

---

# Contents

---

Message from the Mayor and Chief Executive .....	4
The Year in Review .....	6
Financial Commentary.....	15
Statement of Compliance and Responsibility.....	19
Audit Report .....	20
Council’s Vision.....	23
About this Report .....	25
Democratic Process .....	26
Cultural Services .....	29
Recreation and Leisure.....	34
District Economy .....	42
Community and Social Development .....	45
Environment and Development .....	47
Water Supply Services .....	52
Roading and Footpaths .....	57
Stormwater .....	60
Wastewater .....	63
Coastal Structures .....	67
Solid Waste.....	68
Support Services (reallocated overheads).....	70
Statement of Accounting Policies.....	71
Funding Impact Statements .....	81
Statement of Financial Performance.....	96
Statement of Financial Position.....	97
Statement of Changes in Equity .....	98
Statement of Comprehensive Revenue and Expense .....	98
Statement of Cashflow .....	99
Notes to Financial Statements .....	100
Political Structure .....	139
Elected Members .....	140
Management and Staff.....	141
Council Controlled Organisations.....	142
Office Locations.....	142
Locations .....	142
General Information.....	144

---

# Message from the Mayor and Chief Executive

---

Welcome to the South Taranaki District Council's Annual Report for 2016/17.

In this document we look back on the last financial year and report on how we performed against the objectives and direction we set in Year 2 of our 2015-2025 Long Term Plan.

Our Long Term Plan set four key priorities; maintaining our current assets and core services, retaining and growing our population, preparing for the government's earthquake prone buildings legislation and keeping rates affordable.

The 12 months to the end of June 2017 have seen some key projects make significant progress or be completed.

The first project of the Hawera Town Centre Strategy, Campbell Lane, was completed and the new access lane (second project) was started. Both of these laneway projects will provide improved connectivity between the free public carparks and the CBD shopping precinct. The Council also purchased the property where the new Centre for Heritage, Arts, Library, Culture and Information (CHALCI) will be built.

Work was completed on Stage 1 of the Denby Road to Waihi Beach Walkway and just over 1 km of new footpath was built in Manaia. These projects are part of the Council's Pathways Programme, the aim of which is to develop a network of walkways and cycleways to be enjoyed by families and recreational users across the District.

The first stage in the development of the new regional landfill just south of Eltham was started with major road improvements on SH3 at the intersection with Rotokare Road. Once completed this work will improve visibility and provide safe intersection access for road users.

Seismic strengthening work on the Hawera Community Centre Hall was completed which means the whole complex has now been brought up to 67% of the New Building Standard.

The Taumata Recreation Centre in Eltham's Taumata Park was completed and opened in May 2017. This project was co-funded by the Council, TSB Community Trust, Lion Foundation and NZCT, with contributions from the two main user groups the Eltham Football Club and Eltham Athletics Club.

The Council has also made significant progress developing our new District Plan. The District Plan is one of our key documents which controls the way land is used, developed, protected and subdivided in South Taranaki. We received nine appeals to the Plan and expect to have these resolved early next year.

A Boil Water Notice was issued in Waverley on 27 May as a precautionary measure after a positive E-coli sample was received. As a result the Council has increased testing of the supply and reviewed processes to minimise the likelihood of such an event occurring again. Going forward the Council is investigating chlorination for the Patea and Waverley water supplies, both of which are bore water supplies.

A wet autumn/winter caused widespread slips on roads across the District, particularly in the Waitotara Valley, Tangahoe Valley, Rawhitiroa, Aorere, Morea Valley, Glen Nui and Wingrove Roads. All roads were cleared and reopened at a cost of around \$200,000.

In early April 2017 the Council was independently assessed on our performance as part of the Local Government Excellence Programme. Our Council is one of 20 foundation Councils that participated in this sector-wide performance improvement programme. We look forward to receiving our report, which will be made public, in October 2017.

Global Ratings Agency Standard and Poors (S&P) upgraded Council's long term credit rating from A+ to AA- and short term rating from A-1 to A-1+ with Stable outlook. The higher credit rating will result in savings for ratepayers of \$60,000 annually on future debt servicing.

Other notable achievements during the year included:

- \$2.55 million worth of road pavement rehabilitation work was completed.
- 38% of the District's street lights have now been converted to new LED lights. The energy savings to date equate to approximately \$26,000.
- A new clarifier was installed at the Inaha Water Treatment Plant as part of a \$1 million upgrade to meet the Drinking Water Standards.
- Stage 1 of the \$529,000 Nolantown water mains replacement was completed.
- The \$335,000 Eltham Water Treatment Plant refurbishment was completed in December 2016.
- The \$847,000 Manaia Road to Palmer Road water mains replacement was completed. This pipe links the Kapuni Scheme to Waimate West along Skeet Road.
- Work was completed to provide additional parking for self-contained campers and wastewater system improvements at Lake Rotokare Scenic Reserve.
- Opunake's Middleton Bay steps project was completed with new concrete steps, a hand rail, a retaining wall, a chip sealed access track and stormwater improvements.
- 3D printers have been installed in each of the District's seven LibraryPlus centres.
- The Hawera Aquatic Centre had 94,331 visitors, the third busiest year since its upgrade was completed in July 2009.
- 38 individuals and businesses were nominated for the 2016 Youth to Work Awards. The Awards (a Mayors' Task Force for Jobs project), celebrate young people who are achieving in their workplace or training environment, as well as the businesses, education and training providers who support them.

Financially the Council finished the year with a \$11.98 million surplus, against a budgeted surplus of \$3.76 million.

The Council's Long Term Investment Fund (LTIF) returned \$11.92 million which was \$2.8 million more than budgeted. After allowing for the annual drawdown/rates subsidy, at year end the Fund balance totalled \$137.43 million (including \$12.36 million of internal borrowings), from \$131.65 million in 2015/16. Total debt also decreased from \$133.04 million to \$123.75 million.

The Council is in a sound financial position and has a clear direction for our District. It is our privilege to present our Council's 2016/17 Annual Report.



A handwritten signature in black ink that reads "Ross Dunlop".

Ross Dunlop  
Mayor



A handwritten signature in black ink that reads "Craig Stevenson".

Craig Stevenson  
Chief Executive

# The Year in Review

## Community Services

**The Wonder Gardens** – was a new exhibition at Aotea Utanganui Museum of South Taranaki celebrating South Taranaki’s parks. The exhibition displayed how generations of South Taranaki pleasure seekers have enjoyed the public spaces that form a background to our lives. This exhibition was generously funded by the Taranaki Regional Council.



**Collaborative Art Project** – The Arts Co-ordinator facilitated a collaborative art project in the Art Teepee for Paepae in the Park. Local artist Celeste Cole created a large-scale mandala for kids to bring to life with painted colour. The result was stunning and it was fantastic to provide a free activity for people to participate in while enjoying the music and kaupapa of Patea’s community celebration.



**3D Printing at LibraryPlus** – 3D printing arrived with each LibraryPlus site now having a 3D printer. Funded by a generous grant from the TSB Community Trust, the printers allow South Taranaki residents to experience this technology as early adopters and participate in the global *making and collaborating* culture.



**Free Comic Book Day** – South Taranaki Libraries participated in the International event, Free Comic Book Day, for the second time. More than 400 customers poured through the doors at Hawera LibraryPlus for the two-hour event. South Taranaki is the only LibraryPlus participating in the event between Wellington and Hamilton, so this year people came from as far afield as South Waikato.

**Hawera Town Centre Development** – The official opening of the new Campbell Lane walkway was celebrated in April 2017. This was the first major construction project for the Hawera Town Centre Development since the adoption of the Hawera Town Centre Strategy in December 2015. This project fitted well with one of the key objectives of the Town Centre Strategy, which was to provide better connectivity between the free unrestricted car parking areas and the shopping precinct. Property purchase and design work for the second of the lane projects occurred late in the financial year and physical construction work is due to be completed in 2017/2018.



**CHALCI** – In December 2016, the Council purchased the preferred property for the location of the future Centre for Heritage, Arts, Library, Culture and Information (CHALCI). The property is located on the eastern corner of Regent and High Streets in Hawera. Wellington based architects Warren and Mahoney successfully bid for the contract to design the new facility. The 2017/2018 financial year will be largely taken up with design work, community consultation and consenting with demolition and then construction occurring in the following year.



**Taumata Recreation Centre** – The Taumata Recreation Centre in Eltham’s Taumata Park was officially opened by the Deputy Mayor in May 2017. The completion of this community facility was the culmination of a project largely brought about by the relocation of the Eltham Football Club to Taumata Park in 2014. The project was co-funded by the Council, TSB Community Trust, Lion Foundation, NZCT and contributions from the Eltham Football Club and Eltham Athletics Club. Although the two sports

codes have preferential use of the facility during their respective seasons, the Recreation Centre is available for hire and has already been used by other community groups and individuals.





**Opunake Coastal Walkway** – During the year, the footpath approaches to ‘Dudley Bridge’, which is part of the Opunake Coastal Walkway, were completed. The bridge is located on a popular section of the walkway between the community cliff-top gardens and the headlands lookout. Having a new concrete footpath has made that section of the walkway much safer for getting onto and off the bridge.

**TSB Hub** – had a strong year with 145,784 visitors in total. The majority of these were made up from seasonal sports activities but also included a number of weddings, conferences, meetings and functions. Throughout the year, we hosted a number of large events including the Taranaki Dairy Industry Awards, Taranaki vs Hawkes Bay ITM Cup pre-season game and Tatarakihi Cultural Festival to name a few.

**Connect 17** – Helping teachers to know what today’s workplace looks like was the aim of the Mayor’s Task Force for Jobs Connect 17 event held in Hawera in June 2017. A total of 92 educators, 34 businesses and approximately 20 other guests from industry training and education providers attended with event speakers in the morning giving an insight into what’s required from students to get into work. In the afternoon the teachers visited some of the 34 South Taranaki businesses talking to groups about apprenticeships, training opportunities, what their industry looks like in 2017 and the scope for work for the right applicant.



**2016 Youth to Work Awards** – 38 individuals and businesses were nominated for the 2016 Youth to Work Awards, which celebrate young people who are achieving in their workplace or training environment, as well as the businesses, education and training providers who support them.



**New Town Entrance Signs for Waverley** – A photograph of the Waverley Clock Tower by local photographer Sindy Hooper was chosen by the community for the new town entrance signs. Local residents were asked to vote for their preferred image from five on display in the Waverley LibraryPlus during November 2016.

**Daffodil Planting Programme** – The Council began a district-wide daffodil planting programme in 2008 and this year local community groups were given an additional 2,000 bulbs. The bulbs created colourful displays at Manaia Skatepark, Sandfords Event Centre in Opunake and Eltham Primary School grounds with the pupils helping to plant 1,000 bulbs at their school.



**Harbin Delegation** – A delegation from South Taranaki’s Sister City Harbin, Northern China, visited the District in April. The two visitors from the Harbin Foreign Affairs Office were Vice Division Chief of American and Oceania Affairs, Cathy Kai and from European Affairs, Nancy Kong. The visitors met with Elected Members and Council officers. They reviewed the Hawera Town Centre developments, visited Tawhiti Museum, and discussed how the Sister City relationship can be developed further. They were very interested in animal husbandry, school and cultural exchanges.



**Volunteers Thank You** – 94 volunteers from across the District attended two screenings of the New Zealand movie ‘The Catch’ at Everybody’s Theatre in June. This was the annual thank you for volunteers for the work they do in our communities. Held to coincide with National Volunteers Week, the Mayor and Deputy Mayor were on hand to personally thank the volunteers for the work they do across the District.

**Roadsafe Taranaki** – Roadsafe Taranaki put 87 people through a free advanced driving course in New



Plymouth, one of the many projects delivered during the year. Twelve participants were also given the opportunity to further improve their driving skills at a one day advanced driving course at Manfeild.



**South Taranaki i-SITE Visitor Centre** – The i-SITE had a very busy year with an 8.5% increase in international visitors. October 2016 saw Lonely Planet name Taranaki the second best region in the world to visit for 2017. An immediate impact was seen after the announcement, along with visitors altering their travel plans due to the Kaikoura earthquake.

**Pensioner Housing** – Work on the interior refits of our Pensioner units continues with 44 refits completed at June 2017. We remain ahead of our target of bringing 90% of units up to a standard of ‘good’ or ‘very good’, with 40 (60%) units now meeting this standard, however progress is slowing as occupancy rates rise and the remaining 17 units can only be completed as they are vacated. The investment in upgrading the units is showing benefits with reduced maintenance costs and increased income reducing the overall cost of the service.



**Centennial Close Tenant Contribution Units** – in July 2013, the Council approved a proposal to transition the Centennial Close tenant Contribution units to rental housing as they became vacant. The intention was to create a saleable rental asset while maintaining the ‘retirement village’ environment expect by the existing lessees. At 30 June 2017, six of the nine units have been tenanted. As a result these units are no longer a cost to Council and we are on track to achieving our goal.

**Arts in the Park** – was held in December with 102 stallholders available on the day. This popular event is a huge hit with the public, whether they come to do a spot of shopping, be entertained or enjoy the many tasty food stalls on offer. In the arts tent The Rangiwahia Environmental Arts Centre helped children’s creativity come alive by making giant flowers out of willow and paper.



**Movies in the Park** – was held at Soldiers Park in Eltham in January. The Park has a playground, skate park and swimming pool so with the addition of the TSB Bank ‘Superscreen’ this made for a great free family day out (approximately 400 people attended). There were four movies played throughout the afternoon and evening, which saw plenty of families coming and going. This event was supported by the Taranaki Electricity Trust.

**Super Rugby Game Hurricanes vs. Crusaders** – was held on 17 February at Dallison Park in Waverley and hosted by Border Rugby Club in conjunction with the Council. The Hurricanes vs. Crusaders pre-season rugby game was a huge success with a crowd of over 4,000 people enjoying the Farmlands Grassroots Game Day. The coaches and players made comments on how great the field was, with our contractors, Fulton Hogan going above and beyond to ensure the field was perfect.





**Hawera Aquatic Centre** – The Aquatic Centre had a good year overall hosting 94,331 visits, the third best attendance since the 2008/2009 upgrade. Aqua School enrolments (1,656) and attendance (11,008) were second best recorded with the Schools Swim and Survive numbers also growing from Term 1 2017 due to funding support from the TSB Community Trust. A new ultra violet irradiation plant was installed into the 25 metre/learners pool water system, which has improved water quality and reduced wastage of water, energy and chemicals.



**South Taranaki Dog Splash Day** – On 13 March we held our first ever South Taranaki Dog Splash Day at Kaponga Swimming Pool. Following a suggestion from a member of the public, the swimming pool was open on the last day of the season exclusively for dogs. This was a free event with all three pools open so all sizes of dogs and swimming abilities could be catered for. Owners could swim with their dogs and a ramp was placed in the main pool so dogs could exit easily. Council Animal Control staff were also on hand to answer any dog related questions and check all dogs were wearing current registration tags.

## Environment and Development

**Consents and Licensing Numbers** – 542 building consents, 153 resource consents, 248 renewed health premises registrations, 135 liquor licences and 101 Manager Certificates were processed during the year.

**District Plan Review** – During the year, the Council made significant progress with the District Plan Review. Decisions on the matters raised by submitters were released in December 2016 and nine appeals were received. Work on resolving those appeals began in this current year, but is not expected to end until next year. Once the appeals are resolved the Proposed District Plan 2015 will be able to be made operative.



### Large Scale Resource Consent Applications –

Tararua Wind Power Limited was granted a resource consent for a Wind Farm near the coast between Patea and Waverley. The proposed wind farm involves up to 48 turbines which would be 160 metres high to the tip of the blades. The project would generate 490 GWh of power annually and would be the first wind farm in Taranaki. The application was fully publicly notified and attracted 22 submissions. One appeal was received on the application, which will likely be resolved in the next financial year.

A second large-scale application for a Countdown Supermarket in Hawera was received from UT Developments Limited. This application was also fully publicly notified and attracted 29 submissions. By the end of the 2016/2017 financial year the hearing had been held but the Commissioner’s decision had not been received (note: the consent was subsequently granted).



### Technical Review of Territorial Authority Functions – In

April 2017, the Ministry of Business Innovation and Employment undertook a technical review of the territorial authority functions carried out by the Building Control Unit, including Compliance Schedules, Building Warrants of Fitness, issuing of Notices to Fix and the infringement process. The review included site visits to various types of commercial properties to ensure we are working in accordance with the Building Act and regulations, and that our commercial buildings are safe for people to use. The MBIE team left satisfied that our procedures and processes are appropriate to assist building owners to achieve compliance with the Building Act.



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HĪKINA WHAKATUTUKI

**Earthquake Prone Buildings – the new legislation** – The Crown has now created new legislation to deal with Earthquake Prone Buildings. In brief the changes will:



- Exclude certain buildings (including most residential buildings).
- Prioritise certain buildings, by requiring that in medium and high seismic risk areas they are identified and remediated in half the standard time.
- Introduce a new requirement to remediate Earthquake Prone Buildings when substantial alterations are undertaken;
- Provides for an opt-in extension of up to ten years to remediate Category 1 listed heritage buildings and those buildings on the National Historic Landmarks List;
- Provides for a publicly available national register of Earthquake Prone Buildings.



**Building Consent Authority Accreditation** – In November 2016, the Council’s Building Consent Authority (BCA) was audited by International Accreditation NZ for BCA Accreditation. The audit is carried out every two years to ensure that the BCA is working in accordance with the Building Act and regulations. Our Accreditation was retained for the next two years with no corrective actions, a great result for our Council’s BCA. The auditors commented that this was due to the BCA having robust procedures and the staff being very positive about working in accordance with the approved quality management system or procedures.

**Rural Fire** – The Council’s involvement with rural firefighting ended on 1 July 2017 with the creation of Fire & Emergency NZ which has combined urban and rural fire fighting functions.

**Animal Control** – A total of 1,651 animal control related complaints were received during the 2016/17 year and compares to previous years as follows:

Type of Complaint received	2013/14	2014/15	2015/16	2016/17
Dog Attack	50	42	63	65
Rushing/Threatening	31	21	18	32
Roaming	689	587	540	563
Barking	256	268	204	506
Welfare	52	45	34	12
General Dog Complaints	135	223	442	473
<b>Total</b>	<b>1,213</b>	<b>1,186</b>	<b>1,301</b>	<b>1,651</b>

The trend for reported incidents reflects improved recording into the Council’s Customer Request Management system which then assists in the management of the response, (actions and response times). While the number of dog attacks has fluctuated over the previous four years, it has remained steady at 3-5% of all complaints received each year. The Council continues to be committed to re-uniting dogs with their owners and re-homing suitable dogs. 311 dogs were impounded with 171 dogs either returned to their owners or re-homed.

**Ministry for Primary Industries (MPI)** – The Council gained approval from MPI to audit National Program food businesses (including child care centres and dairies). Having the Council approved or recognised to carry out these audits is likely to save those businesses \$2,000 - \$5,000 a year when compared to engaging the services of a private Auditor.



Under the new Food Act Early Childcare Education (ECE) centres that cook or prepare food must now be registered with their local Council. This requirement for ECE centres has come about because children are among the most vulnerable populations for food-related illness and ECE centres are considered high-risk.



## Engineering



**Hawera Memorial Hall Seismic Strengthening Detailed Design** – The contract for the detailed design phase was awarded in 2016 to BTW Limited for the sum of \$17,000. The work included a detailed engineering design of the seismic strengthening required to upgrade the building structure to 67% New Building Standard (NBS) Seismic Grade B. The physical works were successfully completed during the 2016/17 year and the Hall reopened in July 2017.

**Middleton Bay Steps** – The steps from Halse Place to Middleton Bay had been in disrepair and were closed to the public. The project to replace them was completed with a solid new set of concrete steps, hand rail, retaining wall, chip sealed access track and various storm water improvements.



**Turuturu Mokai** – A detailed report was completed by specialist consultants ERM Limited who undertook the Detailed Scientific Investigation (DSI). This report was shared with Ngati Tupaea representatives and the Council so we can work together on the most appropriate form of remediation for the historic site, which remains to be done.



**CCTV Detection Services on Wastewater Network** – The ongoing Closed Camera Television (CCTV) sewer inspection programme focused on catchments where there are significant pumping costs - Normanby, Eltham, Manaia, and parts of the Mason Road catchment in Hawera. The Eltham pipe defects were fixed with local repairs and other lengths of sewer had to be completely relined.

**Patea Greenwaste Site** – Due to severe coastal sand dune erosion the Council's public greenwaste disposal site at Patea was formally closed on Tuesday 7 February 2017. Because of the erosion the greenwaste no longer did what it was designed for, which was to stabilise the dunes by trapping windblown sand. The Council's contracted expert, Dr Roger Shand recommended that we changed from a **'proactive' approach** (preventing erosion guts, wind drifts and minimizing wave erosion) to a **'reactive' approach** (stabilisation of erosion guts and wind drifts once they happen). The erosion was also causing the dunes to be unstable and unsafe. Free greenwaste disposal was provided for Patea residents for a six month transition period at the Patea Transfer Station, after which residents would be charged the standard fee for green waste disposal.

**Veolia Contract Extension** – Veolia New Zealand were granted a three year extension (which they were entitled to under the terms of their contract) as the Council's reticulation network maintenance contractor for water, stormwater and sewer pipe networks. The extension continues until October 2020.

**Waverley Water Supply** – Notification of a positive E-coli sample result was received on Saturday 27 May for the Waverley water supply and a Boil Water Notice was put in place as a precautionary measure. Notices were hand delivered to Waverley residents on the same day. The town's reservoir was cleaned and disinfected and, in consultation with the Taranaki District Health Board, the notice was lifted on 6 June 2017. As a result the Council increased testing of the water supply, and reviewed systems and processes to minimise the likelihood of such an event occurring again.

**Opunake Water Supply Flushing Programme** – Opunake’s water pipes were completely flushed in September 2016 as part of our annual cleaning programme.

**Inaha Water Treatment Plant** – A new \$1.03million clarifier was installed at the Inaha Water Treatment Plant. The Plant supplies up to 5 million litres per day of water to the rural community and it was upgraded to meet the Drinking Water Standards.



**Nolantown Water Mains Upgrade - Stage 1** of the \$528,700 Nolantown (Hawera) water mains replacement project was completed by Whitaker Civil Engineering. Stage 2 (\$847,600) of the upgrade was started and will be finished in the 2017/18 year.

**Eltham Water Treatment Plant Filter Refurbishment** – The \$334,594 project to refurbish the Eltham Water Treatment Plants filters was completed in December 2016.

**Skeet Road Water Main Renewal** – Work was completed to replace the main supply pipe linking the Kapuni scheme to Waimate West from Manaia Road to Palmer Road along Skeet Road. Taranaki Civil Construction replaced the old asbestos cement pipe with a 300mm diameter high density polyethylene pipe for \$847,000.

**Victoria Street Trunk Water Main** – Warner Construction Limited was contracted in early 2017 to deliver a greater water flow at a higher pressure to the Hawera CBD in the event of any fires. This work was three quarters completed by 30 June 2017.

**Kerb and Channel Work** – Streets where kerb and channel were upgraded included High Street, Sutton Place, Caledonia Street and Furlong Street in Hawera for \$495,435.

**Pavement Rehabilitation** – \$2.55 million worth of pavement rehabilitation work was completed. This work was made up of: **Package 1** - Inaha, Turuturu, Matangarara and Ararata Roads, and **Package 2** - Rowan, Newall, Arawhata, Oeo and Jackson Roads.



**Lake Rotokare Reserve Freedom Camping Improvements** – Work was completed to provide additional parking for self-contained campers and to improve the wastewater system to the toilet block at Lake Rotokare Reserve. **Pictured** is the newly constructed self-draining layby and parking area for larger camper vans. The Council was successful in applying for and receiving a grant from the Ministry for Business Innovation and Employment mid-sized regional tourism facilities fund of \$109,000.

**Flood Damage Work** – Flood damage repair work from the June 2015 weather bomb was completed on Lakes Road with concrete poured over the spillway (pictured) and Rawhitiroa Road was repaired with a new road surface formed and sealed.



Lakes Road



Rawhitiroa Road

**Roading Slips** – Rainfall events in the first half of 2017 caused widespread road slips across the District. Roads closed were Waitotara Valley, Tangahoe Valley, Rawhitiroa, Aorere, Morea Valley, Glen Nui and Wingrove Roads. All were re-opened quickly; however the clean-up cost came to over \$200,000.

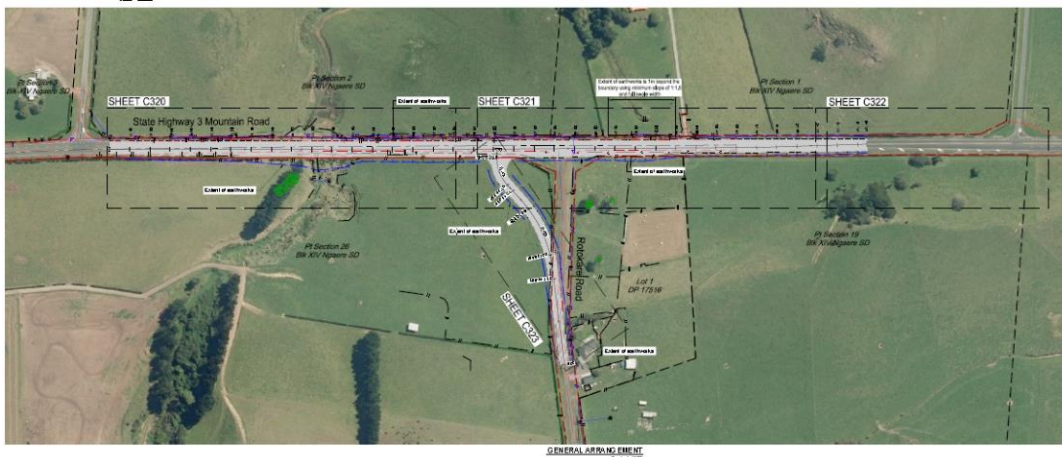


Pictured: Slips at Rawhitiroa Road and Glen Nui Road and flooding on Lakes Road

**District Street Light Update** – Approximately 900 LED lights (37.5%) were installed out of a total of 2,400 streetlights throughout the District. The Council purchased another 1,000 LED lights which will be installed in 2017/18. The resulting energy savings to 30 June 2017 were about 79,150 KWH equating to around \$26,000 savings in operational costs.

**Central Landfill** – A joint Memorandum of Understanding (MoU) committing all three Taranaki territorial local authorities to form a new Joint Committee to oversee and manage the central landfill was completed and presented to each Council. The contract for design of the new landfill was let to environmental engineering consultancy Tonkin & Taylor. Work also started in April 2017 on the \$810,000 State Highway 3 – Rotokare Road intersection upgrade, designed to improve visibility and provide safe access to the new landfill site.

*Pictured below is the new road layout and also construction undertaken to date.*



**Nukumarū Station Road Extension** – On 3 May 2017 we applied to have the road corridor designated under the South Taranaki and Whanganui District Plans. The NZ Transport Agency have committed to funding any additional costs at our base Funding Assistance Rate (FAR). We have also been granted an Archaeological Authority from Heritage New Zealand, which allows for the necessary earthworks to be done under an approved Archaeological Management Plan, along with Iwi oversight on key sections. The estimated cost of the project is \$5.3 million.





**District Pathways** – Work was completed on stage 1 of the Denby Road to Waihi Beach Walkway (officially opened by the Mayor on Sunday 30 October 2016) and just over 1 km of new footpath was built in Manaia on Karaka, Kaipi and Patu-Kukupu Streets which provides improved pedestrian access to Manaia Primary School and Kindergarten and creates a complete pathway loop around the township. We also received approval in principle from KiwiRail to design and build a pathway in the rail corridor from Hawera to Normanby, for which we have received two separate funding grants. In the next financial year 2017/18 Council will complete Stage 2 of the Denby Road pathway – a cross country link from Denby to Fairfield Roads.

# Financial Commentary

## Highlights

<b>Net surplus/(deficit)</b>	\$11,984,000
<b>Total assets</b>	\$977 million
<b>Total liabilities</b>	\$131 million
<b>Total equity</b>	\$846 million

### Statement of Financial Performance

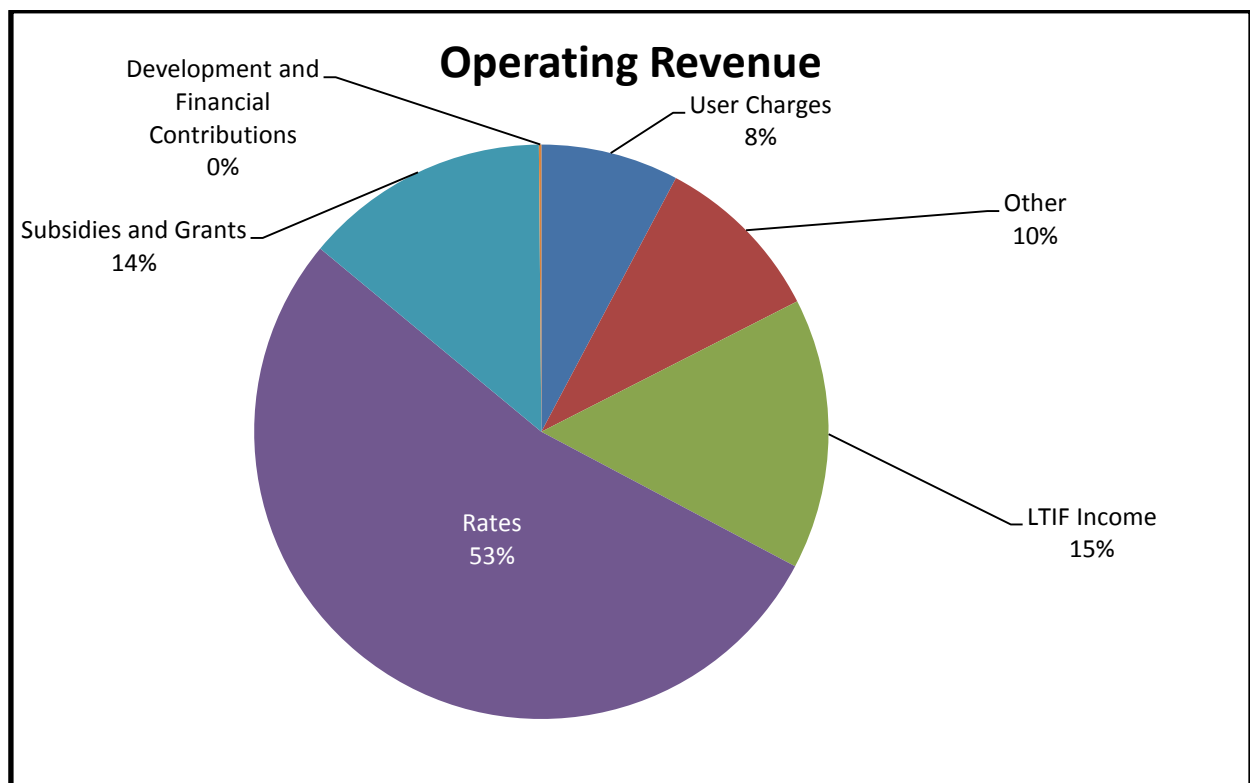
The Council finished the year with a surplus of \$11,984,000 against a budgeted surplus of \$3,755,000. The main contributors to the variance (\$8.229 million) are as follows:

#### Revenue

The total revenue was \$7.1 million more than budgeted. This included an accounting adjustment of \$4.3 million for the gain on derivative contract valuations (Swaps) and an additional \$2.8 million from the Long Term Investment Fund (LTIF) due to strong market conditions.

#### Expenditure

- An accounting adjustment for the \$743,000 book loss on infrastructure asset disposal (no impact on rates).
- \$1,142,000 of savings on actual versus budgeted amounts for interest paid and depreciation.



## Statement of Financial Position

Net assets as at 30 June 2017

\$ million	Actual 2016/17	Budget 2016/17	Actual 2015/16
Total assets	977	931	912
Less total liabilities	131	153	143
Net assets	846	778	769

### Long Term Investment Fund (LTIF)

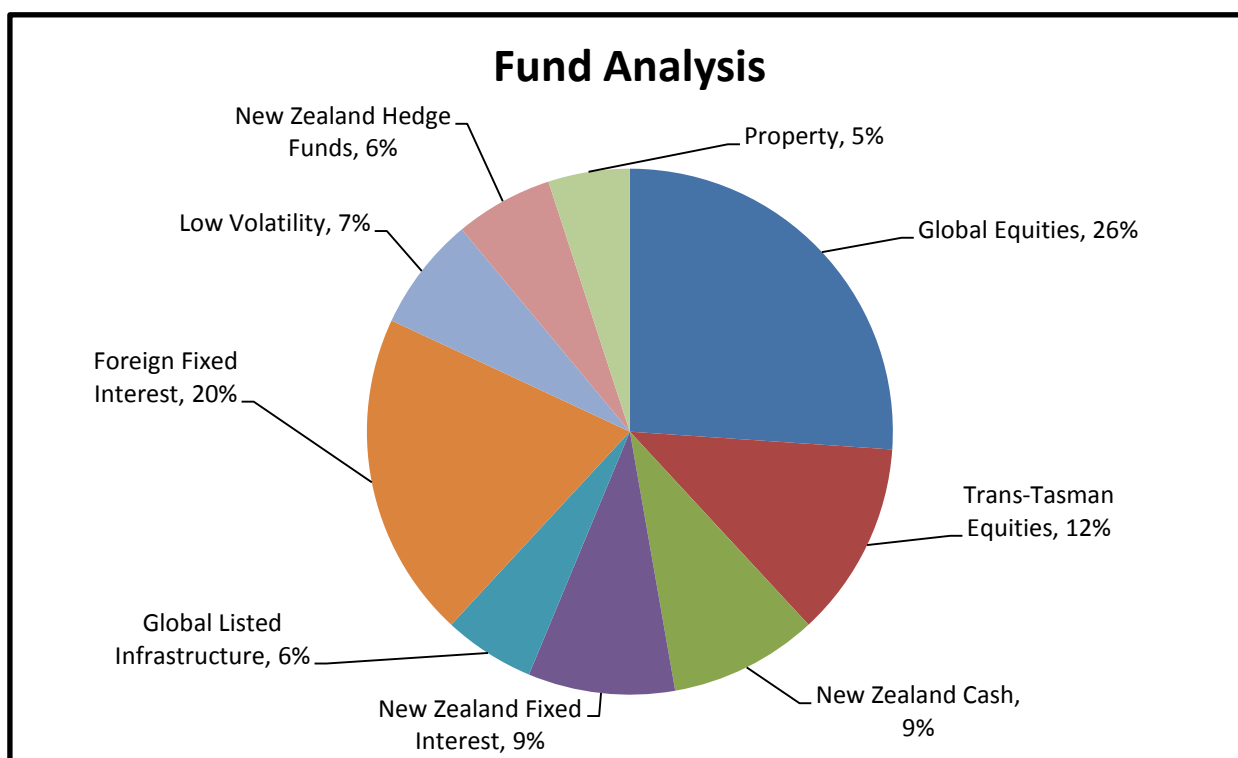
The value of the LTIF at 30 June 2017 increased to \$137.43 million (\$131.65 million in 2016) which included internal borrowing of \$12.36 million (\$13.34 million in 2016) after allowing for the withdrawal of the annual rates subsidy.

### Term Debt

The total borrowing of the Council decreased to \$123.75 million (\$133.04 million in 2016) which included \$12.36 million of internal borrowing (\$13.34 million in 2016). The comparative figure for Term Debt in 2016 included \$10 million of commercial paper which was offset by a matching term deposit of \$10 million. Both of these were extinguished in July 2016.

### External Funds

The budgeted return was \$9.07 million (\$0.82 million of interest revenue from internal borrowings) but the LTIF received a net return of \$11.92 million (\$0.80 million of interest revenue from internal borrowings) in the 2016/17 year as a result of strong market conditions. During the year the Council withdrew \$5.73 million for the annual rate subsidy and received \$0.97 million for internal loan repayments and \$0.80 million for the interest on internal loans.

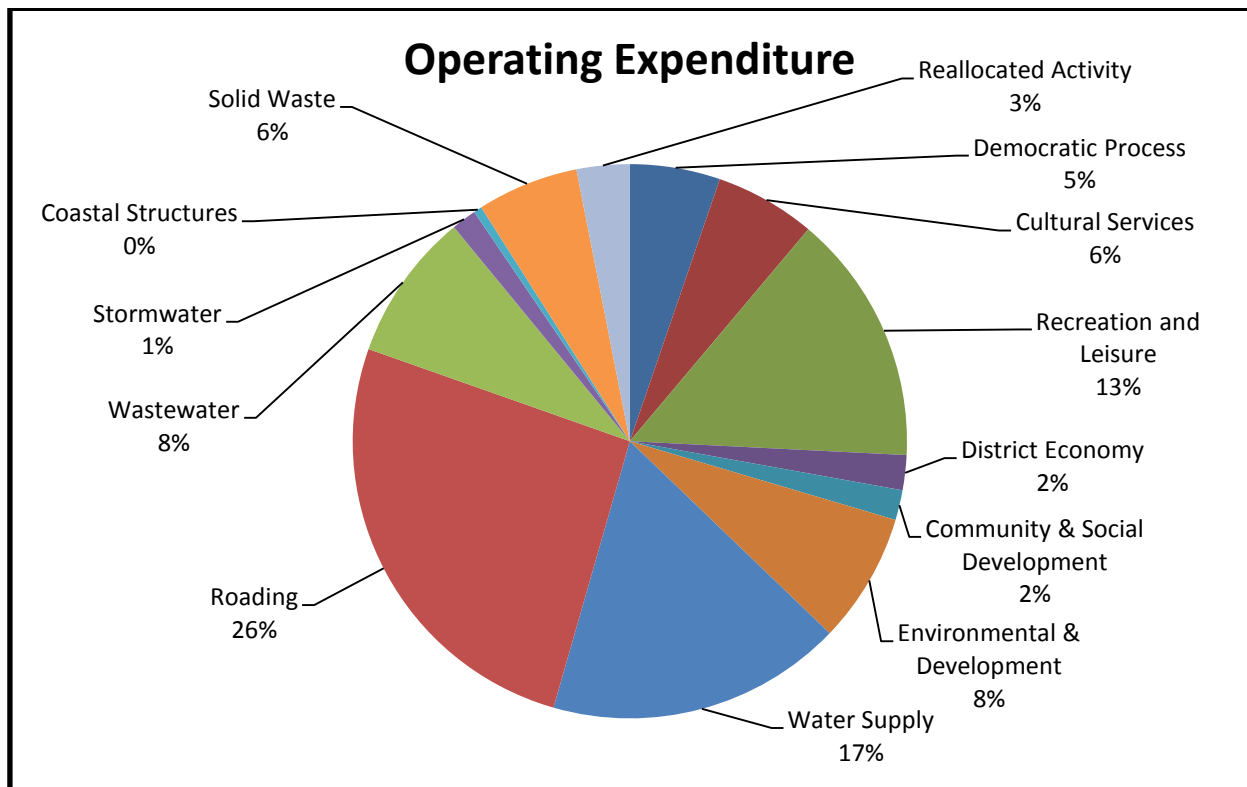




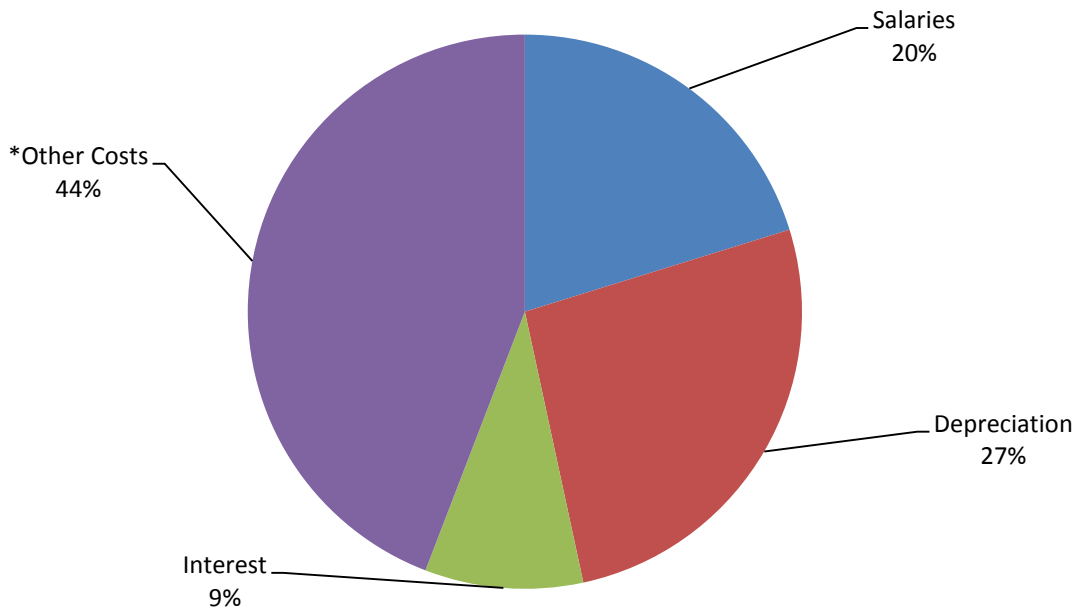
## Financial Performance and Movements in Equity

(\$ millions)	Actual 2016/17	Budget 2016/17	Actual 2015/16
Operating revenue	72.25	65.17	66.0
Operating expenditure	60.27	61.41	70.5
Net operating surplus/(deficit)	11.98	3.76	(4.5)
Net increase in value of assets	64.80	-(3.3)	2.9
Total Movements in Equity	76.61	(23.48)	(4.4)

The variance between budget and actual in the Movements in Equity is due to the combination of more income than expected, the LTIF (gain of \$2.8 million), accounting adjustment for the swaps (gain of \$4.3 million), write-off of some assets (loss of \$743,000) and the revaluation gain from Council's assets of \$64.51 million.

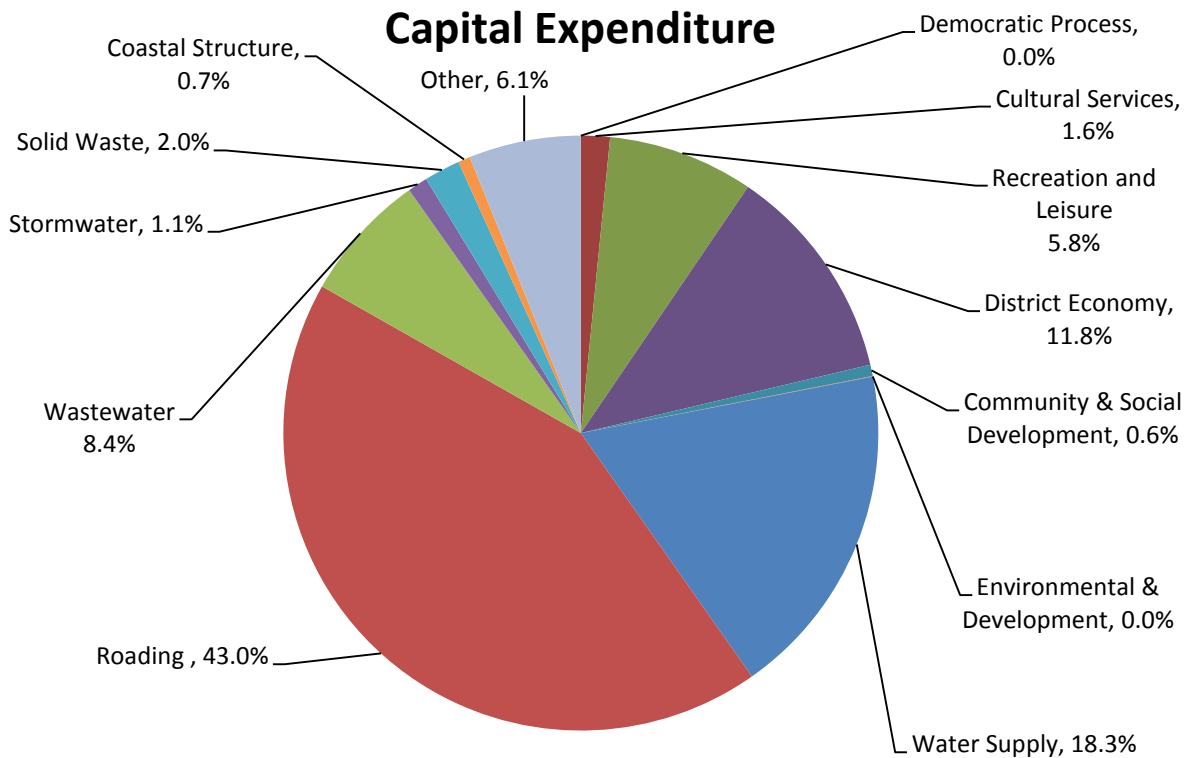


## Expenditure by Nature



\*Other Costs include: Roothing Operational Projects, Repairs and Maintenance, Insurance, Elected Members Remuneration, Grants, Loss on Disposal of Assets, LTIF Management Fees etc.

## Capital Expenditure



---

# Statement of Compliance and Responsibility

---

## Compliance

1. The Council and Management of the South Taranaki District Council confirm that all the statutory requirements in relation to the Annual Report as required by the Local Government Act 2002 have been complied with.

## Responsibility

2. The Council and Management of the South Taranaki District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
3. The Council and Management of the South Taranaki 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 reporting.
4. In the opinion of the Council and Management of the South Taranaki District Council, the annual financial statements for the year ended 30 June 2017 fairly reflect the financial position and operations of the South Taranaki District Council.



Ross Dunlop  
**Mayor**  
16 October 2017



Craig Stevenson  
**Chief Executive**  
16 October 2017



# Audit Report

## Independent Auditor's Report

### To the readers of South Taranaki District Council Annual Report for the year ended 30 June 2017

The Auditor-General is the auditor of the South Taranaki District Council (the District Council) and its subsidiary and controlled entities (the Group). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to report on the information in the District Council and Group'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 16 October 2017. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 71 to 80, pages 96 to 131 and page 138:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2017;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 94 and 95, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Annual Plan;
- the statement of service provision (referred to as how we performed) on pages 26 to 70:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2017, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on page 122, 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 81 to 93, 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.

### Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the Annual Report; and
- made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 132 to 138, which

represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's Long Term Plan and Annual Plans.

#### **Basis for opinion on the audited information**

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

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

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

#### **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its Annual Report.

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

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

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

#### **Responsibilities of the auditor for the audited information**

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision (referred to as how we performed), as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

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

#### **Other Information**

The Council is responsible for the other information included in the Annual Report. The other information comprises the information included on pages 4 to 18, 23 to 25 and 139 to 144, but does not include the audited information and the disclosure requirements.

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

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

#### **Independence**

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

Other than the audit and our report on the disclosure requirements, we have no relationship with or interests in the District Council or its subsidiary and controlled entities.



Andrew Clark  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand



---

# Council's Vision

---

## Council's Vision

**The Council will lead with fairness and integrity, and work to inspire a vibrant and caring spirit of community, while remaining an efficient and sensitive provider of services and facilities.**

South Taranaki will be a District where . . .

- Essential services are provided efficiently and at reasonable cost.
- The community is involved in the planning of the District's future. The views and concerns of residents are listened to and respected.
- The rights of Tangata Whenua in terms of the Treaty of Waitangi and the Resource Management Act are fully respected.
- Economic development is welcomed and encouraged whenever it is undertaken with concern for the quality of our environment.
- The natural environment is cherished and cared for. The mountain, coastline, lakes, rivers, air and land are treated as the natural treasures they are.
- All visitors are made welcome.
- Every resident has the opportunity to be involved in sport, recreation, the arts and many cultural activities, and to develop and enhance their mental, spiritual and physical health.
- A strong sense of community and identification with the District is evident.
- We all share a sense of pride in our achievements; and
- Our history is well understood, valued and preserved by the community.

## Our District's Community Outcomes

### Vibrant South Taranaki

A District that provides high quality and diverse cultural and recreational experiences, and encourages independence and creativity.

### Connected South Taranaki

A District that delivers accessible and integrated infrastructure, transport and communication systems which meet the needs of residents, business and visitors.

### Together South Taranaki

A District that is caring and inclusive, works together and enables people to have a strong and distinctive sense of identity.

### Secure and Healthy South Taranaki

A District that provides a safe, healthy and friendly place to live, work and visit.

### Prosperous South Taranaki

A District that boasts a sustainable, resilient and innovative economy that prospers within the natural and social environment.

### Skilled South Taranaki

A District that values and supports learning so that all people can play a full and active role in its social, cultural and economic life.

### Sustainable South Taranaki

A District that appreciates its natural environment and its physical and human resources in planning, delivery and protection.

The Council contributes to these outcomes through being a provider of essential services and key community services, as well as being an advocate for the community's needs, a facilitator for community groups; a regulator for the protection of the environment and safety of residents; a co-ordinator of funding sources and a partner with our community, neighbouring councils and Government agencies.

## Community Outcomes – Contribution by Activity

The Council's groups of activities contribute to the following district community outcomes.

Activity \ Outcomes	Prosperous	Secure and Healthy	Vibrant	Skilled	Connected	Together	Sustainable
Democratic Process					✓	✓	✓
Cultural Services	✓		✓	✓	✓	✓	✓
Recreation and Leisure	✓	✓	✓			✓	✓
District Economy	✓		✓	✓			
Community and Social Development		✓	✓			✓	✓
Environment and Development	✓	✓				✓	✓
Water Supply	✓	✓			✓		✓
Roading		✓	✓		✓		
Stormwater		✓			✓		✓
Wastewater		✓			✓		✓
Solid Waste		✓			✓	✓	✓

---

## About this Report

---

Our reporting is comprehensive, for each activity group you will find:

What we do

Why we do it

Whether we met our performance targets; and

Whether we met budget.

All of our work aims to contribute to the long term vision and the community outcomes we want for the District.

### Performance Measures

The performance measures within this Annual Report were adopted by the Council as part of the 2015-25 Long Term Plan. We get performance information from a wide variety of sources: council systems such as the complaints records management system, the finance system, databases for quality tests; satisfaction surveys; and reports from external organisations (Taranaki Regional Council and District Health Board).

#### Satisfaction Surveys

The Council commissions an independent resident satisfaction survey every year (it was biennial until 2008) to find out what South Taranaki residents think of our District and the Council's services and facilities. The survey for 2016/17 was conducted by Research First using a sample of 402 residents over the age of 18 years and representative of the population in terms of ward and gender. The maximum margin of error is +/- 5%.

The survey is mainly conducted by phone however an additional online channel was introduced this year as well.

The following scale was used for residents to rank their level of satisfaction:

Very satisfied

Satisfied

Neutral

Dissatisfied

Very dissatisfied; and

Don't know/unable to say.

The performance measure results in this Annual Report that use Research First survey results to gauge satisfaction utilise the combined responses "very satisfied", "satisfied" and "neutral" unless otherwise stated.

In-house surveys are also conducted by various Groups in Council.

# Democratic Process

## What we do

The Council has a Mayor elected across the District and 12 Councillors elected from five wards (Hawera, Tangahoe, Egmont Plains, Eltham and Patea). There are 16 Community Board members on four Community Boards – Hawera, Egmont Plains, Eltham and Patea.

Councillors are the governing body for the Council and make decisions relating to the level and standard of the services; determine policies for its activities, investments, borrowings, identify partnerships with other agencies and capacity building for Māori, set the rates and charges each year and approve the Long Term Plan and subsequent annual plans.

Community Board members are elected to ensure local people have a voice on local issues and provide a direct link between the community and the Council. Another forum for representation is the Iwi Liaison Committee. This Committee provides an opportunity for four members from each Iwi within South Taranaki to discuss issues with the Mayor, Deputy Mayor, Chair of the Environment and Hearings Committee and Council staff and can make recommendations to the Council. The four Community Boards and the Iwi Liaison Committee all have discretionary funding for community projects and assistance, the amount determined by the Council.

The Environment and Hearings Committee hears all notified resource consent applications on behalf of the Council.

## Why we do it

Councils are statutory bodies given powers to exercise under legislation from Central Government. As outlined in the Local Government Act 2002 one of the main purposes of councils is to enable democratic local decision-making and action by, and on behalf of local communities in an open and transparent manner. This means the Council has a responsibility to consider how we are meeting the needs of our community and how we provide opportunities for all residents to participate in the decision-making process. To do this well the Council needs to actively keep residents informed about what is happening at the Council, how decisions will affect them and clearly explain how they can be involved in decision-making.

## How we performed

### Performance Measure 1 – Agendas are made available to the public

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Run Council and Committee meetings and provide timely information to the public by having minutes and agendas available in advance (eg website, libraries).	Council and Committee agendas are made available to the public 3 days before the meeting.	Achieved. 100%	100%	Achieved (100%). All agendas were made available to the public 3 days before the meeting 100%.

### Performance Measure 2 – Council decisions in best interest of the community

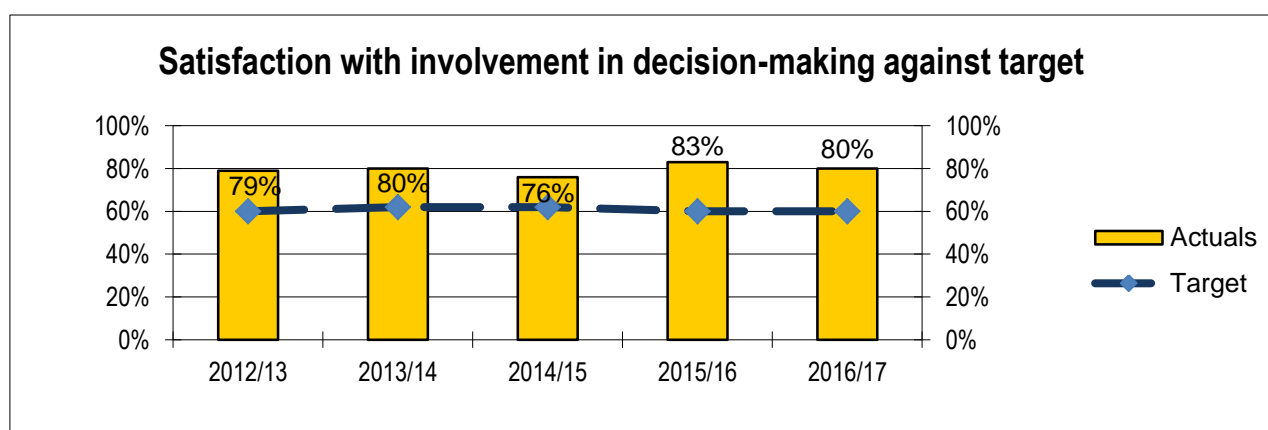
Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Provide opportunities for the community to participate in decision making.	% of residents who agree decisions made by Council represent the best interests of the District.	Not achieved. 66%	69%	Achieved (74%). 74% of residents surveyed felt that the Council made decisions that represented the best interested of the community with 9% replying “don’t know”.

### Performance Measure 3 – Satisfaction with Council’s level of consultation

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Provide opportunities for the community to participate in decision making.	(C) % of residents who are satisfied with the Council’s level of consultation.	Achieved. 58%	51%	Achieved (53%). 53% of residents surveyed are satisfied with the Council’s level of consultation with 26% replying “neutral” and 9% replying “don’t know”.

### Performance Measure 4 – Satisfaction with the opportunity to participate in Council decision-making processes

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Provide opportunities for the community to participate in decision making.	% of residents who are satisfied or neutral with their opportunity to participate in Council decision-making processes.	Achieved. 83%	60%	Achieved (80%). 80% of residents surveyed are satisfied or neutral with their opportunity to participate in Council decision-making processes.



### Performance Measure 5 – Residents who know where to access Council information

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Keep residents informed of Council activities in a timely manner through a variety of media.	% of residents who know where to access Council information when they want it (eg website, newspaper, Libraries).	Achieved. 92%	80%	Achieved (92%). 92% of residents surveyed know how to get Council information if they want it.

### Performance Measure 6 – Zero LIM’s exceed the 10 working day timeframe

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Provide residents with information on land and property in a timely manner.	Zero LIM’s exceed the 10 working day timeframe	New measure	0	Achieved (100%). No LIM’s exceeded the 10 working day timeframe.



## Enhancement of Māori Capacity to Participate in Council Decision-Making

The Iwi Liaison Committee is the main forum the Council uses for sharing information, discussing and gaining an individual and collective perspective on matters affecting Māori and seeking recommendations on Iwi-related issues requiring a Council decision. Throughout the year the Committee receive updates on the Council activities, discussion documents on requested items and briefings for the Long Term Plan consultation.

As part of the Long Term Plan the Council agreed to consult with the Iwi Liaison Committee on implementing the following initiatives which are aimed to enhance Māori capacity in the Council's decision-making:

1. Progress communication with Iwi Liaison representatives and Iwi communities at varying levels:
  - *Formal:*  
Ensure the Iwi Liaison Committee is actively supported by means of advice, follow up and practice;  
and  
Supporting Iwi in providing direction and advice for the Council in regional and national events.
  - *Informal:*  
Iwi concerns can be addressed promptly by making contact with appropriate Council staff members.
2. Increase Iwi participation in the District Plan review process and the Hawera Town Centre Strategy, the Open Spaces Strategy, the Economic Development Strategy as well as the Long Term Plan.
  - Prioritising strategic areas of concern for Iwi.
3. Facilitating opportunity for Iwi to participate in other community areas.
4. Together with the Iwi Liaison Committee review the role, structure and terms of reference of the Committee every three years.
5. Enhance the Cultural and Language Education Programme to support Council staff's ability to effectively engage with Iwi and Māori through exposure to tikanga and te reo Māori:
  - a. The Cultural Mosaic gives regular and consistent provision to increase language vocabulary, pronunciation and understanding of its cultural context.
  - b. The Te Reo Māori class develops basic concepts taught and provided in Cultural Mosaics Workshops.
  - c. The Newly Elected Members Induction Workshop supports new Councillors with cultural understanding of the District and Iwi within the area.

Progress to date on these initiatives:

1. *Formal* – The Iwi Liaison Committee is supported by Corporate Services staff and the Iwi Liaison Advisor.
  - Iwi/Mana Whenua take the lead in directing the cultural delivery in powhiri of regional and national significance in South Taranaki.*Informal* – Staff are available to discuss issues with Iwi.
2. Iwi have participated in the District Plan Review process, the review of the Economic Development Strategy and were consulted on about the LTP, of which 3 Iwi made submissions on the 2015/25 LTP.
3. The Council continues to look for opportunities where Iwi can participate in other areas of the community, for example the Hawera Town Centre Redevelopment.
4. The Terms of Reference (which was reviewed in 2015) will be reviewed in 2018.
5.
  - a. The Mosaics Programme is provided to all staff at the South Taranaki District Council at the commencement of their employment. This Mosaics Programme is a half day session including language pronunciation and understanding of cultural context.
  - b. The Te Reo Māori class for staff and elected members will be introduced in 2017/18.
  - c. A newly elected members Induction Workshop is under development with support from the Iwi Liaison Committee.

---

# Cultural Services

---

## What we do

Cultural services include the following Council activities – arts and culture, heritage, cemeteries and library services.

### Arts and Culture

The Council's Arts, Culture and Heritage Policy, adopted in 2006, provides the direction for this sub-activity. An Arts Co-ordinator facilitates and promotes community participation in creative activities by providing a point of coordination for the creative community, facilitating the increased visibility of the arts within the District and supporting creative activities and organisations.

### Heritage

The Council, in partnership with the South Taranaki District Museum Trust, provides district heritage services through the management of Aotea Utanganui – Museum of South Taranaki, providing support and advice to individuals and communities that wish to preserve their tāonga, objects and archives, as well as the promotion of the District's heritage, the Museum and its activities.

### Cemeteries

The Council actively manages ten cemeteries across the District; Eltham, Hawera, Kaponga, Manaia, Ohawe Beach, Okaiawa, Opunake, Otakeho, Patea and Waihi (Normanby). The Council also owns the Armed Constabulary Cemetery on the banks of the Opunake Lake, and the land at Rahotu Cemetery which is managed by a Trust and provides an annual grant to the Waverley Cemetery Trust. As well as the land for cemeteries the Council also manages the roading, car parks, toilet blocks, rubbish bins, concrete berms and lowering devices associated with the Cemetery activity.

More detailed information on the operations, maintenance, renewal and development of the cemeteries assets can be found in the Cemeteries Asset Management Plan.

### LibraryPlus

The Council provides an extensive combined library and council service throughout the District, known as LibraryPlus facilities, in Opunake, Eltham, Hawera, Kaponga, Manaia, Patea and Waverley. LibraryPlus users have access to the entire district library stock and can also interloan items from throughout New Zealand. We provide a free lending service to the community and books are delivered free of charge to those people who are housebound.

The libraries are committed to developing children's literacy by providing a range of activities that promote children's reading and story writing. Youth services have been developed to encourage their on-going use of the libraries. Access is provided to information technology with online databases, social media sites and eBooks plus free WiFi and public internet services available at each facility.

South Taranaki LibraryPlus provides a library management software solution for Stratford Library through a shared services agreement. Stratford and South Taranaki Libraries share a combined catalogue; patrons from both libraries are able to request and borrow books from each library's collection.

The Council services available at LibraryPlus facilities include payment of rates and accounts, enquiries about pensioner housing, burials, building consent applications, property file requests and community facility bookings. Six of the libraries act as agencies for the dissemination of visitor information and Eltham LibraryPlus provides New Zealand Postal Centre Services.

## Why we do it

We provide these services to honour and protect the past and invest in the cultural development of our communities.

## How we performed

### Arts and Culture

#### Performance Measure 1 – Number of art activities facilitated per annum

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Opportunities are provided to participate in arts and cultural activities.	Number of art activities facilitated per annum.	Achieved. 9	8	Achieved (10). 10 activities were facilitated in 2016/17.

#### Performance Measure 2 – Number of exhibitions managed by the Art Co-ordinator per annum

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Opportunities are provided to participate in arts and cultural activities.	Number of exhibitions managed by the Arts Co-ordinator per annum.	Achieved. 2	2	Achieved (3). 3 exhibitions were managed by the Arts Co-ordinator for the year.

#### Performance Measure 3 – Artist satisfaction of support offered by the Art Co-ordinator

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
South Taranaki artists and galleries are supported.	% of artists satisfied with support offered.	Achieved. 93%	90%	Not achieved. The survey was not undertaken due to time constraints.

### Heritage

#### Performance Measure 4 – Visitors comments which are positive

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Visitors feel welcome and enjoy the facility.	% of customers are satisfied with their visit.	Achieved. 99%	95%	Achieved (99%). There have been 459 comments this year with overall satisfaction of 99%.

#### Performance Measure 5 – Collection on database and/or digitised

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The collection of artefacts and archives are made accessible.	% of the collection on the database and/or digitised.	Achieved. 40%	50%	Achieved (55%). It is estimated 55% of the collection has been added to databases (based on <u>known</u> collection size), however work on understanding the Trust's total collection size is ongoing.

#### Performance Measure 6 – Customer satisfaction with the service

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Research, archival and heritage advisory services are provided.	% of customers satisfied with the service.	Achieved. 100%	90%	Achieved (92%). 12 responses to the survey were received and 92% were satisfied with the service.

### Performance Measure 7 – Number of temporary exhibitions per annum

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
South Taranaki's unique stories are promoted through exhibitions and activities.	Number of exhibitions.	Achieved. 2 & 4	2 Major 4 Minor	Achieved (2 Major, 4 Minor). Two major and four minor exhibitions were installed for the year.

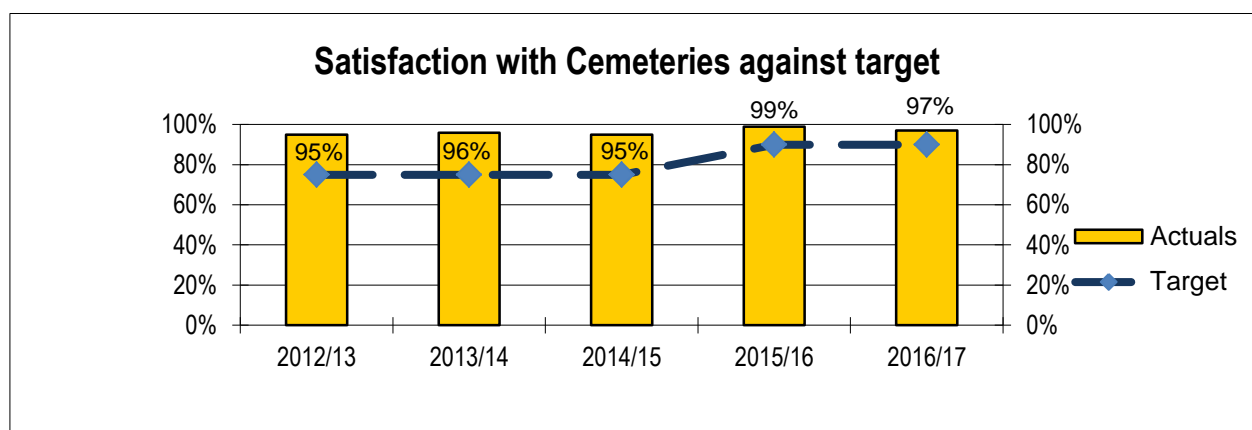
### Performance Measure 8 – Number of activities

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
South Taranaki's unique stories are promoted through exhibitions and activities.	Number of activities.	Achieved. 31 School activities  14 Adult activities	8 School Holidays activities  3 Adult activities	Achieved (18 and 9 respectively). There have been 18 school activities and 9 adult activities this year.

## Cemeteries

### Performance Measure 9 – Satisfaction with tidiness and level of cemeteries maintenance

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Cemeteries are tidy and well maintained, with no litter lying around.	% of customers satisfied with the tidiness and level of maintenance at Cemeteries.	Achieved. 99%	90%	Achieved (97%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 97% satisfaction with cleanliness and maintenance of cemeteries.



### Performance Measure 10 – Customer complaints/requests for Cemeteries managed within specified timeframe

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Cemeteries are tidy and well maintained, with no litter lying around.	(C) % of customer complaints/requests managed within 10 working days.	Achieved. 100%	98%	Not achieved (84%). The total number of CRMs received for the year was 44. Of these, 84% (37) were completed within the timeframe. This was due to not completing the process in the CRM system however the CRMs were actually dealt with.

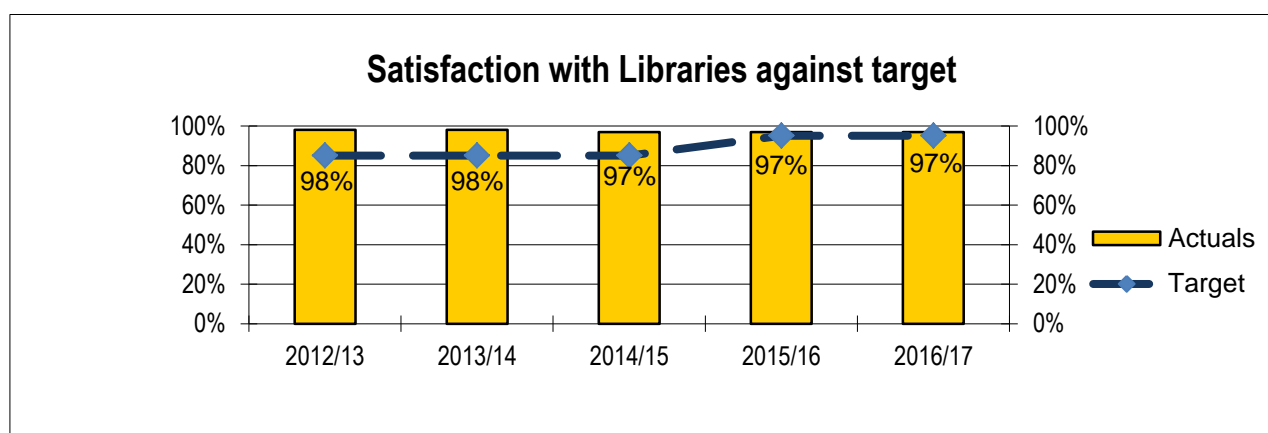
**Performance Measure 11 – Number of complaints regarding interment processes**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Interments are managed with respect and sensitivity.	Number of complaints regarding interment processes.	Achieved. 0	1	Achieved (0). There have been no complaints regarding interments for the year.

**LibraryPlus**

**Performance Measure 12 – Satisfaction with facilities and customer service**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
LibraryPlus facilities are well resourced and have friendly, helpful staff.	% of customers satisfied with facilities and customer service.	Achieved. 97%	95%	Achieved (97%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 97% of residents are satisfied with facilities and customer service.



**Performance Measure 13 – Number of visits to LibraryPlus facilities are greater than 350,000**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
LibraryPlus materials and resources are relevant to current information and leisure needs of the community.	(C) Number of visits to facilities spaces are greater than 280,000 and online greater than 60,000.	Achieved. 280,026 109,844	Amended Target 280,000+ 60,000+	Achieved. There have been 280,494 visits to LibraryPlus facilities and 135,378 online visits this year.

**Performance Measure 14 – Satisfaction with materials, resources and information provided**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
LibraryPlus materials and resources are relevant to current information and leisure needs of the community.	% of customers satisfied with materials, resources and information provided.	Achieved. 97%	95%	Achieved (95%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 95% of residents are satisfied with materials, resources and information provided.



**Performance Measure 15 – Attendee satisfaction with the standard of the programmes and activities**

<b>Level of Service</b>	<b>Performance Measure</b>	<b>2015/16 Actuals</b>	<b>Target 2016/17</b>	<b>For the year ended 30 June 2017</b>
LibraryPlus programmes and activities support lifelong learning and are responsive to the needs of the community.	% of attendees are satisfied with the standard of the programmes and activities.	Achieved. 100%	95%	Achieved (100%). All customers surveyed were satisfied with the programmes and activities provided.

---

# Recreation and Leisure

---

## What we do

### Parks and Property

The Council owns and maintains (approximately 168) parks and reserves across the entire District varying in size from neighbourhood 'pocket parks' and playgrounds, small roadside gardens and main street gardens to sports fields, premier parks and large scenic reserves such as Lake Rotokare (457ha in total). Of these, there are 60 Council-owned parks and reserves across the South Taranaki District that can be considered parks in their own right. South Taranaki has 2.45 hectares of actively maintained park land per 1,000 residents, the lowest of 33 peer local authorities. While many are owned in 'fee simple' by the Council, some are gazetted as reserves under the Reserves Act 1977 which have specific legal responsibilities (eg Crown owned land with management vested in the Council). In addition the Council owns and maintains 38 playgrounds across the District.

Further details on how the Council manages its open space to ensure the communities' needs, concerns and aspirations are considered, are described in the District Open Space Strategy which was adopted in 2014. Levels of service and how the maintenance, renewal and replacement of assets is undertaken, are described in the Parks and Property Asset Management Plan.

### Halls

Council-owned halls are provided in Opunake, Manaia, Kaponga, Eltham, Normanby, Hawera, Patea and Waverley. Bookings are made through the Council Offices and LibraryPlus locations. We also assist rural halls throughout the District with an annual grant. The Eltham Town Hall has a "Friends of" community group, and they are a primary stakeholder in the running of this facility. The Council also owns the Sports Complex in Manaia, but the day-to-day operations of this Hall, like the sports bookings, minor maintenance and applications for grants is managed by the Manaia Sports Hall Society.

The Council has a partnership and works closely with the Hawera Memorial Theatre Trust. Formed in 2011, the Trust is able to seek external funding for specified projects including funding to allow school students the opportunity to be involved in experiencing the theatre environment through the school curriculum. Further details on how the Council assesses changes to demand, levels of service and how the maintenance, renewal and replacement of assets is undertaken are described in the Halls Asset Management Plan.

### Public Toilets

The Council owns and maintains 38 public toilets at locations across the District. There are 9 in Hawera, 11 in and north of Opunake (including the toilet at Rahotu which is privately owned but is managed by the Council so public access is guaranteed), 6 in Eltham, 1 in Kaponga, 4 in Manaia and 7 in the towns of Patea, Waverley and Wai-inu. Some toilets are cleaned by contractors while others are cleaned by Council staff. Toilets are generally serviced daily with the exception of coastal or remote toilets where use is limited during the winter season.

The Council also provides six dump stations (for motor homes to dispose waste) at Waverley (Dallison Park), Normanby, Opunake, Opunake Beach, Wai-inu Beach and Waverley (Aotea Park). Further details on how the Council assesses changes to demand, levels of service and how the maintenance, renewal and replacement of assets is undertaken are described in the Public Toilets Asset Management Plan.

### Holiday Parks

The Council provides seven holiday parks across the District: Opunake Beach Holiday Park, Te Ngutu o Te Manu (Ahipaipa Road, Okaiawa), Hawera Holiday Park, Patea Beach Holiday Park, Waverley Beach, Wai-inu Beach and Lake Rotorangi (Patea Dam).

The management and operation of these holiday parks varies throughout the District. Opunake Beach Holiday Park and Patea Holiday Park are leased to private operators; Te Ngutu o Te Manu, Waverley Beach, Wai-inu Beach and the Hawera Holiday Park are managed in-house (the Council employs a part time custodian at Wai-inu over the summer period when demand is high). Lake Rotorangi (Patea Dam) is managed by a voluntary Trust in partnership with the Council. The Council also mows lawns at the Kaupokonui Beach Motor Camp which is managed by the Kaupokonui Beach Committee. The Hawera Holiday Park underwent capital improvements in 2013 and as a result we are seeing improvements in patronage on previous years.

### Swimming Pools – Rural Pools and Aquatic Centre, Hawera

The Council owns and operates rural swimming pools in Kaponga, Manaia, Eltham, Rawhitiroa, Patea and Waverley which are open to the public from mid-December through to Taranaki Anniversary Weekend in March. These pools have free access for the public and are staffed by qualified lifeguards. The Council also makes an annual contribution to the operation of the Opunake Community Baths. The Aquatic Centre in Hawera has an indoor complex which operates all year round featuring a thermal pool, 25 metre pool, hydro-slide, learner’s pool and children’s splash park. The outdoor complex, which includes a 50 metre pool and children’s pool, is open from early December to the end of March. Swim and survive programmes for children are offered both privately and through the schools programme year round at the Aquatic Centre. The Aquatic Centre is Poolsafe™ accredited and is a Gold Level AUSTSWIM recognised Swim Centre.

### TSB Hub

TSB Hub is the District’s premier sports, leisure and recreation facility based in Hawera. TSB Hub includes three indoor courts, a small bore rifle range, ten changing rooms, three large high quality function areas and a modern fitness centre. The expansive outdoor area includes sealed netball/tennis courts and provides for a range of turf based seasonal sports on Taranaki’s largest field sports complex. A netball pavilion, public toilets and a cricket pavilion complement the stadium. TSB Hub is capable of hosting conferences, expos, concerts and sports events that bring visitors to the District.

### Cinema 2

The Council owns the Cinema 2 land, building and some chattels but the Cinema is managed by a charitable trust (Hawera Cinema 2 Trust). The building is partly leased to the Trust for the Cinema and partly to The Local Sports Bar. The Council provides an annual operating grant (\$50,000) to the Cinema Trust to ensure that it is able to continue operating as well as having a representative on the Cinema Trust to provide support and accountability.

## Why we do it

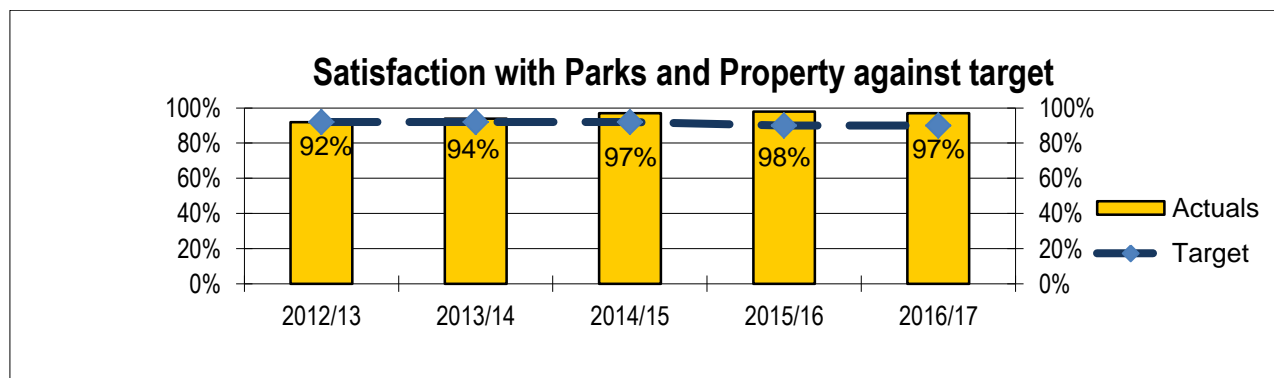
The vision of our Open Space Strategy is to have accessible Open Spaces that are enjoyed by our people, support the health and wellbeing of our communities and enhance our environment. Provision of the activities and associated infrastructure within the Recreation and Leisure grouping contribute to this Strategy and provide recreation and leisure opportunities for residents and visitors to the District.

## How we performed

### Parks and Property

#### Performance Measure 1 – Satisfaction with level of maintenance in Parks and Properties

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Parks and properties are tidy and well maintained.	% of customers satisfied with the level of maintenance in Council parks and properties.	Achieved. 98%	90%	Achieved (97%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 97% of residents were satisfied with Parks and Reserves.



**Performance Measure 2 – Number of recorded incidents of preventable injuries occurring**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Visitors feel safe and enjoy visiting our parks and properties.	Number of recorded incidents of preventable injuries occurring.	Not achieved. 3	0	Achieved (0). There were no reported accidents in our parks or properties during the year.

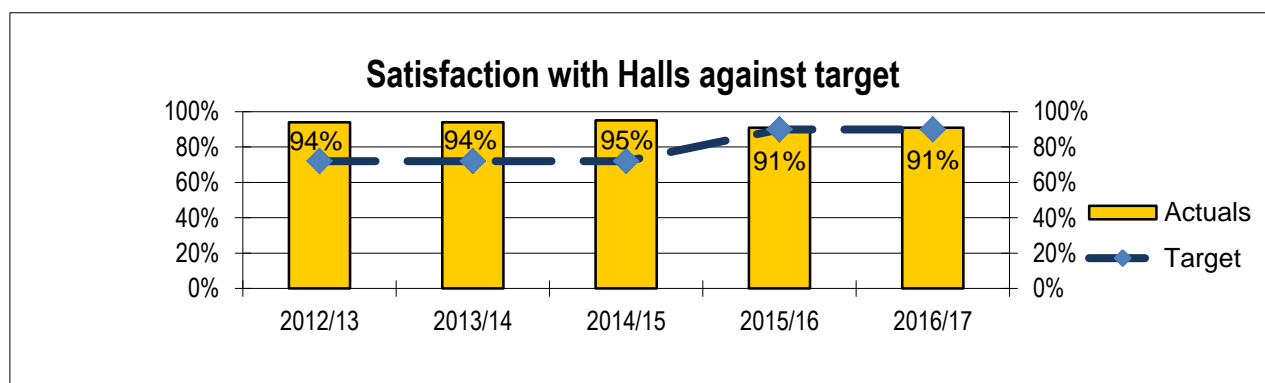
**Performance Measure 3 – Customer complaints/requests for Parks and Properties managed within specified timeframe**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Visitors feel safe and enjoy visiting our parks and properties.	% of customer complaints/requests managed within 10 working days.	Not achieved. 91%	98%	Not achieved (85%). The total number of CRMs received for the year was 252. Of these, 85% (213) were completed within the timeframe. This was due to not completing the process in the CRM system however the CRMs were actually dealt with.

**Halls**

**Performance Measure 4 – Satisfaction with maintenance and cleanliness of Halls**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Halls are well maintained and serviced.	% of customers satisfied with the maintenance and cleanliness of Halls.	Achieved. 91%	90%	Achieved (91%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 91% of residents were satisfied with the maintenance and cleanliness of the Halls.



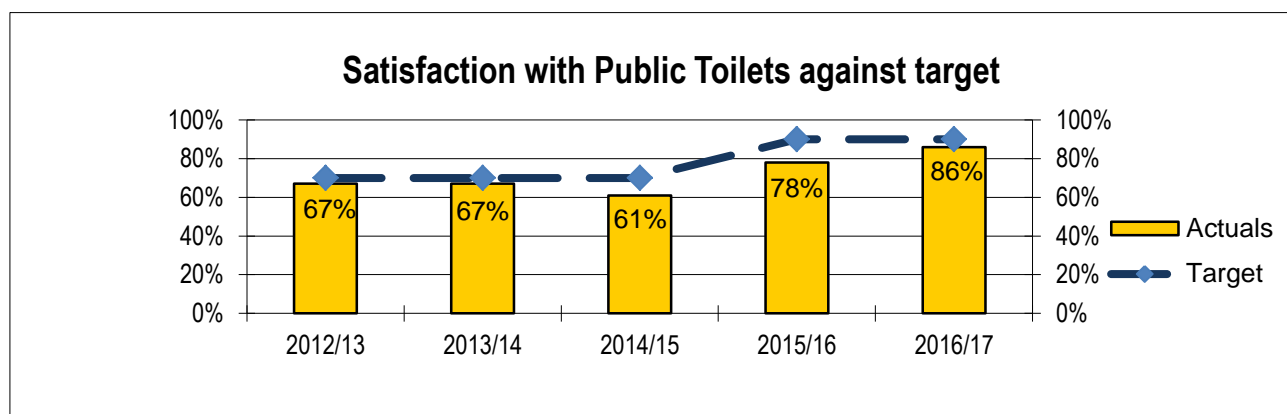
**Performance Measure 5 – Customer complaints/requests for Halls managed within specified timeframe**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Halls are well maintained and serviced.	% of customer complaints/requests are managed within 10 working days.	Achieved. 100%	98%	Achieved (100%). The total number of CRMs received for the year was 17. All were completed within the specified timeframes.

## Public Toilets

### Performance Measure 6 – Satisfaction with cleanliness and maintenance of Public Toilets

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Toilets are safe, accessible and well maintained.	% of residents satisfied with cleanliness and maintenance of Public Toilets.	Not achieved. 78%	90%	Not achieved (86%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 86% of residents were satisfied with the cleanliness and maintenance of Public Toilets.



### Performance Measure 7 – Satisfaction with Public Toilet opening hours

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Toilets are safe, accessible and well maintained.	% of residents satisfied with Public Toilet opening hours.	Achieved. 100%	85%	Achieved (91%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 91% of residents were satisfied with the opening hours of the Public Toilets.

### Performance Measure 8 – Contractor compliance for cleaning Public Toilets

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Toilets are safe, accessible and well maintained.	% of contractor compliance for cleaning Public Toilets.	Achieved. 94%	90%	Achieved (100%). The total number of CRMs received for the year regarding Public Toilets was 164. Five of these related to contractor compliance for cleaning of which all were completed within the timeframes.

### Performance Measure 9 – Customer complaints/requests for Public Toilets managed within specified timeframe

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Toilets are safe, accessible and well maintained.	% of customer complaints/requests managed within 10 working days.	Not achieved. 95%	98%	Achieved (98%). The total number of CRMs received for the year was 164. Of these 98% (161) were completed within the timeframes.



## Holiday Parks

### Performance Measure 10 – Compliance with Camping Grounds Regulations by retaining the Certificate of Registration

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Holiday Parks are attractive, maintained and well used.	% of compliance with Camping Grounds Regulations 1985 by retaining the Certificate of Registration.	Achieved. 100%	100%	Achieved for the year (100%). Of the camps required to hold a Certificate of Registration, all have been retained.

### Performance Measure 11 – Complaints of Council-managed Holiday Parks managed within specified timeframe

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Holiday Parks are attractive, maintained and well used.	% of complaints of Council-managed Holiday Parks managed within 10 working days.	Achieved. 100%	98%	Not achieved (88%). The total number of CRMs received for the year was 8. Of these, 88% (7) were completed within the timeframes.

### Performance Measure 12 – Complaints about Holiday Park maintenance per annum of Council-managed Holiday Parks

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Holiday Parks are attractive, maintained and well used.	Number of complaints per annum about Holiday Park maintenance.	Achieved. 9	<15	Achieved (8). A total of 8 complaints about Holiday Park maintenance were received for the year.

## Swimming Pools - Rural Pools

### Performance Measure 13 – Number of users of Rural Pools is greater than 40,000

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Rural Pools are attractive environments.	Total number of users of rural pools is greater than 40,000.	Achieved. 50,238	40,000	Not achieved for the year (92.7%). The total attendance for the 2016/17 season was 37,089.

### Performance Measure 14 – Satisfaction with Rural Pool venues being well maintained

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Rural Pools are well maintained.	% of customers satisfied with venues being well maintained.	Achieved. 86.3%	80%	Achieved (91%). Customer surveys were carried out and 91% of respondents were satisfied with the venues being well maintained.

### Performance Measure 15 – Satisfaction with services provided by staff at Rural Pools

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Customers are satisfied with services.	% of users satisfied with services provided by staff.	Achieved. 93%	80%	Achieved (96%). 96% of respondents to the Annual User Survey were satisfied with services provided by staff.

#### Performance Measure 16 – Rural Swimming Pool Lifeguards with current Pool Lifeguard Practicing Certificate

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Rural Pools are safe environments.	% of lifeguards who hold a current Pool Lifeguard Practicing Certificate.	Achieved. 100%	100%	Achieved for the year (100%). All lifeguards who worked at rural pools during the 2016/17 season held current Pool Lifeguard Practicing Certificates.

#### Performance Measure 17 – Accidents at Rural Swimming Pools reported per annum due to poor design or maintenance

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Rural Pools are safe environments.	Number of accidents reported per annum due to poor design or maintenance.	Achieved. 0	0	Not achieved for the year (1). One incident was reported at Manaia Pool regarding rough concrete drains around the pool causing a foot injury.

#### Performance Measure 18 – Compliance with Rural Swimming Pool venues being well maintained

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Rural Pools water quality is safe.	% of compliance with NZS5826 through regular water quality tests.	Not achieved. 88.5%	90%	Achieved (90.8%). Overall seasonal analysis indicates satisfaction.

### Swimming Pools - Aquatic Centre, Hawera

#### Performance Measure 19 – Number of users of the Aquatic Centre is greater than 93,500 per annum

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The Aquatic Centre is an attractive environment.	(C) Number of users of the Aquatic Centre is greater than 93,500 per annum.	Not achieved. 92,265	93,500+	Achieved (94,331). Total attendance for the year was 94,331.

#### Performance Measure 20 – Satisfaction with the Aquatic Centre venue being well maintained

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The Aquatic Centre is well maintained.	% of users satisfied with the venue being well maintained.	Achieved. 92.1%	90%	Achieved (92.7%). The Annual User Survey was carried out in the 4 <sup>th</sup> quarter with 92.7% of respondents satisfied that the venue is well maintained.

#### Performance Measure 21 – Satisfaction with the Aquatic Centre services provided by staff

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Customers are satisfied with services.	% of users satisfied with services provided by staff.	Achieved. 94.6%	90%	Achieved (94.3%). The Annual User Survey was carried out in the 4 <sup>th</sup> quarter with 94.3% of respondents satisfied with the services provided by staff.

**Performance Measure 22 – Aquatic Centre holds a current national Poolsafe accreditation**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The Aquatic Centre is a safe environment.	The Aquatic Centre holds a current national Poolsafe™ accreditation.	Held	Held	Achieved (Held). The Aquatic Centre holds current Poolsafe™ accreditation having been re-accredited in March 2017.

**Performance Measure 23 – Number of accidents reported at the Aquatic Centre per annum due to poor design or maintenance**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The Aquatic Centre is a safe environment.	Number of accidents reported per annum due to poor design or maintenance.	Achieved. 0	0	Not achieved (1). One accident recorded indicated a need for an alteration to a water stop barrier in the doorway from the pool deck to Plant Room 3. A soft barrier has been installed which eliminated the issue.

**Performance Measure 24 – Number of Learn to Swim enrolments at the Aquatic Centre are no less than 1,300 per annum**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
PowerCo Aquatic Centre actively promotes Learn to Swim programmes.	Number of Aqua School Learn to Swim enrolments are no less than 1,400 per annum.	Achieved. 1,573	1,400	Achieved (1,656). There were 1,656 Aquaschool enrolments for the 2016/17 financial year.

**TSB Hub**

**Performance Measure 25 – Number of users of TSB Hub is greater than 150,000 per annum**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
TSB Hub is an attractive, well maintained and well used venue.	Number of users of TSB Hub is greater than 150,000 per annum.	Achieved. 166,546	150,000+	Not achieved (138,763). User numbers recorded for 2016/17 were 138,763, compared to 156,263 for the 2015/16 year.  There were a few factors that have led to lower numbers. A big factor is declining participation in some sports codes. Sports like basketball and badminton have experienced decline in their membership. Netball Taranaki has also congested its season which has seen less Premier Netball nights.

**Performance Measure 26 – Satisfaction of TSB Hub standard of service provided**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
TSB Hub is an attractive, well maintained and well used venue.	% of users satisfied with the standard of service provided.	Achieved. 86.8%	80%	Achieved (96.22%). 96.22% of users who completed the customer satisfaction survey were either very satisfied or satisfied with the service they received.

**Performance Measure 27 – Number of accidents reported per annum due to poor design or maintenance of TSB Hub**

<b>Level of Service</b>	<b>Performance Measure</b>	<b>2015/16 Actuals</b>	<b>Target 2016/17</b>	<b>For the year ended 30 June 2017</b>
TSB Hub provides a safe environment.	Number of accidents reported per annum due to poor design or maintenance.	Achieved. 0	0	Achieved (0). No accidents reported due to poor design or maintenance.

# District Economy

## What we do

The Council, in partnership with Venture Taranaki (the regional economic development and tourism agency), offers a business advisory service to assist both new and existing businesses wishing to expand or improve their competitiveness and businesses wishing to relocate to South Taranaki. This includes a support service to assist businesses to access Government agency funding for research and development, export and growth incentives and to act as a link to further professional services.

The Council submitted a bid to Government for improved digital services across the district in July 2015. As part of this bid the Council was required to develop a Digital Enablement Plan which includes improving businesses digital literacy and this Plan is now being implemented.

The Mayor's Task Force for Jobs projects are actions in the Council's Economic Development Strategy. The projects include the annual Youth To Work Awards which celebrate young people who are achieving in their workplace or training environment, as well as the businesses, education and training providers who support them.

The Council also has a contract with Venture Taranaki to provide tourism development and promotion services.

There is a Council-operated centralised i-SITE visitor centre in the Hawera Central Business District near the Water Tower which has Qualmark accreditation and satellite information services from six of the LibraryPlus facilities around the District to promote tourism within the area. The i-SITE is open seven days per week including every public holiday except Christmas Day.

Events are undertaken and supported by the Council to provide the community with a range of recreational and cultural activities that have the potential to bring communities together and add to the character and spirit of the community. The Council is involved in a range of events throughout the District and supports them in a variety of different ways. This may be financially through sponsorship, ticketing and bookings, facilitation of a local element of a regional/national event, promotions and marketing or complete the organisation of an event.

## Why we do it

The Council adopted an Economic Development Strategy in 2014 with a vision for a vibrant and thriving community that appeals to industry, business, entrepreneurs, visitors and our residents. The activities within the District Economy Activity all contribute to this goal.

## How we performed

### Economic Development

#### Performance Measure 1 – Number of client interactions with the Business Advisory Service

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Existing or new businesses are supported and assisted to grow.	Number of client interactions with the Business Advisory Service.	Achieved. 584	475	Achieved (581). There were a total of 581 client interactions with South Taranaki businesses during the financial year.

#### Performance Measure 2 – Businesses satisfied with the service they received from the Business Advisory Service.

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Existing or new businesses are supported and assisted to grow.	% of businesses satisfied with the service received from the Business Advisory Service.	Achieved. 92.9%	90%	Achieved (93.7%). An annual satisfaction survey (Venture Taranaki) showed 93.7% of businesses reporting they were satisfied with the services they received from Venture Taranaki.



### Performance Measure 3 – Number of painting incentives granted

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Existing or new businesses are supported and assisted to grow.	Number of painting incentives granted.	Achieved. 3	2	Achieved (3). There were 3 painting grants allocated during the financial year.

### Performance Measure 4 – Number of business related promotions/articles per annum

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
South Taranaki is promoted as an attractive place to do business, live and work.	Number of business related promotions/articles per annum.	Achieved. 4	4	Achieved (5). 4 business related promotions/articles were undertaken for the year.

### Performance Measure 5 – Number of lifestyle promotions per annum

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
South Taranaki is promoted as an attractive place to do business, live and work.	Number of lifestyle promotions per annum.	Achieved. 3	2	Achieved (2). 2 lifestyle promotions have been undertaken for the year.

### Performance Measure 6 – Number of delegations to or from Harbin per annum

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
South Taranaki is promoted as an attractive place to do business, live and work.	Number of delegations to or from Harbin per annum.	Not achieved. 0	1	Achieved (1). A delegation from Harbin was received on 21 April 2017.

## Tourism

### Performance Measure 7 – Number of promotions of South Taranaki as a visitor destination

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
South Taranaki is promoted as a great place to visit.	Number of promotions of South Taranaki as a visitor destination.	Achieved. 17	6	Achieved for the year (6). Six promotions have been undertaken for the year.

### Performance Measure 8 – Number of website hits per annum

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
South Taranaki is promoted as a great place to visit.	Number of website hits per annum.	Achieved. 124,267	100,000	Achieved (125,585). Website hits were 125,585 for the year.

**Performance Measure 9 – Staff at the i-SITE are friendly and knowledgeable (91% Qualmark Accreditation is maintained)**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Staff at the i-SITE are friendly and knowledgeable	(T) Qualmark accreditation is maintained.	Held	91%	There was no Qualmark Assessment this year as it is undertaken biennially. This is scheduled for August 2017.

**Performance Measure 10 – A 7 day a week service is provided at the i-SITE (excluding Christmas Day) (91% Qualmark Accreditation is maintained)**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
A seven day a week service is provided at the i-SITE (excluding Christmas Day)	(T) Qualmark accreditation is maintained.	Held	91%	There was no Qualmark Assessment this year as it is undertaken biennially. This is scheduled for August 2017.

**Events**

**Performance Measure 11 – Number of events Council has provided or supported per annum**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council will provide, encourage and/or support events within the District.	Minimum number of events Council has provided or supported per annum.	Achieved. 17	6	Achieved for the year (13). There were 13 events provided or supported during the year.

**Performance Measure 12 – Attendees satisfied with selected Council events**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council events are well organised, safe and well attended.	% of attendees satisfied with selected Council events.	Achieved. 96.5%	95%	Achieved (97.3%). On average 97.3% of respondents are satisfied with selected Council events.

**Performance Measure 13 – Number of serious accidents due to poor event management**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council events are well organised, safe and well attended.	Number of serious incidents due to poor event management.	Achieved. 0	0	Achieved (0). No incidents were reported for the year ending 30 June 2017 due to poor event management.

# Community and Social Development

## What we do

The Community and Social Development activity is made up of services aimed at developing the partnership between the Council and the community, enabling the community to participate in the Council's planning, development and implementation of initiatives. The activity also supports communities to undertake projects and achieve outcomes they desire for themselves.

Partnerships with regional stakeholders on initiatives of benefit to the District are also developed and maintained. The Council is a partner in initiatives including the Regional Disability Strategy, Regional Public Transport Service and Regional Capacity Building Incubator.

The Council has a nominated budget within the Long Term Plan for grants and discretionary funding for the four Community Boards and the Iwi Liaison Committee. We administer the Rural Travel Fund on behalf of Sport and Recreation New Zealand and the Creative Communities Scheme on behalf of Creative New Zealand.

The Council has pensioner housing units in Opunake, Eltham, Manaia, Kaponga, Hawera, Patea and Waverley. In addition to normal rental management services, the Council provides a support service which includes regular fortnightly visits to the residents and a first point of contact for all maintenance requests.

## Why we do it

This group of activities supports the community by helping to build their capacity and to implement projects and initiatives they have identified as priorities to enhance their communities, making them attractive places to live, do business, work and visit.

## How we performed

### Community Development

#### Performance Measure 1 – Participants in workshops and training sessions find the training useful

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Communities and Groups are supported to achieve their own goals.	% of participants in workshops and training sessions find the training useful.	Achieved. 98%	85%	Achieved (93%). In total, 7 workshops were presented during the year with 105 people attending and 93% of the evaluation responses stating they were useful.

#### Performance Measure 2 – Groups satisfied with the support they receive

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Communities and Groups are supported to achieve their own goals.	% of groups satisfied with the support they receive.	Achieved. 100%	75%	Achieved (100%). Three groups were surveyed during the year with 100% satisfied with the support they received.

#### Performance Measure 3 – Cost of community led projects (supported by Council) funded from external sources

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Partnerships with community groups are developed to make the best use of resources.	% of the cost of community led projects (supported by Council) funded from external sources.	Achieved. 100%	50%+	Achieved (65%). The Paepae in the Park Committee raised 65% of their funds from external sources.

**Performance Measure 4 – Total cost of Council led projects (completed in partnership with the community) funded from external sources**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Partnerships with community groups are developed to make the best use of resources.	% of the total cost of Council led projects (completed in partnership with the community) funded from external sources.	Achieved. 83.5%	33.3%+	Achieved (overall average 51.6%). Overall average of 51.6% of funding for Council led projects has been secured from external sources.

## Pensioner Housing

**Performance Measure 5 – Pensioner Housing Units are rated good to very good**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council will provide well maintained and affordable Pensioner Housing.	% of Pensioner Housing units are rated good to very good using the minimum standards included in the Pensioner Housing Policy.	Achieved. 54%	53%	Achieved (60%). 40 of the 68 Pensioner units are rated 'Good' to 'Very Good'.

**Performance Measure 6 – Pensioner Housing rents will not exceed 80% of market rates**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council will provide well maintained and affordable Pensioner Housing.	All tenants will be paying rental rates which meet, but do not exceed 80% of market rates.	Achieved. 72%	67%	Achieved (79%). 53 of the 67 tenants are paying 80% of the market rate.

**Performance Measure 7 – Tenants satisfied with the standard of maintenance of their accommodation**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council will provide well maintained and affordable Pensioner Housing.	% of tenants satisfied with the standard of their accommodation.	Achieved. 97%	85%	Achieved (97%). The Annual Tenant Satisfaction Survey results indicated 34 out of the 35 tenants who responded were satisfied with the condition of their unit.

**Performance Measure 8 – Tenants satisfied with the social support service provided**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Tenants are supported to remain independent in their communities of choice for as long as they are able.	% of tenants satisfied with the social support service provided (or who rate the social support service good or above).	Achieved. 95%	85%	Achieved (92%). The Annual Tenant Satisfaction Survey results indicated 37 out of the 64 tenants who responded were satisfied with the social support provided to them (rated good or above).

---

# Environment and Development

---

## What we do

### Planning

The Planning activity involves applying the provisions of the South Taranaki District Plan to fulfil the purposes of the Resource Management Act 1991. In particular it involves providing advice on subdivision and land use activities, processing applications for resource consent when proposed activities fall outside of the environmental controls established by the Council and community, plus monitoring compliance with the District Plan and resource consent conditions.

### Building Control

The Building Control activity discharges the Council's responsibilities in the Building Act 2004, which involve regulating construction to ensure that buildings are safe to use and are designed and built in a manner that promotes sustainable development. It also involves providing public information regarding regulatory standards for construction projects. It involves receiving and processing Building Consent Applications and inspecting that building work for approximately 579 building consent applications each year. In addition, the on-going operation of specified safety systems within buildings involves maintaining a Building Warrant of Fitness register with which we are able to undertake site inspections of those registered buildings to ensure that compliance with the Building Warrant of Fitness is being met and the buildings are safe for people to use.

### Licensing

Licensing activities cover environmental health, liquor licensing, bylaw administration, noise control, parking and environmental education functions. The Council processes around 230 food premises and health registrations and issues or renews about 170 liquor licences each year for premises and special events and about 140 Manager's Certificates. The Parking regulation is carried out to assist commercial activity in our town centres by ensuring that parking durations are limited, so as to create car parking opportunities for people wishing to conduct commercial transactions in our town centres. Additionally, monitoring of vehicle safety is also involved in this activity in relation to parked vehicles displaying current registration and warrants of fitness.

### Environmental Policy

The Environmental Policy activity involves promoting sustainable management of the environment through the District Plan. The current District Plan was made operative in December 2004. The Council has made significant progress with the District Plan Review that has been progressing since the appointment of consultants in 2013. Decisions on submissions were released in December 2016. Nine appeals were lodged against different parts of the proposed District Plan. Work is currently underway on resolving the appeals with the Court assisted mediation resulting in several of the appeal points being resolved. The Environmental Policy activity also involves providing funding assistance to people protecting areas of indigenous vegetation or habitats of indigenous fauna.

### Animal Control

Animal Control activities cover the registration of dogs, administration of the Dog Control Act, the Council's Dog Control Policy and bylaws, plus the Impounding Act that deals with wandering stock. The Council registers approximately 4,800 dogs each year. Considerable time is directed at dealing with dog control issues in the District, such as owner awareness and education to reduce incidents of wandering and aggressive dogs.

### Rural/Vegetation Fire

The Council ceased to be involved in Rural Fire Suppression when the Crown merged both urban and rural fire fighting functions on 1 July 2017. Up to that time the Council was a stakeholder in the Taranaki Rural Fire Authority (TRFA). The TRFA was the entity that delivered fire-fighting activities in Taranaki.

## Why we do it

The Environment and Development activities all contribute to protecting and managing the natural and man-made environment for the benefit of the whole community.

## How we performed

### Planning

#### Performance Measure 1 – Resource consent applications processed within specified timeframes

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Consents for subdivisions and development are processed in a timely manner.	(T) % of resource consent applications processed within statutory timeframes.	Not achieved. 99%	100%	Achieved (100%). 153 applications were received for the year. They were all processed within the statutory timeframes.

#### Performance Measure 2 – Consents monitored by their due date

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Consent compliance is monitored by the Council.	Consents are monitored by their due date.	Not achieved. 25%	85%	Not achieved (46%). 56 consent monitoring inspections were undertaken for the year, with 26 completed by their due date. We are currently clearing a backlog after offering a reduced monitoring service because of staff turnover, as staff development occurs we expect to meet this target. However, complaints have been responded to and investigated.

#### Performance Measure 3 – Customers satisfied with the service they receive

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Customers receive high quality service.	% of customers satisfied or very satisfied with the service they have received.	Unable to be measured.	85%	Customer service has been the subject of an independent external review. The results of the investigation have been presented directly to the Council. This performance measure will be removed as part of the Long Term Plan process.

### Building Control

#### Performance Measure 4 – Building Consent applications processed within specified timeframe

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Building consents are processed quickly and efficiently.	% of building consent applications processed within 20 working days.	Not achieved. 99%	100%	Achieved (100%). 542 building consents have been processed for the year and all within the statutory time frame.

#### Performance Measure 5 – Building inspections carried out within specified timeframe

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
New buildings are safe.	% of building inspections carried out within 2 working days of request.	Achieved. 100%	95%	Achieved (100%). 2,210 inspections were undertaken for the year within 2 working days to ensure that building work has proceeded in accordance with approved plans.



### Performance Measure 6 – Accreditation as a Building Consent Authority is retained

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Customers receive industry recognised quality service.	Accreditation as a Building Consent Authority is retained.	Only retained biennially	To be retained biennially	Achieved for the year. The Building Consent Authority accreditation is current and was renewed in November 2016 for a further two year period.

### Performance Measure 7 – Survey respondents satisfied with the building control service

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Customers receive industry recognised quality service.	% of survey respondents that are satisfied or very satisfied with the building control service.	Due to the poor response rate a survey was not conducted.	85%	Customer service has been the subject of an independent external review. The results of the investigation have been circulated to Elected Members. This performance measure will be removed as part of the Long Term Plan process.

## Environmental Health

### Performance Measure 8 – New/renewal premises applications processed within specified timeframe

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
New food premises can open to the public quickly and existing food premises can continue to trade.	% of New Premises Applications and Renewal Premises Applications processed within 10 working days.	Achieved. 100%	95%	Achieved (100%). 201 applications were processed for the year within 10 working days.

### Performance Measure 9 – Licensed premises that are inspected annually

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Food premises are hygienic and food sold to the public is safe to eat.	% of licensed premises that are inspected annually.	Not achieved. 81%	100%	Achieved (100%). 201 food premises were inspected for the year.

### Performance Measure 10 – Number of complaints received from food premises operators about standard of service

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Food premises operators receive high quality service.	The number of complaints received from food premises operators about standard of service per annum.	Achieved. 0	<5	Achieved (0). No complaints have been received from food premise operators.

## Liquor Licensing

### Performance Measure 11 – Number of Council facilitated workshops to encourage host responsibility

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Premises selling liquor to the public are licensed and are running their business responsibly.	Number of Council facilitated workshops to encourage host responsibility per annum.	Achieved. 2	2	Achieved (2). 2 workshops have been conducted throughout the year.

### Performance Measure 12 – Licensed premises that are annually inspected

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Premises selling liquor to the public are licensed and are running their business responsibly.	% of licensed premises that are annually inspected.	Not achieved. 49%	100%	Achieved (100%). 86 premises were inspected for the year.

### Performance Measure 13 – Unopposed Liquor License applications processed within specified timeframe

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Unopposed Liquor Licence Applications are processed promptly.	% of unopposed Liquor Licence Applications processed within 10 working days of receipt of all reports.	Achieved. 100%	95%	Achieved (100%). 88 applications and renewals were processed within 10 working days for the year.

## Noise Control

### Performance Measure 14 – Noise complaints responded to within specified timeframe

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Provide a prompt and reliable noise control service 24 hours a day, 7 days a week.	% of noise complaints responded to within one hour.	Achieved. 93%	90%	Not achieved (75%). 463 of 623 complaints were responded to within one hour. There were significant increases in complaints experienced in the 2 <sup>nd</sup> and 3 <sup>rd</sup> quarters. The after-hours contractors were stretched to meet the target and have offered to provide additional resource at an increased cost for that service.

## Environmental Policy

### Performance Measure 15 – Plan change projects delivered by the next local body election

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The District Plan is reviewed.	% of Plan Change projects delivered by the next local body election.	On track.	90%	Achieved for the year. The Council adopted the Hearings Panel's decisions on the Proposed District Plan before the election.

**Performance Measure 16 – Plan change projects that have dedicated periods of officer time aside for talking to Iwi**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Iwi are supported to contribute to local environmental issues.	% of Plan Change projects that have dedicated periods of officer time set aside for talking with Iwi.	Achieved. 100%	100%	Achieved for the year. Periods of time were set aside for talking with Iwi about the District Plan.

## Animal Control

**Performance Measure 17 – Reported serious dog or wandering stock incidents responded to within specified timeframe**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
A prompt and reliable animal control service will be provided 24 hours a day, 7 days a week for wandering stock and serious dog* incidents.	% of reported serious dog or wandering stock incidents responded to within 4 hours.	Achieved. 97%	97%	Achieved (98%). 276 out of 283 incidents were responded to within 4 hours for the year.

**Performance Measure 18 – Reported general dog incidents responded to within specified timeframe**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
A reliable and responsive animal control service that investigates general dog* incidents.	% of reported general dog incidents responded to within 1 working day.	Achieved. 94%	97%	Achieved (98%). 1,595 of 1,635 of incidents were responded to within 1 working day for the year.

\* serious dog incidents – dog attacks, threatening or rushing dogs or continual barking.

\* general dog incidents – barking and roaming.

## Rural/Vegetation Fire

**Performance Measure 19 – Significant fire calls attended to within specified timeframe**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council provides a timely response to rural fire notifications.	% of significant fire calls attended within one hour of pager notification.	Achieved. 91.6%	90%	Achieved (100%). There have been 9 rural fire calls for the year and all were responded to within 1 hour of the pager notification.

# Water Supply Services

## What we do

The Council owns eight urban and two predominately rural water supplies and aims to deliver potable quality water suitable for human, animal and industrial consumption 24 hours a day, seven days a week, taking into account outages for maintenance and breakdowns. The water supplies are maintained to appropriate standards to ensure public health standards are met for the District's residents and enable firefighting capacity in most areas.

## Why we do it

Water supply is the most critical infrastructure service provided by the Council. It is essential for the health of the population, and is required in large volumes to sustain existing domestic, agricultural and industrial customers. Additional water is required to facilitate economic development in the District to ensure that we are "Open for Business".

The provision of the activity is governed by legislation. The Local Government Act requires that we continue to provide the service and maintain its capacity. The Health (Drinking Water) Amendment Act October 2007 sets legislative requirements pertaining to the duty for all drinking water suppliers to take all practicable steps to comply with the Drinking Water Standards.

## Significant Negative Effects

The vast majority of our drinking water is taken from river sources. Reducing river flow can have a negative effect on the ecosystem of rivers, however the Resource Management Act resource consent process recognises this and the Taranaki Regional Council apply principles set out in the Regional Fresh Water Plan when considering permission to abstract water from streams and bores.

## How we performed

### Performance Measure 1 – Median response time for service personnel to attend urgent call-out - DIA Performance Measure 3a

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is accessible and reliable.	Median response time for service personnel to attend urgent call-out. <i>DIA Performance Measure 3a</i>	Achieved. 51m	≤ 2 hrs	Achieved (36m). The median response time for service personnel to attend urgent call-outs was 36 minutes for the year to date.

### Performance Measure 2 – Median response time for service personnel to resolve urgent call-out (P1 < 250 mm diameter main) - DIA Performance Measure 3b

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is accessible and reliable.	Median response time for service personnel to resolve urgent call-out (P1 < 250 mm diameter main). <i>DIA Performance Measure 3b</i>	Achieved. 2h/6m	≤ 5 hrs	Achieved (1h/28m). The median response time for service personnel to fully complete urgent call-outs (P1 < 250 mm diameter main) was 1 hour and 28 minutes for the year.

**Performance Measure 3 – Median response time for service personnel to resolve urgent call-out (P1 ≥ 250 mm diameter main) - DIA Performance Measure 3b**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is accessible and reliable.	Median response time for service personnel to resolve urgent call-out (P1 ≥ 250 mm diameter main). <i>DIA Performance Measure 3b</i>	Achieved. 2h/52m	≤ 9 hrs	Achieved (0). There were no urgent jobs where the pipe size was ≥ 250 mm for the year.

**Performance Measure 4 – Median response time for service personnel to attend non-urgent call-out (P2) - DIA Performance Measure 3c**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is accessible and reliable.	Median response time for service personnel to attend non-urgent call-out (P2). <i>DIA Performance Measure 3c</i>	Achieved. 1d/2h/54m	≤ 2 days	Achieved (1d/5h/57m). The median response time for service personnel to attend non-urgent call-outs (P2) was 1 day, 5 hours and 57 minutes for the year.

**Performance Measure 5 – Median response time for service personnel to attend non-urgent call-out (P3) - DIA Performance Measure 3c**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is accessible and reliable.	Median response time for service personnel to attend non-urgent call-out (P3). <i>DIA Performance Measure 3c</i>	Achieved. 2d/2h/44m	≤ 5 days	Achieved (4d/1h/51m). The median response time for service personnel to attend non-urgent call-outs (P3) was 4 days, 1 hour and 51 minutes for the year.

**Performance Measure 6 – Median response time for service personnel to resolve non-urgent call-out (P2) - DIA Performance Measure 3d**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is accessible and reliable.	Median response time for service personnel to resolve non-urgent call-out (P2). <i>DIA Performance Measure 3d</i>	Achieved. 1d/5h/9m	≤ 2 days	Achieved (1d/19h/25m). The median response time for service personnel to fully complete non-urgent call-outs (P2) was 1 day, 19 hours and 25 minutes for the year.

**Performance Measure 7 – Median response time for service personnel to resolve non-urgent call-out (P3) - DIA Performance Measure 3d**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is accessible and reliable.	Median response time for service personnel to resolve non-urgent call-out (P3). <i>DIA Performance Measure 3d</i>	Achieved. 3d/10h/37m	≤ 5 days	Not achieved (5d/5h/27m). The median response time for service personnel to fully complete non-urgent call-outs (P3) was 5 days, 5 hours and 27 minutes for the year.

**Performance Measure 8 – Extent of compliance with current NZ Drinking Water Standards (for bacteria) - DIA Performance Measure 1a**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Water supplied is clean and healthy.	Extent of compliance with current NZ Drinking Water Standards (for bacteria). <i>DIA Performance Measure 1a</i>	Not achieved. 99.8% (different target)	10/10	Not achieved (9/10). Waverley reticulation failed in Quarter 4. All other supplies complied with the Drinking Water Standards. These results are provisional, pending the assessment of compliance by the independent Drinking Water Assessor.

**Performance Measure 9 – Extent of compliance with NZ Drinking Water Standards (for protozoa) - DIA Performance Measure 1b**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Water supplied is clean and healthy.	Extent of compliance with NZ Drinking Water Standards (for protozoa). <i>DIA Performance Measure 1b</i>	Not achieved. 6/10	10/10	Not achieved (7/10). For the year 7/10 were compliant – 3 supplies are being upgraded in 2017/18. These results are provisional, pending the assessment of compliance by the independent Drinking Water Assessor.

**Performance Measure 10 – Water Safety Plans approved by DHB**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Water supplied is clean and healthy.	Water Safety Plans approved by DHB.	Not achieved. 7/10	10/10	Not achieved (7/10). For the year 7/10 were compliant – 3 plans are in draft. Seeking DWA approval in 2017/18.

**Performance Measure 11 – Real water losses over all supplies - DIA Performance Measure 2**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is managed sustainably.	Water Losses. <i>DIA Performance Measure 2</i>	Achieved. 12.9%	≤ 15%	Achieved (11.7%) An average of 11.7% over all supplies for the year. Annual real water losses are calculated using Benchloss NZ Software.

**Performance Measure 12 – Average consumption of drinking water per day per resident - DIA Performance Measure 5**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is managed sustainably.	Average consumption of drinking water per day per resident. <i>DIA Performance Measure 5</i>	Not achieved. Urban 417	≤ 350 L/c/d	Not achieved (379). Urban demand – 379 litres/person/day.



**Performance Measure 13 – Compliance with resource consents for abstraction.**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is managed sustainably.	Compliance with resource consents for abstraction.	Not achieved. 99.5%	100%	Achieved (100%). All supplies were fully compliant.

**Performance Measure 14 – Number of complaints received about drinking water clarity (per 1,000 connections) - DIA Performance Measure 4a**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Consumers are satisfied with the Water Supply service.	Number of complaints received about drinking water clarity (per 1,000 connections). <i>DIA Performance Measure 4a</i>	Not achieved. 3.46	≤ 3	Achieved (1.78). 1.78 complaints about drinking water clarity per 1,000 connections were received for the year.

**Performance Measure 15 – Number of complaints received about drinking water taste (per 1,000 connections) - DIA Performance Measure 4a**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Consumers are satisfied with the Water Supply service.	Number of complaints received about drinking water taste (per 1,000 connections). <i>DIA Performance Measure 4a</i>	Achieved. 1.22	≤ 3	Achieved (2.06). 2.06 complaints about drinking water taste per 1,000 connections were received for the year.

**Performance Measure 16 – Number of complaints received about drinking water odour (per 1,000 connections) - DIA Performance Measure 4b**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Consumers are satisfied with the Water Supply service.	Number of complaints received about drinking water odour (per 1,000 connections). <i>DIA Performance Measure 4b</i>	Achieved. 1.12	≤ 3	Achieved (1.68). 1.68 complaints about drinking water odour per 1,000 connections were received for the year.

**Performance Measure 17 – Number of complaints received about drinking water pressure or flow (per 1,000 connections) - DIA Performance Measure 4c**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Consumers are satisfied with the Water Supply service.	Number of complaints received about drinking water pressure or flow (per 1,000 connections). <i>DIA Performance Measure 4c</i>	Not achieved. 9.07	≤ 3	Not achieved (6.64). 6.64 complaints about drinking water pressure or flow per 1,000 connections were received for the year. The target needs to be reviewed to be more in line with the measurement (which also needs more refinement).

**Performance Measure 18 – Number of complaints received about continuity of supply (per 1,000 connections) – DIA Performance Measure 4d**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The water supply is accessible and reliable.	Number of complaints received about continuity of supply (per 1,000 connections). <i>DIA Performance Measure 4d</i>	Achieved. 9	≤ 10	Achieved (9.63). 9.63 complaints were received about continuity of supply per 1,000 connections for the year.

**Performance Measure 19 – Number of complaints received about response to the above (per 1,000 connections) - DIA Performance Measure 4e**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Consumers are satisfied with the Water Supply service.	Number of complaints received about response to the above (per 1,000 connections). <i>DIA Performance Measure 4e</i>	Achieved. 0	≤ 2	Achieved (0). No reported complaints were received about response to the above.

**Total of Performance Measures 14-19 – Total number of customer complaints received (per 1,000 connections) - DIA Performance Measures 4a-4e**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Consumers are satisfied with the Water Supply service.	Number of complaints received (per 1,000 connections). <i>DIA Performance Measures 4a-4e</i>	Achieved. 20.40	≤ 21	Achieved (20). In total 20 complaints (per 1,000 connections) were received relating to Measures 4a-4e.

**Performance Measure 20 – Consumers are satisfied with the Water Supply overall**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Consumers are satisfied with the Water Supply service.	% of consumers satisfied with the Water Supply overall.	Not achieved. 68%	80%	Not achieved (79%). 79% of residents surveyed were satisfied with the Water Supply overall.

---

# Roading and Footpaths

---

## What we do

The Council is a Road Controlling Authority and is legally responsible for control of the District's roading network. The daily management, operation and maintenance of the network is contracted out, with capital expenditure projects competitively tendered to ensure best value for money. Through the maintenance and annual improvement programme the Council aims to provide a sustainable roading system which allows for safe and efficient travel throughout the District at reasonable cost.

The Council aims through its stormwater infrastructure to avoid flooding of buildings, except in extreme rainfall events, and to ensure ponding on roads does not create safety hazards. The Council delivers the Regional Community Road Safety Programme on behalf of the region with funding share from New Plymouth District Council and Stratford District Council and subsidy from New Zealand Transport Agency.

Annual programmes for renewing the District roading network and footpaths include:

- Area wide pavement treatment (\$1.69 million) - sections of roads (completed 9.7 kilometres) are re-metalled and sealed, resulting in a smoother more durable surface; widening and minor safety improvements are included where appropriate.
- Resealing of 83.8 kilometres of road for the year (\$1.56 million).
- Renewing of footpaths, kerb and channel (completed \$300,000, rest is committed and carried over to 2017/18 \$420,000) – the footpaths around the District are prioritised for renewing based on the footpath condition and use, stormwater needs, and the condition of the kerb and channel.
- Bridge repair for the year - \$540,800. Flood damage for the year - \$1,756,000.

## Why we do it

Ownership and control of the District's roads are vested in Council through the Local Government Act 1974 and 2002. The Council is a "Road Controlling Authority" and is legally responsible for control of its road network. A safe and accessible roading infrastructure supports the District's and Region's community outcomes by allowing access to health services, a gateway for new and existing businesses and the opportunity to travel for education and training. The Council maintains and develops a substantial roading network to meet the needs of residents, and road users within the South Taranaki District.

## Significant Negative Effects

The provision of roads can have a negative effect on the environment such as air, noise and water pollution through air and noise emissions from motor vehicles. The environmental effects of road construction and maintenance are minimised through conditions set by the Taranaki Regional Council Plans for Freshwater Quality and Air Quality. Dust generated by traffic on unsealed roads is mitigated through regular gravelling or sealing of the roads (the latter is subject to available funds).

Vehicle accidents have a significant effect on the social and economic wellbeing of the community. Road safety management is an on-going focus for the Council and minor improvement works are carried out at high risk areas to reduce crash incidents.

The Council's Roading Bylaws support the protection of its roading infrastructure by regulating the behaviour of road users who would otherwise pose a risk of negative impacts for other road users.

## How we performed

### Performance Measure 1 – Roads meeting the roughness standard remains stable or improves - DIA Performance Measure 2

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council provides roads which are safe and comfortable to drive on.	% of roads meeting the roughness standard (deviation of true plane) remains stable or improves.	Achieved. 94%	93%	Not achieved (91%). The 5 year average returned a result of 92.4%. The reason could be attributed to the condition rating which was done earlier than the pavement rehabilitation work being completed and also the reduction of programmed work due to budget constraints and cost increases in roading aggregate.

### Performance Measure 2 – Road users satisfied with the condition of Council roads

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council provides roads which are safe and comfortable to drive on.	% of road users satisfied with the condition of Council roads.	Not achieved. 76%	80%	Not achieved (74%). Residents from the Egmont Plains Ward were only 57% satisfied with the condition of Council roads compared with the Hawera-Normanby Ward being 84% satisfied. The reasons given for dissatisfaction were "roads were uneven", "potholes" and "repair work needs rework". Our data output for Egmont Plains meets the "One Network Road Classification (ONRC) level of service.

### Performance Measure 3 – Annual change in number of fatalities and serious injury crashes on local road network. DIA Performance Measure 1

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council provides roads which are safe and comfortable to drive on.	Annual change in number of fatalities and serious injury crashes on local road network. <i>DIA Performance Measure 1</i>	Achieved. Decreased by 2	Decrease by 1 or zero	Not achieved (+5). There were a total of 11 fatal and serious injury crashes in 2016/17 compared to 6 in 2015/16. There was 1 out of 11 crashes where the road environment may have been a contributing factor (road marking had faded). The rest of the crashes were due to speed, distraction, alcohol or drugs as the major contributing factor.

**Performance Measure 4 – Sealed local road network resurfaced annually - DIA Performance Measure 3**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The roading network is maintained in good condition.	% of sealed local road network resurfaced annually. <i>DIA Performance Measure 3</i>	Achieved. 7.6%	6.5%	Not achieved (4.74). The area resurfaced for the year was only 4.74%. Another 1.2% was programmed but did not get done due to the suppliers not delivering the sealing chips on time. The bitumen price increased from 2015/16 year and as the budget was based on the 2015/16 bitumen price, the resurfacing work programme was reduced for 2016/17.

**Performance Measure 5 – Footpaths with condition rating 1-4 - DIA Performance Measure 4**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Footpaths are maintained in good condition and are fit for purpose.	% of footpaths with condition rating 1-4. <i>DIA Performance Measure 4</i>	Achieved. 98.2%	93%	Achieved (95%). 95% of footpaths made the Footpath Condition Rating of 1-4.

**Performance Measure 6 – Urgent customer service requests relating to roads and footpaths responded to within 2 working days - DIA Performance Measure 5**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council will respond promptly to customer service requests for roads and footpaths.	% of urgent customer service requests relating to roads and footpaths responded to within 2 working days. <i>DIA Performance Measure 5</i>	Achieved. 91.3% (target was 90%)	92%	Achieved (97.7%). A total of 43 out of 44 were responded to within 2 working days.

**Performance Measure 7 – Non-urgent customer service requests relating to roads and footpaths responded to within 5 working days - DIA Performance Measure 5**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council will respond promptly to customer service requests for roads and footpaths.	% of non-urgent customer service requests relating to roads and footpaths responded to within 5 working days. <i>DIA Performance Measure 5</i>	Achieved. 93% (target was 90%)	92%	Achieved 93%. A total of 1,336 out of 1,437 CRM's were responded to within 5 working days.

# Stormwater

## What we do

The Council manages and maintains stormwater assets made up of; culverts, channels, collectors, outfalls and a stormwater reticulation network with manholes to effectively divert stormwater from roads to natural water courses. Stormwater from residential properties is required to be dealt with internally via soakage, not through the Council's stormwater system.

## Why we do it

Stormwater reticulation infrastructure is provided to avoid flooding of property, and to avoid or reduce ponding on roads (except in extreme rainfall events) that could create safety hazards.

## Significant Negative Effects

The discharge of stormwater into watercourses can lead to flooding and/or erosion at points further downstream. Suitable designs incorporating detention ponds can mitigate these risks.

Climate change effects will result in more periods of intense rainfall and flooding, as our stormwater systems are not designed to cope with extreme events.

## How we performed

### Performance Measure 1 – Number of reported flooding incidents of habitable properties - DIA Performance Measure 1a

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council provides a reliable stormwater system which prevents houses from flooding.	Number of reported flooding incidents of habitable properties. <i>DIA Performance Measure 1a</i>	Not achieved. 17	<10	Achieved (0). No flooding incidents of habitable properties were reported for the year.

### Performance Measure 2 – Number of habitable floors affected per 1,000 properties rated for stormwater for each flooding event - DIA Performance Measure 1b

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council provides a reliable stormwater system which prevents houses from flooding.	The number of habitable floors affected per 1,000 properties rated for stormwater for each flooding event. <i>DIA Performance Measure 1b</i>	Not achieved. 1.2	≤ 1.0	Achieved (0). No habitable floors were affected for the year.

### Performance Measure 3 – Number of abatement notices received by STDC for stormwater discharges - DIA Performance Measure 2a

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The stormwater system is managed sustainably.	Number of abatement notices received by STDC for stormwater discharges. <i>DIA Performance Measure 2a</i>	Achieved. 0	0	Achieved (0). No abatement notices were received for the year.



**Performance Measure 4 – Number of infringement notices received by STDC for stormwater discharges - DIA Performance Measure 2b**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The stormwater system is managed sustainably.	Number of infringement notices received by STDC for stormwater discharges. <i>DIA Performance Measure 2b</i>	Achieved. 0	0	Achieved (0). No infringement notices were received for the year.

**Performance Measure 5 – Number of enforcement orders received by STDC for stormwater discharges - DIA Performance Measure 2c**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The stormwater system is managed sustainably.	Number of enforcement orders received by STDC for stormwater discharges. <i>DIA Performance Measure 2c</i>	Achieved. 0	0	Achieved (0). No enforcement orders were received for the year.

**Performance Measure 6 – Number of successful prosecutions made against STDC for stormwater discharges - DIA Performance Measure 2d**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
The stormwater system is managed sustainably.	Number of successful prosecutions made against STDC for stormwater discharges. <i>DIA Performance Measure 2d</i>	Achieved. 0	0	Achieved (0). No prosecutions were made for the year.

**Performance Measure 7 – Response time for service personnel to attend flooding event - DIA Performance Measure 3**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Council will respond to reports of flooding and customer requests.	Median response time for service personnel to attend flooding event. <i>DIA Performance Measure 3</i>	Not achieved. 2h/7m	≤ 2 hrs	Achieved (0). No flooding events were reported for the year.

**Performance Measure 8 – Number of complaints received about stormwater system and response to issues (per 1,000 connections) - DIA Performance Measure 4**

<b>Level of Service</b>	<b>Performance Measure</b>	<b>2015/16 Actuals</b>	<b>Target 2016/17</b>	<b>For the year ended 30 June 2017</b>
Council will respond to reports of flooding and customer requests.	Number of complaints received about stormwater system and response to issues (per 1,000 connections). <i>DIA Performance Measure 4</i>	Not achieved. 15.8	≤ 1	Achieved (0). No complaints were received about the stormwater system and response to issues for the year.

# Wastewater

## What we do

Wastewater services include the collection, piping, treatment and disposal of all wastewater from residents and businesses within the Council's eight wastewater systems located in Hawera (includes Normanby), Eltham, Patea, Waverley, Opunake, Manaia, Kaponga and Wai-inu Beach. The treated wastewater is discharged to natural waters (streams, rivers or the ocean) or onto land, in accordance with resource consent conditions, to ensure public health standards are met.

## Why we do it

The safe management of waste is a core activity of the Council. By undertaking this activity the Council ensures that sewage is managed and treated to minimise risk to public health and without affecting the quality of the environment and, in particular, our waterways. Ensuring the quality and adequacy of all existing wastewater services in the District is also a requirement under the Local Government Act 2002.

## Significant Negative Effects

Overflows of untreated or partially treated wastewater from the wastewater network and treatment plants are a potential serious risk to the health, social and cultural wellbeing of the community and environment. The risk of harmful discharges from the wastewater systems are minimised through meeting resource consent conditions, regular monitoring and implementation of the Inflow and Infiltration Management Plan described above.

Odours produced from trade waste and domestic sewage can also create significant negative effects.

## How we performed

### Performance Measure 1 – Sewerage overflows into occupied buildings due to faults in the public wastewater system

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage is managed without risk to public health.	Number of sewerage overflows into occupied buildings due to faults in the public wastewater system.	Achieved. 0	0	Achieved (0). No sewage overflows occurred into occupied buildings due to faults in the public wastewater system for the year.

### Performance Measure 2 – Response time for service personnel to attend overflow – DIA Performance Measure 3a

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage is managed without risk to public health.	Median response time for service personnel to attend overflow. <i>DIA Performance Measure 3a</i>	Achieved. 1h/1m	≤ 2 hrs	Achieved (34m). The median response time for personnel to attend to overflows was 34 minutes for the year.

### Performance Measure 3 – Response time for service personnel to resolve overflow – DIA Performance Measure 3b

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage is managed without risk to public health.	Median response time for service personnel to resolve overflow. <i>DIA Performance Measure 3b</i>	Achieved. 2h/57m	≤ 5 hrs	Achieved (2h/8m). The median response time for personnel to resolve overflows was 2 hour 8 minutes for the year.

**Performance Measure 4 – Number of customer complaints per year relating to odours from wastewater pump stations or treatment facilities (per 1,000 connections) - DIA Performance Measure 4a**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	Number of customer complaints per year relating to odours from wastewater pump stations or treatment facilities (per 1,000 connections). <i>DIA Performance Measure 4a</i>	Not achieved. 1.12	≤ 1	Achieved (0.38). 0.38 customer complaints per 1,000 connections were received relating to odours from wastewater pump stations or treatment facilities for the year (per CRM system).

**Performance Measure 5 – Number of customer complaints received about sewerage system faults (per 1,000 connections) - DIA Performance Measure 4b**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	Number of complaints received about sewerage system faults (per 1,000 connections). <i>DIA Performance Measure 4b</i>	Not achieved. 14.89	≤ 12	Not achieved (26.6). 26.6 complaints were received about sewerage system faults per 1,000 connections (per CRM system) for the year.

**Performance Measure 6 – Number of customer complaints received about sewerage system blockages (per 1,000 connections) - DIA Performance Measure 4c**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	Number of complaints received about sewerage system blockages (per 1,000 connections). <i>DIA Performance Measure 4c</i>	Not achieved. 15.08	≤ 10	Not achieved (13.3). 13.3 complaints were received about sewerage system blockages per 1,000 connections for the year.

**Performance Measure 7 – Number of customer complaints received about response to issues (per 1,000 connections) - DIA Performance Measure 4d**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	Number of complaints received about response to issues (per 1,000 connections). <i>DIA Performance Measure 4d</i>	Achieved. 0	≤ 2	Achieved (0). No reported complaints were received about response to issues for the year (per complaints register).

**Total of Performance Measures 4-7 – Total number of customer complaints received (per 1,000 connections) - DIA Performance Measures 4a-4d**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	Number of complaints received (per 1,000 connections). <i>DIA Performance Measures 4a-4d</i>	Not achieved. 31.09	≤ 27	Not achieved (40.28). In total 40.28 complaints (per 1,000 connections) were received relating to Measures 4a-4d.

**Performance Measure 8 – Number of dry weather overflows per 1,000 connections - DIA Performance Measure 1**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	Number of dry weather overflows per 1,000 connections. <i>DIA Performance Measure 1</i>	Achieved. 1	≤ 1	Achieved (0.89). 0.89 dry weather overflows per 1,000 connections were reported for the year.

**Performance Measure 9 – Compliance with discharge standards**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	% of compliance with discharge standards.	Not achieved. 95%	100%	Not achieved 98% Hawera Wastewater Treatment Plant discharge volume/s and dissolved oxygen level/s did not comply for 23 days due to high inflow and infiltration.

**Performance Measure 10 – Number of abatement notices received for discharges - DIA Performance Measure 2a**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	Number of abatement notices received for discharges. <i>DIA Performance Measure 2a</i>	Achieved. 0	0	Achieved (0). No abatement notices were received for the year.

**Performance Measure 11 – Number of infringement notices received for discharges - DIA Performance Measure 2b**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	Number of infringement notices received for discharges. <i>DIA Performance Measure 2b</i>	Not achieved. 1	0	Achieved (0). No infringement notices were received for the year.

**Performance Measure 12 – Number of enforcement orders received for discharges - DIA Performance Measure 2c**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	Number of enforcement orders received for discharges. <i>DIA Performance Measure 2c</i>	Achieved. 0	0	Achieved (0). No enforcement orders were received for the year.

**Performance Measure 13 – Number of convictions received for discharges - DIA Performance Measure 2d**

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Sewage does not affect the quality of the environment.	Number of convictions received for discharges. <i>DIA Performance Measure 2d</i>	Achieved. 0	0	Achieved (0). No convictions were received for the year.

**Performance Measure 14 – Consumers satisfied with the Wastewater services**

<b>Level of Service</b>	<b>Performance Measure</b>	<b>2015/16 Actuals</b>	<b>Target 2016/17</b>	<b>For the year ended 30 June 2017</b>
Sewage does not affect the quality of the environment.	% of consumers satisfied with the Wastewater services.	Not achieved. 68%	80%	Not achieved (75%). 75% of consumers surveyed were satisfied with the Wastewater Services overall.



---

# Coastal Structures

---

## What we do

The Council provides access paths and steps to the sea and a number of boat ramps to allow recreational craft to access water bodies. The Council provide coastal protection in the form of revetments in a number of places and maintain a number of significant structures in the Patea estuary such as the moles. These concrete and stone walls which guide the Patea River out to sea and associated structures in the Patea estuary would cost over \$20 million to replace.

## Why we do it

The Council has a beautiful marine and river environment. This activity ensures pedestrians can access the beaches and lakes, and boat users can access the water. To maintain these facilities means that the Council needs to protect erosion prone areas close to existing infrastructure and maintain access to the sea. The Council don't have any Flood Protection and Coastal Works, as defined in the LGA 2012, so this activity is not a mandatory activity.

## Significant Negative Effects

Infrastructure built in the marine environment is subject to dynamic and on-going natural forces (tides, currents, wave action, and corrosion) and therefore requires significantly more robust engineering and relatively expensive maintenance, when compared to similar land-based construction. The future effects of climate change will only exacerbate this situation.

Meeting health and safety standards when inspecting, repairing or maintaining Coastal Structures, is difficult as well.

---

# Solid Waste

---

## What we do

### Solid Waste

Solid Waste management involves providing a refuse and recycling kerbside collection to urban residents and residents along the main collection routes, providing a voluntary greenwaste collection service, on a user pays basis, to residents within the existing collection areas and routes, providing facilities to take refuse and recycling (transfer stations), and the management of closed landfills. The Council offers a weekly refuse and recycling kerbside collection service and has no operational landfills. A key role for the Council is minimising the amount of refuse destined for landfills through better separation of reusable or recyclable refuse.

## Why we do it

The Council has a responsibility to protect the public health of the District and maintain environmental standards for the Region. The Health Act 1956 obliges the Council to deliver this activity to protect the environment and public health of its residents. The Waste Management Plan makes provision for the collection of waste produced within the District and the reduction, reuse, recycling and disposal of waste.

## Significant Negative Effects

The effects of gas emissions and leachate from the closed landfills are a potential serious contaminant to the environment. The risk of contamination is minimised through meeting resource consent conditions and regular monitoring.

Fly-tipping or illegal dumping of waste has detrimental effects on the environment and potentially on public health. It also attracts associated clean-up and disposal costs. The illegal dumping of waste is reduced by regular monitoring of known sites and areas, by erecting signage and through public education.

## How we performed

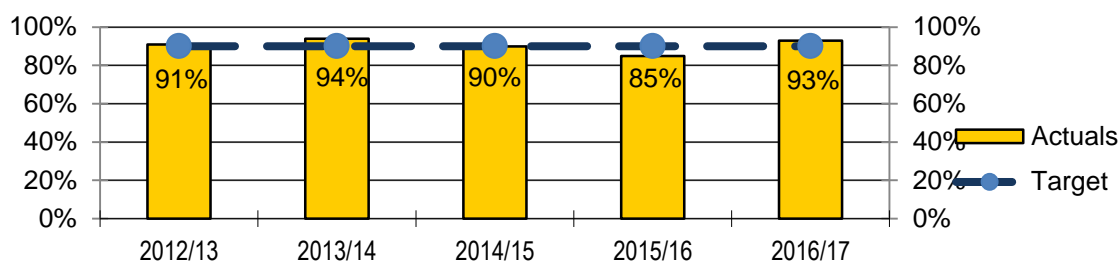
### Performance Measure 1 – Complaints received for missed street collection that are not resolved.

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
A reliable weekly kerbside recycling and rubbish collection service is provided.	Number of complaints received for missed street collection that are not resolved.	Achieved. 0	0	Achieved. Although 7 complaints were received during the 12 months, they were resolved and the bins were collected.

### Performance Measure 2 – Customers satisfied with the solid waste collection service

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
A reliable weekly kerbside recycling and rubbish collection service is provided.	% of customers satisfied with the solid waste collection service.	Not achieved. 85%	90%	Achieved (93%). 93% of customers surveyed were satisfied with the Solid Waste collection service.

## Satisfaction with Kerbside Collection against target



### Performance Measure 3 – Complaints received for genuine missed greenwaste bins (excluding non-compliant bins) per collection

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
A reliable, well managed (user pays) fortnightly kerbside greenwaste collection service is provided.	Average number of complaints received for genuine missed greenwaste bins (excluding non-compliant bins) per collection.	Achieved. 1	≤ 5	Achieved (0.5). On average 0.5 greenwaste bins were missed per collection for the year.

### Performance Measure 4 – Complaints received about poor maintenance, noise or smell for Transfer Stations.

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Transfer stations are safe and well maintained.	Number of complaints received about poor maintenance, noise or smell for Transfer Stations.	Achieved. 5	≤ 5	Not achieved (6). No complaints were received for the last 2 quarters however 5 complaints were received in the first 6 months about overfilled bins at the 24/7 recycling areas and 1 complaint about transfer station skip bins not being emptied regularly, mostly at Opunake Transfer Station. Contractors were instructed to clear bins when requested.

### Performance Measure 5 – Waste diverted from the landfill each year

Level of Service	Performance Measure	2015/16 Actuals	Target 2016/17	For the year ended 30 June 2017
Recycling is encouraged and less waste is sent to the regional landfill.	% of waste diverted from the landfill each year.	Achieved. 32%	26%	Achieved (34%). The total waste diversion from landfill, inclusive of recycling and greenwaste was 34% for the past 12 months. This includes estimated residual waste figures from recycling for the fourth quarter (not yet available for Quarter 4).

---

## **Support Services (reallocated overheads)**

---

Support Services are an essential part of ensuring the Council operates in an effective and efficient manner, meeting its statutory obligations, and is able to work towards the achievement of our community outcomes.

These activities are internally focused and do not have a direct output to the community, rather they are internal support systems for those activities that do. As the Support Services activities are internal services there are no Long Term Plan levels of service or performance measures, however they have their own business plans.

This activity includes some of the following functions:

- Contact Centre
- Corporate Support and Planning
- Finance and Business Services
- Information Technology and Records Management
- Human Resources

---

# Statement of Accounting Policies

---

For the year ended 30 June 2017

## Entity Statement

The South Taranaki District Council (the Council) is a territorial local authority governed by the Local Government Act 2002. The primary objective of the South Taranaki District Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself and the group as a public benefit entity. The consolidated financial statements are for the Council and its subsidiary, Novus Contracting Limited (100% owned). The Council and all related entities are domiciled and incorporated, where applicable, in New Zealand. The financial statements are for the year ended 30 June 2017. The financial statements were authorised by the Council on 16 October 2017.

## Statement of Compliance and Basis of Preparation

The financial statements have been prepared to comply with the requirements of Section 95 of the Local Government Act 2002 and Local Government Rating Act 2002. The Council is a public benefit entity (PBE) and complies with the PBE Accounting Standards Tier 1 issued by the External Reporting Board.

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

### Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, and certain financial instruments (including derivative instruments) except for assets and liabilities which are recorded at fair value. These are detailed in the specific policies below.

### Functional and presentation currency

The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) and as a result there may be some rounding errors. The functional currency of the Council and group is New Zealand dollars.

### Standards issued and not yet effective and that have been early adopted

*Standards and amendments issued but not yet effective that have been early adopted are:*

#### *2016 Omnibus Amendments – Service concession assets*

In January 2017, the External Reporting Board (XRB) issued the 2016 Omnibus Amendments to PBE Standards, which incorporates a range of amendments to the PBE Standards. A relevant amendment for the Council is to PBE IPSAS 32 Service Concession Arrangements: Grantor. This amendment requires that service concession assets be grouped with similar property, plant and equipment assets for the purpose of subsequent measurement and disclosure under PBE IPSAS 17 Property, Plant and Equipment.

The Council has early adopted this amendment in preparing its 30 June 2017 financial statements. There is no effect in applying these amendments.

#### *Impairment of Revalued Assets*

In April 2017, the XRB issued Impairment of Revalued Assets, which now scopes in revalued property, plant and equipment into the impairment accounting standards. Previously, only property, plant and equipment assets measured at cost were scoped into the impairment accounting standards.

The Council has early adopted this amendment in preparing its 30 June 2017 financial statements. From the 30 June 2017 year onwards, the Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The Council can therefore impair a revalued asset without having to revalue the entire class-of-asset to which the asset belongs.

## Other changes in accounting policies

There have been no other changes in accounting policies.

## 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 and group are:

### *Interest in other entities*

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

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

### *Financial instruments*

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

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

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

## Specific Accounting Policies

The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

### 1. Consolidation of Subsidiaries

Subsidiaries are all entities over which the Council has the power to govern the financial and operating policies, generally with more than fifty percent of the voting rights. Novus Contracting Limited has been consolidated using the purchase method, the company is inactive. The purchase method is used to consolidate subsidiaries and controlled entities. This method involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant inter-entity transactions have been eliminated.

### 2. Budgets

The budget figures are those approved by the Council in its 2015/2025 Long Term Plan/Annual Plan. The budget figures have been prepared in accordance with using accounting policies that are consistent with those adopted in preparing these financial statements.

### 3. Revenue

Revenue comprises rates, revenue from operating activities (fees and charges), investment revenue, grants and subsidies, capital contributions, gains, bequests and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from exchange and non-exchange transactions.

### Exchange Transactions

An exchange transaction is where the Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.



### **Non-Exchange Transactions**

A non-exchange transaction is where the Council receives value from another party without giving approximately equal value in exchange.

An inflow of resources from non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

#### **a. Rates**

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised at the start of the financial year to which the rates resolution relates. Rates revenue collected on behalf of the Taranaki Regional Council is not recognised in the financial statements, apart from the statement of cash flows, as South Taranaki is acting as an agent for the Regional Council.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfied its rates remission policy.

Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statement (except for statement of cashflow), as the Council is acting as an agent for the TRC.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rate revenue is classified as non-exchange except for metered water rates which are classed as exchange revenue.

#### **b. Government Grants and Subsidies**

Government grants and subsidies are recognised upon entitlement at their fair value, which is when conditions pertaining to eligible expenditure have been fulfilled. The Council receives government grants from the New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure. Grants and Subsidies are classified as non-exchange revenue.

#### **c. Fees and Charges and Sale of Goods**

Revenue from fees and charges is recognised from the rendering of services (eg building consent fees) where the transaction is based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Within rendering of services most activities are partially funded by rates and therefore classified as non-exchange revenue. Sale of goods is recognised when goods are delivered and is classified as exchange revenue.

#### **d. Investment Revenue**

Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. Interest revenue is classified as exchange revenue.

Dividends are recognised when the shareholders' rights to receive payment have been established and are recognised, net of imputation credits. Dividends are classified as exchange revenue.

#### **e. Other Grants, Bequests and Vested Assets**

Other grants, bequests and assets vested in the Council are recognised when control over the asset is obtained. Vested assets are recognised as revenue at the fair value of the assets at the time of vesting. The above revenue is classified as non-exchange revenue.

#### **f. Capital Contributions**

Capital contributions for assets are recognised as revenue when received and is classified as non-exchange revenue.

- g. Gains**  
Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities. Gains are classified as exchange revenue.
- h. Foreign Currency - Exchange Differences**  
Foreign currency transactions have been converted into New Zealand dollars at the rate of exchange at the date of the transaction. Gains or losses on exchange have been recognised in the Surplus/Deficit. Gains on foreign currency exchange are classified as exchange revenue.
- 4. Expenses**  
Specific accounting policies for major categories of expenditures are outlined below:
- a. Grants and Sponsorships**  
Expenditure is classified as a grant or sponsorship if it results in a transfer of resources to another party in return for compliance with certain conditions relating to the operating activities of that party. It includes any expenditure arising from a funding arrangement with another party that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specific criteria have been fulfilled.
- b. Finance Expenses - Interest**  
Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress.
- c. Depreciation and Amortisation**  
Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.
- 5. Taxation**
- a. Goods and Services Tax (GST)**  
GST has been excluded from all items in the financial statements except accounts receivable and accounts payable. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.
- b. Tax**  
Tax expense is charged in the Statement of Financial Performance in respect of the current year's surplus after allowance for permanent differences.
- Deferred taxation is the amount of taxes payable (or receivable) in future years in respect of temporary differences (ie where the accounting treatment differs from the Inland Revenue Department's requirements). Deferred taxation is determined using the full provision method. Deferred tax assets are only recognised when recovery is probable.
- 6. Financial instruments**  
South Taranaki undertakes financial instrument arrangements as part of normal operations. These financial instruments include cash and bank balances, investments, receivables, payables and borrowings. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Surplus/Deficit. Interest rate swaps are entered into to hedge against and manage its exposure to risk on debt.
- a. Financial Assets**  
Financial Assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the Surplus/Deficit. Purchases and sales of investments are recognised on trade-date, the date on which there is a commitment 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 transfer of substantial risks and rewards is completed.

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. A variety of methods and assumptions are used 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 cash flows, are used to determine fair value for the remaining financial instruments.

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivable or liquidation and default in payments are indicators that the asset is impaired.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

**Financial assets are classified into four categories:**

*Financial assets at fair value through surplus or deficit:*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Surplus/Deficit.

*Loans and receivables:*

These are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Surplus/Deficit. Loans and receivables are classified as “trade and other receivables” in the Statement of Financial Position.

*Held to maturity investments:*

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest rate method. Gains and losses when the asset is impaired or derecognised are recognised in the Surplus/Deficit.

Investments in this category include term deposits, investments in local authority and government stock.

*Financial assets at fair value through other comprehensive revenue and expense:*

Financial asset at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other three categories above. This category includes investments that are held long-term but which may be realised before maturity; and shareholdings that are held for strategic purposes. Investments in its subsidiary are not included in this category as they are held at cost. Gains and losses are recognised directly in equity except for impairment, which are recognised in the Surplus/Deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive revenue and expense will be recognised in the Surplus/Deficit even though the asset has not been derecognised. On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised in the Surplus/Deficit.

**7. Financial Liabilities**

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities (creditors, revenue in advance, loans, bonds and deposits) are initially recognised at fair value. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value. On disposal any gains or losses are recognised within surplus or deficit.

**a. Impairment of Financial Assets**

At each balance date the 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/Deficit.

**b. Derivative Financial Instruments and Hedging Activities**

The Council uses derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financing and investment activities. In accordance with the treasury policies of the respective group entities, the Council does not hold or issue derivative financial instruments for trading purposes. However, derivatives are accounted for as trading instruments. Derivative financial instruments are recognised initially at fair value and subsequently at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Surplus/Deficit. The fair value of interest rate swaps is the estimated amount that would be received or would pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

**8. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with the original maturities of three months or less. It includes all funds held for the day-to-day management of the Council and does not include funds set aside for specific purposes (eg Reserve Funds).

**9. Accounts Receivable**

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of accounts receivable is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the agreement. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

**10. Inventories**

Inventories are valued at the lower of cost (determined on a first-in first-out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete inventories.

**11. Investments**

Investments in bank deposits are recognised at cost plus accrued interest. This is considered fair value. Long term receivables and advances are recognised at cost plus accrued interest. Investments in associates are recognised at cost.

The Council's interest in the Joint Wanganui District Council's Forestry Committee is valued at fair value, using the discounted cash flow method. Movements in fair value will be taken through equity.

Investments and other shares are valued at fair value. Where there is an active market, fair value is determined by reference to published prices. Otherwise fair value is determined by using a variety of valuation techniques. Movements in fair value will be taken through equity.

**12. Property, Plant and Equipment**

Property, plant and equipment consist of operational assets, restricted assets and infrastructure assets.

All assets are recorded at cost/valuation less accumulated depreciation (with the exception of land which is not depreciated).

All property, plant and equipment is classified as non-cash generating as these assets are not held with a primary objective of generating commercial return.

For those assets that are re-valued, the change in valuation is credited or debited to the 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 Statement of Financial Performance. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then

credited to the revaluation reserve for that class of asset. Additions subsequent to revaluations are recorded at cost.

### **Disposals**

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net 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.

### **Operational Assets**

These include land, building, motor vehicles, plant and equipment and library books.

Land and buildings are valued at fair value, as determined from market based evidence, by Beca Projects NZ Limited, Registered Valuers, as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Motor vehicles, library books and plant and equipment are valued at cost less accumulated depreciation.

### **Restricted Assets**

These are assets owned by the Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Land and buildings are valued at fair value, as determined from market based evidence, by Beca Projects NZ Limited, Registered Valuers, as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Parks and Recreation Assets were valued at fair value by Beca Projects NZ Limited, Registered Valuers, as at 30 June 2017. Valuations are carried out on a three-yearly cycle.

Heritage and Cultural Assets were valued at fair value by Registered Valuer, Quotable Value New Zealand Limited, as at 1 July 2001. This is considered deemed cost.

### **Infrastructural Assets**

These are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function.

Sewerage, water, drainage, and roading infrastructural 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-under-estimating 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.

Infrastructural assets (excluding land) have all been valued at optimised depreciated replacement cost by Beca Projects NZ Limited and Calibre Consulting, Registered Valuers as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise. Infrastructural

land under Roads was valued at market value by Beca Projects NZ Limited, Registered Valuers, as at 30 June 2017. Valuations are generally carried out on a three-yearly cycle unless market conditions require otherwise.

Certain infrastructural assets and land have been vested in the Council as part of the sub-divisional consent process. The vested asset has been valued at the latest appropriately certified government valuation or at a mutually agreed market value or at a value determined through arbitration. Vested infrastructural assets have been based on the actual quantities of infrastructural components vested and current "in the ground" cost of providing identical services. All other assets are valued at historical cost less accumulated depreciation.

### 13. Depreciation

Depreciation rates for fixed assets are as follows:

#### Operational Assets

Depreciation rates for operational assets are based on a straight line basis.

Buildings	1.11%	-	6.67%
Motor Vehicles	12.50%	-	20.00%
Plant and Equipment	6.67%	-	20.00%
Information Systems Equipment			25.00%
Library Books	10.00%	-	20.00%
Furniture and Fittings	5.00%	-	20.00%
Office Equipment	10.00%	-	33.33%

#### Infrastructural Assets

##### *Roading*

Provision has been made for depreciation of those significant components of the roading asset, based on their remaining lives.

The significant component depreciation rates are as follows:

Traffic Facilities, Signs and Markings	7 - 60 years	1.60%	-	15.00%
Bridges	50 - 100 years	1.00%	-	2.00%
Footpaths	5 - 50 years	2.00%	-	20.00%
Pavement Surfacing	8 - 16 years	6.25%	-	12.50%
Drainage and Culverts	40 - 100 years	1.00%	-	2.50%
Roading Base-course	30 - 80 years	1.25%	-	3.33%
Berms, Markings, Shoulder and Formation	Not depreciated			

##### *Water, Sewerage and Stormwater Reticulation Systems*

Provision has been made for depreciation of components of the assets based on their remaining life.

Water Reticulation	35 - 100 years	1.00%	-	2.90%
Water Treatment Plants	10 - 100 years	1.00%	-	10.00%
Sewerage Reticulation	50 - 100 years	1.00%	-	2.00%
Sewerage Treatment Plants	10 - 100 years	1.00%	-	10.00%
Stormwater Pipes	50 - 100 years	1.00%	-	2.00%

#### Restricted Assets

##### *Heritage and Cultural Assets*

Provision has been made for depreciation of components of the assets based on their remaining life.

	5 - 250 years	0.40%	-	20.00%
--	---------------	-------	---	--------

##### *Parks and recreation assets*

Provision has been made for depreciation of components of the assets based on their remaining life.

	2 - 100 years	1.00%	-	50.00%
--	---------------	-------	---	--------

#### Assets under Construction

Assets under construction are not depreciated. All costs are initially capitalised as work in progress. On completion, the cost is transferred to the relevant asset class and is then depreciated.



**14. Intangible Assets**

The Council has entered into an agreement with Fonterra for the disposal of effluent via the company's outfall. This has been recorded at cost and is amortised on a straight line basis over the life of the agreement (16 years).

Software licences are recognised at cost and amortised on a straight line basis over the life of the licence (two to five years).

**15. Impairment of Assets**

At each balance date the Council assesses whether there is any objective evidence that any asset has been impaired. Any impairment losses are recognised in the Surplus/Deficit.

**16. Employee Entitlements**

Provision is made for employee benefits accumulating as a result of services rendered.

Provision is made in respect of the Council's liability for annual leave and sick leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay, while other provisions have been calculated on an actuarial basis at current rates of pay.

**17. Landfill Post-Closure Costs**

As operator of the District landfills, the Council has a legal obligation to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements, known improvements in technology and all other costs associated with landfill post-closure.

Amounts provided for landfill post-disclosure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives. The time needed for post-closure care is as per the resource consents issued by TRC.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the Council.

**18. Community Loans**

The Council has acted as guarantor for a number of sports clubs. These are valued in the Council's financial statements at fair value, taking into account the likelihood of the Council being required to make payment on these loans.

**19. Public Equity**

Public equity is the community's interest in the Council, as measured by the value of total assets less total liabilities. Equity is dis-aggregated and classified to enable a clearer identification of the various components. Accumulated balances comprise accumulated surpluses over the years.

Restricted and Statutory Reserves are those funds subject to external restrictions accepted as binding by the Council, which may not be revised by the Council without reference to the courts or a third party. Investment Revaluation Reserves comprise accumulated valuation increments.

**20. Leases**

Leases where the lessor substantially retains all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period the Council is expected to benefit from their use.

## 21. Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, deposits on demand and other highly liquid investments in which the Council invests as part of its day-to-day cash management.

Operating Activities include cash received from all revenue sources and record the payments made for the supply of goods and services. Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.

Investing Activities are those activities relating to the acquisition and disposal of non-current assets.

Financing Activities comprise activities that change the equity and debt capital structure of the Council.

## 22. Allocation of Overheads

All support centre costs are passed onto activity centres as overheads. The basis of recovery is usage based on the step method.

## 23. Critical accounting estimates and assumptions

In preparing these financial statements the 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. These 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 detailed below.

### *Infrastructural assets*

There are a number of assumptions and estimates used when performing the depreciated replacement cost valuation. These include:

- The physical deterioration and condition of an asset. This is mainly for the assets that are not visible (eg underground utilities). There are on-going physical inspections and condition modelling assessments to improve information on these assets. Estimating any obsolescence or surplus capacity of any asset.
- Estimates are made determining the remaining useful lives over which the assets will be depreciated. Published guidelines, component design lives and local conditions have been used to assist with the estimation of the remaining useful lives.

### *Critical judgements in applying accounting policies*

Management has consistently applied the Council's accounting policies for the period ended 30 June 2016 and has not been required to exercise critical judgement in implementing these policies beyond what would be expected on a normal day to day basis.

# Funding Impact Statements

## South Taranaki District Council Funding Impact Statement – Democratic Process

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
2,467	2,465	General rates, uniform annual general charges, rates penalties	2,574	2,620
0	0	Targeted rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
0	0	Fees and charges	0	0
0	0	Internal charge and overheads recovered	0	0
505	512	Local authorities fuel tax, fines, infringement fees and other receipts	551	529
<b>2,972</b>	<b>2,977</b>	<b>Total operating funding (A)</b>	<b>3,125</b>	<b>3,149</b>
<b>Applications of operating funding</b>				
928	817	Payments to staff and suppliers	1,081	894
1	2	Finance costs	1	2
1,527	1,684	Internal charges and overheads applied	1,732	1,728
474	488	Other operating funding applications	498	539
<b>2,930</b>	<b>2,991</b>	<b>Total applications of operating funding (B)</b>	<b>3,311</b>	<b>3,163</b>
<b>42</b>	<b>(14)</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(186)</b>	<b>(14)</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(4)	(3)	Increase (decrease) in debt	0	14
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
<b>(4)</b>	<b>(3)</b>	<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>14</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
0	0	- To improve the level of service	0	0
0	0	- To replace existing assets	0	17
38	(17)	Increase (decrease) in reserves	(186)	(17)
0	0	Increase (decrease) in investments	0	0
<b>38</b>	<b>(17)</b>	<b>Total applications of capital funding (D)</b>	<b>(186)</b>	<b>0</b>
<b>(42)</b>	<b>14</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>186</b>	<b>14</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
4	4	<b>Excludes Depreciation of:</b>	8	4

The above expenditure under “Other Operating Funding Applications” relates to grants which the Council have approved as part of the LTP and Annual Plan.

The above Statement includes interest of \$48.

## South Taranaki District Council Funding Impact Statement – Cultural Services

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
2,604	2,603	General rates, uniform annual general charges, rates penalties	2,711	2,684
0	0	Targeted rates	0	0
46	17	Subsidies and grants for operating purposes	20	18
338	221	Fees and charges	333	228
0	0	Internal charge and overheads recovered	0	0
542	637	Local authorities fuel tax, fines, infringement fees and other receipts	553	641
<b>3,530</b>	<b>3,478</b>	<b>Total operating funding (A)</b>	<b>3,618</b>	<b>3,570</b>
<b>Applications of operating funding</b>				
2,126	2,155	Payments to staff and suppliers	2,183	2,187
62	60	Finance costs	63	55
912	863	Internal charges and overheads applied	900	885
0	0	Other operating funding applications	0	0
<b>3,100</b>	<b>3,078</b>	<b>Total applications of operating funding (B)</b>	<b>3,146</b>	<b>3,127</b>
<b>430</b>	<b>400</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>471</b>	<b>443</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
93	(3)	Increase (decrease) in debt	(133)	(82)
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
<b>93</b>	<b>(3)</b>	<b>Total sources of capital funding (C)</b>	<b>(133)</b>	<b>(82)</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
94	209	- To improve the level of service	46	208
333	186	- To replace existing assets	241	153
96	2	Increase (decrease) in reserves	51	0
0	0	Increase (decrease) in investments	0	0
<b>523</b>	<b>397</b>	<b>Total applications of capital funding (D)</b>	<b>338</b>	<b>361</b>
<b>(430)</b>	<b>(400)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(471)</b>	<b>(443)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
398	416	<b>Excludes Depreciation of:</b>	426	463

The above Statement includes interest of \$25,253 and loan repayments of \$32,571 on internal borrowings. The outstanding balance of the internal loan is \$361,519.

## South Taranaki District Council Funding Impact Statement – Recreation and Leisure

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
4,013	4,013	General rates, uniform annual general charges, rates penalties	3,985	4,226
0	0	Targeted rates	0	0
14	135	Subsidies and grants for operating purposes	154	358
1,222	1,215	Fees and charges	1,345	1,236
0	0	Internal charge and overheads recovered	0	0
2,855	2,855	Local authorities fuel tax, fines, infringement fees and other receipts	2,855	2,902
<b>8,104</b>	<b>8,218</b>	<b>Total operating funding (A)</b>	<b>8,339</b>	<b>8,722</b>
<b>Applications of operating funding</b>				
4,600	4,645	Payments to staff and suppliers	4,677	4,878
1,425	1,491	Finance costs	1,390	1,513
1,015	1,075	Internal charges and overheads applied	1,005	1,098
50	50	Other operating funding applications	50	50
<b>7,090</b>	<b>7,261</b>	<b>Total applications of operating funding (B)</b>	<b>7,122</b>	<b>7,539</b>
<b>1,013</b>	<b>957</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,218</b>	<b>1,183</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(235)	389	Increase (decrease) in debt	(422)	96
0	0	Gross proceeds from sale of assets	6	0
4	0	Lump sum contributions	114	0
0	0	Other dedicated capital funding	0	0
<b>(230)</b>	<b>389</b>	<b>Total sources of capital funding (C)</b>	<b>(302)</b>	<b>96</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
543	211	- To improve the level of service	647	487
739	1,188	- To replace existing assets	799	1,048
(499)	(52)	Increase (decrease) in reserves	(531)	(256)
0	0	Increase (decrease) in investments	0	0
<b>783</b>	<b>1,346</b>	<b>Total applications of capital funding (D)</b>	<b>916</b>	<b>1,279</b>
<b>(1,013)</b>	<b>(957)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(1,218)</b>	<b>(1,183)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
1,985	1,988	<b>Excludes Depreciation of:</b>	2,038	2,063

The above Statement includes interest of \$91,387 and loan repayments of \$39,212 on internal borrowings. The outstanding balance of the internal loan is \$457,306.

## South Taranaki District Council Funding Impact Statement – District Economy

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
818	818	General rates, uniform annual general charges, rates penalties	792	864
162	160	Targeted rates	159	163
0	0	Subsidies and grants for operating purposes	13	0
99	108	Fees and charges	153	110
0	0	Internal charge and overheads recovered	0	0
196	567	Local authorities fuel tax, fines, infringement fees and other receipts	175	757
<b>1,276</b>	<b>1,652</b>	<b>Total operating funding (A)</b>	<b>1,292</b>	<b>1,895</b>
<b>Applications of operating funding</b>				
740	753	Payments to staff and suppliers	784	803
94	118	Finance costs	97	235
139	222	Internal charges and overheads applied	187	227
160	500	Other operating funding applications	160	503
<b>1,134</b>	<b>1,592</b>	<b>Total applications of operating funding (B)</b>	<b>1,229</b>	<b>1,768</b>
<b>142</b>	<b>61</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>63</b>	<b>127</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(35)	1,007	Increase (decrease) in debt	366	2,966
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	800
0	0	Other dedicated capital funding	0	0
<b>(35)</b>	<b>1,007</b>	<b>Total sources of capital funding (C)</b>	<b>366</b>	<b>3,766</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
568	2,366	- To improve the level of service	2,157	5,179
0	0	- To replace existing assets	0	0
(461)	(1,299)	Increase (decrease) in reserves	(1,727)	(1,286)
0	0	Increase (decrease) in investments	0	0
<b>107</b>	<b>1,068</b>	<b>Total applications of capital funding (D)</b>	<b>429</b>	<b>3,893</b>
<b>(142)</b>	<b>(61)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(63)</b>	<b>(127)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>(0)</b>	<b>0</b>
8	51	<b>Excludes Depreciation of:</b>	9	167

The above Statement includes interest of \$7,621 and loan repayments of \$4,342 on internal borrowings. The outstanding balance of the internal loan is \$52,103.



## South Taranaki District Council Funding Impact Statement – Community and Social Development

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
716	714	General rates, uniform annual general charges, rates penalties	764	753
0	0	Targeted rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
319	324	Fees and charges	342	346
0	0	Internal charge and overheads recovered	0	0
222	223	Local authorities fuel tax, fines, infringement fees and other receipts	220	227
<b>1,257</b>	<b>1,262</b>	<b>Total operating funding (A)</b>	<b>1,326</b>	<b>1,326</b>
<b>Applications of operating funding</b>				
772	805	Payments to staff and suppliers	638	831
118	125	Finance costs	123	134
281	264	Internal charges and overheads applied	270	271
0	0	Other operating funding applications	0	0
<b>1,171</b>	<b>1,194</b>	<b>Total applications of operating funding (B)</b>	<b>1,031</b>	<b>1,236</b>
<b>85</b>	<b>68</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>295</b>	<b>89</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
291	116	Increase (decrease) in debt	17	150
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
<b>291</b>	<b>116</b>	<b>Total sources of capital funding (C)</b>	<b>17</b>	<b>150</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
381	184	- To improve the level of service	113	239
0	0	- To replace existing assets	0	0
(5)	(0)	Increase (decrease) in reserves	199	0
0	0	Increase (decrease) in investments	0	0
<b>376</b>	<b>184</b>	<b>Total applications of capital funding (D)</b>	<b>312</b>	<b>239</b>
<b>(85)</b>	<b>(68)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(295)</b>	<b>(89)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
128	137	<b>Excludes Depreciation of:</b>	160	150

The above Statement includes interest of \$5,549 on internal borrowings.

## South Taranaki District Council Funding Impact Statement – Environment and Development

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
1,408	1,406	General rates, uniform annual general charges, rates penalties	1,367	1,494
0	0	Targeted rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
1,372	1,753	Fees and charges	1,693	1,787
0	0	Internal charge and overheads recovered	0	0
679	428	Local authorities fuel tax, fines, infringement fees and other receipts	725	400
<b>3,459</b>	<b>3,588</b>	<b>Total operating funding (A)</b>	<b>3,785</b>	<b>3,680</b>
<b>Applications of operating funding</b>				
2,937	2,821	Payments to staff and suppliers	3,429	2,696
18	17	Finance costs	18	18
1,022	997	Internal charges and overheads applied	1,048	1,022
0	0	Other operating funding applications	0	0
<b>3,977</b>	<b>3,836</b>	<b>Total applications of operating funding (B)</b>	<b>4,496</b>	<b>3,736</b>
<b>(518)</b>	<b>(248)</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(710)</b>	<b>(55)</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
18	28	Increase (decrease) in debt	(41)	(20)
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
<b>18</b>	<b>28</b>	<b>Total sources of capital funding (C)</b>	<b>(41)</b>	<b>(20)</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
6	18	- To improve the level of service	0	0
159	114	- To replace existing assets	6	5
(664)	(352)	Increase (decrease) in reserves	(757)	(80)
0	0	Increase (decrease) in investments	0	0
<b>(499)</b>	<b>(220)</b>	<b>Total applications of capital funding (D)</b>	<b>(751)</b>	<b>(75)</b>
<b>518</b>	<b>248</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>710</b>	<b>55</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
56	53	<b>Excludes Depreciation of:</b>	87	55

The above Statement includes interest of \$754 on internal borrowings.

## South Taranaki District Council Funding Impact Statement – Water Supply Services

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
0	0	General rates, uniform annual general charges, rates penalties	0	0
12,039	11,666	Targeted rates	12,152	12,032
0	0	Subsidies and grants for operating purposes	0	0
77	76	Fees and charges	92	78
0	0	Internal charge and overheads recovered	0	0
719	266	Local authorities fuel tax, fines, infringement fees and other receipts	354	273
<b>12,836</b>	<b>12,007</b>	<b>Total operating funding (A)</b>	<b>12,598</b>	<b>12,383</b>
<b>Applications of operating funding</b>				
3,549	2,839	Payments to staff and suppliers	2,974	2,898
2,545	3,041	Finance costs	2,452	3,150
1,531	1,420	Internal charges and overheads applied	1,614	1,442
0	0	Other operating funding applications	0	0
<b>7,625</b>	<b>7,299</b>	<b>Total applications of operating funding (B)</b>	<b>7,041</b>	<b>7,489</b>
<b>5,211</b>	<b>4,708</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>5,557</b>	<b>4,894</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(913)	(296)	Increase (decrease) in debt	(952)	1,451
0	0	Gross proceeds from sale of assets	0	0
40	36	Lump sum contributions	9	36
0	0	Other dedicated capital funding	0	0
<b>(873)</b>	<b>(260)</b>	<b>Total sources of capital funding (C)</b>	<b>(943)</b>	<b>1,487</b>
<b>Applications of capital funding</b>				
0	89	- To meet additional demand	34	820
1,351	646	- To improve the level of service	1,765	3,310
1,531	2,540	- To replace existing assets	1,546	1,855
1,456	1,174	Increase (decrease) in reserves	1,268	396
0	0	Increase (decrease) in investments	0	0
<b>4,338</b>	<b>4,449</b>	<b>Total applications of capital funding (D)</b>	<b>4,613</b>	<b>6,381</b>
<b>(5,211)</b>	<b>(4,708)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(5,557)</b>	<b>(4,894)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
3,782	4,257	<b>Excludes Depreciation of:</b>	4,033	4,510

The above Statement includes interest of \$257,798 and loan repayments of \$220,159 on internal borrowings. The outstanding balance of the internal loan is \$2,325,707.

## South Taranaki District Council Funding Impact Statement – Roading and Footpaths

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
41	41	General rates, uniform annual general charges, rates penalties	48	39
6,780	6,751	Targeted rates	6,695	6,695
9,637	3,946	Subsidies and grants for operating purposes	6,030	4,071
161	128	Fees and charges	100	126
0	0	Internal charge and overheads recovered	0	0
1,581	1,302	Local authorities fuel tax, fines, infringement fees and other receipts	1,683	1,261
<b>18,200</b>	<b>12,167</b>	<b>Total operating funding (A)</b>	<b>14,555</b>	<b>12,193</b>
<b>Applications of operating funding</b>				
14,156	7,815	Payments to staff and suppliers	9,138	7,826
351	248	Finance costs	303	237
226	216	Internal charges and overheads applied	198	220
0	0	Other operating funding applications	0	0
<b>14,732</b>	<b>8,279</b>	<b>Total applications of operating funding (B)</b>	<b>9,638</b>	<b>8,284</b>
<b>3,468</b>	<b>3,889</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>4,917</b>	<b>3,909</b>
<b>Sources of capital funding</b>				
4,316	3,731	Subsidies and grants for capital expenditure	3,618	3,852
0	0	Development and financial contributions	0	0
(124)	(124)	Increase (decrease) in debt	(124)	(124)
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
<b>4,192</b>	<b>3,607</b>	<b>Total sources of capital funding (C)</b>	<b>3,494</b>	<b>3,728</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
1,863	1,342	- To improve the level of service	2,576	1,204
6,552	6,353	- To replace existing assets	5,267	6,434
(755)	(200)	Increase (decrease) in reserves	568	(1)
0	0	Increase (decrease) in investments	0	0
<b>7,660</b>	<b>7,495</b>	<b>Total applications of capital funding (D)</b>	<b>8,411</b>	<b>7,637</b>
<b>(3,468)</b>	<b>(3,889)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(4,917)</b>	<b>(3,909)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
5,966	5,809	<b>Excludes Depreciation of:</b>	6,174	5,925

The above Statement includes interest of \$170,492 and loan repayments of \$103,137 on internal borrowings. The outstanding balance of the internal loan is \$2,618,919.

## South Taranaki District Council Funding Impact Statement – Stormwater

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
615	615	General rates, uniform annual general charges, rates penalties	689	621
6	6	Targeted rates	7	6
0	0	Subsidies and grants for operating purposes	0	0
0	0	Fees and charges	0	0
0	0	Internal charge and overheads recovered	0	0
119	121	Local authorities fuel tax, fines, infringement fees and other receipts	130	125
<b>740</b>	<b>742</b>	<b>Total operating funding (A)</b>	<b>826</b>	<b>752</b>
<b>Applications of operating funding</b>				
247	208	Payments to staff and suppliers	219	214
176	178	Finance costs	169	175
203	213	Internal charges and overheads applied	203	217
0	0	Other operating funding applications	0	0
<b>626</b>	<b>599</b>	<b>Total applications of operating funding (B)</b>	<b>591</b>	<b>606</b>
<b>115</b>	<b>143</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>235</b>	<b>146</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
19	13	Increase (decrease) in debt	48	38
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
<b>19</b>	<b>13</b>	<b>Total sources of capital funding (C)</b>	<b>48</b>	<b>38</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
109	126	- To improve the level of service	195	153
53	32	- To replace existing assets	3	33
(28)	(2)	Increase (decrease) in reserves	85	(2)
0	0	Increase (decrease) in investments	0	0
<b>133</b>	<b>156</b>	<b>Total applications of capital funding (D)</b>	<b>283</b>	<b>183</b>
<b>(115)</b>	<b>(143)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(235)</b>	<b>(146)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
436	453	<b>Excludes Depreciation of:</b>	432	476

The above Statement includes interest of \$92,363 and loan repayments of \$117,375 on internal borrowings. The outstanding balance of the internal loan is \$1,353,857.

## South Taranaki District Council Funding Impact Statement – Wastewater

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
0	0	General rates, uniform annual general charges, rates penalties	0	0
3,984	3,972	Targeted rates	4,153	4,132
0	0	Subsidies and grants for operating purposes	0	0
414	503	Fees and charges	712	647
0	0	Internal charge and overheads recovered	0	0
0	0	Local authorities fuel tax, fines, infringement fees and other receipts	50	0
<b>4,399</b>	<b>4,475</b>	<b>Total operating funding (A)</b>	<b>4,914</b>	<b>4,778</b>
<b>Applications of operating funding</b>				
2,151	2,306	Payments to staff and suppliers	2,188	2,466
1,364	1,459	Finance costs	1,347	1,564
401	303	Internal charges and overheads applied	351	309
0	0	Other operating funding applications	0	0
<b>3,916</b>	<b>4,067</b>	<b>Total applications of operating funding (B)</b>	<b>3,886</b>	<b>4,339</b>
<b>483</b>	<b>408</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,028</b>	<b>440</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
604	1,019	Increase (decrease) in debt	585	1,746
0	0	Gross proceeds from sale of assets	0	0
0	70	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
<b>604</b>	<b>1,089</b>	<b>Total sources of capital funding (C)</b>	<b>585</b>	<b>1,746</b>
<b>Applications of capital funding</b>				
50	86	- To meet additional demand	180	1,197
454	324	- To improve the level of service	359	477
779	1,351	- To replace existing assets	731	814
(196)	(264)	Increase (decrease) in reserves	342	(301)
0	0	Increase (decrease) in investments	0	0
<b>1,087</b>	<b>1,497</b>	<b>Total applications of capital funding (D)</b>	<b>1,613</b>	<b>2,186</b>
<b>(483)</b>	<b>(408)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(1,028)</b>	<b>(440)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
1,741	1,616	<b>Excludes Depreciation of:</b>	1,735	1,715

The above Statement includes interest of \$277,205 and loan repayments of \$295,846 on internal borrowings. The outstanding balance of the internal loan is \$3,458,363.

## South Taranaki District Council Funding Impact Statement – Coastal Structures

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
55	55	General rates, uniform annual general charges, rates penalties	73	80
0	0	Targeted rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
0	0	Fees and charges	0	0
0	0	Internal charge and overheads recovered	0	0
0	0	Local authorities fuel tax, fines, infringement fees and other receipts	0	0
<b>55</b>	<b>55</b>	<b>Total operating funding (A)</b>	<b>73</b>	<b>80</b>
<b>Applications of operating funding</b>				
13	20	Payments to staff and suppliers	13	20
0	9	Finance costs	1	20
11	13	Internal charges and overheads applied	11	13
0	0	Other operating funding applications	0	0
<b>24</b>	<b>42</b>	<b>Total applications of operating funding (B)</b>	<b>25</b>	<b>53</b>
<b>30</b>	<b>13</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>48</b>	<b>27</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(1)	228	Increase (decrease) in debt	81	134
0	0	Gross proceeds from sale of assets	0	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
<b>(1)</b>	<b>228</b>	<b>Total sources of capital funding (C)</b>	<b>81</b>	<b>134</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
0	61	- To improve the level of service	2	0
0	180	- To replace existing assets	118	161
29	0	Increase (decrease) in reserves	10	0
0	0	Increase (decrease) in investments	0	0
<b>29</b>	<b>241</b>	<b>Total applications of capital funding (D)</b>	<b>129</b>	<b>161</b>
<b>(30)</b>	<b>(13)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(48)</b>	<b>(27)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
259	260	<b>Excludes Depreciation of:</b>	266	267

The above Statement includes interest of \$36.



## South Taranaki District Council Funding Impact Statement – Solid Waste

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
844	844	General rates, uniform annual general charges, rates penalties	842	831
2,075	2,076	Targeted rates	2,020	2,076
0	0	Subsidies and grants for operating purposes	0	0
739	707	Fees and charges	760	725
0	0	Internal charge and overheads recovered	0	0
686	740	Local authorities fuel tax, fines, infringement fees and other receipts	893	2,285
<b>4,345</b>	<b>4,367</b>	<b>Total operating funding (A)</b>	<b>4,515</b>	<b>5,917</b>
<b>Applications of operating funding</b>				
3,507	3,420	Payments to staff and suppliers	3,023	3,192
238	229	Finance costs	238	235
305	373	Internal charges and overheads applied	369	381
0	0	Other operating funding applications	0	0
<b>4,049</b>	<b>4,021</b>	<b>Total applications of operating funding (B)</b>	<b>3,630</b>	<b>3,807</b>
<b>295</b>	<b>346</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>885</b>	<b>2,110</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
107	(129)	Increase (decrease) in debt	194	(139)
0	0	Gross proceeds from sale of assets	0	0
30	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
<b>137</b>	<b>(129)</b>	<b>Total sources of capital funding (C)</b>	<b>194</b>	<b>(139)</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
144	0	- To improve the level of service	334	0
40	37	- To replace existing assets	24	27
248	180	Increase (decrease) in reserves	721	1,945
0	0	Increase (decrease) in investments	0	0
<b>432</b>	<b>217</b>	<b>Total applications of capital funding (D)</b>	<b>1,079</b>	<b>1,971</b>
<b>(295)</b>	<b>(346)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(885)</b>	<b>(2,110)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
35	39	<b>Excludes Depreciation of:</b>	36	41

The above Statement includes interest of \$82,163 and loan repayments of \$114,016 on internal borrowings. The outstanding balance of the internal loan is \$1,125,739.

## South Taranaki District Council Funding Impact Statement for Support Services (Reallocated Activity)

<i>Actual 2016 (\$000)</i>	<i>2015/25 LTP 2016 (\$000)</i>		<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>
<b>Sources of operating funding</b>				
105	131	General rates, uniform annual general charges, rates penalties	136	141
97	86	Targeted rates	106	86
0	0	Subsidies and grants for operating purposes	0	0
56	0	Fees and charges	79	0
10,419	10,292	Internal charge and overheads recovered	10,823	10,535
2,553	3,026	Local authorities fuel tax, fines, infringement fees and other receipts	6,987	3,218
<b>13,229</b>	<b>13,536</b>	<b>Total operating funding (A)</b>	<b>18,131</b>	<b>13,981</b>
<b>Applications of operating funding</b>				
8,463	8,174	Payments to staff and suppliers	8,632	8,392
537	474	Finance costs	427	489
2,443	2,371	Internal charges and overheads applied	2,446	2,437
0	0	Other operating funding applications	0	0
<b>11,443</b>	<b>11,018</b>	<b>Total applications of operating funding (B)</b>	<b>11,505</b>	<b>11,318</b>
<b>1,786</b>	<b>2,517</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>6,626</b>	<b>2,663</b>
<b>Sources of capital funding</b>				
0	0	Subsidies and grants for capital expenditure	0	0
39	0	Development and financial contributions	100	0
453	152	Increase (decrease) in debt	1,181	179
0	0	Gross proceeds from sale of assets	7	0
81	0	Lump sum contributions	49	0
0	0	Other dedicated capital funding	0	0
<b>573</b>	<b>152</b>	<b>Total sources of capital funding (C)</b>	<b>1,337</b>	<b>179</b>
<b>Applications of capital funding</b>				
0	0	- To meet additional demand	0	0
414	455	- To improve the level of service	556	370
178	397	- To replace existing assets	556	444
1,767	1,817	Increase (decrease) in reserves	6,851	2,029
0	0	Increase (decrease) in investments	0	0
<b>2,359</b>	<b>2,669</b>	<b>Total applications of capital funding (D)</b>	<b>7,963</b>	<b>2,842</b>
<b>(1,786)</b>	<b>(2,517)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(6,626)</b>	<b>(2,663)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
493	650	<b>Excludes Depreciation of:</b>	507	572

The above Statement includes interest of \$56,134 and loan repayments of \$50,608 on internal borrowings. The outstanding balance of the internal loan is \$607,290.

## South Taranaki District Council Funding Impact Statement for Whole of Council

2016 Actual (\$000)	2016 Annual Plan Budget (\$000)		2017 Actual (\$000)	2017 Annual Plan Budget (\$000)
<b>Sources of operating funding</b>				
13,466	13,188	General rates, uniform annual general charges, rates penalties	13,772	13,433
24,491	24,298	Targeted rates	24,850	24,762
9,695	4,099	Subsidies and grants for operating purposes	6,217	5,484
4,799	5,034	Fees and charges	5,609	5,234
7,854	7,994	Interest and dividends from investments	11,139	8,269
1,333	1,777	Local authorities fuel tax, fines, infringement fees and other receipts	2,628	4,071
<b>61,637</b>	<b>56,389</b>	<b>Total operating funding (A)</b>	<b>64,215</b>	<b>61,253</b>
<b>Applications of operating funding</b>				
42,413	35,561	Payments to staff and suppliers***	37,497	37,643
5,959	6,544	Finance costs*	5,561	6,635
683	1,038	Other operating funding applications	708	923
<b>49,056</b>	<b>43,143</b>	<b>Total applications of operating funding (B)</b>	<b>43,766</b>	<b>45,201</b>
<b>12,582</b>	<b>13,247</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>20,449</b>	<b>16,052</b>
<b>Sources of capital funding</b>				
4,317	3,731	Subsidies and grants for capital expenditure	3,618	3,878
39	0	Development and financial contributions	100	0
1,249	3,373	Increase (decrease) in debt**	1,776	7,304
1	0	Gross proceeds from sale of assets	13	0
155	106	Lump sum contributions	172	36
0	0	Other dedicated capital funding	0	0
<b>5,761</b>	<b>7,210</b>	<b>Total sources of capital funding (C)</b>	<b>5,679</b>	<b>11,219</b>
<b>Applications of capital funding</b>				
50	175	- To meet additional demand	215	1,649
5,926	5,944	- To improve the level of service	8,748	10,139
10,363	12,376	- To replace existing assets	9,292	11,330
2,003	1,962	Increase (decrease) in reserves	7,873	4,152
0	0	Increase (decrease) in investments	0	0
<b>18,342</b>	<b>20,457</b>	<b>Total applications of capital funding (D)</b>	<b>26,128</b>	<b>27,272</b>
<b>(12,582)</b>	<b>(13,247)</b>	<b>Surplus (deficit) of capital funding (C -D)</b>	<b>(20,449)</b>	<b>(16,052)</b>
<b>0</b>	<b>0</b>	<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>
15,289	15,733	<b>Excludes Depreciation of:</b>	15,909	16,211

\* The finance costs excludes interest of \$1,066,803 on internal borrowings.

\*\* The increase/decrease in debt excludes a loan repayment of \$977,265 on internal borrowings.

The outstanding balance of the internal loan is \$12,360,803.

\*\*\*2016/17 Revenue and Expenditure amounts exclude internal charges of \$0.99 million such as Rates and Water by Meter (which the Council charges to itself).

**Reconciliation to Surplus/(Deficit) before taxation**

	<i>Actual</i> <b>2017</b> <i>(\$000)</i>	<i>Actual</i> <b>2016</b> <i>(\$000)</i>
Surplus (deficit) of operating funding (A-B)	20,449	12,582
Subsidies and grants for capital expenditure	3,618	4,317
Development and financial contributions	100	39
Other adjustments	13	1
Loss on disposal of assets	(743)	(411)
Lump sum Contributions	172	155
Gain/(Loss) on derivatives	4,284	(5,851)
Depreciation	<u>(15,909)</u>	<u>(15,289)</u>
<b>Surplus (Deficit) before taxation</b>	<b><u>11,984</u></b>	<b><u>(4,458)</u></b>

# Statement of Financial Performance

For the year ended 30 June 2017

The Statement of Financial Performance details the revenue and expenditure relating to all activities of the Council. The supporting operating statements for each significant activity provide further detail as to the costs and revenue of each activity.

Council 2016 \$000	Consolidated 2016 \$000		Note	Council 2017 \$000	Budget 2017 \$000	Consolidated 2017 \$000
		<b>Income</b>	<b>1</b>			
37,804	37,804	Rates Income		38,477	38,030	38,477
21,308	21,308	Other Income		22,641	18,630	22,641
6,882	6,882	Financial Income		11,139	8,507	11,139
0	0	Other Gains		0	0	0
<b>65,994</b>	<b>65,994</b>	<b>Total Income</b>		<b>72,257</b>	<b>65,167</b>	<b>72,257</b>
		<b>Expenditure</b>	<b>2</b>			
2,780	2,780	Democratic Process		3,173	3,092	3,173
3,462	3,462	Cultural Services		3,541	3,619	3,541
8,757	8,757	Recreation & Leisure		8,833	8,997	8,833
1,136	1,136	District Economy		1,230	1,694	1,230
1,167	1,167	Community & Social Development		1,054	1,235	1,054
4,031	4,031	Environment & Development		4,580	3,614	4,580
10,451	10,451	Water Supply Service		10,396	11,215	10,396
20,517	20,517	Roading & Footpaths		15,641	16,088	15,641
900	900	Stormwater		876	932	876
5,265	5,265	Waste Water		5,225	5,457	5,225
283	283	Coastal Structures		291	313	291
3,980	3,980	Solid Waste		3,567	3,765	3,567
7,723	7,723	Reallocated Activity		1,867	1,390	1,867
<b>70,452</b>	<b>70,452</b>	<b>Total Expenditure</b>		<b>60,273</b>	<b>61,412</b>	<b>60,273</b>
<b>(4,458)</b>	<b>(4,458)</b>	<b>Surplus Operating (Deficit) before Tax</b>		<b>11,984</b>	<b>3,755</b>	<b>11,984</b>
<b>0</b>	<b>0</b>	<b>Taxation</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(4,458)</b>	<b>(4,458)</b>	<b>Surplus Operating (Deficit) after Tax</b>		<b>11,984</b>	<b>3,755</b>	<b>11,984</b>

## Explanation of Net Surplus

The Council made a net operating surplus of \$11,984,000 against a budgeted surplus of \$3,755,000. An explanation of this variance is detailed in the financial commentary.

\*Other expenses include loss on disposal of assets (\$743k).

\*\*2016/17 Revenue and Expenditure amounts exclude internal charges of \$0.99 million such as Rates and Water by Meter (which the Council charges to itself).

*The financial statements should be read in conjunction with the notes and policies and the financial commentary on Pages 15-18.*

# Statement of Financial Position

As at 30 June 2017

Council Actual 2016 \$000	Consolidated Actual 2016 \$000	Description	Note	Council Actual 2017 \$000	Council Budget 2017 \$000	Consolidated Actual 2017 \$000
		<b>Current Assets</b>				
5,216	5,216	Cash and Cash Equivalents	4	6,041	4,456	6,041
10,000	10,000	Short Term Deposit		0	10,000	0
8,976	8,976	Accounts Receivable	5	9,220	6,557	9,220
90,272	90,272	Current Portion of Investments	6	98,091	97,882	98,091
81	81	Prepayments		341	512	341
181	181	Stocks	7	138	282	138
<b>114,726</b>	<b>114,726</b>	<b>Total Current Assets</b>		<b>113,832</b>	<b>119,814</b>	<b>113,832</b>
		<b>Non Current Assets</b>				
30,663	30,663	Investments	6	30,151	27,405	30,151
0	0	Derivative Financial Instruments	23	171	124	171
766,200	766,200	Property, Plant and Equipment	8	832,003	783,526	832,003
456	456	Intangible Assets	9	690	511	690
<b>797,318</b>	<b>797,318</b>	<b>Total Non Current Assets</b>		<b>863,015</b>	<b>811,442</b>	<b>863,015</b>
<b>912,045</b>	<b>912,045</b>	<b>Total Assets</b>		<b>976,847</b>	<b>931,255</b>	<b>976,847</b>
		<b>Current Liabilities</b>				
7,567	7,567	Accounts Payable	10	8,107	7,430	8,107
840	840	Employee Entitlements	11	850	0	850
934	934	Income Received in Advance		1,016	788	1,016
27	27	Derivative Financial Instruments	23	20	0	20
15,091	15,091	Current Portion of Term Liabilities	13	93	4,436	93
36	36	Current Landfill Aftercare Provision	12	32	0	32
<b>24,497</b>	<b>24,497</b>	<b>Total Current Liabilities</b>		<b>10,118</b>	<b>12,654</b>	<b>10,118</b>
		<b>Non Current Liabilities</b>				
106,097	106,097	Term Liabilities	13	112,818	133,613	112,818
12,066	12,066	Derivative Financial Instruments	23	7,961	6,377	7,961
253	253	Non-Current Landfill Aftercare Provision	12	209	0	209
<b>118,416</b>	<b>118,416</b>	<b>Total Non Current Liabilities</b>		<b>120,988</b>	<b>139,990</b>	<b>120,988</b>
<b>769,133</b>	<b>769,133</b>	<b>Total Assets Less Liabilities</b>		<b>845,741</b>	<b>778,612</b>	<b>845,741</b>
411,285	411,285	Accumulated Balances	14	415,925	419,025	415,925
1,789	1,789	Restricted and Statutory Reserves	14	1,886	1,905	1,886
3,051	3,051	Separate Operating Reserves	14	5,673	2,597	5,673
121,011	121,011	Council Created Reserves	14	125,522	123,112	125,522
82	82	Capital Replacement Reserves	14	196	144	196
107	107	Investment Revaluation Reserves	14	227	21	227
231,808	231,808	Asset Revaluation Reserves	14	296,313	231,808	296,313
<b>769,133</b>	<b>769,133</b>	<b>Total Equity</b>		<b>845,741</b>	<b>778,612</b>	<b>845,741</b>

The Annual Report and associated Audit Report were considered and adopted at a meeting of the South Taranaki District Council on 16 October 2017.



Ross Dunlop  
Mayor



Craig Stevenson  
Chief Executive

The financial statements should be read in conjunction with the notes and policies and the financial commentary on Pages 15-18.

# Statement of Changes in Equity

For the year ended 30 June 2017

<i>Council</i>	<i>Consolidated</i>		<i>Council</i>	<i>Budget</i>	<i>Consolidated</i>
<i>2016</i>	<i>2016</i>		<i>2017</i>	<i>2017</i>	<i>2017</i>
<i>\$000</i>	<i>\$000</i>		<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
773,505	773,505	Opening Equity as at 1 July	769,133	774,857	769,133
(4,372)	(4,372)	Total comprehensive Revenue and expense for the year	11,984	3,755	11,984
0	0	Total other comprehensive Revenue and expense for the year	64,624	0	64,624
769,133	769,133	Balance at 30 June	845,741	778,612	845,741
		Total comprehensive and other comprehensive income attributable to:			
(4,372)	(4,372)	South Taranaki District Council	76,608	3,755	76,608
(4,372)	(4,372)	Total comprehensive income	76,608	3,755	76,608

# Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2017

<i>Council</i>	<i>Consolidated</i>		<i>Council</i>	<i>Council</i>	<i>Consolidated</i>
<i>Actual 2016</i>	<i>Actual</i>		<i>Actual 2017</i>	<i>Budget 2017</i>	<i>Actual</i>
<i>\$000</i>	<i>2016</i>		<i>\$000</i>	<i>\$000</i>	<i>2017</i>
	<i>\$000</i>				<i>\$000</i>
		<b>Revenue</b>			
		<b>Revenue by Exchange Transactions</b>			
7,786	7,786	Rates - Water by Meter	7,977	7,545	7,977
6,882	6,882	Financial Revenue	11,139	8,507	11,139
		<b>Revenue from Non-Exchange Transactions</b>			
30,018	30,018	Rates	30,500	30,485	30,500
4,799	4,799	Fees & Charges	5,609	5,234	5,609
14,167	14,167	Subsidies & Grants	10,008	9,399	10,008
39	39	Development and Financial Contributions	100	0	100
2,304	2,304	Other Revenue	6,924	3,998	6,924
65,994	65,994	<b>Total Income</b>	<b>72,257</b>	<b>65,167</b>	<b>72,257</b>
		<b>Expenditure</b>			
11,629	11,629	Personnel Costs	12,185	11,638	12,185
15,289	15,289	Depreciation & Amortisation Expense	15,909	16,211	15,909
5,960	5,960	Finance Costs	5,561	6,635	5,561
37,575	37,575	Other Expenses	26,618	26,928	26,618
70,452	70,452	<b>Total Expenditure</b>	<b>60,273</b>	<b>61,412</b>	<b>60,273</b>
(4,458)	(4,458)	<b>Surplus/(Deficit) Before Tax</b>	<b>11,984</b>	<b>3,755</b>	<b>11,984</b>
0	0	Tax	0	0	0
(4,458)	(4,458)	<b>Surplus/(Deficit) After Tax</b>	<b>11,984</b>	<b>3,755</b>	<b>11,984</b>
		Other Comprehensive revenue and expense			
86	86	Increase/Decrease in Revaluation Reserves	120	0	120
0	0	Gain on Asset Revaluation	64,504	0	64,504
86	86	Total other comprehensive revenue and expense	64,624	0	64,624
(4,372)	(4,372)	<b>Total Comprehensive Revenue and Expense for the Year</b>	<b>76,608</b>	<b>3,755</b>	<b>76,608</b>

*The financial statements should be read in conjunction with the notes and policies and the financial commentary on Pages 15-18.*

\*2016/17 Revenue and Expenditure amounts exclude internal charges of \$0.99 million such as Rates and Water by Meter (which the Council charges to itself).



# Statement of Cashflow

For the year ended 30 June 2017

<i>Council 2016 \$000</i>	<i>Consolidated 2016 \$000</i>	<i>Note</i>	<i>Council 2017 \$000</i>	<i>Budget 2017 \$000</i>	<i>Consolidated 2017 \$000</i>
<b>Cash Flows From Operating Activities</b>					
<b>Cash was provided from:</b>					
37,410	37,410		38,715	39,412	38,715
52	52		36	0	36
255	255		82	2,067	82
27,370	27,370		20,877	18,630	20,877
2,206	2,206		2,109	2,250	2,109
<b>Cash was applied to:</b>					
(42,578)	(42,578)		(37,821)	(39,645)	(37,821)
(5,960)	(5,960)		(5,561)	(6,635)	(5,561)
(800)	(800)		873	0	873
(2,206)	(2,206)		(2,109)	(2,250)	(2,109)
15,749	15,749	<b>15</b>	17,201	13,830	17,201
<b>Cash Flows From Investing Activities</b>					
<b>Cash was provided from:</b>					
0	0		0	0	0
0	0		10,085	2,675	10,085
<b>Cash was applied to:</b>					
(1,977)	(1,977)		0	(500)	0
(10,000)	(10,000)		0	0	0
(16,277)	(16,277)		(18,184)	(23,118)	(18,184)
(28,254)	(28,254)		(8,099)	(20,943)	(8,099)
<b>Cash Flows From Financing Activities</b>					
<b>Cash was provided from:</b>					
3,612	3,612		9,470	9,939	9,470
<b>Cash was applied to:</b>					
(2,478)	(2,478)		(17,747)	(2,635)	(17,747)
1,134	1,134		(8,277)	7,305	(8,277)
(11,370)	(11,370)		825	191	825
16,586	16,586		5,216	14,265	5,216
5,216	5,216		6,041	14,456	6,041
<b>Made Up Of:</b>					
5,216	5,216		6,041	14,456	6,041

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

*The financial statements should be read in conjunction with the notes and policies and the financial commentary on Pages 15-18..*

# Notes to Financial Statements

## Note1: Revenue

For the period ending June 2017

Council	Consolidated		Council	Budget	Consolidated
2016	2016		2017	2017	2017
\$000	\$000		\$000	\$000	\$000
		<b>Rates</b>			
13,312	13,312	General Rates	13,598	13,268	13,598
6,649	6,649	Targeted - Roading	6,572	6,691	6,572
3,849	3,849	Other Water Rates	3,968	4,490	3,968
7,786	7,786	Metered Water Rates	7,977	7,080	7,977
2,055	2,055	Targeted - Refuse	2,001	2,089	2,001
3,892	3,892	Targeted - Wastewater	4,066	4,145	4,066
97	97	Warmer Homes Scheme Rate	106	95	106
6	6	Eltham Drainage Board	7	6	7
158	158	Hawera Business Rate	155	160	155
153	153	Rate Penalties	175	165	175
(153)	(153)	Remissions	(146)	(159)	(146)
<b>37,804</b>	<b>37,804</b>	<b>Total Rates</b>	<b>38,477</b>	<b>38,030</b>	<b>38,477</b>
<b>4,799</b>	<b>4,799</b>	<b>Fees and Charges</b>	<b>5,609</b>	<b>5,234</b>	<b>5,609</b>
		<b>Financial Revenue</b>			
52	52	Dividends - General	36	0	36
189	189	Interest - General	72	238	72
69	69	Earnings - Long Term Investment Fund	10	0	10
5,194	5,194	Capital Gains on Long Term Investment Fund	9,951	8,269	9,951
1,378	1,378	Foreign Exchange Gains (Losses) on LTIF	1,069	0	1,069
<b>6,882</b>	<b>6,882</b>	<b>Total Financial Revenue</b>	<b>11,139</b>	<b>8,507</b>	<b>11,139</b>
39	39	<b>Developmental Contributions</b>	100	0	100
14,167	14,167	<b>Subsidies &amp; Grants</b>	10,008	9,399	10,008
2,304	2,304	<b>Other Revenue</b>	6,925	3,998	6,925
<b>65,994</b>	<b>65,994</b>	<b>Total Revenue</b>	<b>72,257</b>	<b>65,167</b>	<b>72,257</b>

### Rates Remissions

Rates Remissions have been netted off rates revenue above.

Councils Rate Remission Policy provides for rates to be remitted for the following purposes:

Council	Consolidated		Council	Budget	Consolidated
2016	2016		2017	2017	2017
\$000	\$000		\$000	\$000	\$000
20	20	Rates on community halls	19		19
86	86	Rates for sporting, games, branches of the arts, community care and volunteer organisations	81		81
6	6	Rates on land protected for natural, historical or cultural conservation purposes	7		7
41	41	Uniform annual general charges on non-contiguous units owned by the same owner	39		39
153	153	Rates Penalties*	175		175
<b>306</b>	<b>306</b>	<b>Total Rates Remitted</b>	<b>321</b>		<b>321</b>

\* Rates penalty remissions include penalties remitted for those that have made an arrangement to repay their outstanding rate debts through regular payments.

**Note 2: Expenditure by Nature**  
For the period ending June 2017

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Budget 2017 \$000	Consolidated 2017 \$000
11,566	11,566	Salary and Wages*	12,176	11,638	12,176
64	64	Increase/(decrease) in employee entitlements	9	0	9
11,629	11,629		12,185	11,638	12,185
		<b>Other Operating Expenses</b>			
540	540	Remuneration to Elected Representatives**	558	503	558
122	122	Audit Fees for Annual Report	128	128	128
4	4	Audit Fees for Other Services***	4	0	4
683	683	Grants	708	872	708
156	156	Impairment of Receivables	0	0	0
15,289	15,289	Depreciation and Amortisation Expense	15,909	16,211	15,909
430	430	Fund Manager Fees	399	461	399
5,851	5,851	Loss on Derivatives	0	0	0
411	411	Loss on Disposal of Assets	743	0	743
48	48	Operating Lease Payments	45	48	45
29,329	29,329	Other Operating Expenses	24,033	24,916	24,033
52,863	52,863		42,527	43,139	42,527
		<b>Finance Costs</b>			
5,960	5,960	Interest Expense	5,561	6,635	5,561
5,960	5,960		5,561	6,635	5,561
<b>70,452</b>	<b>70,452</b>	<b>Total Expenditure</b>	<b>60,273</b>	<b>61,412</b>	<b>60,273</b>

\*Salary and Wages include Council's contribution to Kiwisaver of \$282k (2016 \$263k).

\*\*Remuneration paid to the Elected Representatives include payments to the Community Board Members.

\*\*\*The fees to Audit NZ for Other Services in the year ending 30 June 2017 were for the audit of the Debenture Trust.

**Note 3: Tax**

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Budget 2017 \$000	Consolidated 2017 \$000
(4,458)	(4,458)	Net Surplus/(Deficit) before Taxation	11,984	3,755	11,984
(1,248)	(1,248)	Tax at 28%	3,356	1,051	3,356
		Plus/(Less) Tax Effect of:			
1,248	1,248	Non-taxable income/expenditure	(3,356)	(1,051)	(3,356)
0	0	Tax Loss not recognised	0	0	0
0	0	Share of Associates Retained Surplus	0	0	0
0	0	Tax Expense for the Year	0	0	0
		<b>Comprising:</b>			
0	0	Current Tax	0	0	0
0	0	Deferred tax	0	0	0
0	0	Deferred tax	0	0	0

The Council has unrecognised tax losses of \$703,752 (2016 \$700,602) with a tax effect of \$197,051 at 28% (2016 \$196,169 at 28%) available to carry forward to future years.

The Group has unrecognised tax losses of \$2,524,088 (2016 \$2,520,938) with a tax effect of \$706,744.64 at 28% (2016 \$705,863 at 28%) available to carry forward to future years.

#### Note 4: Cash and Cash Equivalents

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
4	4	Cash at bank and on hand	3	3
6,421	6,421	Westpac current account	7,831	7,831
(1,713)	(1,713)	Transfer to Long Term Investment Fund	(1,798)	(1,798)
500	500	Westpac On call account	0	0
5	5	TSB Hub account	5	5
<b>5,216</b>	<b>5,216</b>		<b>6,041</b>	<b>6,041</b>

#### Note 5: Accounts Receivable

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
1,452	1,452	Accruals and Sundries	685	685
3,885	3,885	General Debtors (Incl. Water)	5,050	5,050
1,311	1,311	Rate Arrears	1,656	1,656
1,342	1,342	NZTA	1,677	1,677
1,292	1,292	Goods and Services Tax	364	364
(306)	(306)	Provision for Doubtful Debts	(213)	(213)
<b>8,976</b>	<b>8,976</b>		<b>9,220</b>	<b>9,220</b>

The above amount for accounts receivable includes exchange transactions of \$2.49m (2016 - \$2.49m) for water by meter charges and interest receivable.

#### 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 approximate their fair value.

#### Impairment

The Council regularly reviews all debts to identify any areas of impairment, making provision as necessary. The Council utilises a number of options to assist slow-paying debtors to fulfil their obligations and debts are only written off when all avenues are exhausted.

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

7,002	7,002	Not past due	5,630	5,630
281	281	Past due 1-60 days	739	739
208	208	Past due 61 - 90 days	530	530
1,485	1,485	Past due > 90 days	2,321	2,321
<b>8,976</b>	<b>8,976</b>		<b>9,220</b>	<b>9,220</b>

#### Details of the Impairment Provision

The impairment provision has been calculated based on expected losses for the Council's pool of debtors. Expected losses have been determined based on an analysis of the Council's losses in previous periods and the current provision has been estimated accordingly.

0	0	Individual Impairment	0	0
(306)	(306)	Collective Impairment	(213)	(213)
<b>(306)</b>	<b>(306)</b>	<b>Total provision for Impairment</b>	<b>(213)</b>	<b>(213)</b>

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

(150)	(150)	<b>At 1 July</b>	(306)	(306)
(160)	(160)	(Addition)/Reduction in provisions made during the year	68	68
0	0	Provisions reversed during the year	0	0
4	4	Receivables written-off during the period	25	25
<b>(306)</b>	<b>(306)</b>	<b>At 30 June</b>	<b>(213)</b>	<b>(213)</b>

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

## Note 6: Investments

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
		<b>Financial Assets</b>		
		<b>Current Portion</b>		
484	484	Bonds with Maturities of less than 1 year	2,404	2,404
9,040	9,040	Cash & cash equivalents	8,492	8,492
		Cash Balance Transferred from Current/Call		
1,713	1,713	Account for LTIF	1,798	1,798
7,016	7,016	Property	6,972	6,972
7,363	7,363	Global Infrastructure	8,321	8,321
56,227	56,227	Equities	61,282	61,282
8,349	8,349	Hedge Fund	8,730	8,730
80	80	Warmer Home Scheme Loans & Nukumaru Loan	92	92
<b>90,272</b>	<b>90,272</b>	<b>Total Current Portion</b>	<b>98,091</b>	<b>98,091</b>
		<b>Non Current Portion</b>		
26,890	26,890	Bonds with Maturities of greater than 1 year	25,340	25,340
1,233	1,233	Cash & cash equivalents	1,730	1,730
		Warmer Home Scheme Loans and Nukumaru		
614	614	Loan	1,035	1,035
1,926	1,926	Other Shares and Notes	2,046	2,046
<b>30,663</b>	<b>30,663</b>	<b>Total Non Current Portion</b>	<b>30,151</b>	<b>30,151</b>
<b>120,935</b>	<b>120,935</b>	<b>Total Financial Assets</b>	<b>128,242</b>	<b>128,242</b>

### Maturity of Financial Assets

The cash and cash equivalents portion of Council's investments are available immediately and represents funds held for liquidity or funds awaiting reinvestment in other asset classes. The carrying value approximates their fair value.

Property and equities are invested through units in investment funds and can be readily liquidated and are thus classified as current. These funds are invested for the longer term. The carrying value approximates their fair value and is determined as per current market rate.

Bonds with maturities of less than one year represent direct holdings of bonds which are to mature in this financial year and a portion of the global bond portfolio. The carrying value approximates their fair value and is determined as per current market rate.

### LTIF Allocation

The total Long Term Investment Fund sector allocation at 30 June 2017 was as follows:

2016		2017
11%	Trans Tasman Equities	12%
25%	Global Equities	26%
6%	Global Listed Infrastructure	6%
9%	New Zealand Cash	9%
10%	New Zealand Fixed Interest	9%
6%	Hedge Funds	6%
21%	Foreign Fixed Interest*	20%
7%	Low Volatility	7%
5%	Property	5%
<b>100%</b>		<b>100%</b>

\* Includes internal borrowing.

## Reconciliation of Investments

2016		2017
115,767	<b>Opening Balance</b>	118,314
	<b>Income</b>	
69	Interest	85
0	Dividends	0
283	Unrealised Gains/(Losses)	7,640
4,912	Realised Gains/(Losses)	2,312
1,378	Foreign Exchange Gains/(Losses)	1,069
	<b>Less</b>	
(3,665)	Net Subsidy Withdrawal*	(3,946)
(430)	Management Fees	(399)
0	Other Transfers	(6)
<b>118,314</b>	<b>Closing Balance</b>	<b>125,069</b>
<b>2,621</b>	<b>Other Investments</b>	<b>3,173</b>
<b>120,935</b>	<b>Total Investments</b>	<b>128,242</b>

\*The net subsidy withdrawal amount is calculated using all LTIF subsidies \$5,727k (2016 \$5,548k) less interest received of \$804k (2016 \$906k) and loan repayments of \$977k (2016 \$977k) from Internal Borrowings to the LTIF.

## Note 7: Stocks

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
		<b>Held for Resale</b>		
19	19	Information Centre Stock	15	15
12	12	Aquatic Centre Stock	9	9
9	9	New Zealand Post Stock	6	6
<u>39</u>	<u>39</u>		<u>30</u>	<u>30</u>
		<b>Held for Business Contingency</b>		
142	142	Infrastructure Stock	108	108
<b>181</b>	<b>181</b>	<b>Total Stocks Held</b>	<b>138</b>	<b>138</b>

No stocks are pledged as security for liabilities (2016 \$nil). However some stocks are subject to retention of title clause.

The carrying amount of stocks, which are measured at current replacement costs as at 30 June 2017, amounted to \$nil (2016 \$nil).

There were no write-downs in value of any stocks held (2016 \$nil). Stocks held for resale turnover frequently while stocks held for business contingency are regularly assessed to ensure they are still fit and available for intended use would the need arise. Stocks are written down to fair value in the event of impairment.

## Note 8: Property, Plant and Equipment

	Cost/ Valuation 30/6/17 \$000	Accumulated Depreciation 30/6/17 \$000	Carrying Value 30/6/17 \$000	Cost/ Valuation 30/6/16 \$000	Accumulated Depreciation 30/6/16 \$000	Carrying Value 30/6/16 \$000
<b>Council *</b>						
<b>Operational Assets</b>						
Buildings	47,953	0	47,953	47,976	(3,487)	44,489
Land	9,689	0	9,689	9,155	0	9,155
Furniture & Fittings	782	(316)	465	629	(251)	377
Information Systems	2,076	(1,909)	167	2,076	(1,730)	346
Library Books	1,591	(847)	744	1,644	(854)	790
Office Equipment	341	(264)	77	299	(250)	49
Leased Office Equipment	323	(32)	291	297	(79)	218
Motor Vehicles	1,152	(379)	773	1,281	(584)	697
Plant & Equipment	1,954	(1,287)	666	1,759	(1,188)	570
<b>Restricted Assets</b>						
Parks & Recreation	13,540	0	13,540	8,333	(1,570)	6,762
Heritage & Cultural	1,522	(601)	921	1,415	(558)	857
Land	48,955	0	48,955	46,624	0	46,624
Work in Progress	5,754	0	5,754	2,611	0	2,611
<b>Total Operational &amp; Restricted Assets</b>	<b>135,631</b>	<b>(5,636)</b>	<b>129,996</b>	<b>124,098</b>	<b>(10,553)</b>	<b>113,545</b>
<b>Infrastructural Assets</b>						
Land Under Roads	104,151	0	104,151	99,192	0	99,192
<b>Network Assets</b>						
Roading	373,197	0	373,197	363,579	(11,745)	351,834
Wastewater - treatment plants	17,919	0	17,919	18,103	(939)	17,165
Wastewater - other assets	41,026	0	41,026	40,801	(2,467)	38,334
Water - treatment plants	41,627	0	41,627	47,455	(2,673)	44,782
Water - other assets	96,774	0	96,774	81,016	(4,868)	76,148
Stormwater	22,903	0	22,903	22,241	(872)	21,369
<b>Total Infrastructural &amp; Network Assets</b>	<b>697,596</b>	<b>0</b>	<b>697,596</b>	<b>672,387</b>	<b>(23,564)</b>	<b>648,823</b>
Work in progress	4,411	0	4,411	3,832	0	3,832
<b>Total Fixed Assets</b>	<b>837,638</b>	<b>(5,636)</b>	<b>832,003</b>	<b>800,317</b>	<b>(34,117)</b>	<b>766,200</b>

\* Note: Consolidated figures same as for Council

As per the most recent revaluations at 30 June 2017 by Beca Limited and Calibre Consulting, the replacement cost of the Council's network assets are as follows:

Water Supply – treatment plants and facilities	\$ 61.4 million
Water Supply – other assets	\$ 193.1 million
Wastewater – treatment plants and facilities	\$ 22.7 million
Wastewater – other assets	\$ 85.3 million
Stormwater	\$ 40.0 million
Roading and Footpaths	\$ 546.8 million



## MOVEMENTS 2017

	Carrying Value 1/7/16 \$000	Additions \$000	Disposal \$000	Accumulated Depreciation on Disposal	Vested Assets	Other Adj** \$000	Depreciation \$000	Carrying Value 30/6/17 \$000
<b>Operational Assets</b>								
Buildings	44,489	567	0	0	0	4,726	(1,829)	47,953
Land	9,155	0	0	0	0	534	0	9,689
Furniture & Fittings	377	153	0	0	0	0	(65)	465
Information Systems	346	0	0	0	0	0	(179)	167
Library Books	790	205	(259)	226	0	0	(218)	744
Office Equipment	49	43	0	0	0	0	(15)	77
Leased Office Equipment	218	323	(297)	79	0	0	(32)	291
Motor Vehicles	698	494	(622)	378	0	0	(174)	775
Plant & Equipment	570	348	(149)	25	0	(4)	(124)	666
<b>Restricted Assets</b>								
Parks & Recreation	6,762	205	0	0	0	7,332	(759)	13,540
Heritage & Cultural	857	106	0	0	0	0	(42)	922
Land	46,624	17	0	0	0	2,314	0	48,955
Work in Progress*	2,610	0	0	0	0	3,144	0	5,754
<b>Total Operational &amp; Restricted Assets</b>	<b>113,545</b>	<b>2,461</b>	<b>(1,327)</b>	<b>708</b>	<b>0</b>	<b>18,046</b>	<b>(3,437)</b>	<b>129,997</b>
<b>Infrastructural Assets</b>								
Land Under Roads	99,192	0	0	0	0	4,959	0	104,151
<b>Network Assets</b>								
Roading	351,835	6,944	0	0	0	20,591	(6,174)	373,197
Wastewater - treatment plants	17,165	106	0	0	0	1,228	(580)	17,919
Wastewater - other assets	38,334	673	(88)	1	0	3,260	(1,154)	41,026
Water - treatment plants	44,782	1,395	(29)	9	0	(3,119)	(1,413)	41,627
Water - other assets	76,148	2,615	(405)	50	0	20,986	(2,620)	96,774
Stormwater	21,369	346	(73)	1	0	1,692	(432)	22,903
<b>Total Infrastructural &amp; Network Assets</b>	<b>648,823</b>	<b>12,080</b>	<b>(595)</b>	<b>61</b>	<b>0</b>	<b>49,597</b>	<b>(12,373)</b>	<b>697,596</b>
Work in Progress*	3,832	0	0	0	0	579	0	4,411
<b>Total Fixed Assets</b>	<b>766,200</b>	<b>14,541</b>	<b>(1,922)</b>	<b>769</b>	<b>-</b>	<b>68,222</b>	<b>(15,809)</b>	<b>832,003</b>

### Work in Progress\*

Property, plant and equipment in the course of construction by class of asset is detailed below.

### Other Adjustment\*\*

Other Adjustments include Revaluation Gains of \$64.504 million. For a further explanation regarding revaluations please refer to page 76 (Statement of Accounting Policies) under the specific accounting policy for Property, Plant and Equipment. Through the revaluation process, the Council identified some categories of assets for Water and Wastewater previously included in the 'Treatment Plant' category which are now being shown under 'Other Assets'. These transfers will have no impact on the overall value of the Water and Wastewater assets.

	2017 \$000	Council and Consolidated 2016 \$000
Buildings	4,891	1,882
Information Systems	723	367
Plant & Equipment	68	105
Furniture & Fittings	26	207
Parks & Reserves	47	49
Stormwater	43	191
Water Supply	1,628	2,291
Wastewater	1,340	849
Roading	1,400	501
<b>Total work in progress</b>	<b>10,165</b>	<b>6,442</b>

**MOVEMENTS 2016**

	Carrying Value 1/7/15 \$000	Additions \$000	Disposal \$000	Accumulated Depreciation on Disposal	Vested Assets	Other Adj \$000	Depreciation \$000	Carrying Value 30/6/16 \$000
<b>Operational Assets</b>								
Buildings	45,240	1,083	(72)	9	0	0	(1,771)	44,489
Land	9,181	0	0	0	0	(26)	0	9,155
Furniture & Fittings	244	170	(9)	9	0	0	(37)	377
Information Systems	516	0	0	0	0	14	(184)	346
Library Books	780	208	(456)	456	0	0	(198)	790
Office Equipment	52	12	0	0	0	0	(15)	49
Leased Office Equipment	277	0	0	0	0	0	(59)	218
Motor Vehicles	684	174	(224)	178	0	0	(115)	698
Plant & Equipment	231	392	0	0	0	5	(58)	570
<b>Restricted Assets</b>								
Parks & Recreation	6,648	911	0	0	0	0	(797)	6,762
Heritage & Cultural	899	0	0	0	0	0	(42)	857
Land	46,538	60	0	0	0	26	0	46,624
Work in Progress	1,995	0	0	0	0	615	0	2,610
<b>Total Operational &amp; Restricted Assets</b>	<b>113,285</b>	<b>3,010</b>	<b>(761)</b>	<b>652</b>	<b>0</b>	<b>634</b>	<b>(3,276)</b>	<b>113,545</b>
<b>Infrastructural Assets</b>								
Land Under Roads	99,192	0	0	0	0	0	0	99,192
<b>Network Assets</b>								
Roading	349,534	8,266	0	0	0	0	(5,966)	351,835
Wastewater - treatment plants	17,575	414	(345)	1	0	0	(480)	17,165
Wastewater - other assets	38,950	644	0	0	0	0	(1,260)	38,334
Water - treatment plants	44,796	1,326	0	0	0	0	(1,340)	44,781
Water - other assets	77,621	967	0	0	0	0	(2,440)	76,148
Stormwater	21,802	0	0	0	0	3	(436)	21,369
<b>Total Infrastructural &amp; Network Assets</b>	<b>649,469</b>	<b>11,617</b>	<b>(345)</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>(11,922)</b>	<b>648,823</b>
Work in Progress	2,737	0	0	0	0	1,095	0	3,832
<b>Total Fixed Assets</b>	<b>765,492</b>	<b>14,627</b>	<b>(1,106)</b>	<b>653</b>	<b>0</b>	<b>1,732</b>	<b>(15,198)</b>	<b>766,200</b>

## Note 9: Intangible Assets

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
<b>Acquired Computer Software</b>				
<b>Balance 1 July</b>				
2,512	2,512	Cost	2,512	2,512
(1,975)	(1,975)	Accumulated amortisation and impairment	(2,056)	(2,056)
<u>537</u>	<u>537</u>	Carrying value 1 July	<u>456</u>	<u>456</u>
51	51	Additions	315	315
0	0	Disposals	0	0
(51)	(51)	Other Adjustments	0	0
(81)	(81)	Amortisation charge	(81)	(81)
<b>Closing Balance</b>				
2,512	2,512	Cost	2,827	2,827
(2,056)	(2,056)	Accumulated amortisation and impairment	(2,137)	(2,137)
<u>456</u>	<u>456</u>	Carrying value 30 June	<u>690</u>	<u>690</u>
<b>Fonterra Outfall - use rights</b>				
<b>Balance 1 July</b>				
1,320	1,320	Cost	1,320	1,320
(1,320)	(1,320)	Accumulated amortisation and impairment	(1,320)	(1,320)
<u>0</u>	<u>0</u>	Carrying value 1 July	<u>0</u>	<u>0</u>
0	0	Additions	0	0
0	0	Amortisation charge	0	0
<b>Closing Balance</b>				
1,320	1,320	Cost	1,320	1,320
(1,320)	(1,320)	Accumulated amortisation and impairment	(1,320)	(1,320)
<u>0</u>	<u>0</u>	Carrying value 30 June	<u>0</u>	<u>0</u>
<u>456</u>	<u>456</u>	<b>Total Intangible Assets</b>	<u>690</u>	<u>690</u>

## Note 10: Accounts Payable

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
4,455	4,455	Trade Liabilities	4,923	4,923
1,575	1,575	Accrued expenses and other payables	1,498	1,498
191	191	Accrued salaries and wages	225	225
1,346	1,346	Bonds and Deposits	1,461	1,461
<u>7,567</u>	<u>7,567</u>		<u>8,107</u>	<u>8,107</u>

The above amounts for accounts payable are all exchange transactions.

Trade liabilities are non-interest bearing and are generally settled within a 30 day term. Therefore, the carrying value of trade liabilities approximates their fair value. Accrued expenses and other payables are amounts due as of year end but not yet invoiced. Bonds and Deposits are amounts the Council holds on behalf of third parties through various negotiated agency agreements. Bonds are generally classified as refundable and deposits are generally classified as non-refundable.

**Note 11: Employee Entitlements**

<b>Council 2016 \$000</b>	<b>Consolidated 2016 \$000</b>		<b>Council 2017 \$000</b>	<b>Consolidated 2017 \$000</b>
797	797	Annual leave	808	808
43	43	Sick leave	42	42
<u>840</u>	<u>840</u>		<u>850</u>	<u>850</u>

**Note 12: Landfill Aftercare**

<b>Council 2016 \$000</b>	<b>Consolidated 2016 \$000</b>		<b>Council 2017 \$000</b>	<b>Consolidated 2017 \$000</b>
92	92	Opening Balance	289	289
197	197	Provision reassessed	(48)	(48)
0	0	Unwinding of discount	0	0
<u>289</u>	<u>289</u>	Closing Balance	<u>241</u>	<u>241</u>
		Being:		
36	36	Current Portion	32	32
253	253	Term Portion	209	209
<u>289</u>	<u>289</u>		<u>241</u>	<u>241</u>

The South Taranaki District Council holds resource consents to operate landfills within the District. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill sites after closure. There is an external liability where the landfill is not situated on Council-owned land.

There are closure and post-closure responsibilities such as the following:

**Closure responsibilities:**

- \* final cover application and vegetation
- \* incremental drainage control features
- \* completing facilities for leachate collection and monitoring
- \* completing facilities for water quality monitoring
- \* completing facilities for monitoring and recovery of gas

**Post-closure responsibilities:**

- \* treatment and monitoring of leachate
- \* ground water and surface monitoring
- \* gas monitoring and recovery
- \* implementation of remedial measures such as needed for cover and control systems
- \* ongoing site maintenance for drainage systems

The cash outflows for landfill post-closure are expected to occur over the next 7 years and are based on current costs. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 6.41%. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. All landfills are now closed.

### Note 13: Term Liabilities

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
		<b>Financial Liabilities</b>		
10,000	10,000	Debt Securities - Commercial Paper	0	0
109,000	109,000	Debt Securities - Local Authority Stock	104,000	104,000
700	700	Bank Facilities - Line of Credit Facility	7,394	7,394
0	0	Water Consent	0	0
232	232	Finance Leases	298	298
1,257	1,257	Income in advance from MOE	1,219	1,219
<b>121,189</b>	<b>121,189</b>	<b>Total Financial Liabilities</b>	<b>112,911</b>	<b>112,911</b>
		<b>Current Liabilities</b>		
10,000	10,000	Debt Securities - Commercial Paper	0	0
5,000	5,000	Debt Securities - Local Authority Stock	0	0
0	0	Bank Facilities - Line of Credit Facility	0	0
0	0	Water Consent	0	0
54	54	Finance Leases	55	55
38	38	Income in advance from MOE	38	38
<b>15,092</b>	<b>15,092</b>	<b>Total Current Liabilities</b>	<b>93</b>	<b>93</b>
		<b>Non-Current Liabilities</b>		
104,000	104,000	Debt Securities - Local Authority Stock	104,000	104,000
700	700	Bank Facilities - Line of Credit Facility	7,394	7,394
0	0	Water Consent	0	0
178	178	Finance Leases	243	243
1,219	1,219	Income in advance from MOE	1,181	1,181
<b>106,097</b>	<b>106,097</b>	<b>Total Non-Current Liabilities</b>	<b>112,818</b>	<b>112,818</b>

#### Secured Loans

The Council currently has \$30 million (2016 \$30 million) of committed lines of credit. The Council used \$7.39 million as at balance date and a further \$22.61 million (2016 \$29.3 million) under lines of credit facilities are available. The lines of credit are subject to daily floating interest rates.

#### Debt Securities – Local Authority Stock

The following is a summary of interest costs incurred in respect of Council's local authority stock, as well as a maturity analysis. Contractual maturity analysis of financial liabilities:

Reference Rate	Maturity	Amount \$000
Floating BKBM FRA + 114bp	15/03/2019	5,000
Floating BKBM FRA + 114.25bp	15/03/2019	5,000
Floating BKBM FRA + 89.25bp	15/05/2021	5,000
Floating BKBM FRA + 65.25bp	15/05/2021	7,000
Floating BKBM FRA + 45bp	29/04/2020	10,000
Floating BKBM FRA + 74bp	15/04/2023	5,000
Floating BKBM FRA + 73.25bp	17/04/2023	5,000
Floating BKBM FRA + 32bp	25/09/2018	10,000
Floating BKBM FRA + 53bp	22/04/2022	10,000
Floating BKBM FRA + 38bp	22/10/2019	5,000
Floating BKBM FRA + 38.5bp	15/04/2020	10,000
Floating BKBM FRA + 55.25bp	15/04/2027	5,000
Floating BKBM FRA + 64bp	28/06/2022	7,000
Floating BKBM FRA + 73bp	15/04/2025	10,000
Floating BKBM FRA + 81.7bp	15/04/2027	5,000
		<b>104,000</b>

## Security

Finance Lease is secured by a charge over the specific asset being financed. Loans are secured by pledging targeted rates on various parts of the District or the District as a whole through a deed of charge.

In December 2007 Trustees Executors Ltd were appointed as Trustees of the Debenture Trust Deed. All of Council's secured loans including lines of credit are secured under the terms of the Debenture Trust Deed. Security is by charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, Council has issued security certificates of \$62 million to secure the various bank loans facilities, lines of credit, guarantees issued on behalf of Council and other general banking facilities. An additional \$8,143 billion of security certificates has been issued as part of the LGFA agreement to jointly secure debt issues with other shareholding Councils.

### Line of Credit expiration dates:

Council 2016 \$000	Consolidated 2016 \$000	Financial Institution - Expiry	Council 2017 \$000	Consolidated 2017 \$000
30,000	30,000	TSB - 20 July 2020	30,000	30,000
30,000	30,000		30,000	30,000

### Interest Rate Swaps

The following is a summary of interest rate swaps as at the end of June 2017

Fixed Rate	Start Date	Maturity	Amount
4.80%	31/10/2011	29/10/2020	1,000,000
4.00%	23/10/2012	20/10/2017	2,000,000
4.81%	15/04/2014	15/07/2023	4,000,000
4.70%	29/04/2014	29/01/2022	4,000,000
4.74%	15/04/2014	15/01/2023	4,000,000
4.30%	20/03/2014	20/12/2023	2,000,000
4.10%	20/01/2016	23/10/2018	3,000,000
4.81%	22/08/2014	22/08/2020	5,000,000
5.55%	21/07/2014	21/10/2021	5,000,000
4.57%	15/06/2015	15/06/2024	4,000,000
4.40%	15/06/2015	15/09/2019	4,000,000
4.38%	15/06/2015	15/03/2019	3,000,000
4.76%	22/12/2014	22/12/2022	2,000,000
4.79%	23/12/2014	23/06/2022	5,000,000
4.82%	15/12/2014	15/06/2024	4,000,000
4.82%	15/08/2016	15/08/2024	3,000,000
4.90%	29/04/2016	29/04/2024	4,000,000
5.19%	20/02/2015	20/08/2024	5,000,000
3.65%	23/10/2018	23/01/2025	4,000,000
4.98%	20/02/2015	20/11/2023	4,000,000
3.94%	22/05/2015	22/02/2019	3,000,000
3.96%	20/06/2019	20/09/2025	2,000,000
3.80%	20/10/2017	20/01/2028	2,000,000
3.05%	15/03/2019	15/03/2021	3,000,000
3.75%	21/10/2021	21/01/2028	5,000,000
4.54%	20/06/2016	22/06/2020	4,000,000
4.21%	20/07/2016	23/10/2020	1,000,000
4.98%	21/03/2011	20/06/2019	2,000,000
3.34%	21/10/2021	21/04/2026	5,000,000
4.17%	15/08/2016	15/02/2020	2,000,000
3.80%	29/10/2011	30/07/2019	3,000,000
3.65%	31/10/2011	30/07/2019	1,000,000
4.41%	20/02/2017	20/08/2021	5,000,000
4.14%	20/04/2017	25/10/2022	4,000,000
3.48%	15/03/2017	17/09/2019	3,000,000
4.45%	22/05/2017	22/11/2021	1,000,000
4.20%	22/12/2022	22/12/2026	2,000,000
4.20%	15/01/2023	15/01/2027	4,000,000
4.18%	25/10/2022	25/10/2026	4,000,000

Fixed Rate	Start Date	Maturity	Amount
3.46%	17/09/2019	17/09/2021	4,000,000
3.41%	22/02/2019	22/02/2022	3,000,000
3.81%	23/10/2020	23/01/2029	1,000,000
3.81%	29/10/2020	23/01/2029	1,000,000
3.99%	17/07/2023	15/01/2029	4,000,000
3.98%	29/04/2024	29/01/2029	4,000,000
3.95%	15/06/2024	15/03/2029	4,000,000
3.89%	15/06/2024	15/06/2029	4,000,000
			153,000,000

#### Marked to Market Valuation of Interest Rate Swaps

The fair value (marked to market valuation) of interest rate swaps as at the balance date was -\$7,809,684.32 (2016 - \$12,093,475.00).

#### Finance Leases

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
79	79	<b>Total minimum lease payments payable</b>		
209	209	Not later than one year	82	82
0	0	Later than one year and not later than five years	288	288
288	288	Later than five years	0	0
(56)	(56)	Total minimum lease payments	370	370
232	232	<b>Future finance charges</b>	(72)	(72)
		Present value of minimum lease payments	298	298
		<b>Present value of minimum lease payments payable</b>		
54	54	Not later than one year	55	55
178	178	Later than one year and not later than five years	243	243
0	0	Later than five years	0	0
232	232	Total present value of minimum lease payments	298	298
		<b>Represented by:</b>		
54	54	Current	55	55
178	178	Non Current	243	243
232	232	Total finance leases	298	298

The Council has entered into a finance lease for office equipment. The net carrying amount of the leased item is shown in Note 8. There are no restrictions as a result of lease arrangements.

#### Income in Advance – Ministry of Education

The Ministry of Education have contributed \$1.5 million for the use of TSB Hub for the Hawera High School for the 40 year period of which 33 years remain. The current portion represents the amount of the contribution will be recognised as revenue over the next 12 months.

#### Other Borrowings

As at 30 June 2017, the Council had internally borrowed \$12,360,803 (2016 \$13,338,067) from its Special Fund Investments held with the Fund Managers.



**Note 14: Equity**

<b>Council 2016 \$000</b>	<b>Consolidated 2016 \$000</b>		<b>Council 2017 \$000</b>	<b>Consolidated 2017 \$000</b>
411,285	411,285	<b>Public Equity</b>		
1,788	1,788	Accumulated Balances	415,925	415,925
107	107	Restricted and Statutory Reserves	1,886	1,886
231,808	231,808	Investment Revaluation Reserves	227	227
3,051	3,051	Asset Revaluation Reserves	296,313	296,313
121,011	121,011	Separate Operating Reserves	5,673	5,673
82	82	Council Created Reserves	125,522	125,522
<u>769,133</u>	<u>769,133</u>	Capital Replacement Reserves	<u>196</u>	<u>196</u>
		<b>Total Closing Public Equity</b>	<u>845,741</u>	<u>845,741</u>
		<b>Accumulated Balances</b>		
417,833	417,833	Opening Balance 1 July	411,285	411,285
(4,458)	(4,458)	Net Surplus (Deficit)	11,984	11,984
0	0	Adjustment	0	0
		<b>Less appropriation to</b>		
(48)	(48)	Restricted Reserves	(119)	(119)
(60)	(60)	Statutory Reserves	0	0
(196)	(196)	Separate Operating Reserves	(2,621)	(2,621)
(2,097)	(2,097)	Council Created Reserves	(4,510)	(4,510)
0	0	Capital Replacement Reserves	(114)	(114)
		<b>Funds applied from</b>		
0	0	Restricted Reserves	0	0
0	0	Statutory Reserves	21	21
0	0	Separate Operating Reserves	0	0
0	0	Council Created Reserves	0	0
312	312	Capital Replacement Reserves	0	0
<u>411,285</u>	<u>411,285</u>	<b>Closing Balance 30 June</b>	<u>415,925</u>	<u>415,925</u>
		<b>Restricted Reserves</b>		
622	622	Opening Balance 1 July	670	670
145	145	Add Appropriation	199	199
(97)	(97)	Less Application of Funds	(80)	(80)
<u>670</u>	<u>670</u>	<b>Closing Balance 30 June</b>	<u>789</u>	<u>789</u>
		<b>Statutory Reserves</b>		
1,058	1,058	Opening Balance 1 July	1,118	1,118
71	71	Add Appropriation	137	137
(11)	(11)	Less Application of Funds	(158)	(158)
<u>1,118</u>	<u>1,118</u>	<b>Closing Balance 30 June</b>	<u>1,097</u>	<u>1,097</u>
<u>1,788</u>	<u>1,788</u>	<b>Total Closing Restricted and Statutory Reserves</b>	<u>1,886</u>	<u>1,885</u>
		<b>Investment Revaluation Reserves</b>		
21	21	Opening Balance 1 July	107	107
0	0	Gain/(Loss) on Long Term Investment Fund	0	0
86	86	Gain/(Loss) on Shares and Notes	120	120
0	0	Less Revaluation Attributed to Assets Sold	0	0
<u>107</u>	<u>107</u>	<b>Closing Balance 30 June</b>	<u>227</u>	<u>227</u>
		<b>Being:</b>		
0	0	Long Term Investment Fund	0	0
107	107	Shares and Notes	227	227
0	0	Transfers from Accumulated Balances	0	0
<u>107</u>	<u>107</u>		<u>227</u>	<u>227</u>

<b>Council 2016 \$000</b>	<b>Consolidated 2016 \$000</b>		<b>Council 2017 \$000</b>	<b>Consolidated 2017 \$000</b>
		<b>Asset Revaluation Reserves</b>		
231,808	231,808	Opening Balance 1 July	231,808	231,808
0	0	Revaluation of Infrastructural Assets	56,927	56,927
0	0	Revaluation of Operational Assets	4,730	4,730
0	0	Revaluation of Restricted Land	2,313	2,313
0	0	Revaluation of Operational Land	535	535
0	0	Less Revaluation Attributed to Assets Sold	0	0
<u>231,808</u>	<u>231,808</u>	<b>Closing Balance 30 June</b>	<u>296,313</u>	<u>296,313</u>
		Being:		
197,797	197,797	Infrastructural Assets	254,724	254,724
19,002	19,002	Operational Assets	23,732	23,732
10,665	10,665	Restricted Land	12,978	12,978
4,344	4,344	Operational Land	4,879	4,879
<u>231,808</u>	<u>231,808</u>		<u>296,313</u>	<u>296,313</u>
		<b>Separate Operating Reserves</b>		
2,856	2,856	Opening Balance 1 July	3,051	3,051
19,653	19,653	Add Appropriation	17,938	17,938
(19,458)	(19,458)	Less Application of Funds	(15,316)	(15,316)
<u>3,051</u>	<u>3,051</u>	<b>Closing Balance 30 June</b>	<u>5,673</u>	<u>5,673</u>
		<b>Council Created Reserves</b>		
118,914	118,914	Opening Balance 1 July	121,011	121,011
8,289	8,289	Add Appropriation	12,574	12,574
(6,192)	(6,192)	Less Application of Funds	(8,063)	(8,063)
<u>121,011</u>	<u>121,011</u>	<b>Closing Balance 30 June</b>	<u>125,522</u>	<u>125,522</u>
		<b>Capital Replacement Reserves</b>		
393	393	Opening Balance 1 July	82	82
4,591	4,591	Add Appropriation	7,535	7,535
(4,902)	(4,902)	Less Application of Funds	(7,421)	(7,421)
<u>82</u>	<u>82</u>	<b>Closing Balance 30 June</b>	<u>196</u>	<u>196</u>

### Separate Operating Reserves

Name	Activity to which the reserve relates	Balance 1 July 2016 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2017 \$000
Roading	Roading and Footpaths	624	8,435	(7,967)	1,091
Regional Road Safety	Roading and Footpaths	153	0	(127)	26
Water Supply Urban	Water Supply Services	528	3,087	(2,889)	726
Waste Water	Waste Water	217	2,872	(2,341)	748
Water Supply Inaha	Water Supply Services	646	504	(423)	727
Eltham Drainage	Stormwater	17	2	0	18
Water Supply Pope	Water Supply Services	60	59	0	119
Water Supply Waimate West	Water Supply Services	478	2,465	(1,504)	1,439
Solid Waste Collection	Solid Waste	344	448	0	792
Nukumarū	Water Supply Services	(15)	66	(64)	(12)
Cold Creek	Water Supply Services	(21)	0	0	(21)
Hawera Town Coordinator	District Economy	21	0	0	21
<b>Total</b>		<b>3,051</b>	<b>17,938</b>	<b>(15,316)</b>	<b>5,673</b>

### Restricted Reserves

Name	Activity to which the reserve relates	Balance 1 July 2016 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2017 \$000
Eltham Property	Recreation & Leisure	41	1	0	42
Hawera Property	Recreation & Leisure	0	0	0	0
Pool Plant	Recreation & Leisure	32	1	0	33
Larcom Beq - Turuturu Mokai	Recreation & Leisure	88	3	0	91
Patea Property	Recreation & Leisure	19	1	0	20
Wairoa Recreation Res	Recreation & Leisure	353	50	0	403
Harbour Endowment	Recreation & Leisure	47	120	(49)	118
Centennial Bursary	Community & Social Development	66	3	(3)	67
Kaupokonui Beach	Recreation & Leisure	22	23	(29)	16
<b>Total</b>		<b>670</b>	<b>201</b>	<b>(81)</b>	<b>791</b>

### Statutory Reserves

Name	Activity to which the reserve relates	Balance 1 July 2016 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2017 \$000
Eltham Reserve Contributions	Recreation & Leisure	39	2	0	41
Hawera Reserve Contributions	Recreation & Leisure	176	107	(155)	128
Patea Reserve Contributions	Recreation & Leisure	0	0	0	0
District Reserve Contributions	Recreation & Leisure	589	18	0	607
Waimate Development Levy	Democratic Process	269	9	(3)	275
Waverley Reserve Contributions	Recreation & Leisure	0	0	0	0
Opunake Reserve Contributions	Recreation & Leisure	7	0	0	7
Manaia Reserve Contributions	Recreation & Leisure	38	1	0	39
<b>Total</b>		<b>1,118</b>	<b>137</b>	<b>(158)</b>	<b>1,097</b>

### Council Created Reserves

Name	Activity to which the reserve relates	Balance 1 July 2016 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2017 \$000
Safer Communities	Community & Social Development	14	0	0	15
Economic Development Fund	Recreation & Leisure	178	0	0	178
Sale of Assets	All Activities	518	13	(531)	0
Forestry	Recreation & Leisure	64	2	0	66
Okotuku Domain	Recreation & Leisure	7	5	0	12
Centennial Close 1% Contribution	Recreation & Leisure	8	3	(6)	6
Long Term Investment Fund	All Activities	118,315	12,483	(5,728)	125,069
LTIF - Loan to Southcare	All Activities	0	0	0	0
Riparian/Indigenous	Environment & Development	192	6	(77)	121
Urban Redevelopment	All Activities	1	0	0	1
Sale of Apex Reserve	All Activities	1,714	62	(1,721)	55
<b>Total</b>		<b>121,011</b>	<b>12,574</b>	<b>(8,063)</b>	<b>125,522</b>

## **Purpose for Each Reserve**

### **Separate Operating Reserves**

All Separate Operating Reserves

To keep surpluses/deficits in each activity separate from other activities.

### **Restricted Reserves**

#### *Eltham Property*

To hold funds from property sold in the Eltham ward for funding of various projects in the Eltham ward.

#### *Hawera Property*

To hold funds from property sold in the Hawera ward for funding of various projects in the Hawera ward.

#### *Pool Plant*

To provide funds for district pools.

#### *Larcom Beq - Turuturu Mokai*

To manage a bequest from Samuel Larcom to be used on Hawera district parks.

#### *Patea Property*

To hold funds from property sold in the Patea ward for funding of various projects in the Patea ward.

#### *Wairoa Recreation Reserve*

To manage revenue from the leasing of Crown land which has been vested in the Council and fees/charges from the campground for capital works on the Wairoa Recreation Reserve.

#### *Patea Pools*

To manage funds vested in the Council by the Patea Community Development Trust for the Patea pool upgrade.

#### *Harbour Endowment*

To manage lease income from land formerly owned by the Patea Harbour Board to be used for the following; maintenance and improvement of endowment properties, maintenance and improvement of Harbour facilities, including harbour walls, and on recreational and cultural facilities with the Patea ward.

#### *Centennial Bursary*

To provide grants of up to \$400 towards tertiary education for eligible applicants. Only interest income from the fund may be used.

#### *Kaupokonui Beach*

To manage lease income from Crown land vested in the Council for capital works requested by the Kaupokonui Beach Society.

## **Statutory Reserves**

#### *Eltham Reserve Contributions*

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Eltham ward.

#### *Hawera Reserve Contributions*

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Hawera ward.

#### *Patea Reserve Contributions*

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Patea area.

#### *District Reserve Contributions*

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the District.

#### *Waimate Development Levy*

To hold funds derived from a levy on Kapuni Petrochemical Development for the funding of projects on public assets which are located on council owned property or reserves located within the boundaries of the old Waimate Plains County Council. The principle fund to remain at no less than \$260,000.00.

#### *Waverley Reserve Contributions*

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Waverley area.

#### *Opunake Reserve Contributions*

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Opunake area.

#### *Manaia Reserve Contributions*

To manage reserve contributions collected under RMA to be used for acquisition or development of reserves in the Manaia area.

## **Council Created Reserves**

#### *Safer Communities*

To manage the balance of funds from Safer Community grants to be used on youth programmes.

#### *Economic Development Fund*

The purpose of the reserve is to enable the Council to strategically intervene when required by practically supporting new business.

#### *Sale of Assets*

A fund for the replacement of assets with a similar purpose to the ones sold.

#### *Forestry*

To manage income and expenditure relating to the joint venture forestry investment.

#### *Okotuku Domain*

To manage revenue from the leasing of Crown land which has been vested in the Council on behalf of the Okotuku Domain Committee.

#### *Centennial Close 1% Contribution*

To manage the 1% contribution for the first 15 years from the deposit held for Centennial Close flats for the purpose of upgrading the units when they are vacated.

*Long Term Investment Fund (LTIF)*

To manage funds derived from the sale of the Council's shareholding in Egmont Electricity and to provide a rates subsidy.

*LTIF - Loan to Southcare*

Loan to Southcare as part of the LTIF Fund. This has been repaid.

*Riparian/Indigenous*

To fund Riparian planting throughout the District.

*Urban Redevelopment*

To fund various community projects throughout the District. Only Waverley has any allocation left.

*Sale of Apex Reserve*

A fund for the replacement of assets with a similar purpose to the ones sold.

**Note 15: Reconciliation of Net Surplus to Cash Flow from Operating Activities**

<b>Council 2016 \$000</b>	<b>Consolidated 2016 \$000</b>		<b>Council 2017 \$000</b>	<b>Consolidated 2017 \$000</b>
(4,458)	(4,458)	Reported Surplus (Deficit) after Taxation	11,984	11,984
		<b>Add (Deduct) Non Cash Items</b>		
15,289	15,289	Depreciation and Amortisation	15,909	15,909
5,851	5,851	Movement in swaps revaluations	(4,284)	(4,284)
0	0	Vested assets	0	0
(667)	(667)	(Gain)/Loss in fair value of financial assets	(7,271)	(7,271)
361	361	(Gain)/Loss on Disposal of Property, Plant and Equipment	743	743
197	197	Movement in Landfill Aftercare Provision	(48)	(48)
0	0	Interest and gains direct to investment	0	0
<u>16,573</u>	<u>16,573</u>		<u>17,033</u>	<u>17,033</u>
		<b>Add (Less) Movements in Other Working Capital Items:</b>		
(1,298)	(1,298)	(Increase)/Decrease in Accounts Receivable	(542)	(542)
(157)	(157)	Increase/(Decrease) in Accounts Payable	835	835
63	63	Increase/(Decrease) in Employee Entitlements	10	10
81	81	(Increase)/Decrease in Inventory	43	43
256	256	Increase/(Decrease) Income Received in Advance	82	82
231	231	(Increase)/Decrease in Prepayments	(260)	(260)
<u>15,749</u>	<u>15,749</u>	<b>Net Cash Inflow (Outflow) from Operating Activities</b>	<u>17,201</u>	<u>17,201</u>

## Note 16: Related Parties

There are no transactions entered into between South Taranaki District Council, its 100% owned subsidiary Novus Contracting Limited.

All transactions were conducted under normal commercial terms.

### Councillors

During the year, the Council paid Beccard Motors \$11,316 (2016 \$23,003). Councillor A Beccard owns 50% of Beccard Motors.

During the year, the Council paid Hawera High School \$5,814 (2016 \$1,510). Hawera High School purchased goods and services off the Council of \$34,997 (2016 \$37,074). Councillor P Nixon is on the Board of Trustees.

During the year, the Council paid Cinema 2 Trust \$66,275 (2016 \$65,170). Hawera Cinema 2 purchased goods and services off the Council of \$69,015 (2016 \$48,816). Councillor K Bourke is the Manager.

During the year, the Council paid Rangiwahia Architectural \$8,738 (2016 \$20,322). Councillor J Rangiwahia is the Director.

During the year, the Council paid Opunake Lions Club \$550 (2016 \$350). I Armstrong is the Treasurer of the Club. I Armstrong was a Councillor until the Local Government Election in October 2016 and was appointed the Chairman of the Audit and Risk Committee in December 2016.

During the year, the Council paid Hawera Repertory Society \$6,949 (2016 \$183). Hawera Repertory Society purchased goods and services off the Council of \$10,157. M Powell was a Councillor for part of 2016/17 and is a member of the Society.

During the year, the Council paid Friends of the Hawera Memorial Theatre Trust \$7,962 (2016 \$Nil). M Powell was a Councillor for part of 2016/17 and is a Trustee of the Trust.

During the year, the Council paid Egmont A&P Association \$14,180 (2016 \$26,280). Hawera Community Board Chair C Filbee is the Secretary of the Association.

During the year, the Council paid Patea Old Folks Association \$360 (2016 \$3,240). Patea Community Board Chair R MacKay is the Secretary of the Association.

	<b>Council 2016</b>	<b>Council 2016</b>	<b>Council 2017</b>	<b>Council 2017</b>
<b>Key Management Personnel</b>				
Salaries and other short term benefits	1,064,042	1,064,042	1,103,531	1,103,531
Post-employment benefits	0	0	0	0
Other long-term benefits	0	0	0	0
Full-time equivalent members	5	5	5	5
<b>Total key management personnel compensation</b>	<u>1,064,042</u>	<u>1,064,042</u>	<u>1,103,531</u>	<u>1,103,531</u>

Key management personnel include the Chief Executive and four senior management personnel.

Apart from the normal customer relationships involving such items as the payments of rates and water charges, there were no other significant transactions between Senior Management, Councillors and the Council during the financial year.

During the year, the Council paid SOLGM \$37,554 (2016, \$25,723). Craig Stevenson is a member of the Executive Committee.

<b>Remuneration Paid - Elected Members</b>		<b>Council 2016</b>	<b>Council 2017</b>
Dunlop R J	Mayor	96,845	98,959
Armstrong I	Councillor	36,270	11,809
Ballantyne A	Councillor	24,480	7,354
Beccard A	Councillor	30,503	29,688
Bigham B	Councillor	28,034	28,774
Bourke K	Councillor	23,535	24,263
Brown G	Councillor	0	16,603
Coxhead C	Councillor	0	18,993
Lawson G	Councillor	23,549	25,960
Mackay S	Councillor	0	19,688
Nixon P	Councillor	23,382	30,498
Northcott R	Councillor	28,394	28,476
Rangiwahia J	Councillor	0	16,603
Powell M	Councillor	28,394	8,381
Roach B	Councillor	25,356	24,612
Wards I	Councillor	25,779	30,052
Weir G	Councillor	27,274	8,381
	<b>Total</b>	<b>421,797</b>	<b>429,094</b>
Full-time equivalent Councillors		13	13
Car allowance for Ross Dunlop		3,325	3,727
Chief Executive	Salary	285,120	304,111
	Kiwisaver contribution	8,554	9,123
	<b>Total</b>	<b>293,673</b>	<b>313,234</b>
		<b>Council 2016</b>	<b>Council 2017</b>
<b>Council employees</b>			
Total annual remuneration by band for employees as at 30 June:			
< \$60,000		153	138
\$60,000 - \$79,999		42	50
\$80,000 - \$99,999		13	16
\$100,000 - \$119,999		10	10
\$120,000 - \$219,999		9	11
\$280,000 - \$299,999		1	0
\$300,000 - \$319,999		0	1
	<b>Total</b>	<b>228</b>	<b>226</b>

At balance date, the Council employed 138 (2016 - 128) full-time employees, with the balance of staff representing 37 (2016 - 39) full-time equivalent employees. A full-time employee is determined on the basis of a 40 hour working week.

**Note 17: Severance Payments:**

For the year ended 30 June 2017, the Council made no payments to an employee (2016 \$Nil).



### Note 18: Contingent Liabilities

The Council has provided guarantees to a number of organisations. There is no indication that the organisations are unable to meet their obligations and therefore require the Council to contribute toward the loan. No provision for these has been made on the Balance Sheet.

	<b>Council 2016</b>	<b>Consolidated 2016</b>	<b>Council 2017</b>	<b>Consolidated 2017</b>
Financial guarantees as at balance date:				
Hawera Cinema 2 Trust	30,000	30,000	30,000	30,000
	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Other contingent liabilities:				
Estimate of legal financial settlements	9,381	9,381	0	0
Fluoride High Court Judicial Review	20,000	20,000	50,000	50,000
Easement Dispute	0	0	0	0
	<u>29,381</u>	<u>29,381</u>	<u>50,000</u>	<u>50,000</u>

The Council's Liability Management Policy limits the total amount of financial guarantees to community and sporting organisations to \$500,000, with no one organisation having more than 10% (\$50,000) of the potential total guarantees given.

#### Easement Dispute

The Council currently have no easement issues with a private land owners relating to a water pipeline.

#### Fluoride High Court Judicial Review

The Council is currently defending its decision to include fluoride in the water. There is a potential risk which could cost the Council approximately \$50,000 (2016 \$20,000).

#### Carter Holt Harvey's Third Party Claim

In April 2013, the Ministry of Education (MoE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 councils, including the South Taranaki District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The councils have applied for orders setting aside and striking out CHH's claims against them. The MoE's claim against CHH is for 833 school buildings, seven of which are located within the South Taranaki District. At present there is insufficient information to conclude on potential liability or claim quantum, if any.

#### Waverley Wind Farm Consent Appeal

There has been an appeal against the Council's decision on a resource consent application. If the Council is unsuccessful in defending the decision, a claim could be made against the Council. At present the Council is unable to conclude on potential liability or claim quantum, if any.

### Note 19: Commitments

#### Operating Leases

The Council leases office equipment and vehicles in the normal course of business. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

<b>Council 2016 \$000</b>	<b>Consolidated 2016 \$000</b>		<b>Council 2017 \$000</b>	<b>Consolidated 2017 \$000</b>
11	11	Within 12 months	11	11
11	11	1 - 2 Years	11	11
13	13	2 - 5 Years	15	15
0	0	Over 5 Years	0	0
<u>35</u>	<u>35</u>		<u>37</u>	<u>37</u>

## Capital Commitments

The Council has the following capital commitments as at balance date:

<b>Council 2016 \$000</b>	<b>Consolidated 2016 \$000</b>		<b>Council 2017 \$000</b>	<b>Consolidated 2017 \$000</b>
0	0	Roading - Pavement Rehab and Associated Improv (Prior year - Area Wide Treatment)	48	48
0	0	Resurfacing (chip sealing)	394	394
109	109	Footpath and Drainage	676	676
0	0	Bridges	379	379
0	0	Roading Minor Improvements	345	345
0	0	Recreation and Leisure	151	151
620	620	Water	1,872	1,872
199	199	Wastewater	0	0
0	0	Solid Waste	147	147
<b>928</b>	<b>928</b>		<b>4,012</b>	<b>4,012</b>

The above commitments represent expenditures on all contracts to which the Council is committed for at balance date for the future.

A breakdown of the commitments in terms of time periods is outlined below:

<b>Council 2016 \$000</b>	<b>Consolidated 2016 \$000</b>		<b>Council 2017 \$000</b>	<b>Consolidated 2017 \$000</b>
928	928	Within 12 months	4,012	4,012
0	0	1 - 2 years	0	0
0	0	2 - 5 years	0	0
0	0	Over 5 years	0	0
<b>928</b>	<b>928</b>		<b>4,012</b>	<b>4,012</b>

### Note 20: Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated balances and reserves. Equity is represented by net assets. (Total Assets less Total Liabilities).

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. Ratepayer's funds are largely managed as a by-product of managing these items.

The objective of managing them 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 (LTP) 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 funding and financial policies in the Council's LTP.

The Council's Accounting Policies detail the various components of Public Equity held and Note 14 shows movements during the year.

## Note 21: Significant Acquisitions

The Local Government Act requires the Council to report on significant acquisitions or replacement of assets. This Note only refers to acquisitions and replacements valued at \$500,000 or more.

During the year the following works were planned, undertaken or completed. Further information regarding these projects can be found within the relevant activity pages within this Annual Report.

Project #	Project	Activity	Actual	Budget	Comment on significant variances
10029	Inaha WTP DWSNZ2005 compliance	Water	187,999	2,601,137	Design work delayed. Project to be complete in 17/18 financial year.
13077	Wai-inu WWTP plant relocation	Wastewater	163,972	800,739	Investigation and concept design done and new consent applied for. Carry forward balance for works to be done in 17/18 financial year.
13108	Fire Hydrant Flow Reticulation Reinforcements	Water	518,838	143,302	Complete. Final payment outstanding and carry forward requested to 2017/18 financial year.
13114	Renewals - Water Supply - Urban 2015-2025	Water	355,830	1,096,601	Complete. Less renewals carried out in 2016/17 than budgeted.
13129	Waimate West asbestos cement pipes - Renewals	Water	855,653	548,300	Complete.
15317	Eltham WTP - Filter Enhancements	Water	528,718	445,328	Complete.
15909,16201, 16203, 16205 - 16207	Council Owned Property - Earthquake Prone Buildings	Parks and Property	403,906	662,500	Budget under one project however expenditure relates to many projects.
15910	Hawera Library, Arts, Culture & Heritage Centre	Economic Development	1,343,729	0	Expenditure on this project used part of \$2.5million Hawera Town Centre allocated budgets for 2016/2017. Further funding is spread across future years and actual was partly funded from carry forward budget from previous years.
15903, 15904, 15911-15914	Hawera Town Centre Development	Economic Development	810,577	2,500,000	Budget under one project with separate projects created for specific expenditure, to enable ease of capitalisation when projects are completed – Campbell Lane (15913), Butchers Lane (15903) and Victoria Street Carpark (15914).
5212	Sealed Road Resurfacing	Roading	1,556,511	1,820,392	Committed work not completed due to delay in resealing chips supply.
5213	Drainage Renewals	Roading	646,612	410,251	Complete.
5214	Pavement Rehabilitation	Roading	1,743,031	2,092,138	Committed work not completed due to weather and work tendered out late.
5215	Structures Component Replacement	Roading	90,140	731,846	Committed work tendered out but work not started due to resource consent requirement.
5222	Traffic Services Renewal	Roading	189,020	637,073	Budget drawn on for LED project 5324
5251	Emergency Reinstatement - Capital	Roading	876,416	0	Emergency work fund was allocated in Opex. However, new and replacement of structures carried out under emergency work are capitalised and fund transfer from the Opex budget.
5323	New roads and structures	Roading	516,785	0	Nukumarū Station Road preliminaries. Expenditure is covered under Opex emergency work budget.
5324	LED street light conversion	Roading	587,759	0	LED changeover ongoing. NZTA funded. Expenditure is covered under the traffic services renewal budget.
5341	Minor Improvements	Roading	1,108,568	991,233	Over expenditure to be covered from unsubsidised pathway budget.
<b>Total</b>			<b>12,484,064</b>	<b>15,480,840</b>	

## Note 22: Financial Instruments

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
		<b>Financial Assets</b>		
		<b>Fair Value through Comprehensive Revenue and Expenses</b>		
0	0	Derivative Financial Instrument Assets	171	171
118,314	118,314	Long Term Investment Fund	125,069	125,069
<b>118,314</b>	<b>118,314</b>	<b>Total Fair Value through Comprehensive Revenue and Expenses</b>	<b>125,240</b>	<b>125,240</b>
		<b>Loans and Receivables</b>		
5,216	5,216	Cash and Cash Equivalents	6,041	6,041
10,000	10,000	Short Term Deposit	0	0
8,976	8,976	Accounts Receivable	9,220	9,220
992	992	LGFA FRNs	992	992
694	694	Warmer Home Scheme Loans & Nukumaru Loans	1,127	1,127
<b>25,878</b>	<b>25,878</b>	<b>Total Loans and Receivables</b>	<b>17,380</b>	<b>17,380</b>
		<b>Fair Value through Other Comprehensive Revenue and Expenses</b>		
552	552	Fonterra Shares	605	605
15	15	Ravensdown Shares	15	15
0	0	LIC Shares	0	0
100	100	LGFA Shares	100	100
152	152	The N.Z. Local Government Ins. Corporation Ltd.	207	207
116	116	Wanganui Forestry Committee	126	126
<b>934</b>	<b>934</b>	<b>Total Fair Value through Other Comprehensive Revenue and Expenses</b>	<b>1,053</b>	<b>1,053</b>
		<b>Financial Liabilities</b>		
		<b>Fair Value through Comprehensive Revenue and Expenses</b>		
12,093	12,093	Derivative Financial Instrument Liabilities	7,981	7,981
<b>12,093</b>	<b>12,093</b>	<b>Total Fair Value through Comprehensive Revenue and Expenses</b>	<b>7,981</b>	<b>7,981</b>
		<b>Financial Liabilities at Amortised Cost</b>		
7,567	7,567	Creditors and other payables	8,107	8,107
		<b>Borrowings</b>		
10,700	10,700	Secured Loans	7,394	7,394
109,000	109,000	Debentures	104,000	104,000
<b>127,267</b>	<b>127,267</b>	<b>Total Financial Liabilities and Amortised Costs</b>	<b>119,501</b>	<b>119,501</b>

### Liquidity Risk

Liquidity risk is the risk that the Council will not be able to raise funds to meet commitments as they fall due. Liquidity risk is managed by issuing debt when appropriate, use of uncommitted lines of credit facilities and the ability to liquidate investments.

In accordance with the Liability Management Policy, the Council is required to have sufficient borrowings and uncommitted facilities to meet its projected debt forecast for the following 12 months to manage liquidity risk.

As at June 30 2017 Council had committed Line of Credit arrangements totalling \$30 million (2016 \$30 million) in place with TSB Bank. A total of \$7,394,000 (2016 \$700,000) was drawn down as at balance date. Interest rates are related to the official 30 day bank bill mid-rate as quoted on Reuters Screen page BKBM at the time of draw down and are dependent on current market conditions and the term of the draw down. Drawdowns can be for a term ranging from overnight up to the length of the term remaining of the applicable facility.

In addition to Line of Credit the Council as at June 30 2017 had issued \$nil (2016 \$10,000,000) of Commercial Paper.

### Sensitivity Analysis

The following shows the impact of a 1% (100 basis point shift in interest rates) on the valuation of the swaps.

Fair Value	(7,809,684)
Upwards Shift in Zero Rate (100bp)	(2,031,258)
Downwards Shift in Zero Rate (100bp)	(14,134,492)

**Interest Rate Risk**

Both amounts available as a draw down under the lines of credit and debt facilities are subject to changes in market interest rates. This risk is actively managed in conjunction with Asia Pacific Risk Management by transacting interest rate swaps in accordance with the Liability Management Policy. Interest rates are therefore converted to an effective fixed rate for amounts between 55% and 95% of projected debt.

**Currency Risk**

The Council incurs currency risk for its overseas equities as a result of investment transactions entered into by the Fund Managers.

**Interest Rate Risk**

The following investments of the Council are sensitive to changes in interest rates: bank balances, current term investments and securities held by the Fund Managers. The Council adopts a conservative risk profile, while aiming to maximise its returns. Note 6 documents the interests for investments and borrowings.

The Council's Liability Management Policy limits financial guarantees to single organisations of no more than 10% of the total financial guarantees, which is capped at \$500,000. The Council departed from this policy for the Opunake Sports Centre Trust as multiple sporting organisations are catered for by this facility.

**Market Risk**

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Council is exposed to price risk through its equity securities, which are classified as financial assets held at fair value through equity. This price risk arose due to market movements in listed securities. This price risk is managed by the diversification of the Council's investment portfolio and is managed by the Fund Managers in accordance with the agreed Statement of Investment Policy and Objectives and the Council's Investment Policy.

**Liquidity Risk**

Liquidity risk is the risk that the Council will encounter difficulty in raising sufficient funds to meet financial commitments as they fall due. The Council manages this risk by maintaining adequate funds available to meet projected needs. This is managed in conjunction with loans raised for capital projects. Funds are managed in conjunction with the funding and financial policies, which include the Liability Management Policy and the Investment Policy.

**Credit Facilities**

Other than day to day credit facilities with suppliers, the Council has credit facilities available through lines of credit and finance leases (see Note 13).

**Fair Value Hierarchy Disclosures (IFRS 7)**

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.

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
		<b>Financial Assets</b>		
		<b>Derivative Financial Instruments</b>		
0	0	- Quoted Market Price	0	0
0	0	- Observable Inputs	171	171
0	0	- Significant Non Observable Inputs	0	0
		<b>Cash Funds</b>		
0	0	- Quoted Market Price	0	0
17,204	17,204	- Observable Inputs	18,061	18,061
0	0	- Significant Non Observable Inputs	0	0
		<b>Short Term Deposit</b>		
0	0	- Quoted Market Price	0	0
10,000	10,000	- Observable Inputs	0	0
0	0	- Significant Non Observable Inputs	0	0
		<b>NZ Bonds</b>		
0	0	- Quoted Market Price	0	0
12,655	12,655	- Observable Inputs	12,757	12,757
992	992	- Significant Non Observable Inputs	992	992
		<b>Global Bonds</b>		
0	0	- Quoted Market Price	0	0
14,718	14,718	- Observable Inputs	14,987	14,987
0	0	- Significant Non Observable Inputs	0	0
		<b>Trans Tasman Equities</b>		
552	552	- Quoted Market Price	605	605
14,607	14,607	- Observable Inputs	15,734	15,734
382	382	- Significant Non Observable Inputs	448	448
		<b>Global Equities</b>		
0	0	- Quoted Market Price	0	0
32,805	32,805	- Observable Inputs	35,904	35,904
0	0	- Significant Non Observable Inputs	0	0
		<b>Low Volatility Equities</b>		
0	0	- Quoted Market Price	0	0
8,816	8,816	- Observable Inputs	9,644	9,644
0	0	- Significant Non Observable Inputs	0	0
		<b>Global Property Funds</b>		
0	0	- Quoted Market Price	0	0
7,016	7,016	- Observable Inputs	6,972	6,972
0	0	- Significant Non Observable Inputs	0	0
		<b>Hedge Fund</b>		
0	0	- Quoted Market Price	0	0
8,349	8,349	- Observable Inputs	8,730	8,730
0	0	- Significant Non Observable Inputs	0	0
		<b>Global List Infrastructure</b>		
0	0	- Quoted Market Price	0	0
7,363	7,363	- Observable Inputs	8,321	8,321
0	0	- Significant Non Observable Inputs	0	0
		<b>Financial Liabilities</b>		
		<b>Derivative Financial Instruments</b>		
0	0	- Quoted Market Price	0	0
12,093	12,093	- Observable Inputs	7,981	7,981
0	0	- Significant Non Observable Inputs	0	0

There were no transfers between the different levels of the fair value hierarchy.

## Fair Value Hierarchy Disclosures

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
1,438	1,438	Balance at 1 July	1,374	1,374
(82)	(82)	Purchase of New Investment	0	0
18	18	Gain and losses recognised in comprehensive income	66	66
0	0	Transfers out of level 3	0	0
<b>1,374</b>	<b>1,374</b>	<b>Balance at 30 June</b>	<b>1,440</b>	<b>1,440</b>

## Financial Instrument Risk

The Council's maximum credit exposure for each class of financial asset (excl equities) is as follows:

### Credit Risks

To the extent another party has a payable to the Council, there is a credit risk in the event of non-performance by that counter party.

No collateral or other security is required to support financial instruments.

The Council has no significant concentrations of credit risk as it has a large number of customers, mainly ratepayers.

Financial instruments which subject the Council to potential credit risk principally consist of the following bank balances, investments and receivables as at balance date:

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
17,204	17,204	Cash and Cash equivalents	18,061	18,061
10,000	10,000	Short Term Deposit	0	0
28,365	28,365	Bonds	37,966	37,966
694	694	Loans and Receivables	1,127	1,127
8,976	8,976	Accounts Receivable	9,220	9,220
<b>65,238</b>	<b>65,238</b>	<b>Total Financial Asset Credit Risk</b>	<b>66,374</b>	<b>66,374</b>
		<b>Bonds</b>		
5,738	5,738	AAA, Government & Agency	7,164	7,164
14,083	14,083	AA+/AA/AA-	23,612	23,612
5,715	5,715	A+/A/A-	4,643	4,643
2,810	2,810	BBB+/BBB	2,282	2,282
19	19	Sub Prime Grade	265	265
<b>28,365</b>	<b>28,365</b>		<b>37,966</b>	<b>37,966</b>
		<b>Cash &amp; Short Term Deposit</b>		
0	0	AAA, Government & Agency	0	0
16,930	16,930	AA+/AA/AA-	18,061	18,061
10,273	10,273	A+/A/A-	0	0
0	0	BBB+/BBB	0	0
<b>27,204</b>	<b>27,204</b>		<b>18,061</b>	<b>18,061</b>
		<b>Existing Counterparties with no defaults in the past</b>		
694	694	Loans and Receivables	1,127	1,127
32,805	32,805	Global Equities	35,904	35,904
7,016	7,016	Global Property	6,972	6,972
7,363	7,363	Global Listed Infrastructure	8,321	8,321
8,349	8,349	Hedge Fund	8,730	8,730
14,607	14,607	Trans Tasman Equities	15,734	15,734
8,816	8,816	Low Volatility	9,644	9,644
934	934	Other shares and notes	1,054	1,054
<b>80,583</b>	<b>80,583</b>		<b>87,486</b>	<b>87,486</b>
<b>136,151</b>	<b>136,151</b>	<b>Total Financial Assets</b>	<b>143,513</b>	<b>143,513</b>



## Financial Assets Sensitivity Analysis

### Cash and Cash Equivalents

As part of a diversified portfolio of investments the Council has an investment of \$10.22m in a wholesale cash funds and \$1.8m in term deposits. The Council also has \$6.04m available in the Westpac cheque account.

Additionally the Council and its Investment managers maintain cash amounts (liquidity) to manage their day to day cash requirements. This ensures that sufficient funds are available for the Council and enables the Council to allocate funds between investment asset classes to maintain its risk profile. Accordingly amounts can fluctuate significantly and impact the potential level of financial revenue earned.

### Interest Rate Risk

Both the wholesale cash fund and liquidity balances are subject to changes in market interest rates. This risk is actively managed by the fund managers and is spread across a range of investments and maturities. The amount of liquidity is managed between the Council and its investment managers and advisors. A 1% change in interest rates would have an impact of \$181,000 over a 1 year period if balances remained unchanged.

### Credit Risk

Both the wholesale cash fund and liquidity balances are exposed to losses resulting from the failure of any bank or cash investment. This risk is managed by strict limits on the type and nature of permissible investments and investments are spread across a range of counterparties and maturities. It is not practical or possible to model the impact of a change in credit rating or default event.

### Liquidity Risk

There is a risk that funds do not have sufficient cash funds to meet a drawdown by the Council. This risk is not significant as sufficient liquidity is maintained through lines of credit facilities and units can be sold in the funds on demand.

### Bonds

As part of a diversified portfolio of investments the Council has an investment of \$28.74m in bonds.

This comprises an investment in ANZ's NZ Bond Portfolio \$12.76m, PIMCO and Wellington portfolios managed by Fisher Funds \$14.99m and \$0.99m in LGFA FRNs.

### Interest Rate Risk

Both the global bond fund and NZ bond holdings are subject to changes in market interest rates. This risk is managed by the fund managers and is spread across a range of investments and maturities. A 1% change in interest rates would have an impact of \$287,400 over a 1 year period if balances remained unchanged.

### Credit Risk

Both the wholesale cash fund and liquidity balances are exposed to losses resulting from the failure of any underlying investment. This risk is managed by strict limits on the type and nature of permissible investments and investments are spread across a range of counterparties and maturities. It is not practicable or possible to model the impact of a change in credit rating or default event.

### Currency Risk

The global bond portfolio is subject to changes in foreign currency. The largest non NZD exposure is to the US dollar, a 10% change in currency would result in an impact of \$631,300.

### Loans and Receivables

All loans and receivables due to the Council which are liable to earn interest are charged based on an agreed commercial schedule. Such items are intended to be held through to maturity with interest rates reviewed as required in the terms of the advance.

### Interest Rate Risk

All loans and receivables due to the Council are subject to changes in market interest rate. A 1% change in interest rate would result in an impact of \$93,670.

### Credit Risk

All loans and receivables are exposed to losses resulting from the failure of the entity to which a loan has been made. No formal credit monitoring procedures exist.

### Accounts Receivables

All counterparties within the accounts receivable mainly arise from the Council's statutory functions or a community development decision made by the Council. The Council has no significant concentration of credit risk in relation to debtors. The Council has power under the Local Government Rating Act 2002 to recover money from ratepayers.

### Credit Risk

Other than standard internal credit monitoring procedures there are no cost effective measures available to monitor the credit quality of such counterparties.

### Equities

As part of a diversified portfolio of LTIF investments the Council has an investment of \$61.28m in equity funds, Global Property of \$6.97m, Global Listed Infrastructure of \$8.32m and Hedge Fund of \$8.73m.

### Market Price Risk

Equity investments are subject to equity price risk. A 1% change in the value of equities would have a maximum unhedged impact of \$612,800.

### Currency Risk

Trans Tasman Equities are mainly held in New Zealand and Australian dollars. The currency risk of this portfolio is accepted as part of the overall investment strategy. The global equity portfolio is 64% hedged by foreign exchange contracts executed by the fund manager. Property investments are via New Zealand denominated indices.

### Foreign Currency Exposure

Total foreign currency exposure before hedging is as follows:

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
1,581	1,581	Australian Dollar	2,355	2,355
377	377	Brazilian Real	295	295
1,787	1,787	Canadian Dollar	2,078	2,078
2,515	2,515	Swiss Franc	2,832	2,832
13	13	Chilean Peso	24	24
23	23	Czech Koruna	16	16
9,376	9,376	Euro	11,978	11,978
9,045	9,045	British Pound	10,782	10,782
1,199	1,199	Hong Kong Dollar	1,589	1,589
21	21	Hungarian Forint	15	15
3,520	3,520	Japanese Yen	5,651	5,651
507	507	Denmark Krona	967	967
27	27	Polish Zloty	43	43
144	144	Mexican Peso	147	147
332	332	Norwegian Krone	305	305
46,528	46,528	New Zealand Dollar	42,608	42,608
559	559	Swedish Krona	1,149	1,149
86	86	Singapore Dollar	318	318
39,975	39,975	United States Dollar	41,117	41,117
(84)	(84)	Chinese Yuan	(1)	(1)
1	1	Indian Rupee	1	1
4	4	Indonesian Rupiah	4	4
218	218	South Korean Won	225	225
84	84	Thai Baht	96	96
35	35	Malaysian Ringgit	34	34
34	34	Taiwanese Dollar	82	82
122	122	South African Rand	92	92
43	43	Russian Ruble	(1)	(1)
20	20	Turkish Lira	12	12
222	222	Israeli Shekel	257	257
<b>118,314</b>	<b>118,314</b>		<b>125,069</b>	<b>125,069</b>

## Financial Instrument Risk

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

Liabilities	Carrying Amount	Contractual Cash flows	Less than 1 Year	1 - 2 Years	2 - 5 Years	More than 5 Years
<b>Council 2017</b>						
Creditors and Other Payables	8,107	8,107	8,107	0	0	0
Secured Loans	7,394	8,163	253	253	7,657	0
Debentures	104,000	116,065	2,696	22,431	58,699	32,239
Finance Leases and income in advance	1,516	1,589	120	120	318	1,031
Net Settled Derivative Liabilities	7,981	16,644	2,531	2,515	6,060	5,537
<b>Total</b>	<b>128,999</b>	<b>150,568</b>	<b>13,707</b>	<b>25,319</b>	<b>72,734</b>	<b>38,808</b>
<b>Consolidated 2017</b>						
Creditors and Other Payables	8,107	8,107	8,107	0	0	0
Secured Loans	7,394	8,163	253	253	7,657	0
Debentures	104,000	116,065	2,696	22,431	58,699	32,239
Finance Leases and income in advance	1,516	1,589	120	120	318	1,031
Net Settled Derivative Liabilities	7,981	16,644	2,531	2,515	6,060	5,537
<b>Total</b>	<b>128,999</b>	<b>150,568</b>	<b>13,707</b>	<b>25,319</b>	<b>72,734</b>	<b>38,808</b>
<b>Council 2016</b>						
Creditors and Other Payables	7,567	7,567	7,567	0	0	0
Secured Loans	10,700	10,895	10,103	92	701	0
Debentures	109,000	127,157	9,360	18,979	82,609	16,209
Finance Leases	1,488	1,547	117	117	245	1,069
Net Settled Derivative Liabilities	12,093	12,960	2,216	2,212	5,220	3,311
<b>Total</b>	<b>140,848</b>	<b>160,126</b>	<b>29,362</b>	<b>21,400</b>	<b>88,775</b>	<b>20,589</b>
<b>Consolidated 2016</b>						
Creditors and Other Payables	7,567	7,567	7,567	0	0	0
Secured Loans	10,700	10,895	10,103	92	701	0
Debentures	109,000	127,157	9,360	18,979	82,609	16,209
Finance Leases	1,488	1,547	117	117	245	1,069
Net Settled Derivative Liabilities	12,093	12,960	2,216	2,212	5,220	3,311
<b>Total</b>	<b>140,848</b>	<b>160,126</b>	<b>29,362</b>	<b>21,400</b>	<b>88,775</b>	<b>20,589</b>

The table below analyses the Council and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Assets	Carrying Amount	Contractual Cash flows	Less than 1 Year	1 - 2 Years	2 - 5 Years	More than 5 Years
<b>Council 2017</b>						
Cash and Cash equivalents	18,061	18,061	18,061	0	0	0
Loans and Receivables	1,127	1,427	159	273	671	324
Accounts Receivable	9,220	9,220	9,220	0	0	0
Net Settled Derivative Asset	171	0	0	0	0	0
<b>Total</b>	<b>28,579</b>	<b>28,708</b>	<b>27,440</b>	<b>273</b>	<b>671</b>	<b>324</b>
<b>Consolidated 2017</b>						
Cash and Cash equivalents	18,061	18,061	18,061	0	0	0
Loans and Receivables	1,127	1,427	159	273	671	324
Accounts Receivable	9,220	9,220	9,220	0	0	0
Net Settled Derivative Asset	171	0	0	0	0	0
<b>Total</b>	<b>28,579</b>	<b>28,708</b>	<b>27,440</b>	<b>273</b>	<b>671</b>	<b>324</b>
<b>Council 2016</b>						
Cash and Cash equivalents	17,204	17,204	17,204	0	0	0
Short Term Deposit	10,000	10,175	10,175			
Loans and Receivables	694	1,024	122	143	414	345
Accounts Receivable	8,976	8,976	8,976	0	0	0
Net Settled Derivative Asset	0	0	0	0	0	0
<b>Total</b>	<b>36,874</b>	<b>37,379</b>	<b>36,478</b>	<b>143</b>	<b>414</b>	<b>345</b>

Assets	Carrying Amount	Contractual Cash flows	Less than 1 Year	1 - 2 Years	2 - 5 Years	More than 5 Years
<b>Consolidated 2016</b>						
Cash and Cash equivalents	17,204	17,204	17,204	0	0	0
Short Term Deposit	10,000	10,175	10,175			
Loans and Receivables	694	1,024	122	143	414	345
Accounts Receivable	8,976	8,976	8,976	0	0	0
Net Settled Derivative Asset	0	0	0	0	0	0
<b>Total</b>	<b>36,874</b>	<b>37,379</b>	<b>36,478</b>	<b>143</b>	<b>414</b>	<b>345</b>

#### Maturity term of LTIF Bonds

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
484	484	Less than one year	2,404	2,404
12,338	12,338	One to five years	9,852	9,852
14,501	14,501	Greater than five years	15,488	15,488
<b>27,323</b>	<b>27,323</b>		<b>27,744</b>	<b>27,744</b>

#### Note 23: Derivative Financial Instruments

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Consolidated 2017 \$000
		<b>Current Asset Portion</b>		
0	0	Interest rate swaps	0	0
0	0	Total current asset portion	0	0
		<b>Non-current asset portion</b>		
0	0	Interest rate swaps	171	171
0	0	Total non-current asset portion	171	171
0	0	<b>Total derivative financial instrument assets</b>	<b>171</b>	<b>171</b>
		<b>Current liability portion</b>		
28	28	Interest rate swaps	20	20
28	28	Total current liability portion	20	20
		<b>Non-current liability portion</b>		
12,066	12,066	Interest rate swaps	7,961	7,961
12,066	12,066	Total non-current liability portion	7,961	7,961
<b>12,094</b>	<b>12,094</b>	<b>Total derivative financial instrument liabilities</b>	<b>7,981</b>	<b>7,981</b>

#### Fair Value

##### Interest rate swaps

The fair value of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value.

##### Interest Rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$153m (2016 \$123m). As at 30 June 2017, the fixed interest rates for cash flow hedge interest rate swaps varied from 3.05% to 5.55% (2016 3.05% to 5.55%).

#### Note 24: New Zealand Local Government Funding Agency

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

The Council is one of 31 shareholders and 15 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100k. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2017, NZLGFA had borrowings totalling \$7,946m (2016: \$6,445m).

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

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

#### Note 25: Depreciation and Amortisation expense by Group of Activity

Council 2016 \$000	Consolidated 2016 \$000		Council 2017 \$000	Budget 2017 \$000	Consolidated 2017 \$000
493	493	Reallocated Activity	507	651	507
4	4	Democratic Process	8	4	8
398	398	Cultural Services	426	474	426
1985	1985	Recreation & Leisure	2,038	2,083	2,038
8	8	District Economy	9	156	9
128	128	Community & Social Development	160	150	160
56	56	Environment & Development	87	59	87
3782	3782	Water Supply Service	4,033	4,409	4,033
5966	5966	Roading & Footpaths	6,174	5,826	6,174
436	436	Stormwater	432	455	432
1741	1741	Waste Water	1,735	1,636	1,735
35	35	Solid Waste	36	41	36
259	259	Coastal Structure	266	267	266
<u>15,289</u>	<u>15,289</u>		<u>15,909</u>	<u>16,211</u>	<u>15,909</u>

#### Note 26: Explanations of Major Variances against budget

Explanations for major variations from the Council's budget figures in its 2016/17 Annual Plan are as follows:

##### Statement of Comprehensive Revenue and Expense

- Financial Revenue is greater than budgeted by \$2.8 million due to Council's Investment Portfolio returns being higher than expected as a result of strong market conditions.
- Gain on derivative contract valuations of \$4.3 million which was unbudgeted.
- Finance costs and Depreciation are lower than budgeted by \$1.1 million due to savings on Interest paid and delayed projects.
- Asset revaluations originally budgeted for in the 2015/16 year took place in 2016/17 causing the \$64.5 million variance.

##### Statement of Financial Position

- A short term deposit of \$10 million and commercial paper of \$10 million, extinguished in 2015/16, are budgeted for in 2016/17.
- Property, Plant and Equipment is higher than budgeted by \$48.5 million due to a combination of unbudgeted asset revaluations taking place in June 2017 and the offsetting impact of delayed capital works programmes. There is a corresponding impact on Equity.
- Current and non-current term liabilities are \$25.1 million below that budgeted due to a combination of a commercial paper of \$10 million being extinguished in 2015/16 and lower than anticipated debt requirement as a result of delays in capital projects.

## Note 27: Financial Prudence Benchmarks

### Annual Report Disclosure Statement for year ending 30 June 2017

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

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

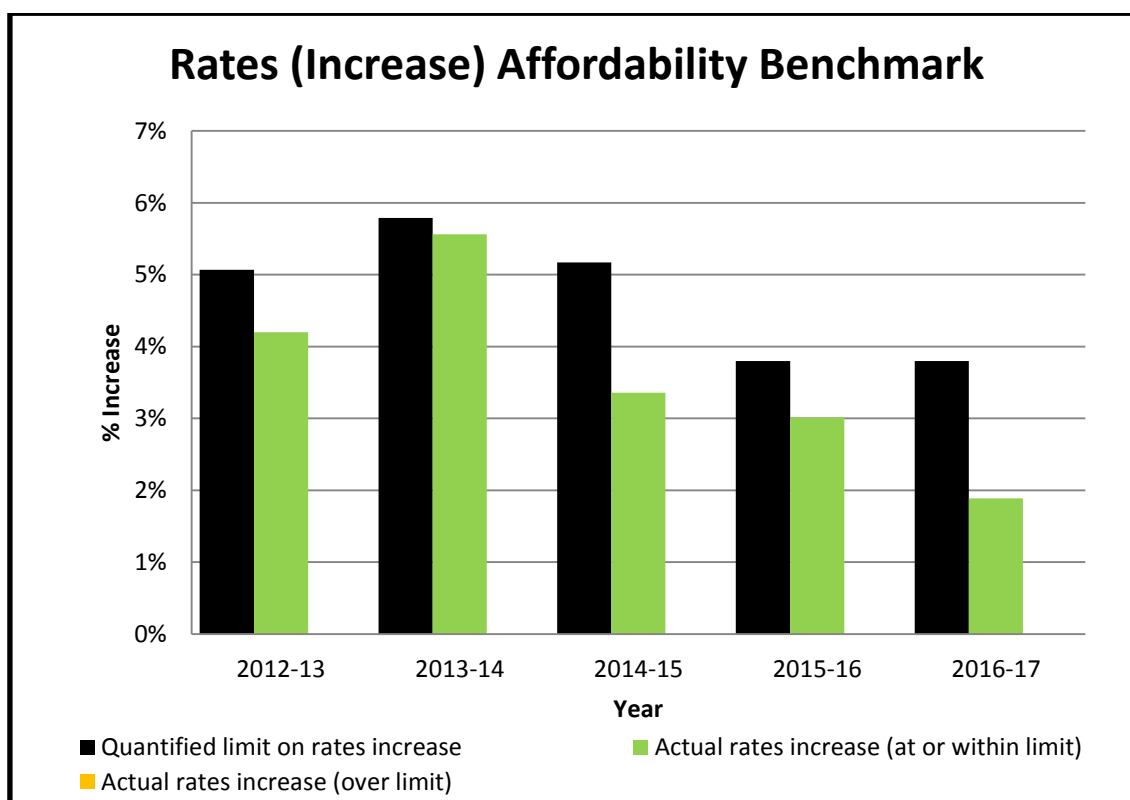
#### Rates affordability benchmark

The Council meets the Rates Affordability Benchmark if –

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

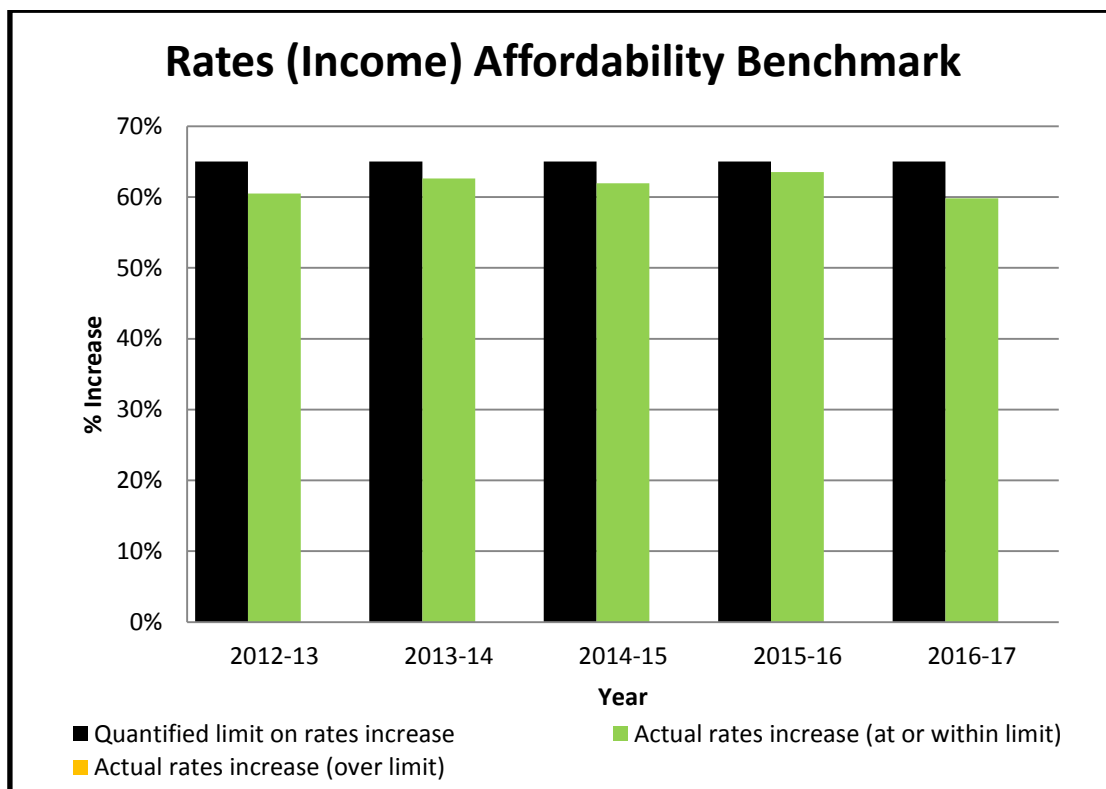
#### Rates (income) Affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates included in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is the Local Government Index plus 1%.



### Rates (Income) Affordability

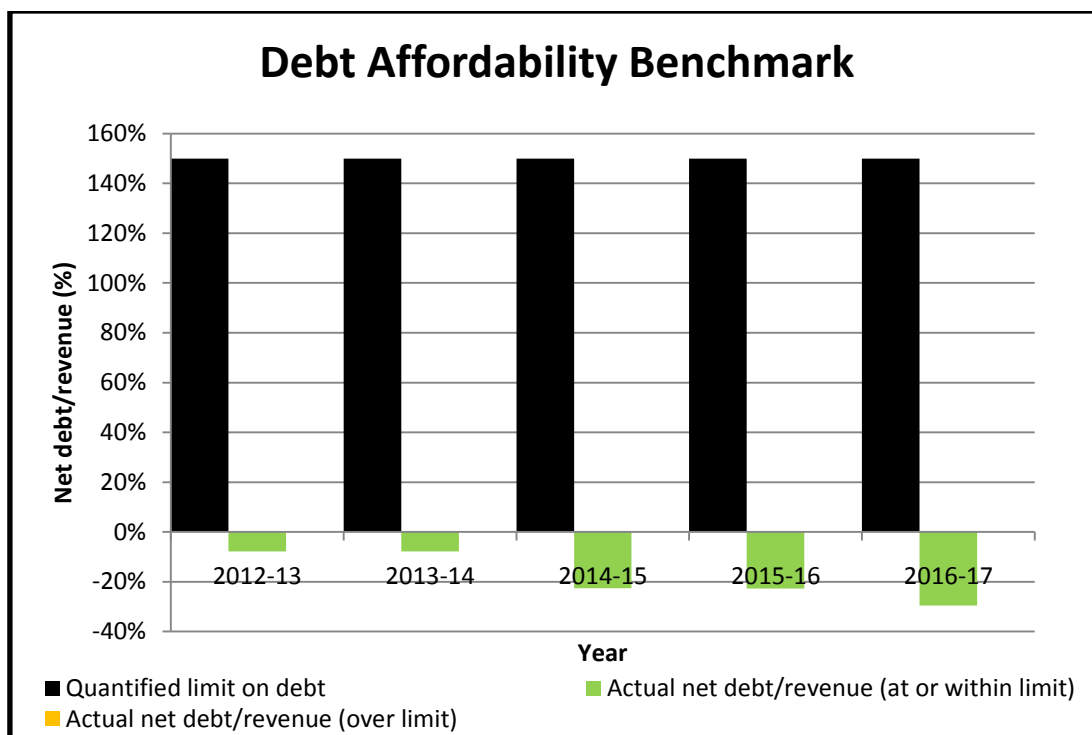
The following graph compares the Council's actual rates increases with a quantified limit on rates included in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is rates income 60-65% of total projected revenue.



### Debt Affordability

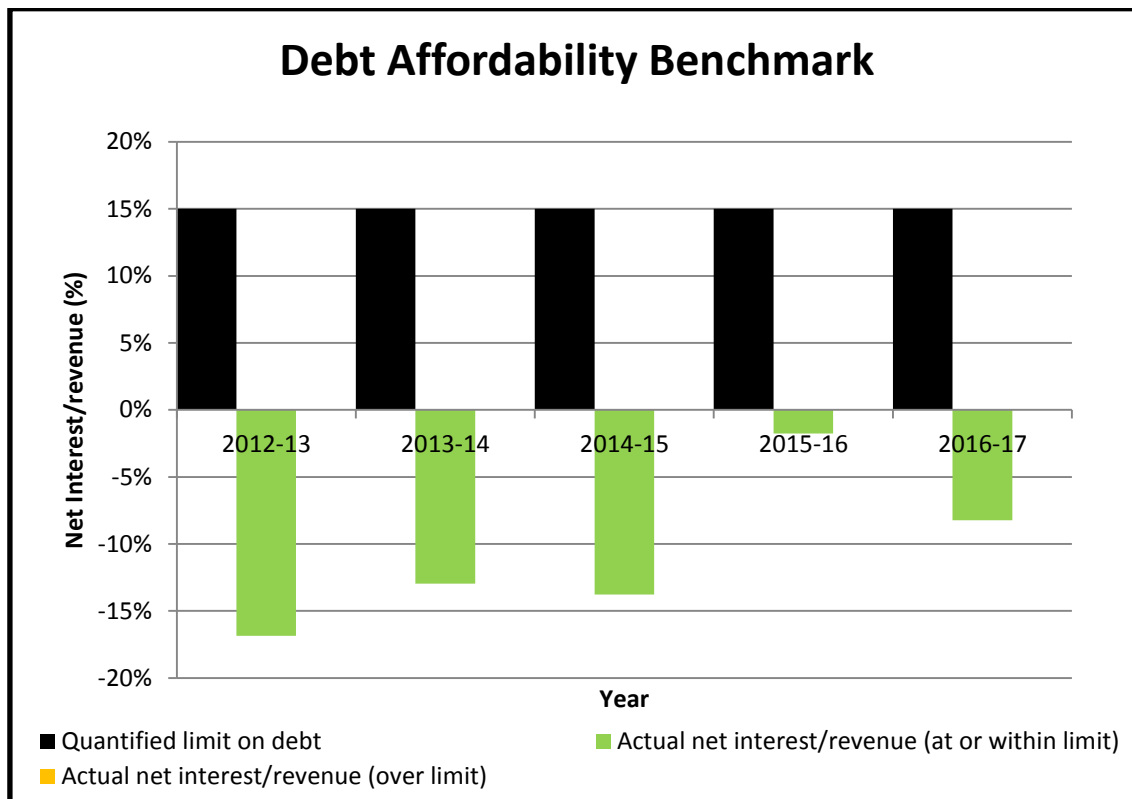
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following 5 graphs compares the Council's actual borrowing stated in the Financial Strategy included in the Council's Long Term Plan. These 5 graphs are based on Council's definitions and not the legislation.

1 – The quantified limit is net debt less than 150% of revenue.

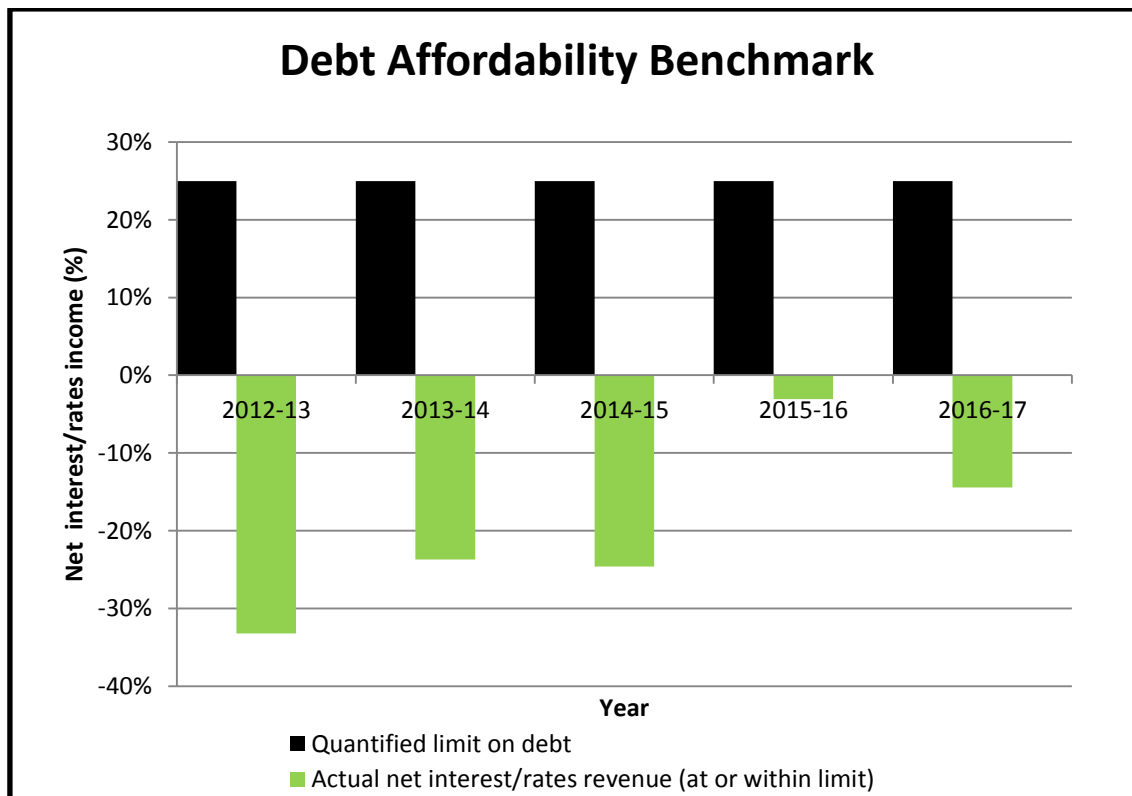




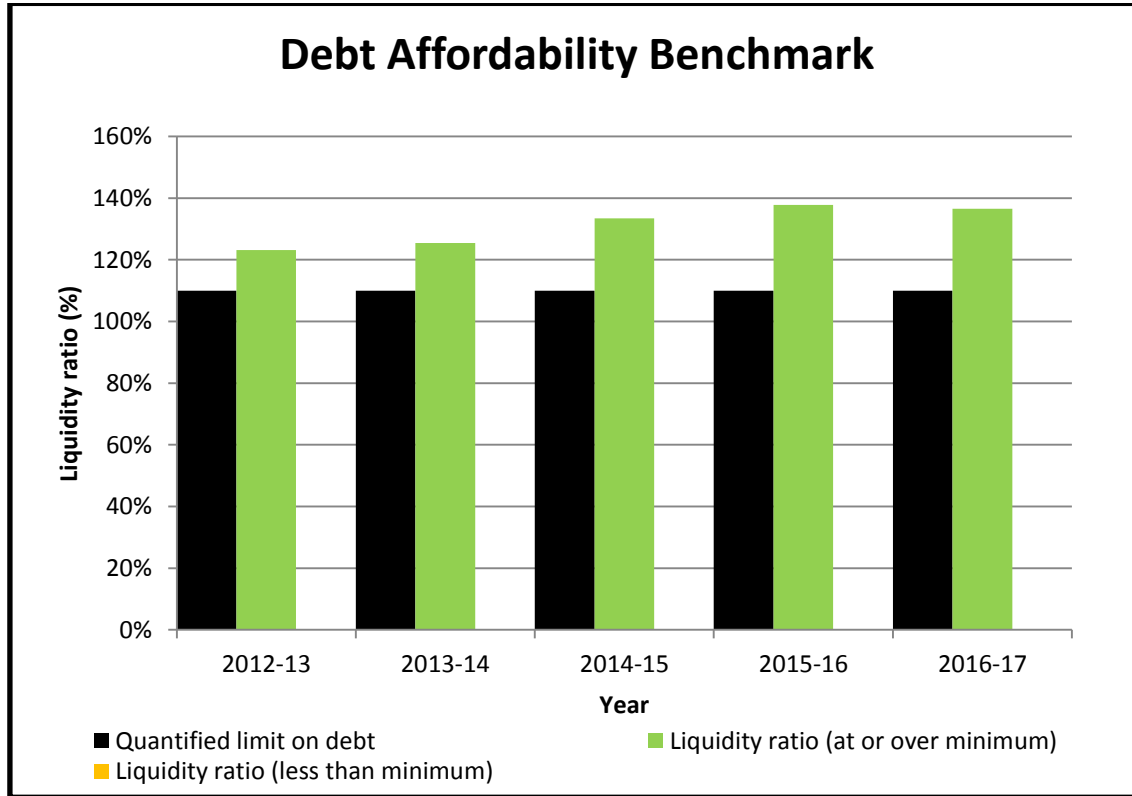
2 - Net interest expense as a percentage of total annual income of not more than 15%.



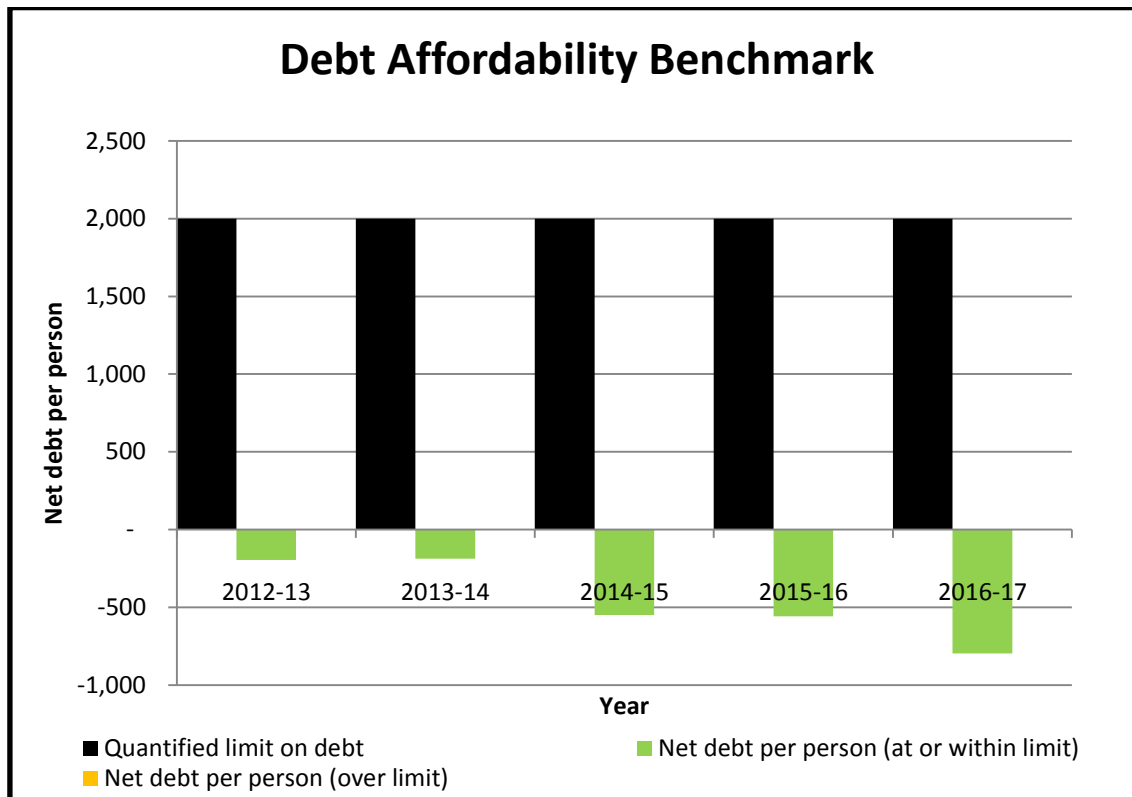
3 - Net interest expense as a percentage of total annual rates income of not more than 25%.



4 - Liquidity Ratio; external term debt plus committed bank loan facilities plus liquid assets/cash equivalents maintained at an amount of at least 110% over existing external debt.

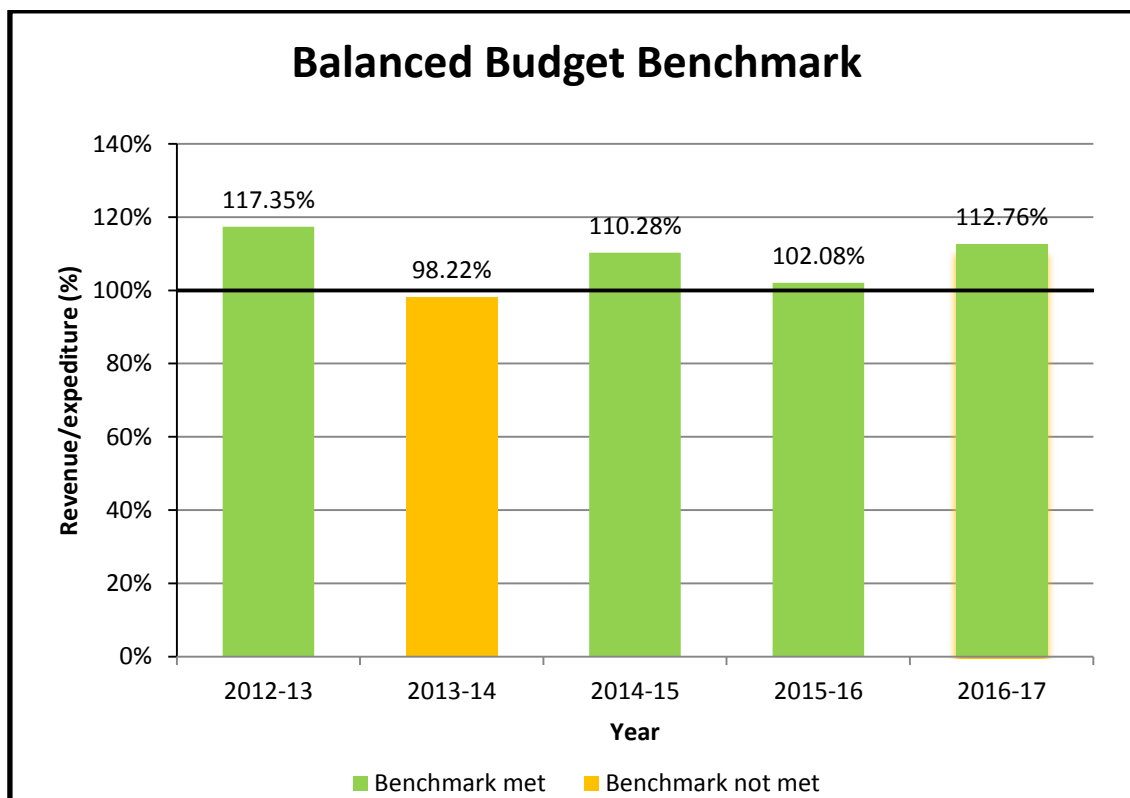


5 - Net debt per capita is less than \$2,000 per person.



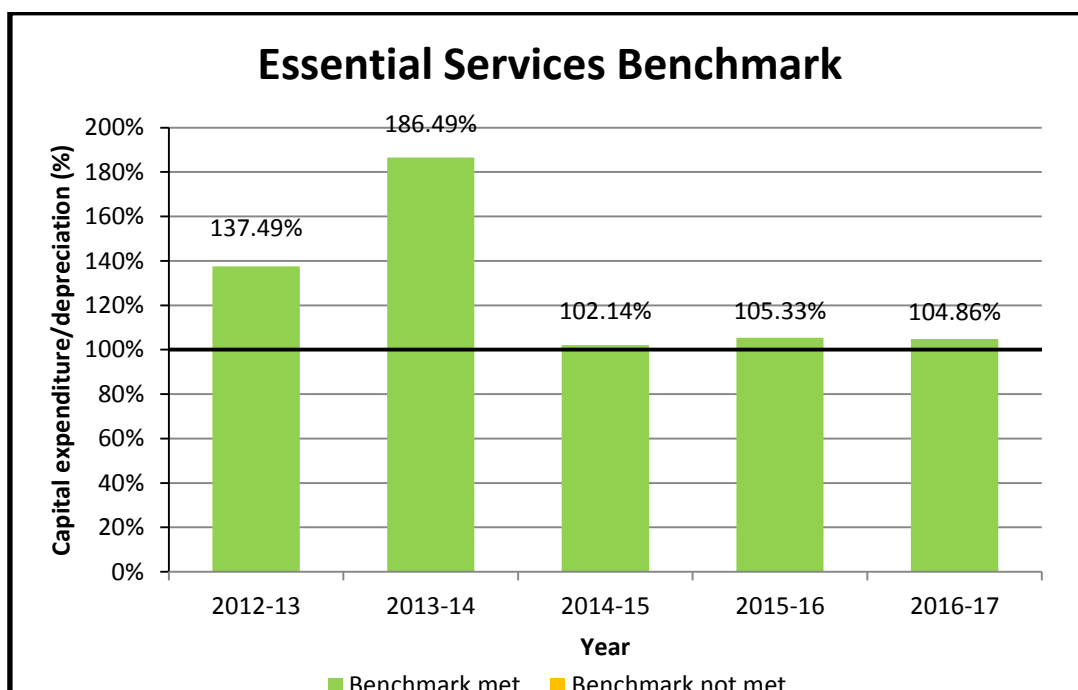
### Balanced Budget Benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



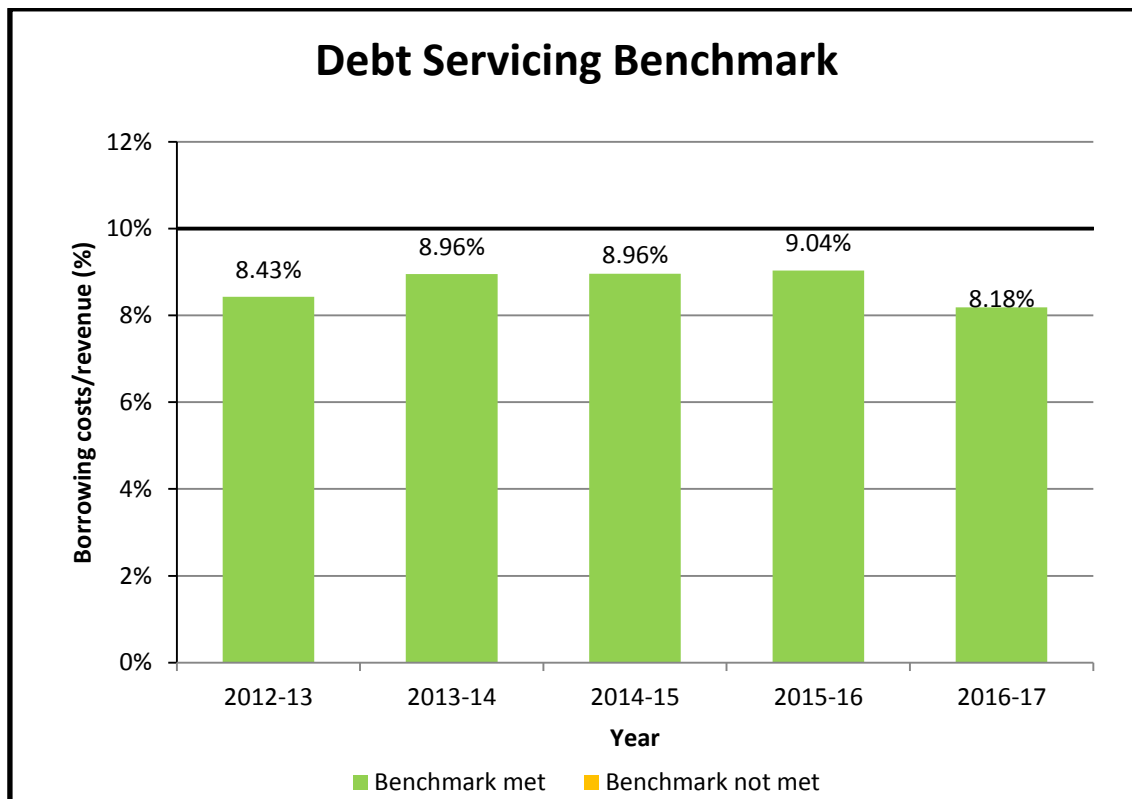
### Essential Services Benchmark

The following graph displays the Council's Capital Expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if it's capital expenditure on network services equal or is greater than depreciation on network services.



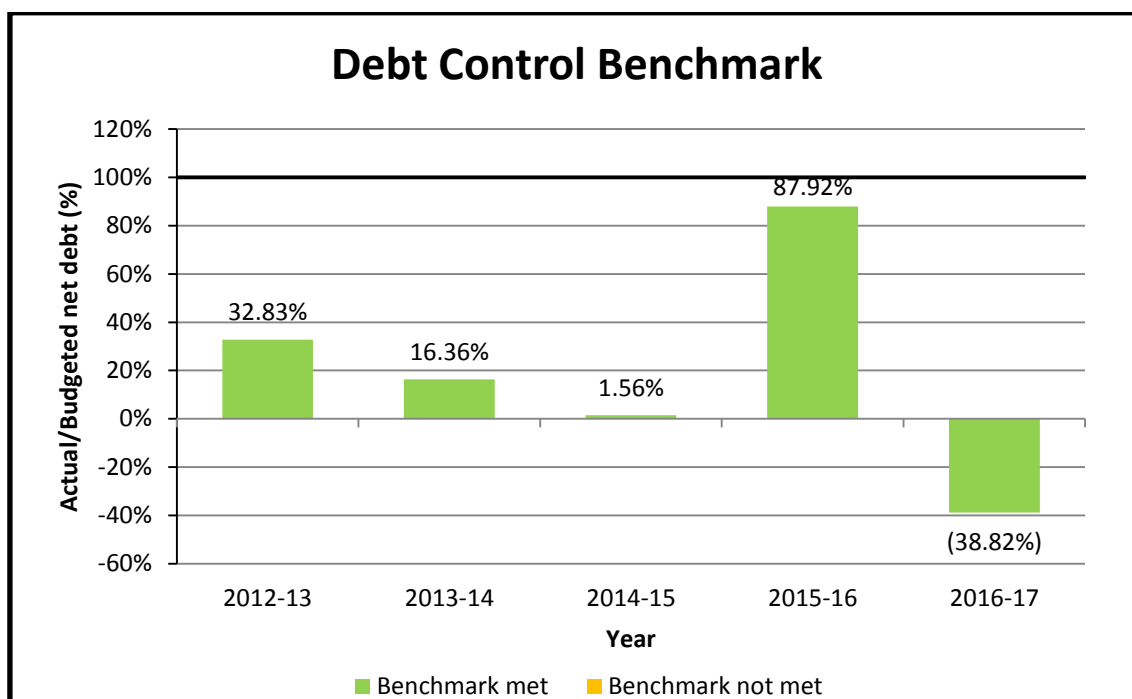
### Debt Servicing Benchmark

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



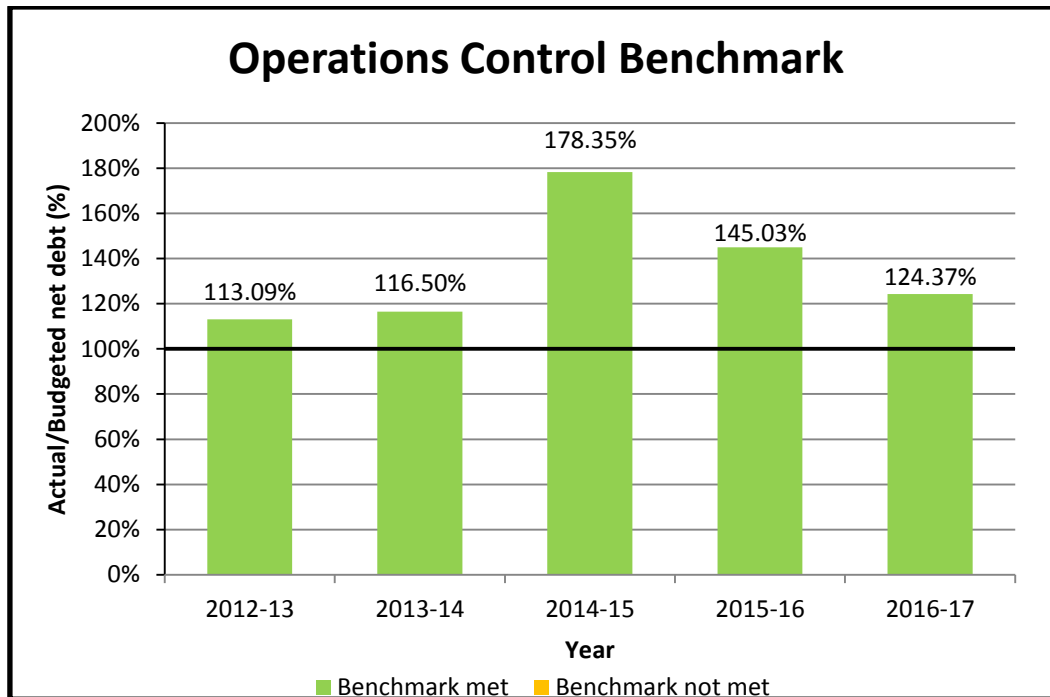
### Debt Control Benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means 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.



### Operations Control Benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



**Note 28: Insurance Information**

	2017 \$000	2016 \$000
Total value of all assets covered by insurance contracts	163,652	154,493
Total value of all assets covered by financial risk sharing arrangements	266,517	266,007
Total assets covered by insurance	430,169	420,500

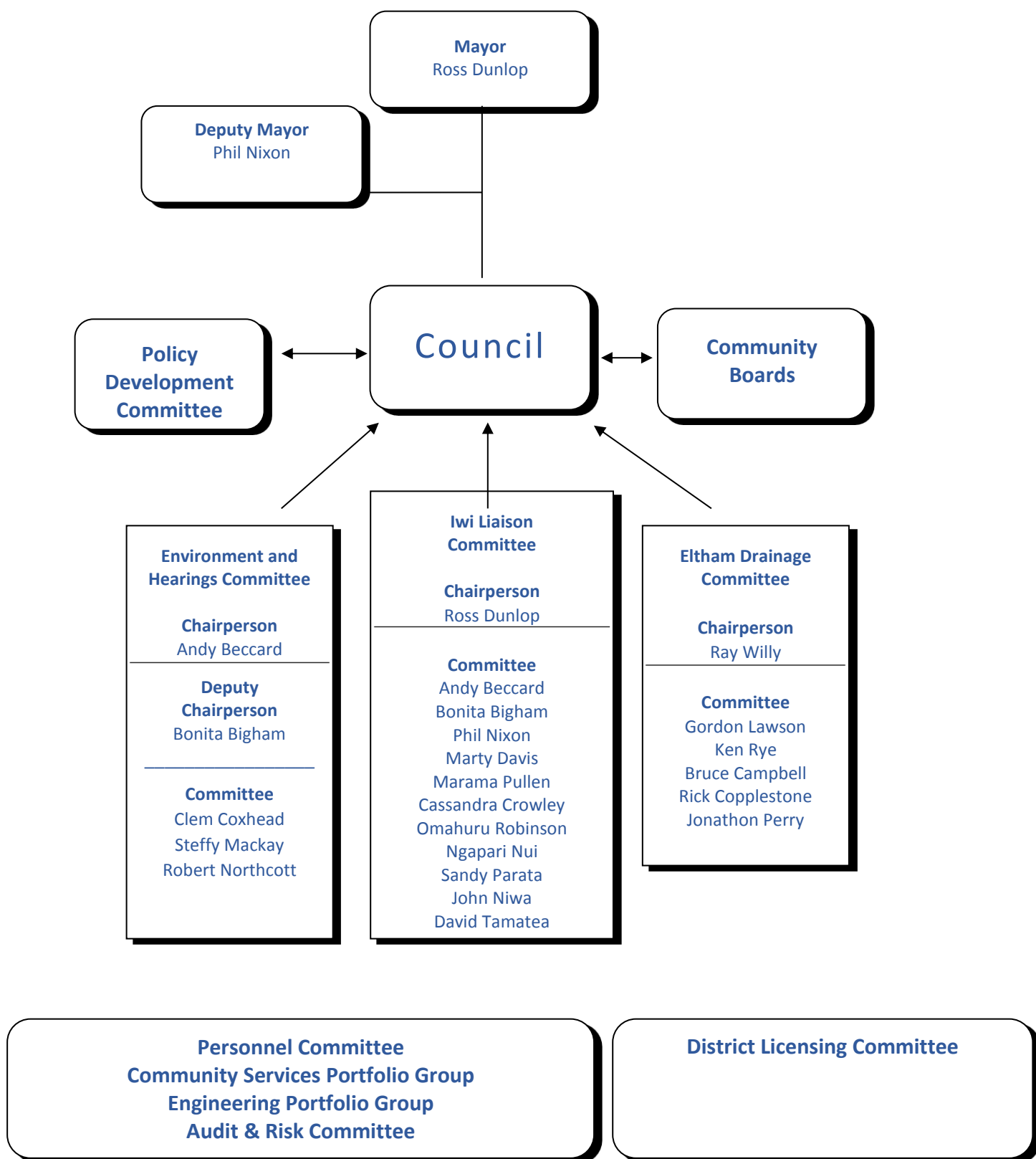
**Note 29: Rating Base Information**

	30/06/2017	30/06/2016
Number of rating units	14,197	14,150
Total capital value of rating units	\$10,259,618,500	\$10,232,081,000
Total land value of rating units	\$7,251,101,950	\$7,254,334,450

**Note 30: Items subsequent to Balance Date**

We have no items subsequent to balance date at this time.

# Political Structure



---

## Elected Members

---

The Mayor, Councillors and Community Board members listed below were elected in October 2016 for a three year term.

### Mayor

Mr Ross Dunlop

### Deputy Mayor

Mr Phil Nixon

### Councillors

Mr Andy Beccard  
Ms Kirsty Bourke  
Mr Clem Coxhead  
Mr Phil Nixon  
Mrs Steffy Mackay  
Mr Bryan Roach

Ms Bonita Bigham  
Mr Gary Brown  
Mr Gordon Lawson  
Mr Robert Northcott  
Mr Jack Rangiwhia  
Mr Ian Wards

## Community Boards

### Egmont Plains Community Board

Mr Craig Dingle (Chair)  
Mr Brian Vincent  
Mr Andy Whitehead  
Ms Sharlee Mareikura  
Cr Bonita Bigham

### Eltham Community Board

Mrs Karen Cave  
Mr Alan Hawkes  
Mrs Maree Liddington (Chair)  
Mr Jim Turahui  
Cr Steffy Mackay

### Hawera Community Board

Ms Celine Filbee (Chair)  
Mr Mark Hayman  
Mr Craig Hornby  
Mrs Diana Reid  
Cr Gary Brown

### Patea Community Board

Mrs Jacq Dwyer  
Ms Dianne Lance  
Mrs Ruth MacKay (Chair)  
Mrs Olivia McQuillian  
Cr Rob Northcott

---

# Management and Staff

---

## The Chief Executive's role and responsibilities

The Council's Governance Policies and legislation determine the role and responsibilities of the Chief Executive. At the Council all delegations are from the Council to the Chief Executive Officer with the exception of certain provisions within the Resource Management Act where there is clear direction to delegate to the relevant staff member. The Chief Executive employs all staff and acts on the Council's behalf.

The Chief Executive has approval to expend or commit the Council to any approved expenditure contained in the Long Term Plan or Annual Plan or over-expenditure within the following thresholds:

- Up to 15% above a budgeted expenditure item greater than \$1 million
- Up to 20% above a budgeted expenditure item greater than \$200,000 but less than \$1 million
- Up to 20% (maximum \$40,000) for items less than \$200,000
- Up to \$100,000 for unbudgeted expenditure; and
- To all works necessary in the case of an emergency (with no financial limit).

## Monitoring of Chief Executive's performance

The Personnel Committee's primary function is to oversee the relationship between the Council and the Chief Executive (CE) and monitor his/her performance. The Committee comprises of the Mayor, the Deputy Mayor, the Chairman of the Environment and Hearings Committee and two councillors.

## Senior Leadership Team

Mr Craig Stevenson	Chief Executive
Ms Fiona Greenhill	Group Manager Community Services
Mr John McKenzie	Group Manager Environmental Services
Mr Brent Manning	Group Manager Engineering Services
Mrs Phillipa Wilson	Group Manager Corporate Services

## Our staff

The table below shows changes in staff numbers across departments.

	2016			2017		
	Fulltime	Part-time	Fixed Term	Fulltime	Part-time	Fixed Term
Office of the Chief Executive	7	0	1	8	0	1
Community Services	33	52	3	42	54	3
Environmental	20	1	1	21	1	0
Engineering	36	7	2	27	1	0
Corporate	27	11	2	36	13	1
<b>Totals</b>	<b>123</b>	<b>71</b>	<b>9</b>	<b>134</b>	<b>69</b>	<b>5</b>



---

## Council Controlled Organisations

---

The South Taranaki District Council has 100% ownership of the Company – Novus Contracting Ltd. Novus Contracting Ltd is exempt of being a Council Controlled Organisation under Section 7 (3) of the Local Government Act 2002.

---

## Office Locations

---

The main Council Administration Building is located in Albion Street, Hawera and the Council provides an extensive combined library and council service throughout the District, known as LibraryPlus centres in Opunake, Eltham, Hawera, Kaponga, Manaia, Patea and Waverley. The Council services include payment of rates and accounts, enquiries for pensioner housing, burials, building consent applications, property file requests and community facility bookings. Six of the LibraryPlus centres act as agencies for the dissemination of visitor information.

---

## Locations

---

<b>Hawera Administration Centre</b>	105-111 Albion Street Hawera 4610 Telephone 06 278 0555/0800 111 323 Fax 06 278 8757
	<b>Postal Address</b> South Taranaki District Council Private Bag 902 Hawera 4640
Contact Centre Manager	Jan Johnston
<b>Hawera LibraryPlus</b>	High Street Hawera Telephone 0800 111 323 Fax 06 2789407
Branch Librarian	Ann-Louise Vonk
<b>Eltham LibraryPlus</b>	High Street Eltham Telephone 0800 111 323 Fax 06 764 8857
Branch Librarian	Lis Marrow
<b>Kaponga LibraryPlus</b>	Egmont Street Kaponga Telephone 0800 111 323 Fax 06 764 6088
<b>Manaia LibraryPlus</b>	South Road Manaia Telephone 0800 111 323 Fax 06 274 8374

<b>Opunake LibraryPlus</b>	Napier Street Opunake Telephone	0800 111 323
	Fax	06 761 7039
Branch Librarian	Maria Brewerton	
<b>Patea LibraryPlus</b>	Egmont Street Patea Telephone	0800 111 323
	Fax	06 273 8340
<b>Waverley LibraryPlus</b>	Weraroa Road Waverley Telephone	0800 111 323
	Fax	06 346 6052
<b>i-SITE</b>	High Street Hawera Telephone	06 2788599
	Fax	06 2786599
i-SITE Supervisor	Tarin Hunt	
<b>TSB HUB</b>	Camberwell Road Hawera 4610 Telephone	06 2780646
TSB Hub Operations Supervisor	Mark Mekalick	

---

## General Information

---

**Bankers**

WestpacTrust  
PO Box 83  
Hawera 4640

**Auditors**

Audit New Zealand, Palmerston North,  
on behalf of the Auditor General

**Solicitors**

Auld Brewer Mazengarb and McEwen  
9 Vivian Street  
New Plymouth

C & M Legal – The Litigation Experts  
9 Vivian Street  
New Plymouth

Simpson Grierson  
HSBC Tower 195 Lambton Quay  
Wellington 6011

**Postal Address**

South Taranaki District Council  
Private Bag 902  
Hawera 4640

**Website**

[www.southtaranaki.com](http://www.southtaranaki.com)