IN 2019/20 WE ACHIEVED...

78% resident satisfaction
with footpaths 

2017/18: 68% **2018/19:** 78%

\$14.1 million 

total NZTA subsidies received

2017/18: \$13.1m **2018/19:** \$15.6m

 **\$13.3 million**

capital investment

2017/18: \$12.3m **2018/19:** \$15.2m

 **821**

customer service requests relating to roads

2017/18: 1,554 **2018/19:** 1,118

with an average response rate of **1.2 DAYS**

2017/18: 1.9 days **2018/19:** 1.6 days

and quantum of the pavement faults has decreased slightly over the last year. Due to Covid-19, we were unable to complete our road reseal programme. This impacted our road smoothness results, with road roughness being worse than targeted.

Pavement resurfacing and rehabilitation

The Covid-19 lockdown affected the resurfacing programme achievement for this season. The lockdown began in the height of this activity and, by the time the alert levels dropped far enough to restart again, the weather had changed. The sealing activity needs to be performed within a certain temperature range for it to be effective, hence it mostly occurring during the summer months, and so any winter sealing holds too much risk of failure. The achievement sits at 3.8% (target is 5%) of the sealed network resurfaced during the year. This means next year's programme will be larger as a result.

The pavement rehabilitation programme was completed fully with just under 2km of road rehabilitated.

Unsealed road maintenance and renewal

The maintenance and renewal of our unsealed network has continued as per usual, with only a short break for Level 4 of lockdown. Due to the nature of the work performed, our lone workers in their graders, aggregate spreader, and patrol trucks were able to continue this activity in Level 3 onwards, and so the network was in good shape for winter. During the year, the team graded over 2,000km of unsealed roads, and spread over 11,000 cubic metres of aggregate to ensure the roads stayed in good condition.

The team also spent time on five heavy metal overlays and three seal extension works to improve the overall quality of the unsealed network. These major treatments are targeted and more extensive renewal works designed to improve safety and provide resilience to areas of the network in distress.

Structures management

By actively maintaining our bridges we are able to achieve a slower than expected deterioration rate which bodes well for the future of this asset class. During the year we completed repairs and component replacements to extend the current life of the assets plus general cleaning and routine inspections.

Our emergency works repairs have also seen a number of structures put in place to remedy the damage caused by weather events. We have utilised different treatment types depending on the situation such as mechanically stabilising earth, rock walls and wooden pole retaining walls.

District road safety

Our crash statistics for the year show a low number of incidents for the roads maintained by Council. With the state highway through the Manawatū Gorge being closed, the bypass roads are being managed and maintained by NZ Transport Agency until the alternate state highway has been built. Saddle Road fits into the category and, due to the increased state highway traffic, it has unfortunately had fairly poor crash results. With this being a Tararua

District Council owned road the statistics count against our performance in this space.

Since the Gorge closure, we have left NZ Transport Agency to manage the bypass roads with little input. However, this will be changing during the 2020/21 year – if we are to be judged on the performance of those roads we should be more active in the management of them because, along with safety concerns, we have also noticed some condition issues.

We have also continued with our safety assessments of the road network, specifically around out-of-context curves with a focus on inconsistent journeys. This will become a dedicated and focused project as part of the next Roading Asset Management Plan.

Route 52

Route 52 remains a big issue within Tararua for the roading team. The section between the Central Hawke's Bay and Weber continues to be a high priority section with the continued logging occurring in the area. An increase in both storm frequency and severity has meant Council has faced increased costs in emergency works, which means diverting funding from other projects. A very high priority has been placed on keeping at least one lane open to ensure access in and out of our rural communities so the amount of time the road has been closed is not indicative of the amount of effort involved in keeping what ends up being a low level of service in place. The team within council and the Alliance continue to work on the strategy for this part of the network – applying for external funding and planning for contingencies if unsuccessful.

Footpaths

Pahiatua town centre upgrade

The construction of the Pahiatua town centre upgrade is well underway. The initial focus was the renewal of water and wastewater services – ensuring the upgrade was not disturbed by renewal work that should have been done prior. Now that the renewals are almost complete, the above groundwork has started and the team are making good progress. The project took a time hit due to the Covid-19 lockdown, but the programme is now almost recovered with work continuing through the winter. The management team for the project have also been very active in seeking funding for the shortfall expected for the above groundwork and have had a couple of submissions approved which has alleviated some of the pressure.

The project contains a number of innovations and interesting features. For example, the team have started on the large "bio-filter gardens". Not only will these gardens be a nice feature in the town centre but with very limited storm water capabilities through the town centre, these gardens act as a "holding tank" meaning that when there are surges

of rain, these holding tanks will significantly reduce the amount of surface flooding through the CBD.

Maintenance

As part of the Pahiatua town centre upgrade, the team are renewing the affected footpath. This has formed a large portion of the footpath spend for the year and will do for next year as well. This will ensure the whole town centre will not need to be touched for quite some time.

General renewals have still continued and our inspectors keep capturing faults so we can monitor the condition of the footpath network and make sure we will not have significant issues. In Dannevirke the ultra fast broadband rollout is being performed. This work disturbs the network in many places where it has to cross footpaths in particular and so renewal work will likely be minimal until that process is complete. We do not want to be renewing a section of footpath for ultra fast broadband to come through and dig it up not long after. We will however, still address any safety issues in the meantime.

Performance against objectives

Footpaths

Performance measure

Percentage of residents rate footpaths as “fairly satisfactory” or “very satisfactory” in the community survey

Target

75%

Achievement

Achieved 78% (last year: 78%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 20% | 16% | 22% | 17% |
| 7-8 | 48% | 57% | 48% | 51% |
| 6 | 10% | 6% | 11% | 11% |
| 5 | 12% | 9% | 12% | 12% |
| 1-4 | 10% | 11% | 8% | 10% |

Satisfaction in footpaths has increased slightly from 2018/19. 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%.

2019/20 results



2018/19 results



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 2020.

The values of this index will range from 2 to 5, similar to our fault severity/priority classification.

Condition survey rankings:

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 322,660m² of footpaths in the database for the district, none have a defect severity of 4 or higher.

Footpaths exclude vehicle crossings, which are the responsibility of the property owner.



| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results |
|--|--------|---|---|---|
| Complaints regarding footpaths are responded to within 3 working days* | 90% | Achieved 91% (last year: 98%) |  |  |
| | | Nine out of the 93 complaints were completed outside of the target timeframe (2 out of 100 in 2018/19). | | |
| | | One complaint was recategorised from Parks and Reserves. It was a lime pathway in Woodville that needed spraying. | | |

* 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.

Roading

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 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 per annual plan | Achieved -2 (last year: -1) There were eight serious injury accidents this year, compared to eight serious injury accidents and two fatalities in the 2018/19 year. In the prior year, this was reported based on the 2018 calendar year where the results were four serious injury accidents and two fatalities. | ✓ | ✓ |
| 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 -0.0904 (last year: 0) The level of risk per kilometre was 0.0036 in 2019/20, compared to 0.094 in 2018/19, resulting in a reduction of 0.0904. | ✓ | ✓ |
| 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 0.00000018 (last year: 0.8) | ✗ | ✗ |
| The number of unplanned road closures and the number of vehicles affected by closures annually | Reducing - less than 13 roads, 108 vehicles | Not achieved 13 roads, 800 vehicles (last year: 3 roads, 108 vehicles) Thirteen unplanned road closures occurred during the year. The number of vehicles affected is calculated from the Roading Efficiency Group data. | ✗ | — (baseline measure) |
| The number of instances where road access is lost | Reducing - nil | Achieved nil (last year: nil) | ✓ | — (baseline measure) |
| The 85th percentile roughness on sealed roads | 110 | Not achieved 124 (last year: 110) Covid-19 impacted on the delivery of the roading renewal programme. As a result, the quality of the ride on the sealed network measured by the road roughness survey conducted in July 2020 was below target. | ✗ | ✓ |
| The 95th percentile roughness on sealed roads | 130 | Not achieved 176 (last year: 139) Covid-19 impacted on the delivery of the roading renewal programme. As a result, the quality of the ride on the sealed network measured by the road roughness survey conducted in July 2020 was below target. | ✗ | ✗ |

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------------------|--|-----------------|------------------------|--------|--------|--------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|-----|-----|-----|-----|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|--|
| Proportion of network not available to Class 1 heavy vehicles | Reducing: less than 1% | Not achieved 1% (last year: 1%) Two out of 394 bridges in the district have weight restrictions posted, the same as 2018/19. Of these two, one is on Oxford Road. The other is at the end of Waihi Falls Road and will not meet NZ Transport Agency criteria for upgrade. | | (baseline measure) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Proportion of network not available to 50max vehicles | Reducing: less than 5% | Not achieved 5% (last year: 5%) Twenty-one out of 394 bridges have 50MAX restrictions, the same as 2018/19. The majority of these are on roads that will not be upgraded to 50max capabilities. | | (baseline measure) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Customer requests relating to roads are responded to within 3 working days.* † | 90% | Achieved 94% (last year: 91%) Out of 821 customer service requests received, 51 were responded to outside of the three-day timeframe. Performance has exceeded 2018/19. This is likely due to the hot dry summer and autumn resulting in less washouts and potholes. In most cases that failed to meet the time requirement, the issue was with rural potholes and surface defects, as well as rural trees. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of residents rating urban roads as “fairly satisfactory” or “very satisfactory” in the community survey | 75% | Achieved 75% (last year: 77%) For an explanation of the scores below, see page 85. <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-19</th> <th>Sep-19</th> <th>Feb-20</th> <th>May-20</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>14%</td> <td>16%</td> <td>15%</td> <td>14%</td> </tr> <tr> <td>7–8</td> <td>51%</td> <td>45%</td> <td>47%</td> <td>49%</td> </tr> <tr> <td>6</td> <td>12%</td> <td>13%</td> <td>13%</td> <td>13%</td> </tr> <tr> <td>5</td> <td>13%</td> <td>12%</td> <td>14%</td> <td>13%</td> </tr> <tr> <td>1–4</td> <td>10%</td> <td>14%</td> <td>12%</td> <td>11%</td> </tr> </tbody> </table> Satisfaction with urban roads was significantly higher (75%) than satisfaction with rural roads (50%). | Score | Jun-19 | Sep-19 | Feb-20 | May-20 | 9–10 | 14% | 16% | 15% | 14% | 7–8 | 51% | 45% | 47% | 49% | 6 | 12% | 13% | 13% | 13% | 5 | 13% | 12% | 14% | 13% | 1–4 | 10% | 14% | 12% | 11% | | |
| Score | Jun-19 | Sep-19 | Feb-20 | May-20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9–10 | 14% | 16% | 15% | 14% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7–8 | 51% | 45% | 47% | 49% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 12% | 13% | 13% | 13% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 13% | 12% | 14% | 13% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1–4 | 10% | 14% | 12% | 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Performance measure

Percentage of residents rating rural roads as “fairly satisfactory” or “very satisfactory” in the community survey

Target

75%

Achievement

Not achieved 50% (last year: 50%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 7% | 4% | 5% | 6% |
| 7-8 | 30% | 25% | 27% | 30% |
| 6 | 13% | 12% | 13% | 14% |
| 5 | 16% | 19% | 17% | 16% |
| 1-4 | 34% | 41% | 38% | 34% |

2019/20 results



2018/19 results



Satisfaction with rural roads remained the same in 2019/20.

The average quality of the ride on the sealed road network is measured by smooth travel exposure.*

95%

Not achieved 93% (last year: 95%)

Covid-19 impacted on the delivery of the roading renewal programme. As a result, the quality of the ride on the sealed network measured by the road roughness survey conducted in July 2020 was below target.



The percentage of the sealed local network that is resurfaced.*

> 5%

Not achieved 3.6% (last year: 5.3%)

We completed 3.6% of road resurfacing during the 2019/20 year.

This measure was impacted by Covid-19. The planned reseal programme was unable to be completed due to the lockdown.



* 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.

Solid Waste Management

Activities in this group

O1.

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

| | 2018/19 LTP Year 1 \$000s | 2018/19 Actual \$000s | 2019/20 LTP Year 1 \$000s | 2019/20 Plan \$000s | 2019/20 Actual \$000s |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|-----------------------------|
| Sources of Operating Funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 360 | 360 | 349 | 435 | 435 |
| Targeted rates | 1,010 | 1,010 | 1,044 | 823 | 823 |
| Grants and subsidies for operating purposes | 50 | 69 | 51 | 50 | 47 |
| Fees and charges | 533 | 618 | 544 | 793 | 896 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 10 | - | 11 | 2 | 0 |
| Total Operating Funding | 1,963 | 2,057 | 1,999 | 2,103 | 2,201 |
| Applications of Operating Funding | | | | | |
| Payment to staff and suppliers | 1,589 | 1,674 | 1,620 | 1,683 | 1,705 |
| Finance costs | 69 | 51 | 65 | 65 | 44 |
| Internal charges and overheads applied | 250 | 275 | 256 | 260 | 314 |
| Other operating funding applications | - | - | - | - | - |
| Total Applications of Operating Funding | 1,908 | 2,000 | 1,941 | 2,009 | 2,063 |
| Surplus/(Deficit) of Operating Funding | 55 | 57 | 58 | 94 | 139 |
| Sources of Capital Funding | | | | | |
| Subsidies and grants for capital expenditure | - | 14 | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | (136) | (14) | (119) | (126) | (75) |
| Gross proceeds from sale of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total Sources of Capital Funding | (136) | - | (119) | (126) | (75) |
| Applications of Capital Funding | | | | | |
| Capital Expenditure: | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | 65 | 10 | 10 | 71 |
| - to replace existing assets | 20 | 6 | 10 | 10 | 6 |
| Increase (decrease) in reserves | (100) | (14) | (82) | (52) | (14) |
| Increase (decrease) of investments | - | - | - | - | - |
| Total Applications of Capital Funding | (80) | 57 | (62) | (32) | 64 |
| Surplus/(Deficit) of Capital Funding | (55) | (57) | (58) | (94) | (139) |
| Funding Balance | - | - | - | - | - |

What we achieved

Covid-19 pandemic

All recycling, except glass, collected from 23 March 2020 until 15 May 2020 was directed straight to landfill during Alert Levels 3 and 4 of the Covid-19 lockdown. From Level 2, our transfer stations and recycling centres began accepting recycling again.

Community survey

The community research survey, and waste and recycling audits were due to start in March and April of 2020 but, due to the Covid-19 lockdown, the surveys were put on hold. They have now been rescheduled for August/September 2020. The data and response from the survey will be used to propose any changes needed to be included in the review process.

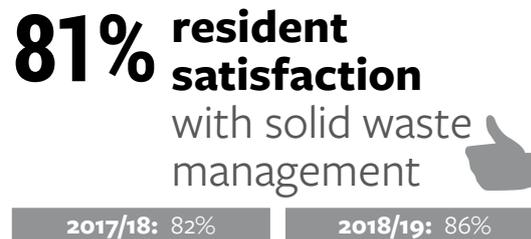
Recycling

This year, Council will be looking for community feedback on future recycling options for kerbside and transfer stations across the district. Consulting with the community and reviewing our education program.

Eketāhuna landfill

Capping of the landfill and compaction requirements have now been completed. Fencing of the old landfill area is to be programmed in the spring.

IN 2019/20 WE ACHIEVED...



Waste Management and Minimisation Plan

The 2017–2023 Waste Management and Minimisation Plan has a number of initiatives (see table on next page). We will continue to report our progress against these initiatives over the life of the plan.

The initiative to sort glass for recycling into new glass bottles is underway. The collection bins have been set up and the glass is transported to Auckland for recycling.

Initiatives proposed in the Waste Management and Minimisation Plan

| Initiative | 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 and rolled out to coincide with the issue of vouchers to attendees. |
| Change kerbside recycling collection to fortnightly | Ongoing | A series of work programmes have been planned – e.g. waste audits, community feedback. Data from these workstreams will be used to develop options for recycling. |
| 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

Percentage of residents rating recycling collection services as “fairly satisfactory” or “very satisfactory” in the community survey

Target

80%

Achievement

Achieved 81% (last year: 87%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9–10 | 47% | 39% | 34% | 38% |
| 7–8 | 35% | 39% | 40% | 37% |
| 6 | 5% | 4% | 5% | 6% |
| 5 | 6% | 10% | 10% | 10% |
| 1–4 | 7% | 7% | 10% | 9% |

Only 19% of respondents use the kerbside recycling service with the majority opting to use the recycling dropoff centres.

Council will continue to investigate options to increase residents recycling options.

2019/20 results



2018/19 results



Percentage of residents rating landfills/transfer station management as “fairly satisfactory” or “very satisfactory” in the community survey

75%

Achieved 79% (last year: 88%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9–10 | 44% | 33% | 33% | 34% |
| 7–8 | 38% | 44% | 38% | 38% |
| 6 | 6% | 8% | 8% | 7% |
| 5 | 6% | 7% | 8% | 9% |
| 1–4 | 6% | 8% | 12% | 12% |

Satisfaction reduced to 79% in 2019/20 from 88% in 2018/19.

Council received a number of complaints concerning the cleanliness and ease of access to recycling at the Dannevirke transfer station. This has been rectified by the contractor, and the layout for recycling has been altered also.



Performance measure

Kilograms of waste per resident sent to landfills by the Council per annum

Target

256kg

Achievement

Not achieved 275kg (last year: 286kg)

This measure has been directly impacted due to the Covid-19 lockdown, as all recycling (except glass) was diverted to waste during the pandemic.

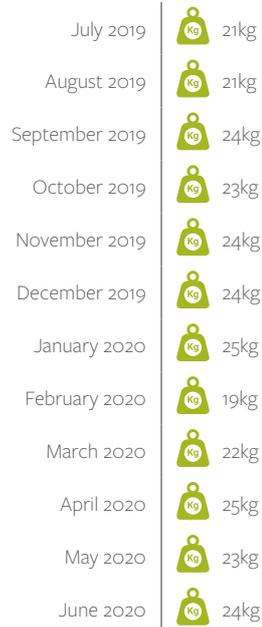
However, prior to Covid-19, waste volumes continued to be high.

A waste audit and further education is being carried out. Improvements should occur in the 2020/21 year.

2019/20 results



2018/19 results



Performance measure

Tonnage of recycled materials processed by Council

Target

1,220 tonnes

Achievement

Not achieved 999 tonnes (last year: 1,106)

This measure has been directly impacted due to the Covid-19 lockdown, as all recycling (except glass) was diverted to waste during the pandemic.

Council is reviewing its recycling service to improve the rate of recycling in the 2020/21 year.

2019/20 results



2018/19 results



Percentage of landfills where all Horizons resource consent conditions are met

100%

Achieved 100% (last year: 100%)



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

| | 2018/19 LTP Year 1 \$000s | 2018/19 Actual \$000s | 2019/20 LTP Year 2 \$000s | 2019/20 Plan \$000s | 2019/20 Actual \$000s |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|-----------------------------|
| Sources of Operating Funding | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - |
| Targeted rates | 607 | 607 | 631 | 640 | 640 |
| Grants and subsidies for operating purposes | - | - | - | - | - |
| Fees and charges | - | 2 | - | - | 2 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 28 | 21 | 23 | 17 | 21 |
| Total Operating Funding | 635 | 630 | 654 | 657 | 663 |
| Applications of Operating Funding | | | | | |
| Payment to staff and suppliers | 144 | 151 | 146 | 145 | 108 |
| Finance costs | 44 | 56 | 48 | 49 | 45 |
| Internal charges and overheads applied | 197 | 230 | 204 | 214 | 238 |
| Other operating funding applications | - | - | - | - | - |
| Total Applications of Operating Funding | 385 | 436 | 398 | 408 | 391 |
| Surplus/(Deficit) of Operating Funding | 250 | 194 | 255 | 249 | 272 |
| Sources of Capital Funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 83 | 213 | 171 | 157 | (55) |
| Gross proceeds from sale of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total Sources of Capital Funding | 83 | 213 | 171 | 157 | (55) |
| Applications of Capital Funding | | | | | |
| Capital Expenditure: | | | | | |
| - to meet additional demand | - | - | 87 | 85 | - |
| - to improve the level of service | 150 | 140 | 154 | 150 | 121 |
| - to replace existing assets | 350 | 253 | 51 | 50 | 522 |
| Increase (decrease) in reserves | (166) | 14 | 133 | 121 | (426) |
| Increase (decrease) of investments | - | - | - | - | - |
| Total Applications of Capital Funding | 334 | 407 | 425 | 406 | 217 |
| Surplus/(Deficit) of Capital Funding | (250) | (194) | (255) | (249) | (272) |
| Funding Balance | - | - | - | - | - |

What we achieved

Maintenance and renewals

All Council open drains were sprayed four times. Mechanical clearing of open drains was completed in Huxley Street and Penny Lane in Pahiatua, and in Bowen, Fergusson, and Burgoyne Streets in Woodville.

We relined 600 metres of 450 and 300mm earthenware stormwater mains in Woodville. These mains could not be renewed by conventional methods due to access and the location of the existing pipe. We also replaced a short section of damaged 450mm earthenware pipe in Princess Street, Pahiatua.

Stormwater modelling

In June 2019, GHD submitted the Stormwater Phase One Feasibility Report. The report identified potential stormwater projects in the main towns of Dannevirke, Pahiatua, Woodville, and Eketāhuna, based on modelling and potential flooding.

Estimated project costs ranged from \$130,000 to \$3.8 million as a single project or combination of projects. The report identified the number of properties that could benefit ranged from 3 to 26, and possible number of flooding to floors ranged from 0 to 25.

However, there was limited confidence in the actual flooding of floors and in the majority related to nuisance and aesthetic flooding during heavy rainfall events, this limited the drivers for considering undertaking these projects.

The report was further investigated and key potential projects were identified for further investigation based on benefit versus value, while considering Tararua District Council's Long Term Plan and statutory duties.

Initially, Woodville's McLean Street was further investigated as this had the greatest benefit versus number of properties

IN 2019/20 WE ACHIEVED...



habitable floor
was flooded
by urban
stormwater

66% community
satisfaction
with stormwater
management 

2017/18: 65%

2018/19: 71%

potentially benefitting. It became apparent the difficulties associated with this project in terms of access through land and on further consideration, project cost was potentially significantly greater than estimated.

This has led to re-evaluating the benefits while utilising the benefits from the feasibility report with a view to alternative options while also considering the impact of removing infiltration and inflow from the wastewater network. Options will rely on Horizons flood plain modelling and ability to dispose stormwater to appropriate locations without causing detriment to downstream catchments and watercourses.

Performance against objectives

Stormwater

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------|--|-----------------|-----------------|-------|--------|--------|--------|--------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|----|----|----|-----|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| The number of flooding events where an overflow of stormwater enters a habitable floor* | < 20 | Achieved 1 (last year: nil) | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>A flooding event is defined as an overflow of the urban stormwater system that enters a habitable floor.</p> <p>One shop in Eketāhuna experienced flooding.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system* | < 5 | Achieved 0.2 (last year: nil) | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of residents rating stormwater management as “fairly satisfactory” or “very satisfactory” in the community survey | 70% | Not achieved 66% (last year: 71%) | ✗ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>For an explanation of the scores below, see page 85.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-19</th> <th>Sep-19</th> <th>Feb-20</th> <th>May-20</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>41%</td> <td>20%</td> <td>23%</td> <td>19%</td> </tr> <tr> <td>7–8</td> <td>24%</td> <td>33%</td> <td>33%</td> <td>38%</td> </tr> <tr> <td>6</td> <td>6%</td> <td>8%</td> <td>9%</td> <td>10%</td> </tr> <tr> <td>5</td> <td>12%</td> <td>18%</td> <td>15%</td> <td>16%</td> </tr> <tr> <td>1–4</td> <td>17%</td> <td>21%</td> <td>19%</td> <td>18%</td> </tr> </tbody> </table> <p>Satisfaction is lower than last year and the target.</p> <p>Storm modelling was finalised in 2019/20 and projects to improve service levels will be programmed in the 2021–2031 Long Term Plan.</p> | | | | | Score | Jun-19 | Sep-19 | Feb-20 | May-20 | 9–10 | 41% | 20% | 23% | 19% | 7–8 | 24% | 33% | 33% | 38% | 6 | 6% | 8% | 9% | 10% | 5 | 12% | 18% | 15% | 16% | 1–4 | 17% | 21% | 19% | 18% |
| Score | Jun-19 | Sep-19 | Feb-20 | May-20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9–10 | 41% | 20% | 23% | 19% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7–8 | 24% | 33% | 33% | 38% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 6% | 8% | 9% | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 12% | 18% | 15% | 16% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1–4 | 17% | 21% | 19% | 18% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 5.7 (last year: 3.5) | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>A total of 28 customer complaints received (17 last year).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 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 10 minutes (last year: nil) One flooding event was responded to. | ✓ | ✓ |

* 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.

Wastewater

Activities in this group

O1.

WASTEWATER

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

Group level funding impact statement

| | 2018/19 LTP Year 1 \$000s | 2018/19 Actual \$000s | 2019/20 LTP Year 2 \$000s | 2019/20 Plan \$000s | 2019/20 Actual \$000s |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|-----------------------------|
| Sources of Operating Funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 126 | 128 | 127 | 133 | 133 |
| Targeted rates | 2,402 | 2,436 | 2,407 | 2,529 | 2,529 |
| Grants and subsidies for operating purposes | - | - | - | - | - |
| Fees and charges | 115 | 119 | 118 | 140 | 148 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | 7 | - | - | 8 |
| Total Operating Funding | 2,644 | 2,690 | 2,652 | 2,802 | 2,819 |
| Applications of Operating Funding | | | | | |
| Payment to staff and suppliers | 1,047 | 1,228 | 1,091 | 1,171 | 1,217 |
| Finance costs | 222 | 293 | 252 | 258 | 232 |
| Internal charges and overheads applied | 318 | 362 | 328 | 338 | 389 |
| Other operating funding applications | - | - | - | - | - |
| Total Applications of Operating Funding | 1,586 | 1,883 | 1,671 | 1,767 | 1,838 |
| Surplus/(Deficit) of Operating Funding | 1,058 | 807 | 981 | 1,034 | 981 |
| Sources of Capital Funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | (1) |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 465 | 152 | 1,441 | 328 | (283) |
| Gross proceeds from sale of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total Sources of Capital Funding | 465 | 152 | 1,441 | 328 | (284) |
| Applications of Capital Funding | | | | | |
| Capital Expenditure: | | | | | |
| - to meet additional demand | - | - | 103 | 100 | - |
| - to improve the level of service | 800 | 268 | 1,696 | 650 | 482 |
| - to replace existing assets | 1,523 | 2,020 | 1,751 | 1,753 | 2,437 |
| Increase (decrease) in reserves | (799) | (1,329) | (1,128) | (1,141) | (2,222) |
| Increase (decrease) of investments | - | - | - | - | - |
| Total Applications of Capital Funding | 1,523 | 959 | 2,422 | 1,362 | 697 |
| Surplus/(Deficit) of Capital Funding | (1,058) | (807) | (981) | (1,034) | (981) |
| Funding Balance | - | - | - | - | - |

Planned construction of wetlands and an upgraded wastewater treatment plant has been delayed due to ongoing resource consent renewal applications still progressing, resulting in debt not increasing as expected. The completion of underground works for the Pahiatua town centre upgrade resulted in increased renewals and use of depreciation reserves than budgeted.

What we achieved

Resource consents

The consent renewals for Eketāhuna and Pahiatua are currently in progress.

Woodville, Norsewood, and Pongaroa are also underway.

Pahiatua treatment

We had the opportunity to trial a pilot DAF (dissolved air flotation) wastewater treatment process. We are carrying out the trial over a 12 month period to gather good data as options for future treatment plant upgrades. We installed this unit in late November 2019. In the first six months of using this treatment process we saw a significant reduction in several areas, including suspended solids, dissolved reactive phosphorus, and ammonia nitrogen.

CCTV

A total of 17,000 metres of sewer and stormwater pipe condition surveys were completed, utilising the in-house CCTV unit, on pipes below 300mm in diameter.

A further 12,000 metres of sewers were surveyed via an external contractor utilising specialist equipment for larger diameter pipes and flows above the capacity of the in-house unit.

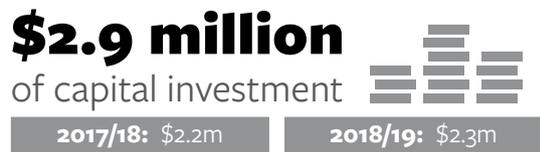
The results from these surveys enable a prioritised programme of maintenance, repairs, and renewals based on condition, impact to serviceability, and proactive intervention based on failure risk.

Infiltration and inflow investigations

Two instruments were purchased and installed in late 2019 and trialled in a variety of locations in Woodville. Results have proven very successful with clear evidence of significant additional flow volume entering the sewer network externally from groundwater and storm-water connections.

The monitoring equipment has been moved into strategically identified locations in Woodville to gather substantive data to enable identifying the extent and capacity this is removing from the network to permit a strategic programme of strategic rehabilitation to reduce impact, enable greater capacity and reduce impact at the wastewater treatment plant.

IN 2019/20 WE ACHIEVED...



A further six units have been purchased and will be deployed in the main townships across the Tararua District, including expanding monitoring to the stormwater network. Investigations will be ongoing to qualify and quantify flows, volumes, and capacity to determine impact as a result of seasonal variations and climate change.

Renewals and maintenance

Sewer renewals were completed in Hamlet, Dagmar, Chamberlain, and Edinburgh Streets, Dannevirke. We also completed a renewal in Arthur Street, Pahiatua. Relining of two sewer main was undertaken in Woodville – in Grey Street and Fergusson Street. With access being an issue through private property, the decision was made to reline, minimising the disturbance to the affected residents.

Unfortunately, the renewal programme stalled at the beginning of 2020 due to the need to react to the water crisis, then followed by the restrictions and impact of Covid-19 with us reacting to emergencies only.

Covid-19 pandemic

The treatment plant operations carried, on as per normal, during the Level 1–4 shutdown period. To keep things as normal as possible we had staff allocated to dedicated plants to eliminate any need for crossover of staff between towns and maintain isolation in their own bubble.

Performance against objectives

Wastewater

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------|--------------------------------------|-----------------|-----------------|-------|--------|--------|--------|--------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---|----|----|----|----|---|----|----|----|----|-----|----|----|----|----|
| The number of dry weather sewage overflows from the wastewater system per 1,000 connections* | < 5 | Achieved 0.6 (last year: 0.4) | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Three complaints received (two last year). Two related to blockages, while the other was the result of sewer main repairs.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of residents rating wastewater management as “fairly satisfactory” or “very satisfactory” in the community survey | 80% | Achieved 91% (last year: 90%) | ✓ | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>For an explanation of the scores below, see page 85.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Jun-19</th> <th>Sep-19</th> <th>Feb-20</th> <th>May-20</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>50%</td> <td>44%</td> <td>53%</td> <td>52%</td> </tr> <tr> <td>7–8</td> <td>34%</td> <td>38%</td> <td>33%</td> <td>36%</td> </tr> <tr> <td>6</td> <td>6%</td> <td>5%</td> <td>3%</td> <td>3%</td> </tr> <tr> <td>5</td> <td>4%</td> <td>7%</td> <td>7%</td> <td>6%</td> </tr> <tr> <td>1–4</td> <td>6%</td> <td>5%</td> <td>5%</td> <td>3%</td> </tr> </tbody> </table> | | | | | Score | Jun-19 | Sep-19 | Feb-20 | May-20 | 9–10 | 50% | 44% | 53% | 52% | 7–8 | 34% | 38% | 33% | 36% | 6 | 6% | 5% | 3% | 3% | 5 | 4% | 7% | 7% | 6% | 1–4 | 6% | 5% | 5% | 3% |
| Score | Jun-19 | Sep-19 | Feb-20 | May-20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9–10 | 50% | 44% | 53% | 52% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7–8 | 34% | 38% | 33% | 36% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 6% | 5% | 3% | 3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | 4% | 7% | 7% | 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1–4 | 6% | 5% | 5% | 3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Satisfaction is similar to last year but is higher than target.</p> <p>Council continues with its capital investment programme in its wastewater schemes.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------|---|-----------------|-----------------|------|----------|-----|----|------------|-----|-----|-----------|----|----|-----------|-----|----|----------|----|----|-----------|----|----|-------------|-----|-----|---|---|
| Number of schemes with consents that are current | 4 | <p>Not achieved 2 (last year: 4)</p> <p>Council is progressing with resource consent renewals for all expired consents. The renewal for these is in progress and will involve capital investments that are programmed to meet new conditions.</p> <p style="text-align: center;">Are consents current?</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Pongaroa</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Dannevirke</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>Eketāhuna</td> <td>No</td> <td>No</td> </tr> <tr> <td>Norsewood</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Pahiatua</td> <td>No</td> <td>No</td> </tr> <tr> <td>Woodville</td> <td>No</td> <td>No</td> </tr> <tr> <td>Ormondville</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table> | | 2019 | 2020 | Pongaroa | Yes | No | Dannevirke | Yes | Yes | Eketāhuna | No | No | Norsewood | Yes | No | Pahiatua | No | No | Woodville | No | No | Ormondville | Yes | Yes | ✘ | ✔ |
| | 2019 | 2020 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pongaroa | Yes | No | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dannevirke | Yes | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Eketāhuna | No | No | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Norsewood | Yes | No | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pahiatua | No | No | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Woodville | No | No | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ormondville | Yes | Yes | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | <p>Achieved 40 minutes (last year: 31 minutes)</p> <p>Council continued to provide prompt response to issues via the Tararua Alliance. Thirty-three faults were received during the year.</p> | ✔ | ✔ | | | | | | | | | | | | | | | | | | | | | | | | |

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results |
|---|---------|--|-----------------|-----------------|
| 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, 42 minutes (last year: 1 hour, 50 minutes) Council continued to provide prompt resolution to issues via the Tararua Alliance. | ✓ | ✓ |
| Number of complaints received about wastewater per 1,000 connections for*: | | | | |
| <ul style="list-style-type: none"> sewerage odour | < 4 | Achieved 0.6 (last year: 1.1) Three complaints were received during the year. | ✓ | ✓ |
| <ul style="list-style-type: none"> sewerage system faults | < 5 | Achieved 2.7 (last year: 1.1) Thirteen complaints were received during the year (five last year). | ✓ | ✓ |
| <ul style="list-style-type: none"> sewerage system blockages | < 7 | Achieved 3.6 (last year: 4.7) Seventeen complaints received during the year (22 last year). | ✓ | ✓ |
| <ul style="list-style-type: none"> Council's response to the above issues | < 3 | Achieved nil (last year: nil) | ✓ | ✓ |
| <ul style="list-style-type: none"> total number of recorded complaints | < 19 | Achieved 6.9 (last year: 6.8) Council received 33 complaints this year (32 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.

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

| | 2018/19 LTP Year 1 \$000s | 2018/19 Actual \$000s | 2019/20 LTP Year 2 \$000s | 2019/20 Plan \$000s | 2019/20 Actual \$000s |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|-----------------------------|
| Sources of Operating Funding | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - |
| Targeted rates | 2,395 | 2,497 | 2,482 | 2,741 | 2,870 |
| Grants and subsidies for operating purposes | - | - | - | - | - |
| Fees and charges | 5 | 3 | 5 | 5 | 5 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 268 | 254 | 243 | 166 | 253 |
| Total Operating Funding | 2,668 | 2,754 | 2,730 | 2,912 | 3,128 |
| Applications of Operating Funding | | | | | |
| Payment to staff and suppliers | 949 | 1,258 | 981 | 1,076 | 1,525 |
| Finance costs | 261 | 366 | 269 | 342 | 400 |
| Internal charges and overheads applied | 311 | 354 | 321 | 331 | 380 |
| Other operating funding applications | - | - | - | - | - |
| Total Applications of Operating Funding | 1,520 | 1,978 | 1,571 | 1,750 | 2,305 |
| Surplus/(Deficit) of Operating Funding | 1,148 | 776 | 1,159 | 1,162 | 823 |
| Sources of Capital Funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | 501 | 393 |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 512 | 1,693 | 8 | 3,645 | 4,581 |
| Gross proceeds from sale of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - |
| Total Sources of Capital Funding | 512 | 1,693 | 8 | 4,146 | 4,974 |
| Applications of Capital Funding | | | | | |
| Capital Expenditure: | | | | | |
| - to meet additional demand | - | - | 72 | 70 | - |
| - to improve the level of service | 910 | 2,453 | 360 | 4,530 | 5,716 |
| - to replace existing assets | 1,355 | 1,130 | 684 | 695 | 1,203 |
| Increase (decrease) in reserves | (604) | (1,114) | 52 | 13 | (1,122) |
| Increase (decrease) of investments | - | - | - | - | - |
| Total Applications of Capital Funding | 1,661 | 2,469 | 1,168 | 5,308 | 5,798 |
| Surplus/(Deficit) of Capital Funding | (1,148) | (776) | (1,159) | (1,162) | (823) |
| Funding Balance | - | - | - | - | - |

The construction costs of the Pahiatua Water Treatment Plant were higher than budgeted, resulting in an increase in debt and level of service capital expenditure than budgeted. The completion of underground works for the Pahiatua town centre upgrade resulted in increased renewals and use of depreciation reserves than budgeted.

What we achieved

Woodville

The impounded supply floating cover installation was completed in October 2019, and filling of the 90,000m³ storage facility was undertaken and commissioned. Remote operation has enabled staff the ability to harvest water from the intake to the impounded supply or directly to the treatment plant and an excess straight to storage depending on town demand.

Two new scour valves were fitted in separate places on the intake pipeline, enabling staff the capability to scour the pipe system after heavy rainfall, or land slip in the catchment area, which causes very high turbidity in the incoming raw water.

The backwashing filter operation takes approximate 65m³ of water to complete the cycle. We have installed four concrete storage tanks, reconfigured the pipework to use raw water instead of treated water. This now eliminates the loss of 1–2 hours of treated production time over a 24-hour period.

Pahiatua

The new water treatment plant is well underway with no loss of construction time through the Covid-19 shutdown period. This project was classed as essential, and timelines on the construction schedule were not altered as our contractors worked continuously through this period. Civil and structural work has been completed, and mechanical work completed. Commissioning and practical completion is programmed for 23 September 2020. The expected time for the total commissioning process is two months.

Renewals and maintenance

We renewed the 93-year-old cast iron water main in Burns Street, Dannevirke, between Christian and Swinburn Streets – this included 26 water laterals and four fire hydrants. We also installed new water mains in Victoria Street, Dannevirke, and in Grant and Normanby Streets, Woodville.

We have purchased two new leak detection listening devices and have placed an order for a water correlator. Expected delivery of the correlator (ex Japan) is September 2020. This correlator has the ability to monitor night flows, via upwards of four directional pipes. The correlator will enable us to undertake leak detection in-house and will be a critical tool to locate and identify any water leakage.

During the year, we also renewed or replaced 22 laterals, 256 manifolds, and six fire hydrants across the district.

IN 2019/20 WE ACHIEVED...

76% community satisfaction with management of urban water supplies

2017/18: 71%

2018/19: 82%

\$6.9 million of capital investment

2017/18: \$2.8m

2018/19: \$3.4m

Outstanding response to the 1 in 50 year drought together with efforts from the community

Water supply maintained as essential service throughout Levels 3–4 of the Covid-19 lockdown

The renewal programme stalled at the beginning of 2020 due to the need to react to the water crisis, followed by the restrictions and impact of Covid-19 with us reacting to emergencies only.

Resource consents

The Eketāhuna water take consent process is proceeding.

The Norsewood bore water take consent has been initiated.

Covid-19 pandemic

The water treatment plant operations carried on as per normal during the Level 1–4 shutdown period. To keep things as normal as possible, we had staff allocated to dedicated plants to eliminate any need for crossover of staff between towns enabling them to maintain isolation in their own bubble. Staff health and delivery of water to households was paramount.

The water compliance testing was also carried out as normal with the treatment plant's bacteria testing all compliant during the Covid-19 shutdown. Staff during trying times of a very severe drought and the Covid-19 pandemic isolation successfully increased the water levels in the Woodville and Dannevirke impounded storage supplies slowly during April above the emergency storage levels and any further necessary water restrictions.

Water crisis

Treatment and demand management

The early dry conditions and lack of rainfall had the Mangapapa Stream and the Tamaki River in low flows from late November 2019 – much earlier than previous years – and the drought conditions progressed through to early May 2020. High water users needed to be monitored daily and several properties had restrictors installed to limit and reduce water usage, especially for extra-ordinary users and connections on the intake pipelines. Total hosing ban water restrictions had to be enforced throughout the district earlier than a normal summer period as use was, at times, above what water Council was able to take from the rivers and streams under its resource consents.

Council worked alongside businesses and farmers to help them continue to operate. The Alliance freezing works were under pressure, continuing to operate at full capacity as the farming sector was trying to cope with the very dry drought conditions and stock being continuously booked in for slaughter off the farm.

Leak detection surveys were carried out in Woodville in December 2019, and in Dannevirke in February 2020. This was successful in locating 13 leaks in Woodville equating to a 200m³ loss in a 24-hour period. In Dannevirke, 54 leaks were located equating to a 469m³ loss in 24 hours.

Reticulation

Tararua Alliance worked closely alongside the emergency management team and colleagues at Tararua District Council at the height of the water crisis. The Alliance team placed immediate priority on repairing all reported leaks throughout the district 24/7 and reacting as quickly as possible to prevent precious loss of water, with approximately 40 water leaks repaired. In addition,

restrictors were installed and valves limited to reduce water take from high users.

Both field staff, managers, and office staff from various backgrounds were involved in many aspects during the management of the crisis. In addition to reacting to water leaks and physical field work, staff worked in the Emergency Crisis Centre, undertook modelling work to various scenarios presented, analysing data to determine potential options in case the crisis were to escalate, and formulating plans for installing equipment required to distribute water safely and effectively into the community network if required.

As the crisis deepened, an emergency plan was communicated to potentially import water from areas outside the district to supplement treated water in Dannevirke and Woodville. One major plan was the feasibility to ship water via railway in large tanks. This involved a sophisticated action plan to install a temporary pipeline to connect into the reticulation network and pump water from rail tanks into the reticulation network.

A great deal of planning, negotiation, and communication took place in a limited time frame to formulate a viable plan to import water. In the meantime, modelling work and calculations were completed to test viability ensuring the system was viable when connected. As a result, a 3km pipeline was physically laid along the KiwiRail corridor in Dannevirke, and a pumping system prepared to connect to the tankers to distribute water into the network to supply a major commercial user in the town to relieve pressure on the network to supply households throughout town and maintain viability for industry.

In Woodville, work took place to create a connection point to the water pipe distribution network (similar to the operation in Dannevirke), enabling water to be pumped from rail carriages and injected directly into the reticulation network.

Data was collated and analysed throughout the crisis to help understand how demand could be met against supply available. This helped inform the management team during the decision-making process feeding through to the action plan to manage supplies, inform the community, and predict usage patterns for managing supplies.

Performance against objectives

Water Supplies

Performance measure

Percentage of customers rating availability of water as “satisfactory” or “very satisfactory” in the community survey

Target

75%

Achievement

Achieved 86% (last year: 88%)

For an explanation of the scores below, see page 85.

| Score | Jun-19 | Sep-19 | Feb-20 | May-20 |
|-------|--------|--------|--------|--------|
| 9-10 | 53% | 54% | 58% | 56% |
| 7-8 | 32% | 41% | 30% | 26% |
| 6 | 3% | 2% | 3% | 4% |
| 5 | 6% | 1% | 5% | 5% |
| 1-4 | 6% | 2% | 4% | 9% |

Satisfaction has decreased slightly from last year but remains significantly higher than target. This reflects Council’s capital investment programme in its water schemes.

Council experienced a water crisis in Woodville and Dannevirke caused by severe drought. Council implemented water restrictions and, due to cooperation of residents and investments in water storage, was able to ensure water was supplied during this dry period.

2019/20 results



2018/19 results



Number of recorded complaints per 1,000 connections to Council’s networked reticulation system for:

- drinking water pressure or flow*

< 4

Achieved 2.3 (last year: 1.0)



There were six complaints received, compared to five last year. Three were related to issues at the meter or on the property.

- drinking water taste*

< 5

Achieved 0.8 (last year: 0.6)



There were four complaints received compared to three last year.

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results |
|---|--------|--|-----------------|-----------------|
| <ul style="list-style-type: none"> drinking water clarity* | < 5 | <p>Achieved 2.7 (last year: 10.8)</p> <p>There were 13 complaints received (52 last year).</p> <p>After failing to meet this target in 2018/19, Council has improved communication when district-wide flushing is being carried out.</p> | ✓ | ✗ |
| <ul style="list-style-type: none"> drinking water odour* | < 4 | <p>Achieved 0.4 (last year: 0.8)</p> <p>There were two complaints received (four last year). One was related to the Woodville water shortage issue.</p> <p>Council is investing in a new water treatment plant in Pahiatua to meet the Drinking Water Standards and address taste and odour issues.</p> | ✓ | ✓ |
| <ul style="list-style-type: none"> continuity of supply* | < 5 | <p>Not achieved 8.6 (last year: 2.5)</p> <p>There were 42 complaints received this year (12 last year).</p> <p>Of the 42 customer service requests, 13 were during the Woodville water outage in early December, three were from Pahiatua Main Street break on 10 December, and six in Dannevirke during the drought.</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 complaints received during this year, same as in the prior year.</p> | ✓ | ✓ |
| <ul style="list-style-type: none"> total number of recorded complaints* | < 25 | <p>Achieved 14.9 (last year: 15.7)</p> <p>There were 72 complaints received during the year (76 last year).</p> | ✓ | ✓ |

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results |
|---|----------------|--|-----------------|-----------------|
| 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.</p> <p>Akitio does not require a water safety plan as its population is lower than the threshold. However, Council is committed to providing safe water supplies and intends to have a safety plan in place for Akitio's new water treatment plant.</p> | | |
| Number of schemes that comply with Part 4 (bacteria compliance criteria) of the NZ Drinking Water Standards* | 7 [†] | <p>Achieved 7 (last year: 6)</p> | | |
| Number of schemes that comply with Part 5 (protozoal compliance criteria) of the NZ Drinking Water Standards* | 7 | <p>Not achieved nil (last year: nil)</p> <p>Twelve months of continuous data is required to be available for assessment (once UV disinfection and other treatments are installed).</p> <p>Monitoring started?</p> <ul style="list-style-type: none"> Akitio Dannevirke Eketāhuna Norsewood Pahiatua Pongaroa Woodville | | |
| 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 | <p>Achieved 31 minutes (last year: 23 minutes)</p> | | |
| 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 | <p>Achieved 1 hour, 28 minutes (last year: 1 hour, 54 minutes)</p> | | |
| 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 | <p>Achieved 3 hours, 24 minutes (last year: 2 hours, 40 minutes)</p> | | |

| Performance measure | Target | Achievement | 2019/20 results | 2018/19 results |
|--|--------------|--|-----------------|-----------------|
| 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 7 hours, 2 minutes (last year: 6 hours, 24 minutes) | ✓ | ✓ |
| The percentage of real water loss from the Council's networked reticulation schemes based on the minimum night flow (MNF) analysis* | < 15% | Achieved 4% (last year: 9%) Council undertook extensive leak detection work as part of its response to the water crisis and drought. As a result, leaks were identified and fixed as part of water conservation efforts. | ✓ | ✓ |
| Average consumption of drinking water per day per resident connected to a Council scheme* | < 300 litres | Achieved 257 litres (last year: 258) There was a dramatic increase in consumption from November with the serious leaks that occurred in Woodville. This was followed by a big drop with water restrictions imposed because of the drought. | ✓ | ✓ |

* 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.

04

FINANCIAL STATEMENTS

Statement of comprehensive revenue and expense for the year ended 30 June 2020

| | Note | 2018/19 Actual \$000s | 2019/20 Actual \$000s | 2019/20 Plan \$000s |
|--|------|-----------------------------|-----------------------------|---------------------------|
| Revenue | | | | |
| Rates | 2 | 22,204 | 23,462 | 23,373 |
| Grants and subsidies | | 15,905 | 14,296 | 11,386 |
| Fees and charges | 4 | 2,473 | 3,206 | 3,105 |
| Finance revenue | 3 | 96 | 17 | 80 |
| Dividends and subvention | | - | 73 | - |
| Other revenue | 5 | 360 | 281 | 231 |
| Forestry sales | | 271 | 364 | - |
| Development and financial contribution | | - | - | - |
| Total operating revenue | | 41,309 | 41,699 | 38,175 |
| Expenditure | | | | |
| Other operating expenses | 9 | 18,871 | 20,916 | 18,133 |
| Depreciation and amortisation | 10 | 13,212 | 13,539 | 13,231 |
| Personnel costs | 7 | 6,035 | 6,314 | 5,926 |
| Finance costs | 3 | 1,448 | 1,680 | 813 |
| Total operating expenditure before asset gains/losses | | 39,566 | 42,449 | 38,103 |
| Operating surplus/(deficit) before asset gains/losses | | 1,743 | (750) | 72 |
| Other asset gains/(losses) | 6 | 1,551 | (3,199) | 94 |
| Share of associate surplus/(deficit) | 16 | - | 8 | - |
| Operating surplus/(deficit) before tax | | 3,294 | (3,941) | 166 |
| Less taxation expense/plus refund | 11 | - | - | - |
| Surplus/(deficit) after tax | | 3,294 | (3,941) | 166 |
| Surplus/(deficit) attributable to: | | | | |
| Parent interest (Tararua District Council) | 24 | 3,294 | (3,941) | 166 |
| Non-controlling interest | 24 | - | - | - |
| Surplus/(deficit) for the period | | 3,294 | (3,941) | 166 |
| Other Comprehensive Revenue and Expense | | | | |
| Gains/(losses) on assets revaluation | 25 | 9,607 | (1,456) | 19,164 |
| Financial assets at fair value through other comprehensive revenue & expense | 25 | - | - | - |
| Tax on equity items | | - | - | - |
| Other Comprehensive Revenue and Expense Subtotal | | 9,607 | (1,456) | 19,164 |
| Total Comprehensive Revenue and Expense | | 12,901 | (5,397) | 19,330 |

Explanations of major variances against budget are provided in Note 37.

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 2020

| | Note | 2018/19 Actual \$000s | 2019/20 Actual \$000s | 2019/20 Plan \$000s |
|---|-----------|-----------------------------|-----------------------------|---------------------------|
| Balance at 1 July | | 919,397 | 932,271 | 900,012 |
| Adjustment* | 24 | (29) | 13 | - |
| Adjusted balance at 1 July | | 919,368 | 932,284 | 900,012 |
| Total comprehensive revenue and expense previously reported | | 12,901 | (5,397) | 19,330 |
| Dividends Paid | | | | |
| Total Balance at 30 June | 24 | 932,269 | 926,893 | 919,342 |
| Total Comprehensive Revenue and Expense attributable to: | | | | |
| Tararua District Council | | 12,901 | (5,397) | 19,330 |
| Minority Interest | | - | - | - |
| Total Comprehensive Revenue and Expense | | 12,901 | (5,397) | 19,330 |
| Detailed Changes | | | | |
| Accumulated Funds | | | | |
| Balance at 1 July | | 344,809 | 350,615 | 325,078 |
| Adjustment* | 24 | (29) | 13 | - |
| Adjusted balance at 1 July | | 344,780 | 350,628 | 325,078 |
| Net Surplus/(Deficit) after Tax for the Year | | 3,294 | (3,941) | 166 |
| Fair value through equity | | - | - | - |
| Net transfers between Equity and Reserves | | 2,543 | 1,550 | 2,232 |
| Dividends paid | | - | - | - |
| Balance at 30 June | | 350,615 | 348,243 | 327,476 |
| Asset Revaluation Reserves | | | | |
| Balance at 1 July | | 538,431 | 548,039 | 538,431 |
| Increase/(Decrease) in Revaluation Reserves | | 9,608 | (1,456) | 19,164 |
| Balance at 30 June | | 548,039 | 546,583 | 557,595 |
| Special Funded Reserves | | | | |
| Balance at 1 July | | 36,114 | 33,571 | 36,453 |
| Increase/(Decrease) in Special Reserves | | (2,543) | (1,558) | (2,232) |
| Balance at 30 June | | 33,571 | 32,013 | 34,221 |
| Trust Funds | | | | |
| Balance at 1 July | | 46 | 46 | 50 |
| Increase/(Decrease) in Trust Funds | | - | 8 | - |
| Balance at 30 June | | 46 | 54 | 50 |
| Minority interest | | - | - | - |
| Total Equity at 30 June | | 932,269 | 926,893 | 919,342 |

* Refer to Note 24 for explanation of opening balance adjustment.

Explanations of major variances against budget are provided in Note 37.

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

Statement of financial position as at 30 June 2020

| | Note | 2018/19 Actual \$000s | 2019/20 Actual \$000s | 2019/20 Plan \$000s |
|---|------|-----------------------------|-----------------------------|---------------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalent | 1 | 3,921 | 1,334 | 2,018 |
| Debtors and other receivables | 12 | 7,272 | 6,345 | 4,500 |
| Other financial assets | 15 | 1,325 | 1,340 | 1,768 |
| Non-current assets held for sale | 17 | 184 | 184 | - |
| Inventories | 14 | 111 | 125 | 68 |
| Total Current Assets | | 12,813 | 9,328 | 8,354 |
| Non-Current Assets | | | | |
| Investment in CCOs and similar entities | 15 | 455 | 621 | 375 |
| Other financial assets | 15 | - | 10 | - |
| Investment in accounted for using equity method | 16 | 16 | 38 | - |
| Debtors and other receivables | 12 | - | - | - |
| Investment Property | 17 | 1,512 | 1,559 | 1,649 |
| Forestry assets | 13 | 3,555 | 2,237 | 2,126 |
| Intangible assets | 20 | 1,281 | 1,627 | 1,254 |
| Property, plant & equipment – operational | 19 | 42,805 | 43,043 | 44,364 |
| Property, plant & equipment – infrastructure | 19 | 899,769 | 909,107 | 889,438 |
| Property, plant & equipment – restricted | 19 | 4,770 | 4,770 | 4,770 |
| Total Non-Current Assets | | 954,163 | 963,012 | 943,976 |
| Total Assets | | 966,976 | 972,340 | 952,329 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Payables and deferred revenues | 21 | 6,575 | 6,464 | 4,500 |
| Borrowings – current | 23 | 6,000 | 5,000 | 2,000 |
| Employee entitlements | 8 | 573 | 798 | 448 |
| Provision for landfill aftercare | 22 | 105 | 164 | - |
| Derivative Financial Instrument | 31 | 234 | 463 | - |
| Total Current Liabilities | | 13,487 | 12,889 | 6,948 |

| | Note | 2018/19 Actual \$000s | 2019/20 Actual \$000s | 2019/20 Plan \$000s |
|--------------------------------------|------|-----------------------------|-----------------------------|---------------------------|
| Non-Current Liabilities | | | | |
| Borrowings – non-current | 23 | 19,000 | 30,000 | 24,848 |
| Derivative Financial Instrument | 31 | 1,211 | 1,811 | - |
| Employee entitlements | 8 | 29 | 30 | 29 |
| Tenant contributions | 18 | 480 | 354 | 475 |
| Provision for landfill aftercare | 22 | 500 | 363 | 686 |
| Total Non-Current Liabilities | | 21,220 | 32,558 | 26,038 |
| Total Liabilities | | 34,707 | 45,447 | 32,987 |
| Equity | | | | |
| Accumulated Funds | 24 | 350,612 | 348,243 | 327,476 |
| Asset Revaluation Reserves | 25 | 548,040 | 546,583 | 557,595 |
| Special Funded Reserves | 26 | 33,571 | 32,013 | 34,221 |
| Trust Funds | 27 | 46 | 54 | 50 |
| Total Equity | | 932,269 | 926,893 | 919,342 |
| Total Liabilities and Equity | | 966,976 | 972,340 | 952,329 |

Explanations of major variances against budget are provided in Note 37.
These statements should be read in conjunction with the 'Notes to the Financial Statements'.

Statement of cash flows for the year ended 30 June 2020

| | Note | 2018/19 Actual \$000s | 2019/20 Actual \$000s | 2019/20 Plan \$000s |
|--|-----------|-----------------------------|-----------------------------|---------------------------|
| Cash Flows from Operating Activities | | | | |
| Cash was provided from: | | | | |
| Rates | | 22,263 | 23,313 | 23,878 |
| Grants and subsidies | | 14,932 | 15,612 | 11,386 |
| Fees, charges and other receipts (including Donations) | | 2,892 | 3,230 | 3,105 |
| Interest received | | 118 | 18 | 80 |
| Dividends & subvention payment received | | - | 73 | - |
| Income tax refunds | | - | - | - |
| Other revenue | | - | - | 231 |
| GST refunds | | - | - | - |
| | | 40,205 | 42,246 | 38,680 |
| Cash was applied to: | | | | |
| Payments staff and suppliers | | 24,405 | 26,715 | 24,564 |
| Interest paid | | 685 | 856 | 813 |
| Income tax payments | | - | - | - |
| GST payments | | - | - | - |
| | | 25,090 | 27,571 | 25,377 |
| Net cash inflow (outflow) from operating activities | 28 | 15,115 | 14,675 | 13,303 |
| Cash Flows from Investing Activities | | | | |
| Cash was provided from: | | | | |
| Proceeds from sale of property, plant and equipment | | 47 | 41 | - |
| Proceeds from investment property | | - | - | - |
| Proceeds from investments realised | | 1,153 | - | - |
| | | 1,200 | 41 | - |
| Cash was applied to: | | | | |
| Purchase of property, plant and equipment | | 23,929 | 27,086 | 21,383 |
| Purchase of Intangible assets | | - | - | - |
| Purchase of investments | | - | 217 | (2,232) |
| | | 23,929 | 27,303 | 19,151 |
| Net cash inflow (outflow) from investing activities | | (22,729) | (27,262) | (19,151) |

| | Note | 2018/19 Actual \$000s | 2019/20 Actual \$000s | 2019/20 Plan \$000s |
|--|----------|-----------------------------|-----------------------------|---------------------------|
| Cash Flows from Financing Activities | | | | |
| Cash was provided from: | | | | |
| Proceeds from borrowings | | 10,000 | 19,000 | 7,848 |
| Tenant contributions received | | - | | |
| | | 10,000 | 19,000 | 7,848 |
| Cash was applied to: | | | | |
| Dividend paid | | - | | |
| Tenant contributions repaid | | - | | |
| Repayment of borrowings | | 2,000 | 9,000 | 2,000 |
| | | 2,000 | 9,000 | 2,000 |
| Net cash inflow (outflow) from financing activities | | 8,000 | 10,000 | 5,848 |
| Net increase (decrease) in cash held | | 386 | (2,587) | - |
| Total cash resources at start of the year | | 3,535 | 3,921 | 2,018 |
| Total cash resources at end of the year | 1 | 3,921 | 1,334 | 2,018 |

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 2020

| | 2018/19 Actual \$000s | 2018/19 Plan \$000s | 2019/20 Actual \$000s | 2019/20 Plan \$000s |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Sources of Operating Funding | | | | |
| General rates, uniform annual general charges, rates penalties | 8,025 | 7,963 | 8,610 | 8,290 |
| Targeted rates | 15,032 | 14,921 | 15,727 | 15,589 |
| Grants and subsidies for operating purposes | 6,667 | 4,181 | 5,299 | 4,424 |
| Fees, charges | 2,554 | 2,743 | 3,206 | 3,105 |
| Interest and Dividends from investments | 96 | 224 | 90 | 80 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 631 | 376 | 645 | 231 |
| Total Operating Funding | 33,005 | 30,408 | 33,578 | 31,719 |
| Applications of Operating Funding | | | | |
| Payment to staff and suppliers | 25,840 | 23,137 | 28,105 | 24,565 |
| Finance costs | 1,447 | 830 | 1,680 | 813 |
| Other operating funding applications | - | - | - | - |
| Total Applications of Operating Funding | 27,287 | 23,967 | 29,784 | 25,378 |
| Surplus/(Deficit) of Operating Funding | 5,719 | 6,441 | 3,794 | 6,341 |
| Sources of Capital Funding | | | | |
| Subsidies and grants for capital expenditure | 9,238 | 5,367 | 8,996 | 6,962 |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | - | 4,072 | 10,000 | 5,848 |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total Sources of Capital Funding | 9,238 | 9,440 | 18,996 | 12,810 |
| Applications of Capital Funding | | | | |
| Capital Expenditure: | | | | |
| - to meet additional demand | - | 80 | - | 355 |
| - to improve the level of service | 7,395 | 5,662 | 10,333 | 8,898 |
| - to replace existing assets | 16,487 | 12,574 | 16,575 | 12,130 |
| Increase (decrease) in reserves | (8,924) | (2,184) | (4,118) | (2,232) |
| Increase (decrease) of investments | - | (250) | - | - |
| Total Applications of Capital Funding | 14,958 | 15,882 | 22,790 | 19,151 |
| Surplus/(Deficit) of Capital Funding | (5,719) | (6,441) | (3,794) | (6,341) |
| Funding Balance | - | - | - | - |

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

| | 2018/19 Actual \$000s | 2018/19 Plan \$000s | 2019/20 Actual \$000s | 2019/20 Plan \$000s |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Revenue | | | | |
| Statement of Comprehensive Revenue and Expense | 41,309 | 35,286 | 41,699 | 38,175 |

Summary Funding Impact Statement

Sources of Operating Funding

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Total operating funding | 33,005 | 30,408 | 33,578 | 31,719 |
| Add sources of capital funding: | | | | |
| - Subsidies and grants for capital expenditure | 9,238 | 5,367 | 8,996 | 6,962 |
| - Investment (gains/losses) | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Less rates remission and discount | (559) | (489) | (518) | (506) |
| Less internal rates revenue eliminated | (375) | - | (357) | - |
| Total Revenue | 41,309 | 35,286 | 41,699 | 38,175 |

Expenditure

| | | | | |
|--|--------|--------|--------|--------|
| Statement of Comprehensive Revenue and Expense | 39,566 | 36,593 | 42,449 | 38,103 |
|--|--------|--------|--------|--------|

Summary Funding Impact Statement

Application of Operating Funding

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Total application of operating funding | 27,287 | 23,967 | 29,784 | 25,378 |
| Add depreciation and amortisation expense | 13,212 | 13,117 | 13,539 | 13,231 |
| Less rates remission and discount | (559) | (491) | (518) | (506) |
| Less internal rates revenue eliminated | (375) | - | (357) | - |
| Total Expenditure | 39,566 | 36,593 | 42,449 | 38,103 |

Statement of accounting policies

For the year ended 30 June 2020

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, Manawatū-Whanganui 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 2020. The financial statements were authorised for issue by Council on 9 December 2020.

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 Community Trust

The Office of the Auditor General (OAG) has assessed that the Tararua Aquatic Community 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 2019/20 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 2020/21 Annual Report.

The financial statements in the 2019/20 Annual Report are of Council only.

Changes in accounting policies

'PBE IPSAS 36: Investments in Associates and Joint Ventures' has been adopted by Council beginning 1 July 2019. This change in accounting standard required Council to change the method in which it accounts for interests in investment entities to equity method.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council are:

Financial Instruments

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

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

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

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. Council does not intend to early adopt the amendment.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. Council has not yet determined how application of PBE FRS 48 will affect its statement of performance.

Associate

An associate is an entity over which the institute has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the group financial statements using the equity method of accounting.

Investments in associates are measured at cost in the institute's parent financial statements.

Equity method of accounting in group financial statements

Investments in associates and joint ventures are accounted for in the parent financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the change in net assets of the entity after the date of acquisition. The group's share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

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 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%) |
| 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%) |

| Asset category | Useful life | Depreciation rate |
|---------------------------------|-----------------|-------------------|
| 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 asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its 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 2020.

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 2020

01. CASH AND CASH EQUIVALENTS

The average interest rate received on the bank deposit for the 2019/20 year was 0.92%. In 2018/19 this was 3.45%.

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
| Cash at bank and in hand | 3,890 | 1,303 |
| Term deposits maturing 3 months or less from date of acquisition | 32 | 32 |
| Total Cash and Cash Equivalents | 3,921 | 1,334 |

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 \$54,000 (2019: \$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:

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
| Cash and cash equivalent current asset | 3,890 | 1,303 |
| Short term deposits maturing 3 months or less from date of acquisition | 32 | 32 |
| Cash and cash equivalent current liability – bank overdraft | - | - |
| Total Cash Resources | 3,921 | 1,334 |

02. RATES REVENUE

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|-----------------------------|-----------------------------|
| General Rates | | |
| Uniform annual general charge | 4,258 | 4,519 |
| General land rates | 3,753 | 3,813 |
| Targeted Rates Attributable to Group of Activities | | |
| Community and Recreation Facilities | 1,731 | 1,911 |
| District Promotion and Economic Development | 635 | 630 |
| Regulatory Services | - | - |
| Roading and Footpaths | 6,160 | 6,314 |
| Solid Waste Management | 1,010 | 826 |
| Stormwater | 607 | 643 |
| Wastewater | 2,402 | 2,538 |
| Water Supplies | 1,854 | 2,142 |
| Rates revenue before discount | 22,410 | 23,336 |
| Less 3% discount for full payment at time of first instalment | (94) | (92) |
| Rates revenue after discount | 22,316 | 23,244 |
| Plus metered water charges | 647 | 729 |
| Less rates refunds | (35) | - |
| Less rates remissions | (430) | (426) |
| Less rates internally charged to Council | (375) | (357) |
| Plus net rates penalties | 81 | 273 |
| Total revenue from rates | 22,204 | 23,462 |

Rates Remissions

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
| Rates Remissions | | |
| Town centre refurbishment development loans | 8 | 15 |
| Sewerage – educational establishments | 86 | 92 |
| General rates | 297 | 278 |
| General rates – not for profit sports and cultural | 39 | 41 |
| Total | 430 | 426 |

Council had 10,464 rateable assessments as at 30 June 2020 (2019: 10,375). The total capital and land value of these assessments were \$5,649,638,480 (2019: 5,615,879,880) and \$3,482,015,480 (2019: \$3,476,582,480) respectively.

03. FINANCE REVENUE AND FINANCE COSTS

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|-----------------------------------|-----------------------------|-----------------------------|
| Finance Revenue | | |
| Interest on bank deposits | 96 | 17 |
| Total Finance Revenue | 96 | 17 |
| Finance Costs | | |
| Interest on bank overdraft | - | - |
| Landfill interest expense | (25) | (17) |
| Fair value movement of derivative | 758 | 830 |
| Interest on secured loans | 715 | 867 |
| Total Finance Costs | 1,448 | 1,680 |
| Net Finance (Costs)/Gain | (1,352) | (1,663) |

04. FEES AND CHARGES

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---------------------------------------|-----------------------------|-----------------------------|
| Building and planning consent charges | 446 | 636 |
| Dog registration fees | 273 | 301 |
| Landfill and transfer station charges | 618 | 896 |
| Pensioner housing rent | 417 | 462 |
| Trade waste charges | 116 | 145 |
| Petroleum tax | 171 | 160 |
| Rendering of services | - | - |
| Other fees and charges | 432 | 607 |
| Total | 2,473 | 3,206 |

05. OTHER REVENUE

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
| Revenue from the various domain boards | 205 | 150 |
| Insurance recoveries: | | |
| - motor vehicles | - | - |
| - buildings | - | - |
| Other | 155 | 131 |
| Total Miscellaneous Revenue | 360 | 281 |

06. OTHER GAINS AND LOSSES

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
| Gain/(Loss) on disposal of property, plant & equipment | 13 | (1,903) |
| Gain (Loss) on investment properties | - | 45 |
| Gain (Loss) on change in forestry value | 1,538 | (1,316) |
| Gain/(Loss) on change in investment shares value | - | (24) |
| Total Gains/(Losses) | 1,551 | (3,199) |

07. PERSONNEL COSTS

Salaries and wages includes movements in employee benefit liabilities.

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

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
| Salaries and wages | 5,485 | 5,721 |
| Defined contribution plan employer contributions | 155 | 170 |
| Training costs | 285 | 195 |
| Increase/(decrease) in employee entitlements/liabilities | 110 | 226 |
| Total Employee Benefit Costs | 6,035 | 6,314 |

During the year to 30 June 2020, the total remuneration and value of other non-financial benefits received by, or payable to the mayor, councillors, chief executive, and senior managers of the Council were as follows:

| | 2018/19 \$000s | 2019/20 \$000s |
|--|-------------------|-------------------|
| Mayor | | |
| Tracey Collis | 94 | 106 |
| Tracey Collis, motor vehicle | 4 | 4 |
| Councillors | | |
| Allan Benbow | 38 | 13 |
| Ernie Christison | 10 | - |
| James Crispin | 31 | 10 |
| Alison Franklin | 28 | 36 |
| Shirley Hull | 31 | 37 |
| Carole Isaacson | 28 | 36 |
| Peter Johns | 28 | 36 |
| Erana Peeti-Weber | - | 34 |
| Kerry Sutherland | 15 | 36 |
| Andrew Thompson | 27 | 9 |
| Raylene Treder | - | 26 |
| Sharon Wards | - | 26 |
| Total Mayor and Councillors | 334 | 409 |
| Community Boards | | |
| Terrence Carew | - | 3 |
| Denise Clifton | - | 3 |
| Charlie Death | 8 | 8 |
| Diana Eagle | 4 | 1 |
| Terry Hynes | 6 | 6 |
| Ross Macdonald | 12 | 8 |
| Steven McGhie | - | 3 |
| Sharon Shannon | 4 | 1 |
| Kim Spooner | 6 | 6 |
| Pat Walshe | 6 | 10 |
| Pauline Wilson | 4 | 1 |
| Total Community Boards | 50 | 50 |
| Chief Executive | | |
| Blair King, employee benefit costs | 227 | 227 |
| Defined contribution plan - employer contributions | 7 | 7 |
| Blair King, motor vehicle | 10 | 10 |
| Total Chief Executive | 244 | 244 |
| Severance Payments | | |
| All employees (1 employee) | - | 11 |

Total employee annual remuneration by band

| Remuneration Band | 2018/19 | 2019/20 |
|---------------------|-----------|------------|
| Less than \$60,000 | 55 | 63 |
| \$60,000-\$79,999 | 19 | 19 |
| \$80,000-\$99,999 | 14 | 19 |
| \$100,000-139,999 | 6 | 5 |
| \$140,000-\$259,999 | 3 | 3 |
| Total | 97 | 109 |

Total remuneration includes non-financial benefits provided to employees.

At balance date, Council employed 70 (2019: 64) full-time employees, with balance of staff representing 21.8 (2019: 15.4) full-time equivalent employees. At balance date, Council employed 7 casual staff (2019: 10).

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

08. EMPLOYEE ENTITLEMENTS

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|------------------------------------|--------------------------|--------------------------|
| Current Portion | | |
| Accrued pay | 156 | 237 |
| Annual leave | 415 | 559 |
| Long service leave | 3 | 2 |
| Total Current Portion | 573 | 798 |
| Non-current Portion | | |
| Retirement leave | 29 | 30 |
| Total Non-current Portion | 29 | 30 |
| Total Employee Entitlements | 602 | 828 |

Employee provisions – movements

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|----------------------------------|-----------------------------|-----------------------------|
| Opening Balance | 492 | 602 |
| Additional provision | 594 | 613 |
| Amount used | (485) | (391) |
| Net Movement for the Year | 110 | 222 |
| Closing Balance | 602 | 828 |

09. OTHER OPERATING EXPENSES

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|--------------------------|--------------------------|
| Audit New Zealand audit fees for financial statement audit – current year | 118 | 120 |
| Audit New Zealand audit fees for debenture trust deed | 4 | 4 |
| Audit fees for Alliance contract | - | 9 |
| Impairment of receivables movement (see note 12) | (83) | 90 |
| Inventory consumption | (43) | (14) |
| Rental and operating lease expenses | 50 | 111 |
| Other operating expenses | 18,825 | 20,596 |
| Total Other Operating Expenses | 18,871 | 20,916 |

10. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITIES

This note is disclosed to be compliant with Schedule 10 of the Local Government Act 2002.

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|--------------------------|--------------------------|
| Building Communities and Leadership | 6 | 12 |
| Community and Recreation Facilities | 2,394 | 2,536 |
| District Promotion and Economic Development | 10 | 6 |
| Regulatory Services | 46 | 52 |
| Roading and Footpaths | 8,456 | 8,475 |
| Solid Waste Management | 70 | 38 |
| Stormwater | 222 | 285 |
| Wastewater | 990 | 1,019 |
| Water Supplies | 1,018 | 1,115 |
| Total | 13,212 | 13,539 |

11. TAXATION

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|--------------------------|--------------------------|
| Relationship between Tax and Accounting Profit | | |
| Operating surplus/(deficit) before income tax | 3,294 | (3,941) |
| Prima facie tax @ 28% | 922 | (1,103) |
| Tax effect of permanent differences: | | |
| - Non-deductible expenditure | (922) | (1,103) |
| - Deferred tax adjustment | - | - |
| Total Income Tax Expense | - | - |

12. DEBTORS AND OTHER RECEIVABLES

| (Amounts include GST) | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|-----------------------------|-----------------------------|
| Current Portion | | |
| Rates receivables | 1,614 | 1,763 |
| Sundry debtors | 622 | 668 |
| Sundry debtors - NZ Transport Agency: roading subsidies | 3,970 | 3,014 |
| Interest accrued | 3 | 2 |
| Prepayments | 431 | 489 |
| Other receivables | 959 | 826 |
| | 7,599 | 6,764 |
| Less provision for impairment of receivables | (327) | (417) |
| Current Portion | 7,272 | 6,345 |
| Non-current Portion | | |
| Prepayments | - | - |
| Non-current Portion | - | - |
| Total Trade And Other Receivables | 7,272 | 6,345 |
| 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 | 6,634 | 5,593 |
| Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates | 638 | 752 |

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

| (Amounts include GST) | 2018/19 | | | 2019/20 | | |
|-----------------------|-----------------|---|---------------|-----------------|---|---------------|
| | Gross \$000s | Provision for uncollectability \$000s | Net \$000s | Gross \$000s | Provision for uncollectability \$000s | Net \$000s |
| Over 12 months | 754 | - | 754 | 735 | - | 735 |
| Under 12 months | 860 | (278) | 582 | 1,028 | (376) | 652 |
| Total | 1,614 | (278) | 1,336 | 1,763 | (376) | 1,387 |

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

| (Amounts include GST) | 2018/19 | | | 2019/20 | | |
|-----------------------|--------------|---------------------------------------|--------------|--------------|---------------------------------------|--------------|
| | Gross \$000s | Provision for uncollectability \$000s | Net \$000s | Gross \$000s | Provision for uncollectability \$000s | Net \$000s |
| Current | 3,371 | - | 3,371 | 2,598 | - | 2,598 |
| 1 month | 2,126 | - | 2,126 | 1,127 | - | 1,127 |
| 2 months | 3 | - | 3 | 18 | - | 18 |
| Over 2 months | 100 | (49) | 51 | 765 | (41) | 724 |
| Total | 5,600 | 4,512 | 5,551 | 4,508 | (41) | 4,467 |

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 (2019: \$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 2020 are detailed below:

- There is only one concentration of credit risk with respect to receivables. Council has one large debtor in respect of NZ Transport Authority providing government subsidy for Roading. This concentration of risk and reliance on Government is not considered to be a matter of concern because of the New Zealand Government's strong credit rating.
- The face value of loans to related parties is \$NIL (2019: \$NIL).
- The carrying value of trade and other receivables (excluding loans to related parties) approximates their fair value. As of 30 June 2020, 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:

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|-----------------------|-----------------------|
| At 1 July | 410 | 327 |
| Additional/(reduction in) provisions made during the year | (83) | 90 |
| Less receivables written off during period | - | - |
| At 30 June | 327 | 417 |

13. FORESTRY ASSETS

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|-----------------------------|-----------------------------|
| Balance at 1 July | 2,072 | 3,555 |
| Increases due to purchases | - | - |
| Gains/Losses arising from changes in fair value - less estimated sale costs | 1,483 | (1,318) |
| Decreases due to sales | - | - |
| Decrease due to harvest | - | - |
| Balance at 30 June | 3,555 | 2,237 |

Council

Council owns 426.2 hectares of pinus radiata forest at year end (2019: 426.2 hectares). The trees are at varying stages of maturity ranging from 0–30 years. Market changes have resulted in significantly lower log prices.

During the 2019/20 year, Council did not conduct any harvesting as the focus was on harvesting roadside trees. Council did not harvest any joint venture blocks in 2019/20 (2018/19: 3.4 hectares).

Registered valuer, ForestStat Ltd, has valued forestry assets as at 30 June 2020. A post-tax discount rate of 6.5% was used to discount the present value of expected cash flows. Whilst the valuer noted that Covid-19 resulted in a drop in prices in March, log prices increased thereafter, with the effect of Covid-19 not having a major impact on the valuation.

Other significant assumptions factored into the fair valuation assessment were:

- A compound rate of 2.0% has been used for the replacement approach on post-tax cashflows.
- Notional land rental costs have been included for freehold land.
- Inflation is assumed at 1.2% per annum based on the ten-year annual average inflation January 2010 to December 2019.
- Log prices – for stands scheduled to be harvested over the next year (commencing 2020), prices were based on prices achieved over the last 12 months. For minor stands planted 1995–2010 and Birch North planted 2004–2016, the prices were based on averages received over the last three years.
- The costs and revenues are those pertaining to the current crop rotation and exclude the costs and revenues associated with replanting and harvesting of the next and any subsequent crop rotations.
- The costs used in this valuation are estimates based on current industry costs to be incurred by a hypothetical buyer for forests of similar size. Costs in any given year are deemed to be incurred at the beginning of the valuation year (1 July) for discounting purposes.

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

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
| Held for distribution inventory | | |
| Paper stock | 24 | 42 |
| i-SITE stock | 3 | 1 |
| Commercial inventory | | |
| Livestock | 7 | 3 |
| Material stocks | 77 | 79 |
| Total Inventory and Livestock | 111 | 125 |

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

15. OTHER FINANCIAL ASSETS

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
| Other financial assets | | |
| Current Portion | | |
| Short term deposits greater than 3 months but less than 12 months | 1,325 | 1,340 |
| Non-current Portion | | |
| Term deposits greater than 12 months | - | 10 |
| Total other financial assets | 1,325 | 1,350 |
| Investment in CCOs and similar entities | | |
| Local Government Funding Agency borrower notes | 336 | 528 |
| Tararua Aquatic Community Trust settled by Council (Initial \$500 capital) | 1 | 1 |
| New Zealand Local Government Insurance Corporation Limited | 118 | 93 |
| Total investment in CCOs and similar entities | 455 | 621 |
| Total Investments | 1,780 | 1,972 |

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. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
| Manawatu-Whanganui LASS Ltd (MW Lass)* | 16 | 38 |
| Total investment in associates | 16 | 38 |

Summarised financial information of associate entities

| | | |
|-------------------|-------|-------|
| Assets | 559 | 484 |
| Liabilities | 355 | 222 |
| Revenues | 1,204 | 1,157 |
| Surplus/(deficit) | 52 | 59 |
| Group's interest | 14% | 14% |

*An adjustment of \$13,000 has been made to the opening balance in the 2019/20 year to correctly reflect Council's 14% share of prior year profits with the adoption of PBE IPSAS 36 investment in associates and joint ventures equity method accounting for Council's investment in Manawatu-Whanganui LASS Ltd.

17. INVESTMENT PROPERTY

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|-----------------------------|-----------------------------|
| Balance at 1 July | 1,641 | 1,512 |
| Additional disposal from reclassification | (184) | - |
| Disposals/sales | - | - |
| Fair value gains/(losses) on valuation | 55 | 47 |
| Balance at 30 June | 1,512 | 1,559 |
| Rental revenue | 41 | 42 |
| Direct operating expenses | (78) | (65) |
| Surplus/(Deficit) | (37) | (23) |

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. The valuer considered the impacts of Covid-19 as part of their assessment. Assessment of market sales and information throughout May and June 2020 indicate that the demand for all property types in the Tararua District remains high post Covid-19. The impact of low property supplies in the district significantly outweighs the uncertainty of Covid-19.

Non-current assets held for sale

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|-----------------------------|-----------------------------|
| Opening balance 1 July 2019 | - | 184 |
| Buildings | 45 | - |
| Land | 139 | - |
| Fair value gain on valuation | - | - |
| Total non-current assets held for sale | 184 | 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.

Council entered into an agreement to sell the property to a purchaser, with an agreed settlement date of April 2021.

18. TENANT CONTRIBUTIONS

Council owns five 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 2020 the loans repayable to tenants totalled \$354,450 (2019: \$480,075).

19. 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 2019. Covid-19 has not had an impact on the infrastructure valuation.

The total fair value valued by Council and reviewed by Stantec Ltd was \$860,501,344. 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. Council considered the impact of Covid-19 on the carrying value of land and buildings at 30 June 2020. Council engaged Aon New Zealand to perform an independent valuation of its investment properties. Assessment of market sales and information throughout May and June 2020 indicate that the demand for all property types in the Tararua District remains high post Covid-19. The impact of low property supplies in the district significantly outweighs the uncertainty of Covid-19.

The total fair value of buildings (including improvements) valued by Aon New Zealand was \$29,195,000.

Disposal

The net loss on disposal of property, plant and equipment of \$1,903 million 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 \$33,849,000 (2018/19: 29,335,000). These consisted of constructed assets.

Council 2020

| | Cost or valuation opening bal 1-Jul-19 \$000s | Accumulated depreciation opening bal 1-Jul-19 \$000s | Carrying amount opening bal 1-Jul-19 \$000s | Current year additions [†] \$000s | Current year disposals \$000s |
|---------------------------------|---|--|---|--|-------------------------------------|
| Operational Assets | | | | | |
| At Valuation | | | | | |
| Buildings | 30,349 | (2,678) | 27,671 | 1,800 | |
| Land | 10,117 | - | 10,117 | 184 | |
| At Cost | | | | | |
| Computer equipment | 2,447 | (1,924) | 523 | 152 | - |
| Fibre cabling and conduits | 1,241 | (423) | 818 | 11 | - |
| Furniture and fittings | 872 | (682) | 190 | 85 | - |
| Library collections | 1,840 | (1,501) | 339 | 93 | - |
| Motor vehicles | 1,676 | (835) | 841 | 330 | (10) |
| Plant and machinery | 3,142 | (2,368) | 774 | 292 | (31) |
| Swimming pools | 538 | (267) | 271 | - | - |
| Work in progress | 1,261 | - | 1,261 | 1,168 | - |
| Total Operational Assets | 53,483 | (10,678) | 42,805 | 4,115 | (41) |

| Current year impairment changes \$000s | Current year depreciation \$000s | Reverse accumul depn on sales or revaluation \$000s | Revaluation movements \$000s | Adjustments* (allocate WIP) (re-class assets) \$000s | Cost or valuation 30-Jun-20 \$000s | Accumul depn & impairment closing bal 30-Jun-20 \$000s | Carrying amount closing bal 30-Jun-20 \$000s |
|---|-------------------------------------|--|---------------------------------|---|---------------------------------------|---|---|
| - | (1,611) | - | - | - | 32,149 | (4,289) | 27,860 |
| - | - | - | - | - | 10,301 | - | 10,301 |
| - | (240) | - | - | - | 2,599 | (2,164) | 435 |
| - | (50) | - | - | - | 1,252 | (473) | 779 |
| - | (31) | - | - | - | 957 | (713) | 244 |
| - | (81) | - | - | - | 1,933 | (1,582) | 351 |
| - | (195) | - | - | - | 1,996 | (1,030) | 966 |
| - | (262) | 6 | - | - | 3,403 | (2,624) | 779 |
| - | (14) | - | - | - | 538 | (281) | 257 |
| - | - | - | - | (1,359) | 1,070 | - | 1,070 |
| - | (2,484) | 6 | - | (1,359) | 56,198 | (13,156) | 43,043 |

| | Cost or valuation opening bal 1-Jul-19 \$000s | Accumulated depreciation opening bal 1-Jul-19 \$000s | Carrying amount opening bal 1-Jul-19 \$000s | Current year additions [†] \$000s | Current year disposals \$000s |
|---|---|--|---|--|-------------------------------------|
| Infrastructure Assets | | | | | |
| At Valuation | | | | | |
| Roading network (including footpaths) | 701,946 | (6,938) | 695,008 | 17,761 | - |
| Roading bridges and culverts | 70,581 | (1,370) | 69,211 | 1,347 | - |
| Roading land | 24,395 | - | 24,395 | - | - |
| Roading and forestry roads | 315 | - | 315 | 385 | - |
| Wastewater treatment plants and facilities | 18,568 | (550) | 18,018 | 636 | (1) |
| Wastewater network and other assets | 16,163 | (404) | 15,759 | 1,720 | (1,376) |
| Stormwater systems | 11,245 | (222) | 11,023 | 298 | (392) |
| Street-lighting | 1,293 | (70) | 1,223 | - | - |
| Waste management | 1,419 | (1,058) | 361 | - | - |
| Water supply treatment plants and facilities | 13,815 | (326) | 13,489 | 3,600 | (23) |
| Water supply network and other assets | 32,628 | (677) | 31,951 | 943 | (128) |
| At Cost | | | | | |
| Work in Progress | 19,016 | - | 19,016 | 9,045 | - |
| Total Infrastructure Assets | 911,384 | (11,615) | 899,769 | 35,735 | (1,920) |
| 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 | 969,637 | (22,293) | 947,344 | 39,850 | (1,961) |
| 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 additions comprise of constructed assets. No assets were transferred to Council during the year.

| Current year impairment changes \$000s | Current year depreciation \$000s | Reverse accumul depn on sales or revaluation \$000s | Revaluation movements \$000s | Adjustments* (allocate WIP) (re-class assets) \$000s | Cost or valuation 30-Jun-20 \$000s | Accumul depn & impairment closing bal 30-Jun-20 \$000s | Carrying amount closing bal 30-Jun-20 \$000s |
|---|-------------------------------------|--|---------------------------------|---|---------------------------------------|---|---|
| - | (7,078) | 6,938 | (4,289) | 916 | 714,502 | (7,078) | 709,256 |
| - | (1,338) | 1,370 | (4,036) | (641) | 68,533 | (1,338) | 65,912 |
| - | - | - | - | - | 24,395 | - | 24,395 |
| - | - | - | - | - | 700 | - | 700 |
| - | (546) | 550 | 182 | - | 19,385 | (546) | 18,839 |
| - | (440) | 404 | (558) | - | 15,949 | (440) | 15,509 |
| - | (285) | 222 | 2,614 | - | 13,765 | (285) | 13,480 |
| - | (47) | 70 | (88) | (274) | 1,479 | (47) | 884 |
| - | (15) | - | - | - | 1,419 | (1,073) | 346 |
| - | (384) | 326 | (444) | - | 16,948 | (384) | 16,564 |
| - | (707) | 677 | (5,614) | - | 27,829 | (707) | 27,122 |
| - | - | - | - | (11,960) | 16,101 | - | 16,101 |
| - | (10,840) | 10,557 | (12,233) | (11,960) | 921,005 | (11,898) | 909,107 |
| - | - | - | - | - | 1,551 | - | 1,551 |
| - | - | - | - | - | 1,973 | - | 1,973 |
| - | - | - | - | - | 646 | - | 646 |
| - | - | - | - | - | 365 | - | 365 |
| - | - | - | - | - | 235 | - | 235 |
| - | - | - | - | - | 4,770 | - | 4,770 |
| - | (13,331) | 10,557 | (12,233) | (13,318) | 981,974 | (25,054) | 956,920 |
| | (209) | | | | | | |
| | (13,540) | | | | | | |

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 depreciation \$'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 depreciation \$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) | | | | | | |

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 | 966 | 1,996 | 1,996 | - | - | - |
| Buildings and other operational assets | | 30,660 | 109,665 | 103,150 | - | - | - |
| Road and footpath assets | 1 | 776,751 | 1,042,929 | - | 688,333 | 353,052 | 1,544 |
| Wastewater network | 2 | 34,348 | 61,906 | 23,823 | 37,144 | 923 | 16 |
| Stormwater network | 2 | 13,480 | 23,945 | 7,345 | 14,367 | 2,229 | 4 |
| Water supply network | 2 | 43,686 | 82,752 | 32,737 | 49,651 | 352 | 12 |
| Total | | 899,891 | 1,323,193 | 169,105 | 789,495 | 356,557 | 1,576 |

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 66% subsidy from NZ Transport Agency for operational and renewal expenditure in 2019/20. The actual subsidy received for roading emergency works increases to 86% for events greater than \$1 million. Due to this pre-condition, the normal rate of 66% has 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
2018/19

Year ended
2019/20

Operational Assets

| Balance | 1,262 | 1,070 |
|----------------------------|-------|-------|
| Made up of: | | |
| Buildings | 777 | 1,070 |
| Computer equipment | 1 | - |
| Fibre cabling and conduits | - | - |
| Furniture and fittings | 1 | - |
| Plant and machinery | - | - |
| Swimming pools | 483 | - |

Infrastructure Assets

| Balance | 19,016 | 16,101 |
|--|--------|--------|
| Made up of: | | |
| Roading network | 9,785 | 4,461 |
| Roading - forestry roads | 386 | 5,842 |
| Wastewater treatment plants and facilities | 2,474 | 2,987 |
| Wastewater network and other assets | 1,522 | 1,221 |
| Stormwater systems | 445 | 790 |
| Waste management | 157 | - |
| Water supply treatment plants and facilities | 3,949 | - |
| Water supply network and other assets | 298 | 800 |

20. INTANGIBLE ASSETS

| | Opening balance 1 July | | | Additions | Disposals/ transfers | Revaluation movement |
|-------------------|------------------------|-----------------------------|--------------------|------------|-------------------------|-------------------------|
| | Cost or valuation | Accumulated depreciation | Carrying amount | | | |
| | \$000s | \$000s | \$000s | | | |
| 2019/20 | | | | | | |
| Computer software | 2,620 | (1,922) | 698 | 174 | - | - |
| Intangible WIP | 4 | - | 4 | 163 | (2) | - |
| Library ebooks | 7 | (7) | - | - | - | - |
| Easement rights | 12 | - | 12 | - | - | - |
| Carbon credits | 567 | - | 567 | - | - | 220 |
| Total | 3,210 | (1,929) | 1,280 | 337 | (2) | 220 |
| 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 |

21. PAYABLES AND DEFERRED REVENUE

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|--------------------------|--------------------------|
| Payables and deferred revenue under exchange transactions | | |
| Trade payables | 5,546 | 5,478 |
| Interest accrued | 123 | 134 |
| Revenue in advance | - | 484 |
| Amounts payable to contractors as retentions | 231 | - |
| Total | 5,900 | 6,096 |
| Payables and deferred revenue under non-exchange transactions | | |
| Other taxes payable (e.g. GST and PAYE) | 267 | 52 |
| Grants payable | 48 | 11 |
| Rates revenue in advance | 360 | 305 |
| Total | 675 | 368 |
| Total payables and deferred revenue | 6,575 | 6,464 |

| Amortisation impairment expense | Closing balance 30 June | | |
|------------------------------------|-------------------------|-----------------------------|--------------------|
| | Cost or valuation | Accumulated amortisation | Carrying amount |
| | \$000s | \$000s | \$000s |
| (209) | 2,794 | (2,131) | 663 |
| - | 165 | - | 165 |
| - | 7 | (7) | - |
| - | 12 | - | 12 |
| - | 787 | - | 787 |
| (209) | 3,765 | (2,139) | 1,627 |
| (217) | 2,620 | (1,922) | 698 |
| - | 4 | - | 4 |
| - | 7 | (7) | - |
| - | 12 | - | 12 |
| - | 567 | - | 567 |
| (217) | 3,210 | (1,929) | 1,281 |

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.

22. PROVISION FOR LANDFILL AFTERCARE

The Council has six landfills. Only the Pongaroa landfill is currently operational. 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 2.63% (2019:3.76%).

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|-----------------------------|-----------------------------|
| Landfill aftercare provision | | |
| Opening balance | 669 | 606 |
| Additional provisions during the year | (17) | 31 |
| Amounts used during the year | (21) | (92) |
| Unused amounts reversed during the year | - | - |
| Discount unwinding | (25) | (17) |
| Closing balance | 606 | 528 |
| Made up of | | |
| Current portion | 105 | 164 |
| Non-current portion | 501 | 363 |
| Total provision | 606 | 528 |

23. BORROWINGS

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|-------------------------------------|-----------------------------|-----------------------------|
| Current | | |
| Bank overdraft | - | - |
| Secured loans | 6,000 | 5,000 |
| Total current borrowings | 6,000 | 5,000 |
| Non-current | | |
| Secured loans | 19,000 | 30,000 |
| Total non-current borrowings | 19,000 | 30,000 |
| Total borrowings | 25,000 | 35,000 |

Fixed-rate borrowings

| | Maturity Date | Interest Rate 2018/19 | Interest Rate 2019/20 | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|-------------------------------------|-------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Current | | | | | |
| Multi-option Credit Facility | - | - | - | - | - |
| 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 | 2.51% | - | 2,000 | - |
| LGFA Commercial Paper | 17 July 2020 | - | 1.41% | - | 1,000 |
| LGFA Commercial Paper | 20 October 2020 | - | 0.67% | - | 1,000 |
| LGFA Bond Issue | 15 April 2021 | - | 0.92% | - | 1,000 |
| LGFA Bond Issue | 15 May 2021 | - | 1.28% | - | 2,000 |
| Total current borrowings | | | | 6,000 | 5,000 |
| Non-current | | | | | |
| LGFA Bond Issue | 15 May 2021 | 2.70% | - | 2,000 | - |
| LGFA Bond Issue | 15 April 2023 | 2.75% | 1.35% | 1,000 | 1,000 |
| LGFA Bond Issue | 15 August 2023 | 2.72% | 1.29% | 1,000 | 1,000 |
| LGFA Bond Issue | 14 April 2022 | 2.44% | 1.05% | 1,000 | 1,000 |
| LGFA Bond Issue | 15 October 2022 | 2.68% | 1.28% | 1,000 | 1,000 |
| LGFA Bond Issue | 15 April 2024 | 2.65% | 1.25% | 1,000 | 1,000 |
| LGFA Bond Issue | 15 October 2024 | 2.80% | 1.40% | 1,000 | 1,000 |
| LGFA Bond Issue | 15 April 2025 | 2.82% | 1.42% | 1,000 | 1,000 |
| LGFA Bond Issue | 15 April 2026 | 2.75% | 1.35% | 2,000 | 2,000 |
| LGFA Bond Issue | 15 April 2024 | 2.60% | 1.20% | 2,000 | 2,000 |
| LGFA Bond Issue | 15 April 2025 | 2.56% | 1.16% | 1,000 | 1,000 |
| LGFA Bond Issue | 14 April 2022 | 2.36% | 0.97% | 1,000 | 1,000 |
| LGFA Bond Issue | 15 April 2027 | 2.70% | 1.30% | 1,000 | 1,000 |
| LGFA Bond Issue | 15 April 2021 | 2.16% | - | 1,000 | - |
| LGFA Bond Issue | 15 April 2025 | 2.46% | 1.21% | 1,000 | 1,000 |
| LGFA Bond Issue | 15 April 2027 | 2.58% | 1.34% | 1,000 | 1,000 |
| LGFA Bond Issue | 15 April 2023 | - | 1.08% | - | 1,000 |
| LGFA Bond Issue | 15 April 2028 | - | 1.38% | - | 1,000 |
| LGFA Bond Issue | 20 April 2029 | - | 1.16% | - | 2,000 |
| LGFA Bond Issue | 15 April 2030 | - | 1.67% | - | 3,000 |
| LGFA Bond Issue | 15 April 2025 | - | 1.70% | - | 3,000 |
| LGFA Bond Issue | 15 September 2023 | - | 1.23% | - | 4,000 |
| Total non-current borrowings | | | | 19,000 | 30,000 |
| Total borrowings | | | | 25,000 | 35,000 |

Secured Loans

The Council's secured debt of \$35 million (2019: \$25 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

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

| | 2018/19 \$000s | 2019/20 \$000s |
|---|-------------------|-------------------|
| Other borrowing facilities and amount drawn down as at 30 June | | |
| Multi-option Credit Line Facility | | |
| - Limit | 3,000 | 5,000 |
| - Drawn down | - | - |
| ----- | | |
| BNZ Business Visa | | |
| - Limit | 50 | 50 |
| - Drawn down | 15 | 3 |
| ----- | | |
| 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 2020 | | |
| Less than one year | | 5,000,000 |
| weighted average effective interest rate | | 1.11% |
| Later than one year but not more than five years | | 20,000,000 |
| weighted average effective interest rate | | 1.29% |
| Later than five years | | 10,000,000 |
| weighted average effective interest rate | | 1.40% |
| 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% |

Internal borrowing

| Group of activities | Opening balance 1 July 2019 \$000s | Adjustments* \$000s | New loans \$000s | Loans repaid \$000s | Closing balance 30 June 2020 \$000s | Interest paid \$000s |
|-------------------------------------|---|------------------------|------------------------|------------------------|---|----------------------------|
| Building Communities and Leadership | - | - | 158 | (3) | 155 | 2 |
| Community and Recreation Facilities | 1,914 | 4 | 96 | (146) | 1,867 | 56 |
| District | 1,634 | 6 | 151 | (101) | 1,690 | 49 |
| District Promotion | 84 | - | 437 | (11) | 510 | 9 |
| Regulatory Services | 510 | - | 7 | (27) | 491 | 15 |
| Roading | 4,434 | (13) | 2,110 | (406) | 6,126 | 155 |
| Solid Waste | 2,122 | - | 81 | (155) | 2,047 | 61 |
| Stormwater | 1,527 | 1 | 121 | (176) | 1,473 | 45 |
| Wastewater | 7,955 | 1 | 474 | (757) | 7,673 | 232 |
| Water Supplies | 11,329 | 140 | 5,308 | (727) | 16,050 | 400 |
| Total | 31,510 | 138 | 8,942 | (2,508) | 38,083 | 1,022 |

* 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).

24. EQUITY

Summary of Equity Movements – a supplementary explanation to the Statement of Movements in Equity.

| | Council Accum Funds \$000s | Council Asset Rev Res \$000s | Council Special Funded Res \$000s | Council Trusts \$000s | Council Total Equity \$000s |
|--|-------------------------------------|---------------------------------------|--|-----------------------------|--------------------------------------|
| 2020 | | | | | |
| Balance at 1 July | 350,617 | 548,039 | 33,571 | 46 | 932,269 |
| Adjustment* | 13 | - | - | - | 13 |
| Adjusted balance at 1 July | 350,630 | 548,039 | 33,571 | 46 | 932,286 |
| Net surplus/(deficit) for the year | (3,941) | - | - | - | (3,941) |
| Fair value through equity, valuation gains | - | - | - | - | - |
| Increases/(decreases) from revaluation | - | (1,456) | - | - | (1,456) |
| Tax on equity items | - | - | - | - | - |
| Change in equity for the year before transfers of equity reserves | (3,941) | (1,456) | - | - | (5,397) |
| Transfers between equity reserves: | | | | | |
| Net Appropriation from Accumulated Funds to Special Funds | 1,558 | - | (1,558) | - | - |
| Net Appropriation to Accumulated Funds from Trust Funds | (8) | - | - | 8 | - |
| Net Transfers from Revaluation Reserves to Accumulated Funds | - | - | - | - | - |
| Total change in equity for the period | (2,391) | (1,456) | (1,558) | 8 | (5,397) |
| Balance at 30 June | 348,243 | 546,583 | 32,013 | 54 | 926,893 |
| 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 |

* 2020: Adjustment of \$13,000 in the 2019/20 year relates to correctly reflecting Council's 14% share of prior year profits with the change in accounting method with the adoption of PBE IPSAS 36 investments in associates and joint ventures equity method accounting for Council's investment in Manawatu-Whanganui LASS Ltd.

† 2019: 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.

25. REVALUATION RESERVES

2020

| | Balance 1 July 2019 \$000s | Revaluation assets changes \$000s | Disposals/value adjustment \$000s | Balance 30 June 2020 \$000s |
|--|----------------------------------|---|---|-----------------------------------|
| Council Revaluation Reserves | | | | |
| Fixed Assets Revaluation Reserves | | | | |
| Operational: Land | 7,046 | - | - | 7,046 |
| Operational: Buildings | 25,311 | - | - | 25,311 |
| Intangible: Carbon Credits | 474 | 219 | - | 693 |
| Heritage Assets | 8 | - | - | 8 |
| Reserves: Cemetery | 1,158 | - | - | 1,158 |
| Reserves: Parks and Reserves | 1,525 | - | - | 1,525 |
| Reserves: Roding | 524 | - | - | 524 |
| Reserves: Sundry | 294 | - | - | 294 |
| Reserves: War Memorials | 115 | - | - | 115 |
| Roding Network | 400,683 | 2,631 | - | 403,314 |
| Roding Land | 4,527 | - | - | 4,527 |
| Bridges and Culverts | 49,027 | (2,665) | - | 46,362 |
| Stormwater | 8,280 | 2,835 | - | 11,116 |
| Water Network | 34,413 | (5,055) | - | 29,356 |
| Wastewater | 14,654 | 577 | - | 15,232 |
| Total fixed assets revaluation reserves | 548,039 | (1,456) | - | 546,583 |

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: Roding | 524 | - | - | 524 |
| Reserves: Sundry | 294 | - | - | 294 |
| Reserves: War Memorials | 115 | - | - | 115 |
| Roding Network | 389,152 | 11,531 | - | 400,683 |
| Roding 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 |

26. SPECIAL FUNDED RESERVES

2020

| | Balance 1 July 2019 \$000s | Transfers in \$000s | Transfers out \$000s | Transfer interest in \$000s | Balance 30 June 2020 \$000s |
|------------------------------------|----------------------------------|------------------------|-------------------------|-----------------------------------|-----------------------------------|
| Tararua General Purpose | 1,783 | - | (68) | - | 1,715 |
| Council Depreciation | 26,488 | 6,624 | (8,755) | 814 | 25,172 |
| Tararua Emergency Roading | 1,762 | 937 | (1,155) | - | 1,544 |
| Tararua Gratuity | 69 | - | - | - | 69 |
| Infrastructure Protection Reserve | 52 | - | - | - | 52 |
| Tararua Housing | 977 | 462 | (474) | 17 | 982 |
| Dannevirke Airport Authority | 4 | - | - | - | 4 |
| Makuri Water Scheme | 13 | - | - | - | 13 |
| Recreation Grant | 60 | 20 | - | - | 80 |
| Tenant Contribution | 485 | - | (131) | - | 354 |
| Pongaroa Water Supply Depreciation | 114 | 102 | - | 6 | 222 |
| Heritage Reserve | 74 | 10 | (4) | - | 80 |
| Biodiversity Protection | 32 | 5 | (5) | - | 32 |
| Election | - | 30 | (63) | - | (33) |
| Waste Management | 203 | 54 | (14) | 11 | 254 |
| TACT Wai Splash Depreciation | 164 | 60 | (32) | 5 | 197 |
| Forestry Reserve | 847 | 890 | (940) | 1 | 798 |
| Bush Multisport Depreciation | 6 | 20 | - | 1 | 27 |
| Domain Boards Bank Balances | 437 | 150 | (138) | - | 449 |
| Total Council | 33,570 | 9,364 | (11,779) | 855 | 32,013 |

Summary of special fund movements

| | Balance 30 June 2019 \$000s | Net transfer (to)/from Accumulated Funds \$000s | Balance 30 June 2020 \$000s |
|----------------------|-----------------------------------|---|-----------------------------------|
| Total Council | 33,570 | (1,558) | 32,012 |

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 Roading | 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 |

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 19 reserves, of which 18 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 Roothing | Roothing 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. |

27. TRUST ACCOUNTS

These special reserves are set up to receive bequest from communities in the district for specific purpose. These funds are held in trust for these specific purposes.

| | Balance 1 July 2019 \$000s | Funds Received \$000s | Expenses Paid \$000s | Interest Earned \$000s | Balance 30 June 2020 \$000s |
|---------------------------|----------------------------------|-----------------------------|----------------------------|------------------------------|-----------------------------------|
| Dannevirke Fairbrother | 8 | - | - | 1 | 9 |
| Dannevirke Urban Campsite | 1 | - | - | - | 1 |
| Ormondville Play Group | 1 | - | - | - | 1 |
| Pahiatua Heritage | 25 | - | - | - | 24 |
| Arts Council of NZ | 2 | 26 | (19) | - | 9 |
| Mayoral Storm Relief Fund | 9 | - | - | 1 | 10 |
| Total Council | 46 | 26 | (19) | 2 | 54 |

Summary of trust fund movements

| | Balance 1 July 2019 \$000s | Net transfer to/(from) Accumulated Funds \$000s | Balance 30 June 2020 \$000s |
|----------------------|----------------------------------|---|-----------------------------------|
| Total Council | 46 | 8 | 54 |

28. RECONCILIATION OF NET SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|-----------------------------|-----------------------------|
| Reported surplus/(deficit) from Statement of Comprehensive Revenue and Expense | 3,294 | (3,941) |
| Add (Less) Non-cash Items | | |
| Depreciation and amortisation | 13,212 | 13,539 |
| (Increase)/decrease in value of associates | - | 3 |
| Impairment losses/(recoveries) | - | - |
| Effect of change in discount rate on provisions and discount unwind | (25) | - |
| Value of forests sold | - | - |
| Changes in fair value | 602 | 830 |
| Other (gains)/losses | (1,538) | 3,191 |
| Bad debts written off or bad debt provision | - | - |
| Total non-cash items | 12,251 | 17,563 |
| Add/(Less) Movements in Working Capital Items | | |
| (Increase)/decrease in inventory and livestock | (43) | (14) |
| (Increase)/decrease in accounts receivable & prepayments | (773) | 976 |
| Increase/(decrease) in accounts payable & accruals | 510 | 82 |
| Increase/(decrease) in employee provisions | 109 | 226 |
| (Increase)/decrease in net GST | (234) | (216) |
| Total movements in working capital | (430) | 1,054 |
| Add/(less) items classified as investing activities | - | - |
| Total items classified as investing activities | - | - |
| Net cash surplus from operating activities | 15,115 | 14,675 |

29. RELATED PARTY DISCLOSURES

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Key management personnel compensation

| | 2018/19 \$000s | 2019/20 \$000s |
|--|-------------------|-------------------|
| Councillors | | |
| Remuneration | 329 | 409 |
| Full-time equivalent members | 9 | 9 |
| Senior management team, including the chief executive | | |
| Remuneration | 916 | 952 |
| Full-time equivalent members | 6 | 5.8 |
| Total key management personnel remuneration | 1,245 | 1,361 |
| Total full-time equivalent personnel | 15 | 14.8 |

30. CAPITAL COMMITMENTS AND OPERATING LEASES

2020

| | < 1 Year \$000s | 1-5 Years \$000s | > 5 Years \$000s | Total \$000s |
|-------------------------------------|--------------------|---------------------|---------------------|-----------------|
| Capital Commitments | | | | |
| Water Supplies | 706 | - | - | 706 |
| Community and Recreation Facilities | 122 | - | - | 122 |
| Total capital commitments | 828 | - | - | 828 |

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

Alliance collaborative agreement

Council has established two collaborative agreements – Tararua Alliance with Downer New Zealand, and IT Alliance with Objective Corporation Limited.

The Tararua Alliance agreement has been renewed for a further 10 years commencing November 2019. The Tararua Alliance manages Council road corridor maintenance activities on its road, footpath, and stormwater networks.

The IT Alliance is also for 10 years commencing September 2018. The IT Alliance provides information technology support services to Council.

For both Alliances, the budgets are determined yearly and as part of Council's planning process. The budgets for 2020/21 are as follows:

Tararua Alliance

- Operational expenditure (including overheads and finance cost) - \$7,683,868
- Capital expenditure \$21,388,000

IT Alliance

- Operational expenditure (including overheads and finance cost) - \$1,429,393
- Capital expenditure \$871,000

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 | - | - | - |

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:

| | 2018/19 \$000s | 2019/20 \$000s |
|---|-------------------|-------------------|
| Not later than one year | 183 | 214 |
| Later than one year and not later than five years | 554 | 685 |
| Later than five years | 122 | - |
| Total non-cancellable operating leases | 859 | 899 |

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$NIL (2019: \$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:

| | 2018/19 \$000s | 2019/20 \$000s |
|---|-------------------|-------------------|
| Not later than one year | 26 | 58 |
| Later than one year and not later than five years | 68 | 151 |
| Later than five years | 4 | 130 |
| Total non-cancellable operating leases | 98 | 339 |

No contingent rents have been recognised during the period.

31. DERIVATIVE FINANCIAL INSTRUMENTS

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|-----------------------------|-----------------------------|
| Current Liability Portion | | |
| Interest rate swaps | 234 | 463 |
| Total current liability portion | 234 | 463 |
| Non-current Liability Portion | | |
| Interest rate swaps | 1,211 | 1,811 |
| Total non-current liability portion | 1,211 | 1,811 |
| Total derivative financial instruments | 1,445 | 2,274 |

The notional principal amount of the outstanding interest rate swap contracts for the Council were \$24 million (2019: \$20.5 million). At 30 June 2020, the fixed interest rates of interest rate swaps varied from 0.49% to 4.99% (2019: 1.88% to 4.99%).

Gains and losses are recognised in the Statement of Comprehensive Revenue and Expense (see Note 3) on interest rate swap contracts.

32. FINANCIAL INSTRUMENTS

Financial instrument categories

The accounting policies for financial instruments have been applied to the line items below:

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|---|-----------------------------|-----------------------------|
| Financial Assets | | |
| Loans and Receivables | | |
| Cash and cash equivalents | 3,921 | 1,334 |
| Debtors and other receivables | 7,272 | 6,345 |
| Other financial assets | | |
| - term deposits | 1,325 | 1,350 |
| Total loans and receivables | 12,518 | 9,029 |
| Fair Value Through Other Comprehensive Revenue and Expense | | |
| Other financial assets | | |
| - Local Government Funding Agency borrower notes | 336 | 528 |
| - local authority and government stock | 135 | 94 |
| Total fair value through other comprehensive revenue and expense | 470 | 622 |
| Total financial assets | 12,988 | 9,651 |
| Financial Liabilities | | |
| Fair Value Through the Surplus or Deficit | | |
| Borrowings | | |
| - interest rate swaps | 1,445 | 2,274 |
| Financial Liabilities at Amortised Cost | | |
| Creditors and other payables | 6,575 | 5,675 |
| Borrowings | | |
| - secured loans | 25,000 | 35,000 |
| Total financial liabilities at amortised cost | 33,020 | 42,949 |

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 |
| 2020 | | | | |
| Financial Assets | | | | |
| Unlisted shares: | | | | |
| - New Zealand Local Government Insurance Corporation Limited | 93 | - | - | 93 |
| - Local Government Funding Agency borrower notes | 528 | - | - | 528 |
| Financial Liabilities | | | | |
| Derivative financial instruments | 2,274 | - | 2,274 | - |
| 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 | - |

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:

| | 2018/19 \$000s | 2019/20 \$000s |
|---|-------------------|-------------------|
| Balance at 1 July | 374 | 470 |
| Gain and losses recognised in the surplus or deficit | - | (25) |
| Gain and losses recognised in other comprehensive revenue and expense | - | - |
| Purchases | 96 | 192 |
| Balance at 30 June | 470 | 638 |

33. 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 40%–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:

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
| Cash at bank and term deposits | 5,246 | 2,685 |
| Debtors and other receivables | 7,272 | 6,345 |
| Community and related party loans | - | - |
| Local Government Funding Agency borrower notes | 336 | 528 |
| Local authority and government stock | 135 | 94 |
| Total credit risk | 12,989 | 9,652 |

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:

| | 2018/19 Actual \$000s | 2019/20 Actual \$000s |
|--|-----------------------------|-----------------------------|
|--|-----------------------------|-----------------------------|

Counterparties with Credit Ratings

Local Government Funding Agency

| | | |
|-------------|-----|-----|
| AA+ / AA-1+ | 336 | 528 |
|-------------|-----|-----|

Cash at Bank and Term Deposits

| | | |
|-----|-------|-------|
| AA- | 5,246 | 2,685 |
|-----|-------|-------|

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 pre-approved multi-option facility of \$5 million that can be drawn down against for liquidity purposes.

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 |
|------------------------------------|------------------------------|-------------------------------|-------------------------------|---------------------|---------------------|--------------------------------|
| 2020 | | | | | | |
| Creditors and other payables | 5,675 | 5,675 | 5,675 | - | - | - |
| Net settled derivative liabilities | 2,274 | 2,274 | - | - | - | - |
| Bank overdraft | - | - | - | - | - | - |
| Secured Loans | 35,000 | 35,376 | 5,037 | 2,020 | 18,179 | 10,140 |
| Total | 42,949 | 43,325 | 10,712 | 2,020 | 18,179 | 10,140 |
| 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 |

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 |
|---|------------------------------|-------------------------------|-------------------------------|---------------------|---------------------|--------------------------------|
| 2020 | | | | | | |
| Cash and Cash Equivalents | 1,334 | 1,334 | 1,334 | | | |
| Debtors and other receivables | 6,345 | 6,345 | 6,345 | | | |
| Net settled derivative assets | - | | | | | |
| Other financial assets: | | | | | | |
| - term deposits | 1,350 | 1,350 | 1,350 | - | - | - |
| - community and related party loans | - | - | - | - | - | - |
| - Local Government Funding Agency borrower notes | 528 | 528 | - | - | - | 528 |
| - local authority and government stock | 93 | 93 | - | - | - | 110 |
| Total | 9,650 | 9,650 | 9,029 | - | - | 638 |
| 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 |

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 |
| 2019/20 | | | | | |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 1 | (13) | - | 13 | - |
| Financial Liabilities | | | | | |
| Nett settled derivatives | 2 | (3,446) | - | (1,188) | - |
| Borrowings: | | | | | |
| - bank overdraft | | - | - | - | - |
| - LGFA loans | 3 | 235 | - | (235) | - |
| - multi-option credit facility | | - | - | - | - |
| Total sensitivity to interest rate risk | | (3,226) | - | (1,408) | - |
| 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 | | (2,266) | - | (702) | - |

Explanation of sensitivity analysis – Council

- Cash and cash equivalents include deposits at call totalling \$1,456,000 (2019: \$3,921,000).
A movement in interest rates of plus or minus 1% has an effect on interest revenue of \$14,560 (2019: \$36,170).
- Council has in place interest rate swaps with Westpac as at year end to hedge the rise of interest rates in the future.
- The value of loans under swap arrangements totalled \$11,500,000 (2019: \$8,000,000), with \$23,500,000 unhedged.

34. 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.

35. CONTINGENT ASSETS AND LIABILITIES

Contingent assets

Council is not aware of any contingent assets existing at year end.

Contingent liabilities

New Zealand Local Government Funding Agency (NZLGFA)

The Council is a guarantor of NZLGFA. The NZLGFA 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 2020, Tararua District Council is one of 24 local authority guarantors of the NZLGFA. Together with the other guarantors, Tararua District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2020, NZLGFA had borrowings totalling \$11,908 million (2019: \$9,531 million).

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 NZLGFA 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.

36. POST BALANCE DATE EVENTS

On 19 August, Infrastructure Minister Shane Jones announced that Council was successful in being awarded \$14.6 million in funding for upgrades to Route 52 between the Tararua District and Central Hawke's Bay. This project was one of Council's shovel-ready projects it submitted to the Infrastructure Reference Group (IRG) during the nationwide lockdown and has been successful in being approved in principle, funding from the Provincial Development Unit in the Government's Covid-19 response and recovery fund. This road is an important link between the regions for locals, travellers, tourists and transport vehicles. This project will significantly improve safety and resilience of the road for all traffic as the route has been deteriorating as a result of increased traffic and the geology of the road making it susceptible to damage such as slips and dropouts during bad weather. This project will provide job opportunities and areas for growth for many within our district. This project will be managed by the Tararua Alliance.

On 27 August, Council signed a Memorandum of Understanding (MOU) for the Three Waters Service Delivery Reform. The reform programme is part of the July 2020 Government announced \$761 million funding package to provide post Covid-19 stimulus to maintain, improve three waters infrastructure, support a three year programme to reform local government water service delivery arrangements (reform program), and support the establishment of Taumata Arowai, the new Water Services Regulator. It is designed to support economic recovery, and address persistent systemic issues facing the three waters sector. This MOU will see Council receive \$5.02 million on the return of the signed agreement, funding agreement and acceptance of its delivery plan. Council had identified 6 projects and these will be delivered mainly by the Tararua Alliance and other contractors.

37. MAJOR BUDGET VARIATIONS

Explanations for major variances from Council's budget figures in Year 2 of the 2018–2028 Long Term Plan are detailed below.

Statement of comprehensive revenue and expense

Revenue

- Subsidies are \$2.9 million higher than budgeted. This is driven from NZ Transport Agency subsidies for emergency works of \$3.6 million, as well as funding received from the Ministry of Business, Innovation and Employment for the rail hub feasibility study of \$354,000. A significant portion of the emergency work was at an enhanced subsidy rate of 86%. This is partially offset by the NZ Transport Agency subsidies for footpaths being \$1.1 million less than budgeted due to planned works being deferred as a result of Covid-19.
- Fees and charges are higher than budget by \$102,000. This is predominantly due to an influx of new house builds across the district and an increase in solid waste fees charged.
- Finance revenue is \$63,000 under budget, due to significantly lower interest rates on investments.
- Council received an unbudgeted subvention payment of \$73,000 from the sale of Civic Assurance House in August 2019.
- No forestry revenue was budgeted for this year. The focus has been on roadside tree removal with the proceeds helping to offset some of the costs of these hazards from the roadside. This resulted in \$364,000 of forestry revenue.

Expenditure

- Other operating expenditure is higher than budget by \$2.7 million. Significant variances are explained below:

| | \$000s |
|---|----------------|
| Deduct unfavourable budget variances | |
| Roading emergency works as explained under subsidies | (1,505) |
| Harvesting roadside tree stands as explained under forestry | (884) |
| Additional consultant fees and remedial work undertaken in Regulatory activity | (134) |
| Maintenance costs for Water Supplies, mainly related to the water crisis caused by this year's drought. | (393) |
| Increase in costs to operate transfer stations during Covid-19 lockdown | (30) |
| Add favourable budget variances | |
| Pahiatua town centre refurbishment being delayed due to Covid-19 | 267 |
| Budget variance | (2,679) |

- Personnel costs are higher than budget by \$388,000. 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 \$867,000. This is predominantly due to an unbudgeted non-cash adjustment of fair value of derivatives (swaps) which decreased in value by \$830,000.

Other gains/(losses)

- The unfavourable variance is driven from a significant decrease in forestry valuation of \$1.3 million and loss on disposal of infrastructure assets of \$1.9 million.

Gain and loss on asset revaluations

- Gain on asset revaluation was \$20.6 million lower than budgeted. The method that the planned increase is set is based on the Local Government Cost Index, whereas the actual valuation is based on Council's actual unit rates. Also, physical inspections of some assets resulted in a reduction of quantities and/or a change in condition rating.

Statement of Financial Position

Assets

- Cash and cash equivalents is lower than budgeted by \$684,000 due to timing of debtors balance at 30 June requiring cash to settle.
- Debtors and other receivables is \$1.8 million higher than budget, made up of the June 2020 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 \$428,000. This is due to holding less term deposits as cash was required to fund debtors at year end (see above).
- Other financial assets (non-current portion) is more than budget by \$294,000 as Council holds more borrower notes than planned.
- Investment property and asset held for sale is \$94,000 more than budgeted due to a positive movement in valuation.
- Forestry assets are higher than budgeted by \$111,000 due to a favourable valuation movement.
- Intangible assets are higher than budgeted by \$373,000 mainly due to increase in value of carbon credits Council holds.
- Property, plant, and equipment is \$18 million higher due to opening balances being higher than budgeted and significantly higher capital expenditure as a result of \$5.7 million carry forwards not planned, and additional spend on roading emergency works completed during the year. This is despite budgeted valuation gains not eventuating.

Liabilities

- Payables and deferred revenue is \$2 million greater than budgeted, due to timing of payments at year end.
- Borrowings (both current and non-current) are \$8.2 million greater than budgeted. This is due to significant capital works during the year.
- Employee entitlements (both current and non-current) are higher than budget by \$350,000 due to timing of accrued pay and higher leave balances due to less leave taken due to the Covid-19 lockdown.
- Derivative financial instruments of \$2.3 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 \$21 million higher than budgeted due to the opening balance being higher than planned as a result of a significantly higher surplus in the prior year.
- Asset revaluation reserves are less than budgeted by \$11 million due to the revaluation resulting in significantly higher opening balance from prior year.
- Special funded reserves are less than budgeted by \$2.2 million due to higher renewals undertaken during the year.

Statement of cash flows

Operating activities

Net cash inflow from operating activities is higher than budget by \$1.3 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 \$8.1 million. This is due to significantly higher capital expenditure as a result of \$6 million carry forwards not planned, and additional spend on roading emergency works completed during the year.

Financing activities

Net cash inflow from financing activities is higher than budget by \$4.2 million, driven by higher borrowings to fund capital development projects.

38. COVID-19 IMPACT

Covid-19 has had minimal impact on Council in relation to both its non-financial and financial performance. The impact on each activity group is detailed below:

Building communities and leadership

Community support

The Covid-19 lockdown resulted in the cancellation of various events across the district, particularly in the sporting area. This saw an estimated \$40,000 reduction in grants being issued as the events were unable to take place under the lockdown restrictions.

Representation

The lockdown period impacted how Council meetings were conducted, with these being held remotely. This required the additional purchase of software and hardware to enable this to happen.

To support the district's recovery from the pandemic (and the impacts of the water crisis) the 2020/21 Annual Plan was adopted with a reduced rates increase to 2.5%, providing leniency for late payments and temporary waivers of penalties.

Community and recreation facilities

Libraries

All Tararua Library branches were closed during alert levels 4 and 3 in response to the pandemic for a period of approximately nine weeks. This impacted on Council's ability to deliver planned reading programmes which resulted in the service performance measure not being met. Staff affected by the library closures were able to be part of the Emergency Operations Centre Team. The impact on revenue and expenditure however was minimal.

Community buildings

Bookings for halls were impacted during and post lockdown, resulting in an estimated loss in revenue of \$3,500 and the building utilisation service performance measure not being met. Council also waived the hireage fees for regular community group users from 1 June to 31 August as part of its district recovery plan. In addition, there was also an increase of \$14,500 for cleaning expenses (including Council offices, libraries and service centres) during the lockdown period with extra cleans required.

Swimming pools

All swimming pools were closed during alert levels 4 and 3. Whilst this had minimal impact on revenue and expenditure, the closure of Wai Splash meant it was unable to meet its service performance target of being open for a minimum of 50 weeks.

District promotion and economic development

Whilst there was minimal impact to revenue and expenditure, Council was unable to meet its service performance measure in relation to the number of workshops and/or seminars delivered as this was scheduled to take place just prior to lockdown.

However, Council was successful in securing \$500,000 in funding as part of the Government's response package for one of its "shovel ready" projects submitted for the removal of trees along Route 52.

The Economic Development team were heavily involved in the district's recovery to Covid-19, including the #LoveLocalTararua campaign. Impacts of this are anticipated to be reflected in the 2020/21 year.

Regulatory services

District planning

During alert level 4, applications for resource consents continued to be processed remotely and site inspections were only performed if the application was for an essential service. Low risk applications were processed without a site inspection, whereas applications considered high risk were processed as much as possible. All site inspections resumed at alert level 3. The service performance measure requiring 100% of building consent applications to be processed and approved within the statutory timeframe (20 working days) was impacted as a result of lockdown with Council meeting 92% of its target. There was little impact on revenue and expenditure.

Emergency management

The Emergency Operations Centre was activated in response to Covid-19 and additional costs were incurred, however these were spread across other Council activities mainly through salary and wages.

Roading and footpaths

Council was unable to complete all of its scheduled capital projects programme which resulted in significant carry forward of works, in particular the Pahiatua Mainstreet Upgrade. This also impacted on the level of NZ Transport Agency subsidies received for footpaths with Council receiving \$1.1 million less than anticipated due to the planned works being deferred. There were additional costs incurred for roading due to Covid-19 restrictions, but these were offset by reduced maintenance costs. Whilst footpaths were not impacted, some service performance measures for roading were not achieved, such as the roughness survey, as by the time alert levels had dropped the renewal programme was unable to be completed due to weather conditions. However, Council was successful in securing \$14.6 million in funding for its Route 52 “shovel ready” project as part of the Government’s response package.

Solid waste management

All recycling (except glass) collected from 23 March 2020 until 15 May 2020 was directed straight to landfill during alert levels 4 and 3 of the Covid-19 lockdown. This resulted in an estimated \$35,000 additional expenses incurred to operate the transfer stations, due to the requirement for additional staff and a traffic management plan. Service performance measures for both kilogram of waste to landfill and tonnage of recycled materials were not achieved. Council's target for kilograms of waste to landfill was 256kg versus actual 275kg, whilst tonnage of recycled materials was targeted at 1,220t versus actuals of 1,066t.

Water supplies, wastewater, and stormwater

As with roading and footpaths, Covid-19 impacted on the completion of capital projects and key projects such as smart metering were delayed. The Pahiatua Water Treatment Plant upgrade was unaffected as it was deemed an essential service. There was minimal impact on revenue and expenditure, or the service performance measures.

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.

Manawatū-Whanganui 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.

Council has exempted this company from being a CCO.

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
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alison.franklin@tararua.govt.nz



Cr S A (Shirley) Hull
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shirley.hull@tararua.govt.nz

NORTH WARD COUNCILLORS



Deputy Mayor

Cr E L (Erana) Peeti-Webber
34 Hospital Street, Dannevirke 4930
06 374 7404 • 021 216 2421
erana.peeti-webber@tararua.govt.nz



Cr C J (Carole) Isaacson
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06 374 5577 • 027 307 5013
carole.isaacson@tararua.govt.nz



Cr K A (Kerry) Sutherland
33 McPhee Street, Dannevirke 4930
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Cr S M (Sharon) Wards
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Cr P A (Peter) Johns
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Cr R A (Raylene) Treder
3 Davidson Crescent, Pahiatua 4910
06 376 6488 • 027 379 0612
raylene.treder@tararua.govt.nz

Community boards

Dannevirke Community Board

Generally meets on the first Monday of the month at 1:00pm.

- **Chairperson**
Mr P (Pat) Walshe
2 Cuba Street, Dannevirke 4930
06 374 5702 ■ 027 450 0187
patrickw11@hotmail.com
- **Deputy Chairperson**
Mr T (Terry) Hynes
281 Top Grass Road, Rua Roa, RD 8, Dannevirke 4978
06 374 5761 ■ 027 241 5113
kinvara281@gmail.com
- Mr W R (Ross) MacDonald
91 Piri Piri Road, RD 7, Dannevirke 4977
06 374 7996 ■ 021 191 6635
gloriarossmacdonald@gmail.com
- Ms K (Kim) Spooner-Taylor
2 Lower Domain Road, Dannevirke 4930
06 374 9090 ■ 027 692 3507
kimsponer@xtra.co.nz
- **Councillor**
Ms E L (Erana) Peeti-Webber
34 Hospital Street, Dannevirke 4930
06 374 7404 ■ 021 216 2421
erana.peeti-webber@tararua.govt.nz

Eketāhuna Community Board

Generally meets on the first Friday of the month at 10:00am.

- **Chairperson**
Mr C C (Charlie) Death
756 Nireaha Road, RD 2, Eketāhuna 4994
06 375 8503
deaths@inspire.net.nz
- **Deputy Chairperson**
Mr S (Steen) Mcghie
110 Mangatainoka Valley Road, RD 2, Eketāhuna
06 375 8676
steenautoglas@gmail.com
- Miss D F M (Denise) Clifton
18 Bridge Street, Eketāhuna 4993
022 073 5715
dfmclifton@gmail.com
- Mr T M (Terry) Carew
103 Newman Road, Eketāhuna 4900
06 375 8686
newmancarew@outlook.com
- **Councillor**
Ms R A (Raylene) Treder
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raylene.treder@tararua.govt.nz

Council committees

Audit and Risk Committee

- **Chairperson**
Mr K (Kevin) Ross
- **Members**
Her Worship the Mayor, Mrs T H (Tracey) Collis
Cr A K (Alison) Franklin
Cr S A (Shirley) Hull
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr K A (Kerry) Sutherland
Cr R A (Raylene) Treder
Cr S M (Sharon) Wards

Chief Executive's Performance Appraisal Committee

- **Chairperson**
Her Worship the Mayor, Mrs T H (Tracey) Collis
- **Members**
Cr A K (Alison) Franklin
Cr S A (Shirley) Hull
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr K A (Kerry) Sutherland
Cr R A (Raylene) Treder
Cr S M (Sharon) Wards

Economic Development and Marketing Committee

- **Chairperson**
Cr S A (Shirley) Hull
- **Members**
Her Worship the Mayor, Mrs T H (Tracey) Collis
Cr A K (Alison) Franklin
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr K A (Kerry) Sutherland
Cr R A (Raylene) Treder
Cr S M (Sharon) Wards

Finance Committee

- **Chairperson**
Her Worship the Mayor, Mrs T H (Tracey) Collis
- **Members**
Cr A K (Alison) Franklin
Cr S A (Shirley) Hull
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr K A (Kerry) Sutherland
Cr R A (Raylene) Treder
Cr S M (Sharon) Wards

Strategy and Policy Committee

- **Chairperson**
Cr S M (Sharon) Wards
- **Members**
Her Worship the Mayor, Mrs T H (Tracey) Collis
Cr A K (Alison) Franklin
Cr S A (Shirley) Hull
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr K A (Kerry) Sutherland
Cr R A (Raylene) Treder

Tararua District Licensing Committee

- **Chairperson**
Mr David Lea
- **Secretary**
Ms Maria Brensell
- **Members**
Mr Nick Perry
Mrs Maureen Reynolds
Mr Kerry Sutherland

Tribunal and Hearings Committee

- **Members**
Her Worship the Mayor, Mrs T H (Tracey) Collis
Cr S A (Shirley) Hull
Cr K A (Kerry) Sutherland

Works Liaison Committee

- **Chairperson**
Cr K A (Kerry) Sutherland
- **Members**
Her Worship the Mayor, Mrs T H (Tracey) Collis
Cr A K (Alison) Franklin
Cr S A (Shirley) Hull
Cr C J (Carole) Isaacson
Cr P (Peter) Johns
Cr E L (Erana) Peeti-Webber
Cr R A (Raylene) Treder
Cr S M (Sharon) Wards

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

David Geary
Tararua Alliance Director

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

Eketāhuna

31 Main Street, Eketāhuna
(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.

IPSAS International Public Sector Accounting Standards.

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).

PBE Public benefit entity.

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