

Annual Report 2017/18



South Taranaki District Council

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Message from the Mayor and Chief Executive

Welcome to the South Taranaki District Council's Annual Report for 2017/18.

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 2018 have seen significant progress and completion of a number of projects that contribute to our key priorities.

Our second Hāwera Town Centre project got underway with the demolition of the old butcher shop in High Street to make way for Korimako Lane; a new laneway connection to the Napier Street carpark. When finished (in 2018) Korimako Lane (and the refurbishment of the neighbouring Council owned Grubi Building) will complement Campbell Lane which was completed last year. Both of these laneway projects will provide improved connectivity between the free public carparks and the CBD shopping precinct.

Steady progress was also made on the planning and preparation work for the Council's Hāwera Town Centre project – the Centre for Heritage, Arts, Library, Culture and Information. We expect to have the designs for this project ready to share with the public in September 2018 and are on track to start the physical work in late 2019.

Work was completed on stage 2 of the Denby Road Pathway. The new 1.7 km section of pathway comes off the existing Denby Road pathway, runs across farmland and connects with Fairfield Road, effectively creating a loop back onto Manawapou Road, with the long term goal of linking up with Nowell's Lakes. In February the Manawapou Viaduct Walkway, which follows the old Ingahape Road from the State Highway at the bottom of Manawapou Hill, was also opened. 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 *Tapuae Roa – Make Way for Taranaki* Regional Economic Development Strategy was launched in August 2017 and focusses on four key areas for regional economic growth which was a collaborative effort between the South Taranaki, Stratford and New Plymouth District Councils, the Taranaki Regional Council, Venture Taranaki, local business leaders, Iwi and central government. The challenge now is to get on and deliver the Strategy over the coming years.

In December 2017 we completed a review of our Freedom Camping Bylaw. A key development coming out of the review was the employment of seven part time Freedom Camping Ambassadors across the District. Following much positive feedback and the dramatic decrease in complaints about freedom campers over the season, the Council agreed to engage ambassadors for future seasons.

The Council also made significant progress with the nine appeals we received on our new District Plan and expect to have these resolved by the end of 2018. The District Plan is one of our key documents which controls the way land is used, developed, protected and subdivided in South Taranaki.

On 1 July 2017, the amendment to the Building Act 2004 which deals with earthquake prone buildings came into effect. Structural assessments have been completed for all major Council facilities with the rest to be completed over the next three years. This will provide us with a clear picture of what we need to do in terms of future remediation. The Council also decided to earthquake strengthen Kaponga LibraryPlus so the Library could return to its location in the centre of town. This work is underway.

The Council had a change in leadership as Waid Crockett replaced Craig Stevenson as Chief Executive. We thank Craig for his 13 years' service as Chief Executive and welcome Waid who has had an extensive career in local government both in NZ and Australia.

The report includes a list of all of the projects we have been working on. Other notable achievements during the year include:

- 90 km of roads were resealed and 1.5 km of footpaths replaced
- The Normanby roadside rest area was officially opened
- Bridge 160 on Eltham Road was replaced for \$500,000
- An electric vehicle charging station was built in Ōpūnake (Napier Street)
- \$2 million in upgrades were undertaken at the Inaha Water Treatment Plant and the Inaha water supply was connected by pipeline to the Kapuni water supply
- All Council cemeteries were digitally mapped
- South Taranaki opened its Sporting Hall of Fame at TSB Hub with James Hunter (rugby), Roger Cox (shearing) and Adine Wilson (netball) being the first inductees
- The Hāwera Aquatic Centre had 98,528 visitors, their second busiest year since its upgrade was completed in 2009

Financially the Council finished the year with an \$8.0 million operational surplus, against a budgeted surplus of \$1.6 million.

This was thanks largely to the Council's Long Term Investment Fund (LTIF) which returned \$11.99 million which was \$2.6 million more than budgeted. After allowing for the annual drawdown and rates subsidy, at year end the Fund balance totalled \$143.21 million (including \$11.38 million of internal borrowings), up from \$137.43 million in 2016/17. Total debt (including internal borrowings) also increased from \$123.75 million to \$128.18 million.

The Council is in a sound financial position and has a clear direction for our District. It is our privilege to present the Council's 2017/18 Annual Report.



A blue ink signature of Ross Dunlop, consisting of stylized initials 'RD' followed by a horizontal line.

Ross Dunlop
Mayor



A blue ink signature of Waid Crockett, written in a cursive style.

Waid Crockett
Chief Executive

The Year in Review

Community Services

Aotea Utanganui, Museum of South Taranaki mounted an exhibition, *Our Milky Ways*, exploring the creation and history of the dairy industry in Taranaki, including the amalgamations that led to one global entity. This exhibition showed the pioneering beginnings through to domination on the world-stage; it told the story of the 'White Gold Rush' and focussed on the environmental footprint the industry has had on our natural environment, as well as the social impact on small towns and communities.



Following careful consideration of all the options, the Council decided to **earthquake strengthen the Kaponga LibraryPlus** building so that the LibraryPlus service can return to its location in the centre of the town. It was also agreed that some minor changes to the interior layout of the building would be done at the same time to make the facility a more useable space for its customers and for library activities. This decision also means that the supper room at the Kaponga War Memorial Hall will once again become available for community use.

Many events and activities continued to be delivered across the District's seven LibraryPlus'. These included **Rainbow Storytime**, when children and adults alike enjoyed Rainbow Storytime sessions at Pātea and Waverley LibraryPlus' with Drag Queen Christina D'Amour. She read a number of picture books to the enthralled children, who then enjoyed making crafts to take home. Events such as this reflect the diversity in our communities, and help build social cohesion and a sense of belonging.



An exhibition featuring art work by 45 South Taranaki visual artists was curated by the Arts Co-ordinator in March. **Diverse Locals** was hosted by Hāwera's Lysaght Watt Gallery; the show was a reflection of the vibrant and thriving arts community in our District. The works spanned a wide range of mediums by creative artists living in Puniho, Waverley, Kakaramea, Ōhawe, Eltham, Ōeo, Manaia, Whenuakura, Ōpūnake, Hāwera, Warea, Pātea, Mokoia and Pungarehu. Students from rural schools visited the gallery for an exhibition tour and activity with the curator and an artist to create sculptural badges to wear and celebrate their own identity in response to the artworks.

Three high school students worked on the **Hāwera town piano** with Community Board member, Diana Reid, every Wednesday after school for several months. The piano was presented to the community in December 2017 on the morning of the town's Christmas parade and received many positive comments with talented individuals entertaining visitors to the town. The piano was donated and a local business, Hāwera Welding, made a trolley for the piano for free.



New **Welcome to Pātea signs** were chosen by the community. Local artists and photographers were invited to submit their work for the signs and Kiwi Henare's graphic design received the most votes.

Te Ara Hīkoi ki te Arawhiti o Manawapou (the Manawapou Viaduct Walkway), was blessed and opened in February in a ceremony attended by Mayor Ross Dunlop, Councillors, Iwi representatives, staff and invited guests. Members of the public are invited to use the walkway which follows the sealed, former Ingahape Road from the State Highway at the bottom of the Manawapou Hill, and meanders through farmland for a kilometre to the Viaduct. At the end of the walkway, the Manawapou Viaduct stands 44.5 metres high above the river. It is part of the Manawatu-New Plymouth railway line but has been *freight-only* since the cancellation of the last passenger service in 1977.



The Mayor's annual thank you to our South Taranaki Community Volunteers was held in June at the Aotearoa Marae near Okaiawa. Approximately 80 volunteers were treated to a powhiri and learning of tikanga Māori in the wharenuī before enjoying a traditional hangi lunch and dessert. For many people, this was their first visit on a marae and they enjoyed the experience and the opportunity to ask questions. The event was included in the Puanga calendar and kōrero covered the importance of the Māori New Year as a time for learning and new beginnings. The Mayor expressed the Council's gratitude for the contributions people gave to organisations across the District and acknowledged their generosity, time and effort. The event also coincided with National Volunteers Week.



The **Tapuae Roa Make Way for Taranaki** Regional Economic Development Strategy was launched in August. It is a collaborative effort between New Plymouth District Council, South Taranaki District Council, Stratford District Council, Taranaki Regional Council, Venture Taranaki, local business leaders, Iwi and central government. The project takes on a whole-of-region approach and focuses on unlocking the best opportunities for regional economic growth and the on-going success of the region. The Tapuae Roa Action Plan was released in April 2018.

On the Clock, a Mayors' Taskforce for Jobs initiative, was held in April at TSB Hub. Around 150 Hāwera High School Year 10 students and six FEATS students had five minutes with 14 separate employers and Industry Training Organisation representatives to hear what was needed to get a job in their business. There was great support from a variety of local business people who made the time to share their experiences with the students. The students were asked how they found the event with 93% of them finding it useful.



Approximately 60 people heard stories from four Taranaki food businesses and the support they had received from Venture Taranaki at the **Food for Thought** event held at TSB Hub in April. The attendees enjoyed meeting the business owners and sampling the products from Ryan and Brad Smith *Paddock to Plate*, Leonie Matoe *Kaitahi*, Dave James *Juno Gin* and James Annabell from *Egmont Honey*.

Early in the year we saw the demolition of the old "Butchers" building in the Hāwera CBD. This was the beginning of the second major project in the Hāwera Town Centre Development that will become **Korimako Lane**, the refurbishment of the neighbouring Council owned Grubi building and new laneway connection to the Napier Street carpark.





Work has been progressing with planning for the new **Centre for Heritage, Arts, Library, Culture and Information** (CHALCI) development in Hāwera. During the year we had geo technical engineers and contractors undertaking some ground testing on the site, taking core samples to determine the types of soil, ground conditions and water levels. The information gained from this testing was used to

inform the design engineers as to the best type of foundations for the CHALCI building. The architectural team have been working towards preparing concept designs for the facility.



The **Great Hāwera Comedy Night** hit the big time in 2017 with the biggest show in its eight year history. With increased ticket demand for the internationally known comedian Chopper, regular MC Ben Hurley and support from Vaughan King, the event had to be moved from its usual venue upstairs at TSB Hub, to the expansive space of Courts 1 and 2. Around 900 tickets were sold making it the largest indoor event the Council's events team has organised to date.

As part of the new Winter Events Programme, the **Ice Skate Tour** came to South Taranaki for the first time in July 2017. During the two weeks the rink was at TSB Hub, 3,400 people enjoyed the ice skating experience including many schools from right across the District, who were able to visit the artificial ice skating rink due to the funding provided by the TSB Community Trust.



The i-SITE team won the **Service IQ Training Achievement Award** at the 2017 i-SITE New Zealand National Conference. This award was in recognition of having the highest proportion of trained staff when measured against the i-SITE membership standards and criteria as well as their ongoing commitment to training.

A bright and colourful **new playground** was installed at **Aotea Park** in Waverley as part of our District Playground replacement programme. Aotea Park was also fortunate to have an additional piece of outdoor exercise equipment donated and installed to give adult visitors the opportunity to exercise whilst the younger people are playing.



The Ōpūnake Beach Masterplan was adopted by the Council, with a number of actions and projects being generated from the Plan. In December 2017, several tonnes of tree limbs were removed from **Ōpūnake's seaside cliffs** above the Ōpūnake Beach campsite and the Goat Track walkway. Aided by the lifting capacity of a 55 tonne crane, arborists cut back or removed heavy Pohutukawa limbs that were increasingly putting pressure on the fragile cliff causing fracturing and slippage.

Late December 2017 saw the completion of the reviewed **Freedom Camping Bylaw** and then in January, the Council employed seven **Freedom Camping Ambassadors** across the District. These roles were to educate and welcome visitors, ensuring they understood where they could and couldn't freedom camp within the District. The ambassadors worked through until the end of April and given the positive feedback and dramatic decrease in the number of complaints received about freedom campers over the season, the Council agreed to engaging Ambassadors for future seasons.





Attendance at Hāwera Aquatic Centre for the financial year was 98,528, the second busiest year since the 2008/09 upgrade. **Increased activity** was mainly from recreational and fitness swimming. Funding support from TSB Community Trust enabled **more affordable access** for a wider range of participants resulting in increased schools *Swim and Survive Programme* activity. The total of all 'learn to swim' activities at the Aquatic Centre accounted for 19,404 customer visits.

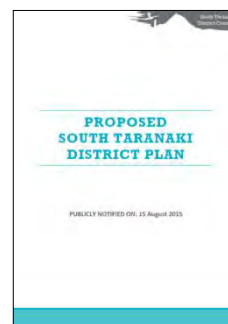
When TSB Hub was constructed the intention was always to have a **Sporting Hall of Fame** along the hallway adjacent to the two court stadium. Working in partnership with Hāwera Rotary this project came to fruition in July 2017 when the first three sporting heroes were inducted. The first three inductees were James 'Jimmy' Hunter (rugby), Roger Cox (shearing) and Adine Wilson (netball).



Environment and Development

Consents and Licensing Numbers – 572 building consents, 113 resource consents, 225 health premises registrations, 114 alcohol licences and 111 Manager Certificates were processed during the year.

District Plan Review – During the year, the Council made significant progress with the nine appeals on the District Plan. Through Court assisted mediation, consent orders have been drafted that would resolve seven of the nine appeals. An Environment Court hearing was held in May in relation to the New Zealand Heavy Haulage Association appeal. This appeal related to the Council's decision to take a performance bond when buildings are relocated. The performance bond is refunded once reinstatement work is completed. This appeal has been successfully defended by the Council. The second remaining appeal relates to the District Plan's Hazardous Substances provisions and some of its controls for petroleum activities. The hearing for this appeal began late in March and is expected to end late in August. The matters traversed by this appeal are wide ranging and unique to Taranaki so have not been explored by councils in other regions. We are hoping to have a decision from the Environment Court by the end of 2018. This will enable the Proposed District Plan 2015 to be made operative.



Resource Management Act Amendments – In November 2017 the Ministry for the Environment brought the most recent phase of amendments to the Resource Management Act 1991 into force. The changes introduced (among other things) a new fast track consenting process for activities that have a minor level of environmental effects, a new "deemed permitted" activity status for activities where the neighbouring landowners are the only affected parties and their written approval has been obtained and a new step by step process for determining notification of applications. The changes also introduced some new practices for using email to serve

documents as part of planning processes. This change hasn't been widely tested yet, but is expected to reduce reliance on postal services.

Building Consent Authority (BCA) Accreditation – In March 2018, three of the Council's Building Control Officers underwent a formal assessment of their 'Competency to Process Building Consents and Inspect Building Work'. This is a statutory requirement, as part of a BCA's Bi-Annual Accreditation audit, and must be carried out annually to ensure that all consents and work are handled by a Building Officer who has been proven to be competent to do so. The assessment involves an Independent Assessor accompanying inspectors undertaking onsite inspections to observe and assess each inspector as well as reviewing any processing being done. The assessment also considers any previous evidence of processing and inspections, as well as the ongoing training and continuous development done by the officers over the previous 12 months and beyond. All three officers were successful in retaining their competency ratings or achieving a higher rating.



Animal Control – A total of 1,690 animal control related complaints were received during the 2017/18 year and compares to previous years as follows:

Type of Complaint received	2013/14	2014/15	2015/16	2016/17	2017/18
Dog Attack	50	42	63	65	67
Rushing/Threatening	31	21	18	32	49
Roaming	689	587	540	563	615
Barking	256	268	204	506	595
Welfare	52	45	34	12	16
General Dog Complaints	135	223	442	473	348
Total	1,213	1,186	1,301	1,651	1,690

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 years, it has remained steady at 3-5% of all complaints received each year. The Council continues to be committed to reuniting lost dogs with their owners and re-homing suitable dogs. Of the 290 dogs which were impounded, 164 dogs were either returned to their owners or re-homed.



The Environmental Health (EH) Team continues to transition food businesses onto food control plans or national programmes depending on the food sector and any associated risk. The new Food Act puts a lot of emphasis on managers of food businesses developing a plan to show how they prepare and sell safe food. The Plan is then audited by the Council’s Environmental Health Officers (EHOs) generally once a year. This is a major change in how the EHOs verify food safety.

The EH Team are finding managers of food businesses are having a lot of difficulty in finding the time to complete and maintain the recording and documentation of their Plan. This is despite the EH Team putting in a lot of work over the previous five years to make people aware of the new requirements. This difficulty is not uncommon across New Zealand with other Council EH Teams and the Ministry for Primary Industries reporting the same issue. The EH Team are finding that food premises operators are generally very good at maintaining a high level of food safety and hygiene in their premises, but are struggling with the documentation requirements of the new Food Act.

Engineering

Nukumar Station Road Extension Project – In June 2018 the South Taranaki District Council were represented in an Environment Court hearing in response to an appeal by a landowner against the road designation. The case was resolved in court with the parties agreeing to slightly modified conditions. This project is now proceeding which includes negotiating land acquisition agreements with the property owners, including securing budgets and contributions from key funders such as the New Zealand Transport Agency.



Nelson and Union Streets Upgrade – A new water main was installed in Nelson Street and was replaced ahead of further street upgrade work planned in conjunction with the new Countdown supermarket development in the area. We received the draft plan for the upgrade to Nelson Street which were approved and the plan included new road layouts as well.

Veolia Contract Extension – The Council agreed to the extension of this contract subject to a commitment from Veolia to further ongoing improvement in customer service and back-office supporting systems.

In the past year we have seen improved performance in response times, quality of workmanship and also customer service. Internally, Veolia improved their asset management capability and job management systems.

Eltham/Hāwera Wastewater Outfall Discharge – The Taranaki Regional Council in June approved a new treated wastewater discharge consent via the Fonterra ocean outfall 1.8kms off the coast south of Hāwera. The renewed consent is for 35 years, and includes six-yearly review periods. There are a number of associated conditions, many of which were agreed through pre-consent consultation with Iwi, as well as environmental groups and individual submitters.

Pātea Moles Update - Meetings were held with the Pātea Community Board and Iwi Liaison Committee about the levels of service for the moles and associated structures' future maintenance. The feedback was that the moles were to be maintained and kept in a state to maintain the navigable channel of the river as long as possible. As such, an annual budget of \$150,000 was allocated in our Long Term Plan to enable the Council to continue to make repairs to the moles for the next 50-70 years. This budget is sustained by rent revenue from the leased land of the Pātea Harbour Endowment Fund.



Trade Waste – Inspections commenced in Hāwera with High Street commercial premises, transfer stations and swimming pools being inspected. This is an ongoing programme with the Council working alongside our Tradewaste users.

Sewer Inflow and Infiltration (I&I) – Excessive rainwater that entered our wastewater sewers caused problems to the environment, cost extra to pump, reduced treatment at the wastewater ponds, and caused occasional exceedances of our Resource Consent conditions for the maximum volume we can discharge. The section of sewer between Normanby and Hāwera was contributing to high flows at the Hāwera Wastewater Treatment Plant during wet weather events. By inserting a bung just south of the Normanby town we quantified a volume of flow in the sewer arising from stormwater inflow and groundwater infiltration. The flow results and CCTV footage of the sewer trunk allowed us to prioritise sections of the Normanby Trunk to be included in the sewer relining programme.



Aerators at Wastewater Treatment Plants – A new dispersion type of aerator was installed at the Manaia Wastewater pond, and two additional units were installed at the Hāwera ponds; these included a rebuilt brush type and new dispersion type. The additional aerator was required to meet increasing demand for treatment and to maintain oxygen levels above resource consent minima for odour control.



Inaha Water Treatment Plant – This project was necessary so the Plant would meet the New Zealand Drinking Water Standards for Rural/Agriculture water supplies. Work is nearly complete with the total project cost expected to be \$2.0 million. Concurrently the Inaha Water Supply Scheme has been connected by pipeline to the Kapuni Plant.



Hāwera Water Supply Water Main – On 2 January 2018 there was a burst on a 300mm Hāwera water main, on a farm off Burgon Road. This was one of two main water supply lines to Hāwera, Normanby and Ōhawe Beach. The burst was attended and repaired overnight.



The Waimate West Bore Head was completed this year. This work involved a recycling system where water from the settling pond was captured and pumped back to the intake of the treatment plant.

Award of Egmont Roothing Contract to 2021 – Tenders for the Egmont Road Maintenance Contract C18/02 closed in April 2018. Three tenders were received and the contract awarded to the incumbent Inframax Construction Ltd.

Rainfall effects on the District roads caused widespread slips – Roads that were closed throughout the year included Waitotara Valley, Tangahoe Valley, Rawhitiroa, Aorere, Morea Valley, Glen Nui and Wingrove Roads. The Roothing contractors worked hard clearing the slips to make all our roads accessible.



*Picture Left:
Trees adjacent to the slip*



*Picture Right:
Slips at Rawhitiroa Road*

New Brush Layer Wall – A contract was negotiated with RST Environmental Solutions for the construction of six brush layer retaining walls on Tangahoe Valley Road. These walls are a low cost solution to retain and stabilise drop outs, or slips on sloppy road side slopes. The installation of these walls should reduce the number of slips and hence the number of times the road is closed to traffic.



Pictured alongside a completed brush layer wall.



Electric Vehicle Charging Stations – In August 2017 the Council, in conjunction with the Stratford District Council, made an application to the Low Emission Vehicle Contestable Fund to install electric vehicle rapid chargers in Taranaki. On 17 January 2018 Council were successful in obtaining a 50% subsidy from the Fund for the \$160,070 project. This enables the installation of three public rapid chargers to support electric vehicles travelling both within Taranaki and to adjoining regions. These locations include the War Memorial Carpark on Miranda Street in Stratford, on Napier Street in Ōpūnake and on Chester Street in Waverley.



District Pavement Rehabilitation – The two pavement rehabilitation and road widening contracts were awarded to Taranaki Civil Construction. Pictured alongside before and after photos of Mid Parihaka Road in Pungarehu.





Denby Road Stage 2 Pathway – The Contractor Burgess & Crowley Civil completed the pathway and Mayor Ross cut the ribbon to signal the official opening of the new pathway between Fairfield and Denby Roads, on Sunday 18 March 2018. The event was well attended by around 150 staff, Councillors, public and Tangata Whenua. Pictured is Kaumatua Sandy Parata having preceded Ross with a karakia and blessing of the Pathway. The overall cost of the Pathway was \$235,000.



Puawai Street Off-road Cycle Trail – Council approved the purchase of nearly 3.0 Ha of land from Fonterra to adjoin an existing reserve thereby allowing the creation of a new local trail for the enjoyment of families and mountain bike riders. Pending legalisation of the land transfer from Fonterra to Council, and formalisation of licenses to occupy from two other neighbours, work on this trail could commence in the late summer /autumn.



Cemetery Data Update – The project to map all the Council owned cemeteries was completed and this enabled the front line staff to provide the public with accurate plot locations, deceased records, and an informational pamphlet through Intramaps.

Corporate

Fluoridation Progress – after resolving to add fluoride into the Waverley and Pātea water supply and being taken to court by New Health Inc, we successfully defended the case in the Supreme Court to fluoridate the water on 27 June 2018.

Warmer Homes Scheme - This Scheme has now been running for the past six years and below are some of the statistics of the Scheme.

District	Insulation	Heat Pump	Woodburner	Gas Heater
Hāwera	294	47	14	11
Eltham	76	16	5	3
Pātea	34	9	3	2
Waverley	26	6	6	1
Manaia	39	11	1	-
Kaponga	13	2	-	2
Ōpūnake	50	6	6	-
Other	45	15	6	-
Total	577	112	41	19

Representation Review - The Council is reviewing the District’s electoral and representation arrangements for the 2019 local government elections and, as part of the review, is seeking feedback on proposed changes to the Council’s ward and Community Board boundaries. The Council adopted an Initial Proposal for the Representation Review after considering early feedback from the public during the 2017/18 year. Submissions were opened on 14 June 2018. The Council is required by law to review the District’s representation arrangements every six years. This includes reviewing things such as the number of councillors and wards we should have, whether we should have community boards and if so, how many, where the boundaries are and what the names of the wards and community boards ought to be.

Digital Agendas and Correspondence - Digital agendas were introduced to the Mayor, Councillors and Senior Leadership Team in October 2017. The benefits included being more environmentally friendly with reduced printing costs, reduced postage costs and instant accessibility of agendas. It is also more efficient and convenient for elected members who can access the information anytime and anywhere. This project aligned well with the digital transformation of the Council.

Property File Digitisation - In 2015 a project was started to digitise the property files. The aim of the project was to protect our records and ensure records did not get lost or tampered with; increase access internally and externally; improve completeness of records and increase customer services (this also allowed the public secure access using an electronic kiosk). This project finished in December 2017. In addition to this project the Council have also learned that the cost of cleaning data is significant and a lot higher than expected. It is expected the cleaning process will finish mid-2019.

Council's Earthquake Prone Buildings - Over the past 12 months Detailed Seismic Assessments have been completed for the Eltham Municipal Building, Kaponga Memorial Hall, Pātea Library, Manaia Sports Complex and Manaia Library. Assessments have now been completed for all major Council facilities and the remainder of at risk buildings will be completed over the next three years, providing a clear picture of District wide needs before allocating funds to further remedial projects.



Pensioner Housing Refits - Work on the interior refits of 63 Pensioner Units continued with 47 completed as at June 2018. We remain ahead of our target of bringing 90% of units up to a standard of 'good' or 'very good' with 66% of units now meeting the standard. Occupancy rates continue to be high at 95-100% despite units being closed for an average of 12 weeks during refits.

Cemetery Memorial Walls – In 2017 a retaining wall was put in place at the Hāwera Cemetery to level the ground at the end of the burial plots and to enable the ground to be used for future cremation plots. As Hāwera didn't have a memorial wall it was decided that this would be ideal as it was a concrete block and could be used for customers to purchase a space to place a memorial plaque. Plaques have firstly been erected at the southern end of the wall.



Aerial Photography Project - Our GIS system uses several maps as templates to show locations of Council assets or properties in general. Some examples are topographical maps and aerial photographs. To keep the aerial photography up to date with changes in the landscape it was decided to re-fly the aeriels once every three years. Two years ago that time was up and together with all the other Taranaki councils a consortium was created to minimise cost which reduced our costs to one third of the budgeted amount.



On Saturday 13 January 2018 at dawn, the **unveiling of the new Rest Area at the northern end of Mātāriki, Normanby occurred.** This began with the lighting of a ceremonial fire to acknowledge the settlement of the local hapū, Araukuuku followed by the blessing.

After the ceremony, the Ketemarae Pā hosted some formal speeches, a presentation about the findings of the Archaeologist during all the works and a beautiful hākari (meal) for breakfast.



Financial Commentary

Highlights

Net surplus/(deficit)	\$8,042,000
Total assets	\$992 million
Total liabilities	\$138 million
Total equity	\$854 million

Statement of Financial Performance

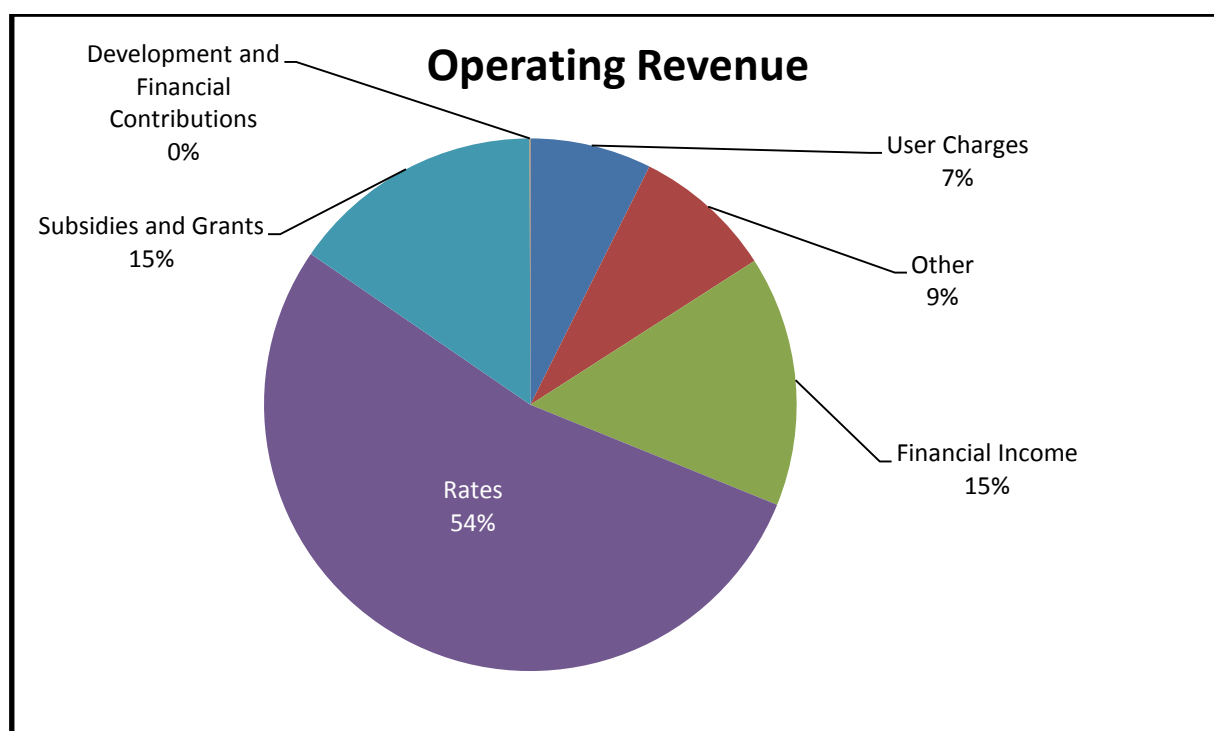
The Council finished the year with a surplus of \$8,042,000 against a budgeted surplus of \$1,617,000. The main contributors to the variance (\$6.4 million) are as follows:

Revenue

The total revenue was \$10.3 million more than budgeted. This included an additional \$2.6 million from the Long Term Investment Fund (LTIF) due to strong market conditions, \$4 million additional sundry revenue received from the New Plymouth District Council (NPDC) in accordance with the Central Landfill Joint Committee Agreement and additional \$2.5m subsidies for Rotokare Road and SH3 upgrades.

Expenditure

- An accounting adjustment for the \$0.66 million book loss on infrastructure asset disposal (no impact on rates).
- \$1.04 million accounting adjustment for the loss on derivative contract (Swaps).
- \$3.9 million of unbudgeted expenditure, mainly within the Roding activity and Landfill which were both recovered from NPDC and unbudgeted expenditure relating to the review of Council's District Plan.
- \$1.7 million of savings on actual versus budgeted amounts for interest paid and depreciation due to delays in the Capital Works Programmes.



Statement of Financial Position

Net assets as at 30 June 2018

\$ million	Actual 2017/18	Budget 2017/18	Actual 2016/17
Total assets	992	971	977
Less total liabilities	138	151	131
Net assets	854	820	846

Long Term Investment Fund (LTIF)

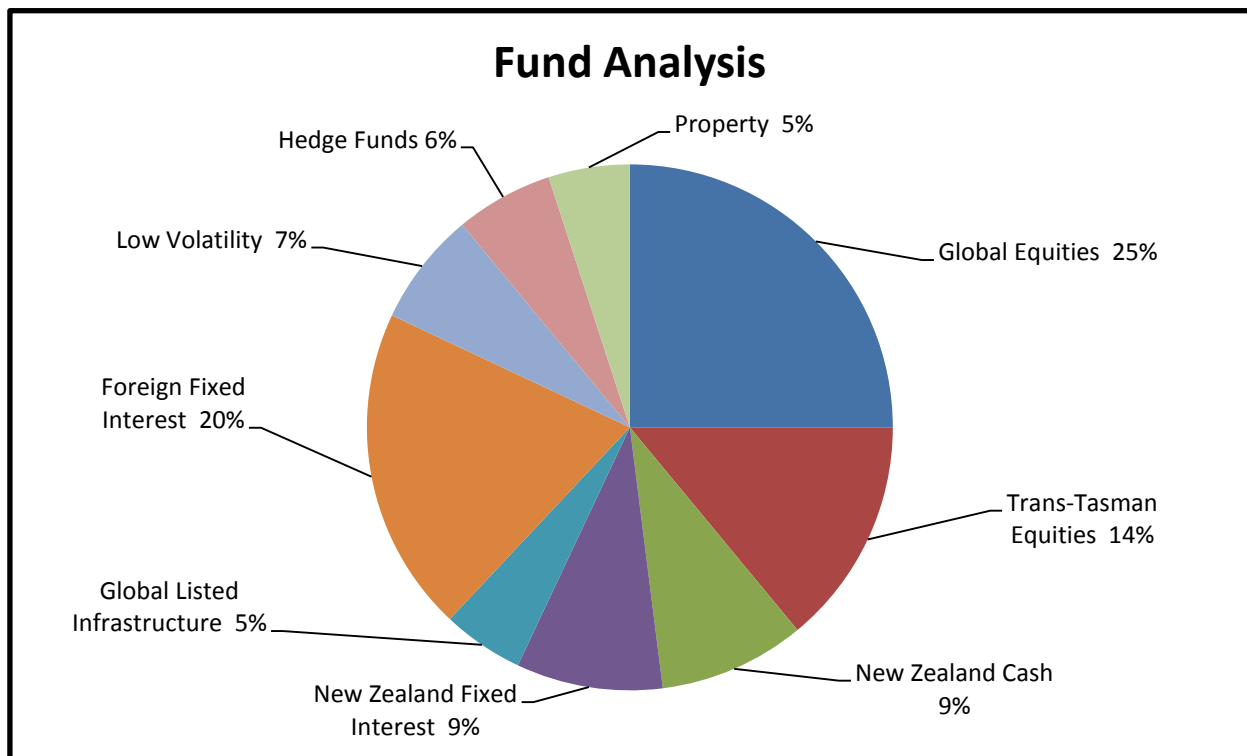
The value of the LTIF at 30 June 2018 increased to \$143.21 million (\$137.43 million in 2017) which included internal borrowing of \$11.38 million (\$12.36 million in 2017) after allowing for the withdrawal of the annual rates subsidy.

Term Debt

The total borrowing of the Council increased to \$128.18 million (\$123.75 million in 2017) which included \$11.38 million of internal borrowing (\$12.36 million in 2017).

External Funds

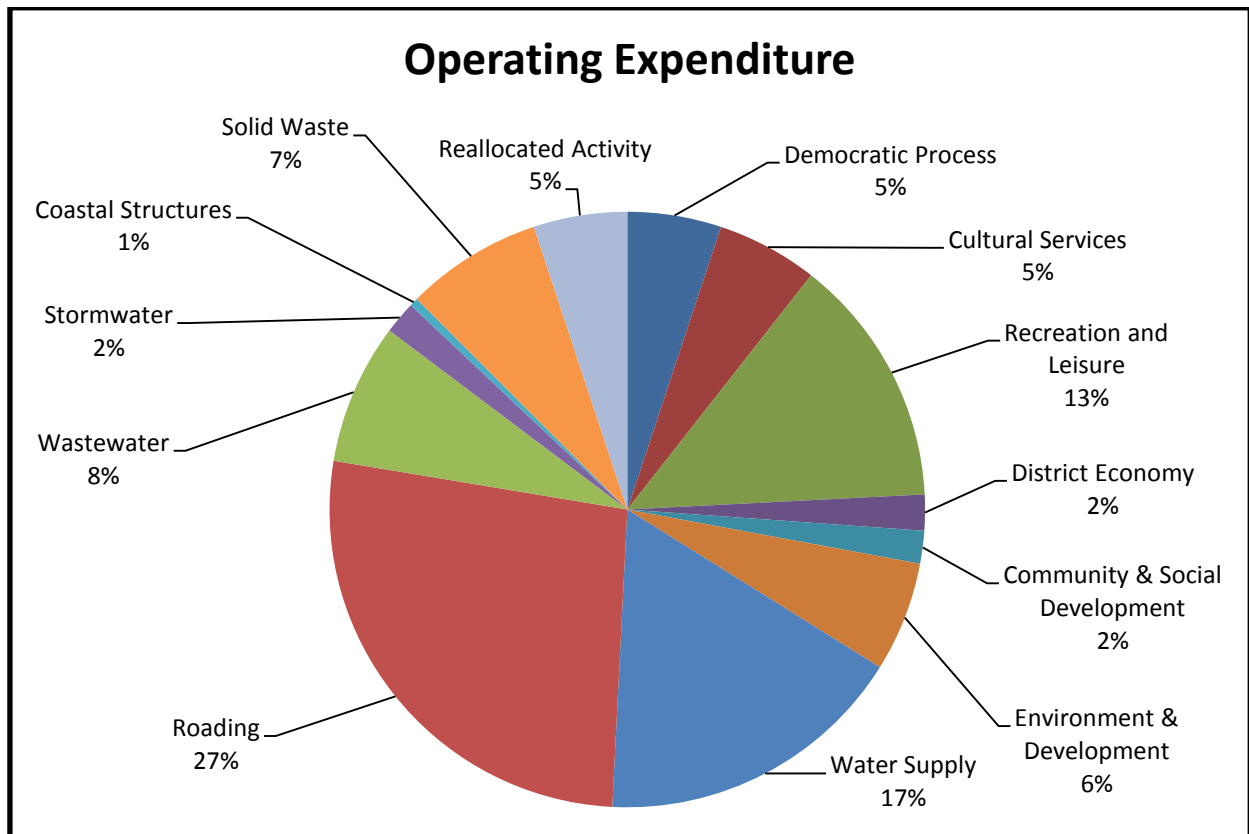
The budgeted return was \$9.36 million (\$0.72 million of interest revenue from internal borrowings) but the LTIF received a net return of \$11.99 million (\$0.82 million of interest revenue from internal borrowings) in the 2017/18 year as a result of strong market conditions. During the year the Council withdrew \$5.8 million for the annual rates subsidy and received \$0.97 million for internal loan repayments and \$0.82 million for the interest on internal loans.



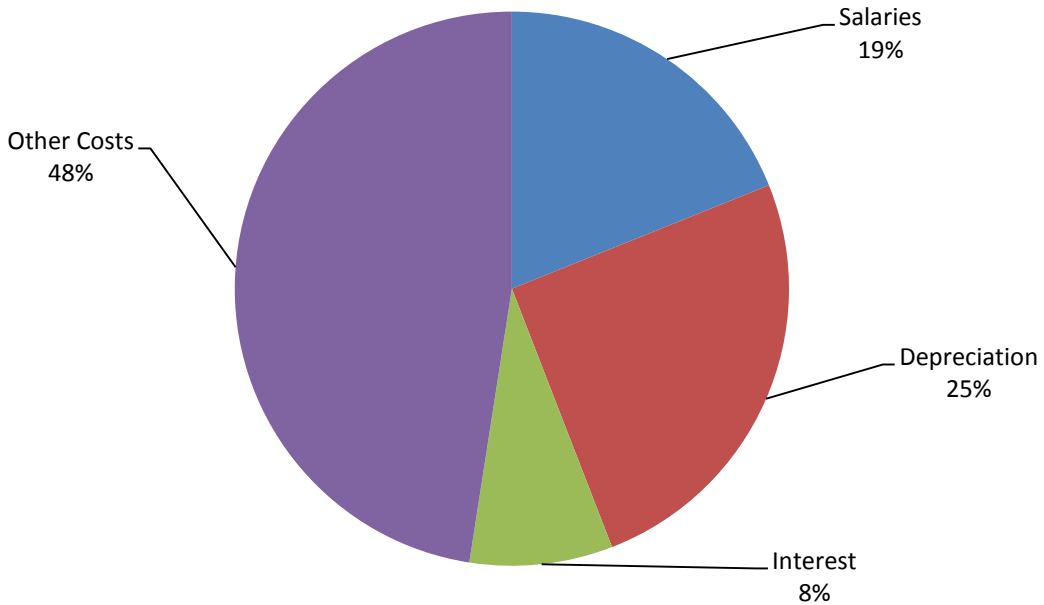
Financial Performance and Movements in Equity

(\$ millions)	Actual 2017/18	Budget 2017/18	Actual 2016/17
Operating revenue	74.66	64.39	72.25
Operating expenditure	66.62	62.77	60.27
Net operating surplus/(deficit)	8.04	1.62	11.98
Net increase in value of assets	14.71	42	64.80
Total Movements in Equity	8.01	41.16	76.61

The explanation for the Movements in Equity is due to the combination of more income than expected as per page 15.

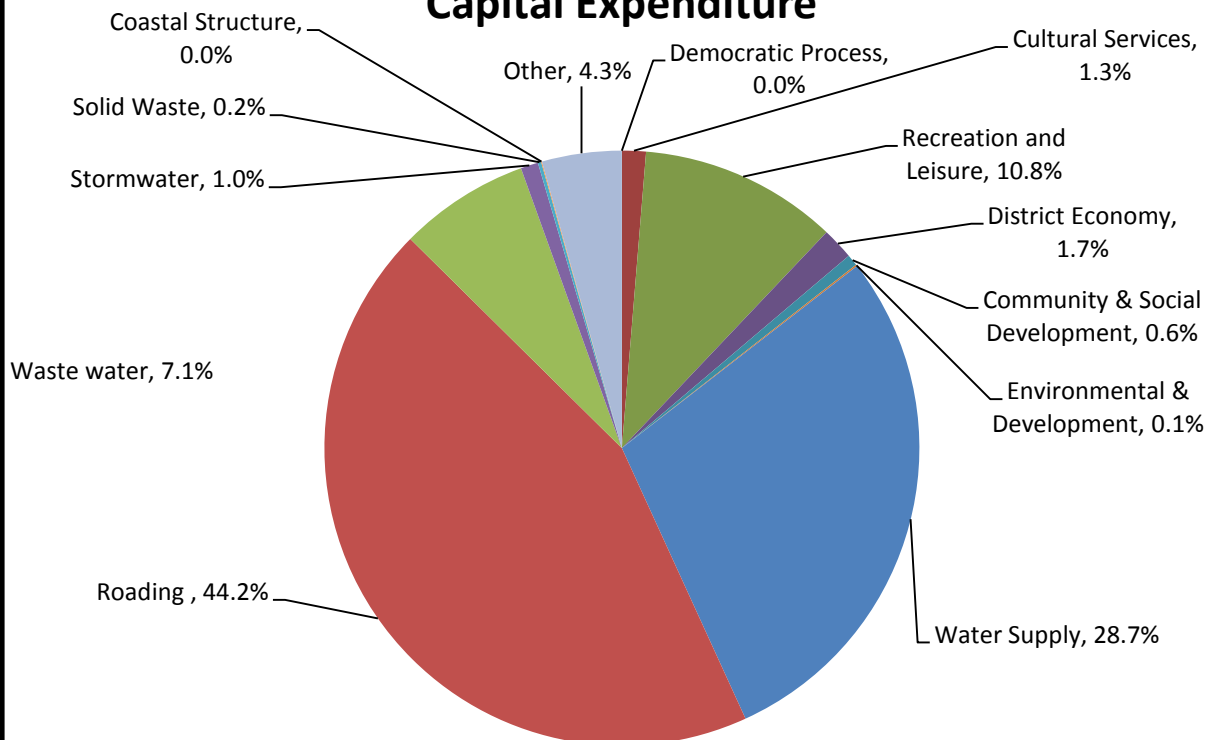


Expenditure by Nature



*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 2018 fairly reflect the financial position and operations of the South Taranaki District Council.



Ross Dunlop
Mayor
8 October 2018



Waid Crockett
Chief Executive
8 October 2018

Independent Auditor's Report

Independent Auditor's Report

To the readers of South Taranaki District Council's Annual Report for the year ended 30 June 2018

The Auditor-General is the auditor of 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'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 8 October 2018. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 75 to 84 and pages 101 to 135:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2018;
 - 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 98, 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 27 to 74:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2018, 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 125, 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 85 to 97, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 136 to 142, 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 our 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 19, 24 to 26, 99 to 100 and 143 to 148, 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.

In addition to our audit of the audited information and our report on the disclosure requirements, we have audited the District Council's 2018-28 long term plan, and performed a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.

A handwritten signature in black ink that reads "Andrew Clark". The signature is written in a cursive style and is positioned above the printed name.

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, businesses 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		✓			✓	✓	✓
Coastal Structures		✓	✓		✓		✓

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

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 to find out what South Taranaki residents think of our District and the Council's services and facilities. The survey for 2017/18 was conducted by Research First using a sample of 403 residents over the age of 18 years and representative of the population in terms of ward and gender. The maximum margin of error is +/- 4.9%.

The survey is mainly conducted by phone however an additional online channel was also available.

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 (Hāwera-Normanby, Tangahoe, Egmont Plains, Eltham and Pātea). There are 16 Community Board members on four Community Boards – Hāwera-Tangahoe, Egmont Plains, Eltham and Pātea.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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.

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

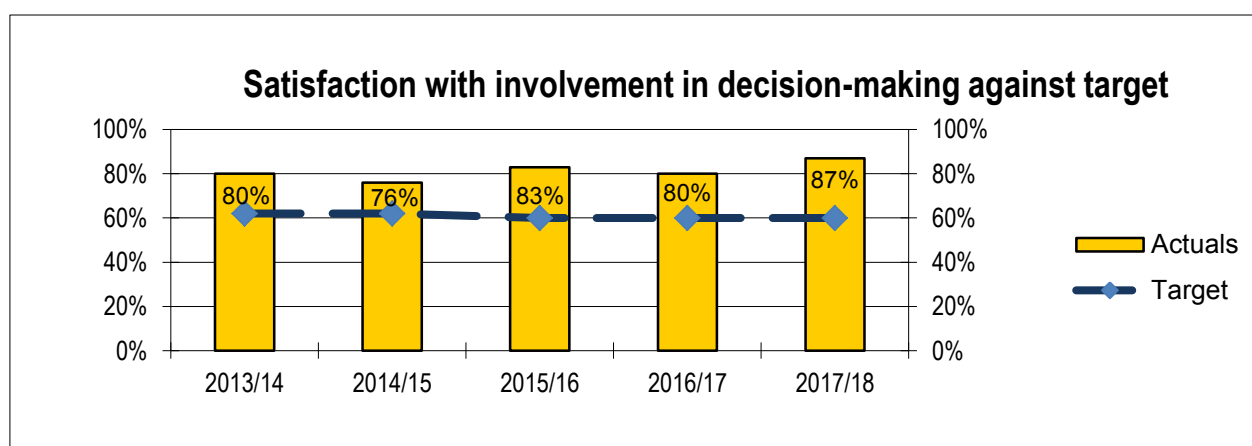
Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Provide opportunities for the community to participate in decision making.	% of residents who agree decisions made by Council represent the best interests of the District.	Achieved. 74%	70%	Achieved (76%). 76% of residents surveyed felt that the Council made decisions that represented the best interested of the community.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Provide opportunities for the community to participate in decision making.	(C) % of residents who are satisfied with the Council’s level of consultation.	Achieved. 53%	52%	Achieved (90%). 90% of residents surveyed are satisfied with the Council’s level of consultation.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 80%	60%	Achieved (87%). 87% 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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%	85%	Achieved (91%). 91% of residents surveyed know how to get Council information if they want it.

Performance Measure 6 – Zero LIMs exceed the 10 working day timeframe

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Provide residents with information on land and property in a timely manner.	Zero LIM’s exceed the 10 working day timeframe	Achieved. 0	0	Achieved (0). No LIMs exceeded the 10 working day timeframe.

Building Māori Capacity to Contribute to Council Decision-Making Policy

The Council is committed to upholding the mana of Māori by building strong relationships with Iwi and to provide opportunities for Māori to contribute effectively and actively in decision-making processes that will affect the wider community.

The Iwi Liaison Committee is one 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.

Ngā Kawenga ā te Kaunihera - Council's Role and Responsibility

- To build and maintain opportunities for Māori to contribute to decision-making processes within the South Taranaki District.
- To consider ways in which the South Taranaki District Council (Council) will develop this process in the future.

Te Koronga ā te Kaupapa Here - Purpose of the Policy

- To provide more opportunities for Māori to contribute to decision-making within the South Taranaki District Council. To assist Iwi and the Council to work collaboratively to meet the needs of Māori, by developing strong relationships through te reo Māori, Māori representation on Committees and a Bi-lingual Policy.

Ngā Whaingā Paetae - Objectives

- To have direct appointments of Māori delegates to Committees and Portfolio Groups which allow Māori to have a voice in Committee decisions.
- To employ an Iwi Liaison Advisor (ILA) who will be the liaison between Council and Iwi.
- To develop a Te Reo Māori Policy that ensures the Council acknowledges and promotes the use of te reo Māori in everyday use throughout the organisation.
- To introduce a Bi-lingual Policy to the organisation.
- To provide a Te Reo Māori and Cultural workshop for all Councillors about the local rohe and the importance of Iwi engagement with the Council.
- To actively promote and participate in Māori activities within the region.
- To develop a Mana Whakahono-a-Rohe Agreement between local Iwi.
- To have biannual Iwi forums to present and discuss upcoming activities of importance to Iwi.
- To consult with Iwi in relation to Reserve Management Plans.
- To develop better communication by working with Iwi to produce articles and information to inform the Māori community.

Kaupapa Here - Policy

The Policy looks at building capacity for Māori to contribute to decision-making with the introduction of the following policies and initiatives:

Herenga Tūturu - Direct Appointments

- Appointment of Māori representatives to Committees and Portfolio Groups. For example, the Environment and Hearings Committee. There will be between one and two appointees depending on the Group.

Kaitakawaenga ā-Iwi – Appoint an Iwi Liaison Advisor

- Provide direction, advice and support to the Council, Chief Executive and staff of the South Taranaki District Council on issues of significance to Iwi/Māori.
- Develop and maintain good relationships with Iwi/hapu.
- Provide advice and support for the development of Council policy and strategic partnerships with Iwi/hapu.
- Encourage Iwi/hapu participation by providing a point of contact, support and advice for the Iwi Liaison Committee members.

Te Kaupapa Here o Te Reo Māori - Te Reo Māori Policy

The introduction of a Te Reo Māori Policy to encourage and promote te reo Māori within the Council organisation and over time the District. The use of te reo Māori within the main administration building. To promote active use of te reo Māori in conversations and acknowledgements.

Te Tohu Reorua – Bi-lingual Signs

- The development of bilingual signage around the community and the Council organisation for the promotion and encouragement of the language to be used within South Taranaki.
- This will be a long term programme that will involve utilising Kaumatua and language experts of Taranaki to provide appropriate signage for the Iwi location.
- Replacement of old signs with new bi-lingual signs.

Mahi-a-Iwi - Active Participation in Māori Events

- The development of Iwi activities with Council support. By providing advice and/or resources, such as Taranaki Tū Mai or Ngā Manu Kōrero-ā-Rohe Speech Competitions.
- To encourage Council to be actively participating in Iwi led activities. To promote positive relationships at Iwi events and give support.

Awheawhe-a-Iwi ki ngā Kaikaunihera - Elected Members Cultural Workshop

- Workshop to assist elected members to have a basic and informative introduction to working and engaging with Iwi in a positive environment. This will be run at the beginning of each year following the Local Government Elections and will focus on assisting elected members with pronunciation, local history, Iwi information and tikanga.

Mana Whakahono-a-Rohe

- To develop a Mana Whakahono-a-Rohe (MWR) agreement with local Iwi. This will encourage positive engagement with Iwi under the Resource Management Act 1991 and the 2017 amendments.

Hui Tōpū-a-māramarua - Biannual Iwi Forums

- Meet biannually with Iwi leaders for the discussion and recommendation of current issues pertinent to Māori. For example, the Iwi Chairs Forum. Presentation at Rūnanga hui by Iwi Liaison Advisor to deliver current activities being carried out by the Council which involve Iwi.
- Parihaka 18th and 19th Forum – Iwi Liaison Advisor to attend biennially to give feedback and information on activities relevant to Taranaki Iwi.
- Kaumatua Kaunihera Hui – Iwi Liaison Advisor to deliver information to Iwi Kaumatua on current actions undertaken by the Council within the District that impact upon Iwi. For example, Kaumatua Kaunihera o Ngāruahine.

Mahere Kaitiaki Whenua - Reserve Management Plan

- Iwi hui to discuss activities of importance to Iwi in relation to specific reserves within their rohe.

Pari Karangaranga – Iwi Communications

- The Iwi Liaison Advisor will work with Iwi to produce articles and information of activities the Council are involved in which affect relevant Iwi to be shared with the Māori community.

Progress on these objectives:

- To have direct appointments of Māori delegates to Committees and Portfolio Groups which allow Māori to have a voice in Committee decisions. *A Māori Representation Review Joint Working Party was established in early 2017 and during the 2017/18 financial year the Council sought nominations from the four Iwi to appoint members to the Council's Committees and Portfolio Groups.*
- To employ an Iwi Liaison Advisor who will be the liaison between Council and Iwi. *This role was established many years ago and the ILA has an ongoing commitment to liaising between Council and Iwi.*
- To develop a Te Reo Māori Policy that ensures the Council acknowledges and promotes the use of te reo Māori in everyday use throughout the organisation. *Work commenced on this during 2017/18 and it was in draft form as at 30 June. Informal consultation was undertaken with the Iwi Liaison Committee and Iwi between January and March of 2018.*
- To introduce a Bi-lingual Policy to the organisation. *This Policy is still under development and has since been incorporated into the Te Reo Māori Policy.*
- To provide a Te Reo Māori and Cultural workshop for all Councillors about the local rohe and the importance of Iwi engagement with the Council. *The Training Manual and powerpoint presentations were developed during the year however this project won't be implemented until 2018/19.*
- To actively promote and participate in Māori activities within the region. *Various activities have been attended and supported by the ILA and staff of Council and this will continue to be an ongoing focus.*

- To develop a [Mana Whakahono-a-Rohe Agreement](#) between local Iwi. This piece of work is still in the development stage with both Iwi and all the councils of this region being involved.
- To have biannual Iwi forums to present and discuss upcoming activities of importance to Iwi. Some Parihaka forums have been attended by both the ILA and the Chief Executive of Council with other forums to be considered as and when they arise. An Iwi Meeting Calendar was also developed in 2017/18.
- To consult with Iwi in relation to [Reserve Management Plans \(RMPs\)](#). The ILA has met with relevant Iwi regarding RMPs and further action is to be taken in the 2018/19 year.
- To develop better communication by working with Iwi to produce articles and information to inform the Māori community. The Council continues to look for opportunities where Iwi will be provided with information about activities in the community.

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, Hāwera, Kaponga, Manaia, Ōhawe Beach, Okaiawa, Ōpūnake, Otakeho, Pātea and Waihi (Normanby). The Council also owns the Armed Constabulary Cemetery on the banks of the Ōpūnake 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 Ōpūnake, Eltham, Hāwera, Kaponga, Manaia, Pātea 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Opportunities are provided to participate in arts and cultural activities.	Number of art activities facilitated per annum.	Achieved. 10	8	Achieved (10). 10 activities were facilitated in 2017/18.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Opportunities are provided to participate in arts and cultural activities.	Number of exhibitions managed by the Arts Co-ordinator per annum.	Achieved. 3	2	Achieved (2). 2 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
South Taranaki artists and galleries are supported.	% of artists satisfied with support offered.	Not undertaken due to time restraints.	90%	Achieved (100%). The Annual User Survey was undertaken in Quarter 4, with 100% of artists satisfied with the support offered.

Heritage

Performance Measure 4 – Visitors comments which are positive

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Visitors feel welcome and enjoy the facility.	% of customers are satisfied with their visit.	Achieved. 99%	95%	Achieved (98%). There have been 367 comments this year with overall satisfaction of 98%.

Performance Measure 5 – Collection on database and/or digitised

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
The collection of artefacts and archives are made accessible.	% of the collection on the database and/or digitised.	Achieved. 55%	60%	Achieved (65%). Current estimate is 65% of the collection is on the database and/or digitised.

Performance Measure 6 – Customer satisfaction with the service

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Research, archival and heritage advisory services are provided.	% of customers satisfied with the service.	Achieved. 92%	90%	Achieved (95%). 14 responses to the survey were received and 95% were satisfied with the service.

Performance Measure 7 – Number of temporary exhibitions per annum

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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.

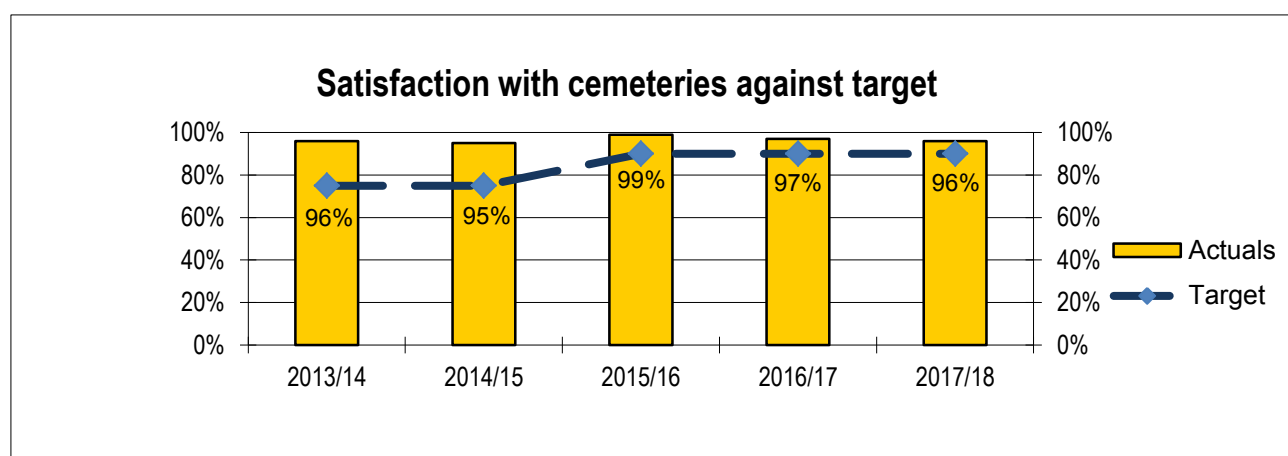
Performance Measure 8 – Number of activities

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
South Taranaki's unique stories are promoted through exhibitions and activities.	Number of activities.	Achieved. 18 School activities 9 Adult activities	8 School Holidays activities 3 Adult activities	Achieved (14 and 13 respectively). There have been 14 school activities and 13 adult activities this year.

Cemeteries

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Cemeteries are tidy and well maintained, with no litter lying around.	% of customers satisfied with the tidiness and level of maintenance at Cemeteries.	Achieved. 97%	90%	Achieved (96%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 96% satisfaction with cleanliness and maintenance of cemeteries.



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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Cemeteries are tidy and well maintained, with no litter lying around.	(C) % of customer complaints/requests managed within 10 working days.	Not achieved. 84%	98%	Not achieved (67%). There have been 40 CRMs received for the full year with 27 completed within the timeframe.

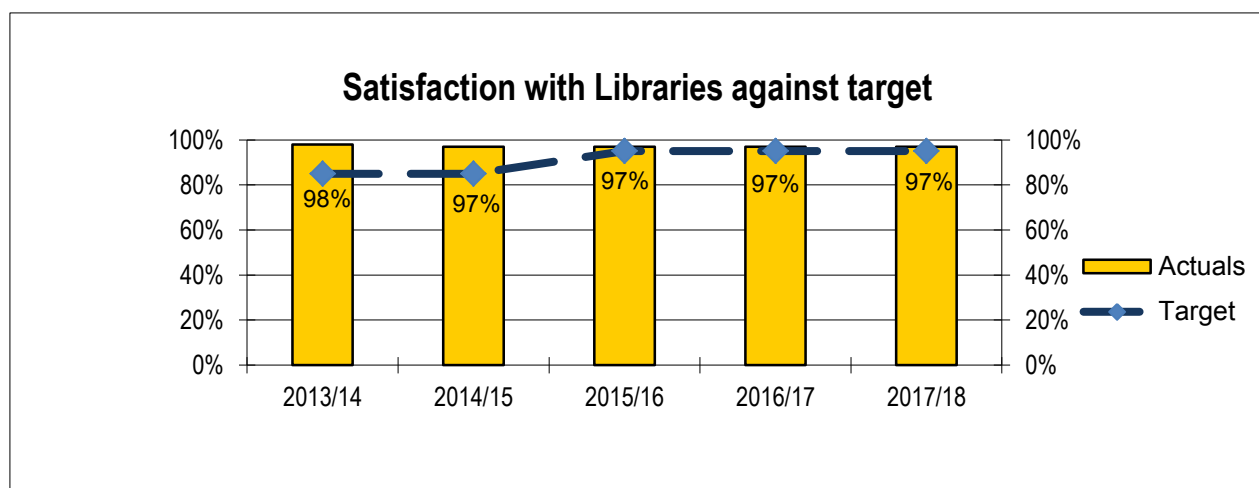
Performance Measure 11 – Number of complaints regarding interment processes

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 280,494 135,378	280,000+ 60,000+	Not achieved (247,506) and Achieved (153,057). There have been 247,506 visits to LibraryPlus facilities for the year. Online visits for the year were 153,057. Overall, there were 400,563 visits against a target of 340,000; the split between 'in person' and 'online' has shifted due to societal changes.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 95%	95%	Achieved (96%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 96% of residents are satisfied with materials, resources and information provided.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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 Ōpūnake, Manaia, Kaponga, Eltham, Normanby, Hāwera, Pātea 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 Hāwera 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 Hāwera, 11 in and north of Ōpūnake (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 Pātea, 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, Ōpūnake, Ōpūnake 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: Ōpūnake Beach Holiday Park, Te Ngutu o Te Manu (Ahipaipa Road, Okaiawa), Hāwera Holiday Park, Pātea Beach Holiday Park, Waverley Beach, Wai-inu Beach and Lake Rotorangi (Pātea Dam).

The management and operation of these holiday parks varies throughout the District. Ōpūnake Beach Holiday Park and Pātea Holiday Park are leased to private operators; Te Ngutu o Te Manu, Waverley Beach, Wai-inu Beach and the Hāwera 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 (Pātea 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 Hāwera 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, Hāwera

The Council owns and operates rural swimming pools in Kaponga, Manaia, Eltham, Rawhitiroa, Pātea 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 Ōpūnake Community Baths. The Aquatic Centre in Hāwera 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 school’s 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 Hāwera. 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 (Hāwera 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

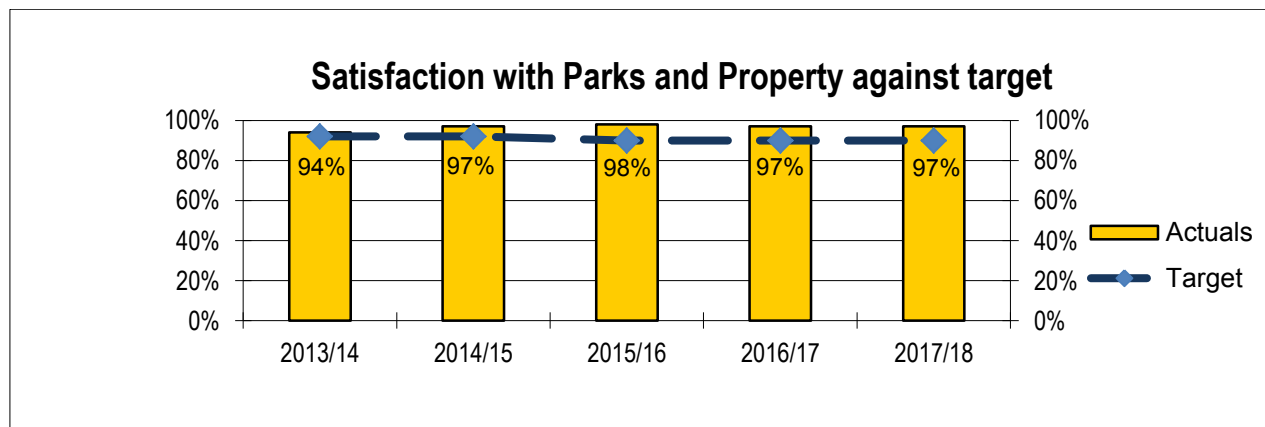
The vision of our Open Space Strategy is to have accessible Open Spaces that are enjoyed by our people, support the health and wellbeing of our communities and enhance our environment. Provision of the activities and associated infrastructure within the Recreation and Leisure grouping contribute to this 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Parks and properties are tidy and well maintained.	% of customers satisfied with the level of maintenance in Council parks and properties.	Achieved. 97%	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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Visitors feel safe and enjoy visiting our parks and properties.	Number of recorded incidents of preventable injuries occurring.	Achieved. 0	0	Not achieved (1). One incident was recorded at Ōpūnake Beach Playground in Quarter 3. An adult was injured on a slide which could have been prevented if more regular raking of soft-fall had occurred.

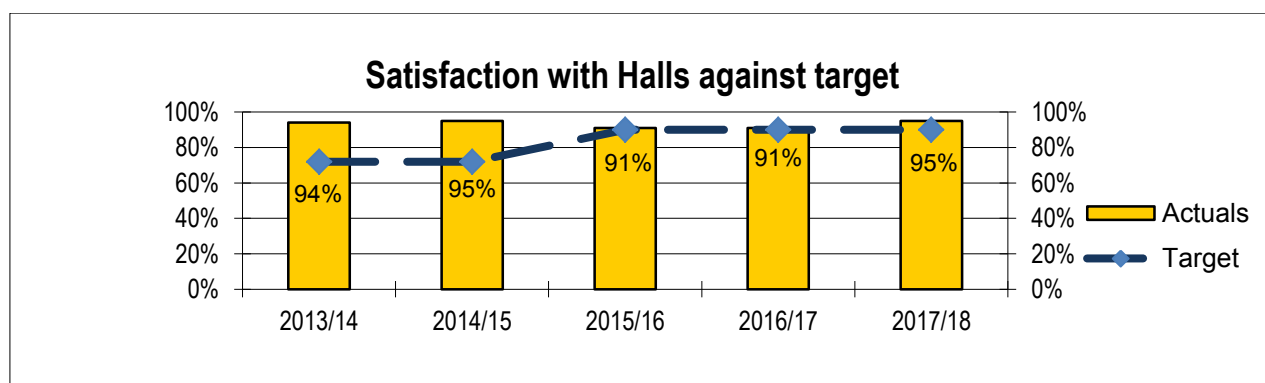
Performance Measure 3 – Customer complaints/requests for Parks and Properties managed within specified timeframe

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Visitors feel safe and enjoy visiting our parks and properties.	% of customer complaints/requests managed within 10 working days.	Not achieved. 85%	98%	Not achieved (78%). There have been 116 CRMs received for the year with 91 being completed within the timeframe.

Halls

Performance Measure 4 – Satisfaction with maintenance and cleanliness of Halls

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Halls are well maintained and serviced.	% of customers satisfied with the maintenance and cleanliness of Halls.	Achieved. 91%	90%	Achieved (95%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 95% of residents were satisfied with the maintenance and cleanliness of the Halls.



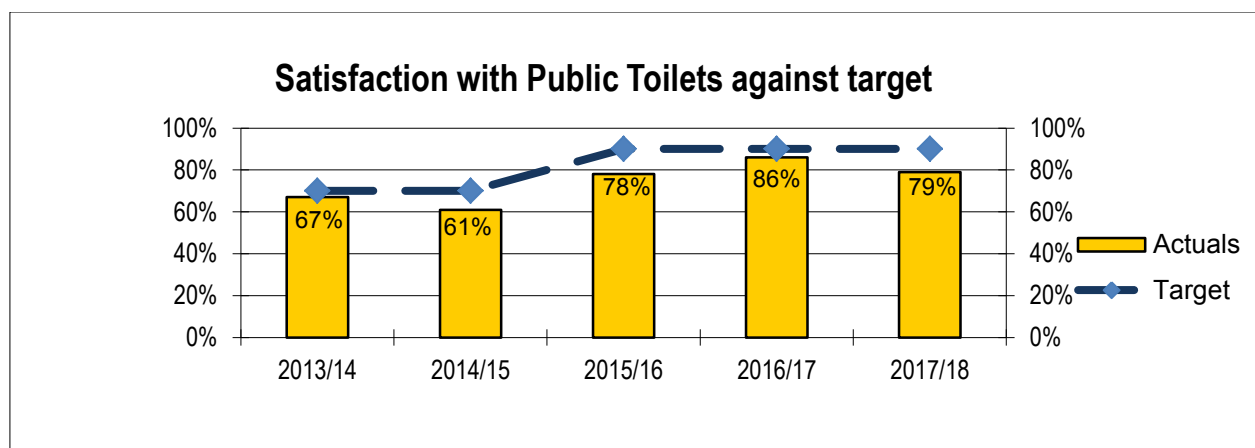
Performance Measure 5 – Customer complaints/requests for Halls managed within specified timeframe

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Halls are well maintained and serviced.	% of customer complaints/requests are managed within 10 working days.	Achieved. 100%	98%	Not achieved (83%). There were 23 CRMs received for the year with 19 completed within the timeframe.

Public Toilets

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Toilets are safe, accessible and well maintained.	% of residents satisfied with cleanliness and maintenance of Public Toilets.	Not achieved. 86%	90%	Not achieved (79%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 79% 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Toilets are safe, accessible and well maintained.	% of residents satisfied with Public Toilet opening hours.	Achieved. 91%	85%	Not achieved (81%). The Annual Resident Satisfaction Survey results published in Quarter 4 indicated 81% 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Toilets are safe, accessible and well maintained.	% of contractor compliance for cleaning Public Toilets.	Achieved. 100%	90%	Achieved (91%). There have been 22 complaints received year to date with 20 being completed within the timeframe.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Toilets are safe, accessible and well maintained.	% of customer complaints/requests managed within 10 working days.	Achieved. 98%	98%	Not achieved (86%). There have been 141 complaints/requests received for the year with 121 being completed within the timeframe.

Holiday Parks

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Holiday Parks are attractive, maintained and well used.	% of complaints of Council-managed Holiday Parks managed within 10 working days.	Not achieved. 88%	98%	Not achieved (89%). There were 18 CRMs received for the year with 16 being completed within the timeframe.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Holiday Parks are attractive, maintained and well used.	Number of complaints per annum about Holiday Park maintenance.	Achieved. 8	<14	Achieved (0). No CRM complaints 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Rural Pools are attractive environments.	Total number of users of rural pools is greater than 40,000.	Not achieved. 37,089	40,000	Achieved (46,684). The total attendance for the 2017/18 season was 46,684.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Rural Pools are well maintained.	% of customers satisfied with venues being well maintained.	Achieved. 91%	80%	Achieved (85%). Customer surveys were carried out and 85% 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Customers are satisfied with services.	% of users satisfied with services provided by staff.	Achieved. 96%	80%	Achieved (91%). 91% 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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 working at rural pools hold current Pool Lifeguard Practicing Certificates as well as current Comprehensive First Aid Certificates.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Rural Pools are safe environments.	Number of accidents reported per annum due to poor design or maintenance.	Not achieved. 1	0	Not achieved (3). Three incidences were reported for the year. One at the Kaponga Learners' Pool and two at Rawhitiroa.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Rural Pools water quality is safe.	% of compliance with NZS5826 through regular water quality tests.	Achieved. 90.8%	90%	Achieved (96%). Overall seasonal analysis indicates satisfaction.

Swimming Pools - Aquatic Centre, Hāwera

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
The Aquatic Centre is an attractive environment.	(C) Number of users of the Aquatic Centre is greater than 93,500 per annum.	Achieved. 94,331	93,500+	Achieved (98,528). Total attendance for the year was 98,528.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
The Aquatic Centre is well maintained.	% of users satisfied with the venue being well maintained.	Achieved. 92.7%	90%	Achieved (94%). The Annual User Survey was carried out in the 4th quarter with 94% 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Customers are satisfied with services.	% of users satisfied with services provided by staff.	Achieved. 94.3%	90%	Achieved (95%). The Annual User Survey was carried out in the 4th quarter with 95% 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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 2018.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
The Aquatic Centre is a safe environment.	Number of accidents reported per annum due to poor design or maintenance.	Not achieved. 1	0	Not achieved (2). Two accidents were identified as being caused by maintenance issues and both were small cuts from broken tiles which at the time, were unknown.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 1,656	1,400	Achieved (1,539). Aqua School enrolments reached 1,539 and including the School Swim and Survive enrolments they delivered a total of 19,404 lessons for the year.

TSB Hub

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
TSB Hub is an attractive, well maintained and well used venue.	Number of users of TSB Hub is greater than 150,000 per annum.	Not achieved. 138,763	150,000+	Not achieved (134,022). There were 134,022 users of TSB Hub throughout the year with 39,669 visits during Quarter 4 which has put us just under the target for the year.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
TSB Hub is an attractive, well maintained and well used venue.	% of users satisfied with the standard of service provided.	Achieved. 96.22%	80%	Achieved (80%). Of the customers surveyed this year 80% were satisfied with the standard of service provided.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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 Tapuae Roa Make Way for Taranaki Regional Economic Development Strategy was launched in August. It is a collaborative effort between South Taranaki, Stratford and New Plymouth District Councils, Taranaki Regional Council, Venture Taranaki, local business leaders, iwi and central government (MBIE). The project takes on a whole-of-region approach and focuses on unlocking the best opportunities for regional economic growth and the on-going success of the region. The Tapuae Roa Action Plan which the Council has adopted was released in April 2018.

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 has set aside Digital Development Fund of \$1m to improve broadband and mobile blackspot connectivity across the district. A new Digital Strategy is to be developed in 2018/19 to determine the best way to utilise this fund.

The Mayor's Task Force for Jobs projects are actions in the Council's Economic Development Strategy. The projects include the 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 Hāwera 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Existing or new businesses are supported and assisted to grow.	Number of client interactions with the Business Advisory Service.	Achieved. 581	475	Achieved (923). The total number of client interactions with South Taranaki businesses for the year was 923.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Existing or new businesses are supported and assisted to grow.	% of businesses satisfied with the service received from the Business Advisory Service.	Achieved. 93.7%	90%	Achieved (95%). An annual client satisfaction survey was undertaken by Venture Taranaki in Quarter 4 with 95% of businesses satisfied with the service and identifying South Taranaki as their primary location.

Performance Measure 3 – Number of painting incentives granted

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Existing or new businesses are supported and assisted to grow.	Number of painting incentives granted.	Achieved. 3	2	Achieved (4). There were 4 painting grants allocated during the financial year.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
South Taranaki is promoted as an attractive place to do business, live and work.	Number of business related promotions/articles per annum.	Achieved. 5	4	Achieved (5). 5 business related promotions/articles were undertaken for the year.

Performance Measure 5 – Number of lifestyle promotions per annum

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
South Taranaki is promoted as an attractive place to do business, live and work.	Number of lifestyle promotions per annum.	Achieved. 2	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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
South Taranaki is promoted as an attractive place to do business, live and work.	Number of delegations to or from Harbin per annum.	Achieved. 1	1	Not achieved (0). There were no delegations to or from Harbin during the year.

Tourism

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
South Taranaki is promoted as a great place to visit.	Number of promotions of South Taranaki as a visitor destination.	Achieved. 6	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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
South Taranaki is promoted as a great place to visit.	Number of website hits per annum.	Achieved. 125,585	100,000	Achieved (146,392). Website hits were 146,392 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Staff at the i-SITE are friendly and knowledgeable	(T) Qualmark accreditation is maintained.	Held	91%	Achieved (passed). Assessed and passed in June 2018. There is no longer a % pass rate, only a pass or fail.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
A seven day a week service is provided at the i-SITE (excluding Christmas Day)	(T) Qualmark accreditation is maintained.	Held	91%	Achieved (passed). Assessed and passed in June 2018. There is no longer a % pass rate, only a pass or fail.

Events

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Council will provide, encourage and/or support events within the District.	Minimum number of events Council has provided or supported per annum.	Achieved. 13	6	Achieved (18). There were 18 events provided or supported during the year.

Performance Measure 12 – Attendees satisfied with selected Council events

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Council events are well organised, safe and well attended.	% of attendees satisfied with selected Council events.	Achieved. 97.3%	95%	Achieved (97%). On average 97% 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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.

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 Ōpūnake, Eltham, Manaia, Kaponga, Hāwera, Pātea 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Communities and Groups are supported to achieve their own goals.	% of participants in workshops and training sessions find the training useful.	Achieved. 93%	85%	Achieved (97%). A total of 97% of participants who attended various workshops and training sessions during the year found the training useful. The workshops are presented in partnership with the Wheelhouse.

Performance Measure 2 – Groups satisfied with the support they receive

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Communities and Groups are supported to achieve their own goals.	% of groups satisfied with the support they receive.	Achieved. 100%	75%	Achieved (100%). Four 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 65%	50%+	Achieved (96%). There has been one community-led project supported by Council YTD with 96% of the cost being funded from external sources (Hāwera Town Piano).

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 51.6%	33.3%+	Achieved (50%). Overall average of 50% 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 60%	59%	Achieved (66%). 66% of the 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 79%	76%	Achieved (83%). 55 tenants (83%) are paying 80% of the market rate and 11 (17%) are paying under 80% of the market rate.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Council will provide well maintained and affordable Pensioner Housing.	% of tenants satisfied with the standard of their accommodation.	Achieved. 97%	85%	Achieved (96%). The Annual Tenant Satisfaction Survey results indicated 52 out of the 66 tenants completed this survey. Of that 52, 50 (96%) were satisfied with the condition of their unit.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 92%	85%	Achieved (98%). The Annual Tenant Satisfaction Survey results indicated 51 out of the 66 tenants completed this survey. Of those 51, 50 (98%) were satisfied with the social support provided.

Environment and Development

What we do

Planning

The Planning activity involves applying the provisions of the South Taranaki District Plan to meet the Council's obligations to fulfil the purposes of the Resource Management Act 1991. In particular it involves providing advice to customers 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 for people 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 570 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 225 food and health registrations and issues or renews about 114 alcohol licences each year for premises and special events and about 111 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 consent orders that have resolved seven appeals. Two appeals have needed Environment Court hearings. One of those hearings has been completed with a successful outcome, while the second is expected to end in the last week of August, with a decision later in 2018. The Environmental Policy activity also involves providing funding assistance to people protecting areas of indigenous vegetation or habitats of indigenous fauna.

Animal Services

Animal services 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 increasing owner awareness and education to reduce incidents of wandering and aggressive dogs.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Consents for subdivisions and development are processed in a timely manner.	(T) % of resource consent applications processed within statutory timeframes.	Achieved. 100%	100%	Achieved (100%). 113 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Consent compliance is monitored by the Council.	Consents are monitored by their due date.	Not achieved. 46%	85%	Not achieved (52%). 94 consent monitoring inspections were undertaken for the year, with 49 completed by their due date. We are currently clearing a backlog of monitoring which built up while we were offering a reduced monitoring service because of staff development. This backlog is on track to be cleared by the end of the first quarter of the 2018/19 financial year. However, complaints have been responded to and investigated.

Performance Measure 3 – Customers satisfied with the service they receive

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Customers receive high quality service.	% of customers satisfied or very satisfied with the service they have received.	This survey was not undertaken due to lack of responses.	85%	Customer satisfaction has not been surveyed this year and has been removed from any future reporting measures.

Building Control

Performance Measure 4 – Building Consent applications processed within specified timeframe

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Building consents are processed quickly and efficiently.	% of building consent applications processed within 20 working days.	Achieved. 100%	100%	Not achieved (99.82%). 572 building consents have been processed for the year and only 1 exceeded the statutory time frame.

Performance Measure 5 – Building inspections carried out within specified timeframe

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
New buildings are safe.	% of building inspections carried out within 2 working days of request.	Achieved. 100%	95%	Achieved (100%). 2,218 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Customers receive industry recognised quality service.	Accreditation as a Building Consent Authority is retained.	Retained	Retained	Achieved (Retained). The Building Consent Authority accreditation is current and due for re-assessment (Biennially) in November 2018 for a further two year period.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Customers receive industry recognised quality service.	% of survey respondents that are satisfied or very satisfied with the building control service.	This survey was not undertaken due to lack of responses.	85%	Customer satisfaction has not been surveyed this year and has been removed from any future reporting measures.

Environmental Health

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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 (97%). 179 of 184 applications were processed for the year within 10 working days.

Performance Measure 9 – Licensed premises that are inspected annually

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Food premises are hygienic and food sold to the public is safe to eat.	% of licensed premises that are inspected annually.	Achieved. 100%	100%	All existing food premises are transitioning onto Food Control Plans or National Programmes during 2018/19. These businesses are exempt from verifications for up to 12 months. During this time our EHO's are in contact with these businesses, educating and assisting with the transition.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	Not achieved (1). 1 of 2 workshops have been conducted throughout the year. The second workshop was cancelled due to no feedback being received from the local hospitality industry on topics and discussion points for the proposed workshop.

Performance Measure 12 – Licensed premises that are annually inspected

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Premises selling liquor to the public are licensed and are running their business responsibly.	% of licensed premises that are annually inspected.	Achieved. 100%	100%	Achieved (100%). All licensed premises were inspected for the year.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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 (96%). 121 of 126 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Provide a prompt and reliable noise control service 24 hours a day, 7 days a week.	% of noise complaints responded to within one hour.	Not achieved. 75%	90%	Achieved (99%). 757 of 766 complaints were responded to within one hour.

Environmental Policy

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
The District Plan is reviewed.	% of Plan Change projects delivered by the next local body election.	Achieved 100%	90%	Achieved (100%). The Council adopted the Hearings Panel's decisions on the Proposed District Plan before the 2016 Local Government election and 9 appeals were received on a wide range of District Plan content. Of which 7 have been resolved through mediation and 1 has been successfully resolved through an Environment Court hearing. The final appeal is currently part way through an Environment Court hearing and is expected to be resolved by the end of 2018.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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%	Not required. There have been no Plan Change projects during the year.

Animal Control

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 98%	97%	Achieved (99%). 325 out of 329 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
A reliable and responsive animal control service that investigates general dog* incidents.	% of reported general dog incidents responded to within 1 working day.	Achieved. 98%	97%	Achieved (98%). 1,652 out of 1,686 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.

Water Supply Services

What we do

The Council owns and manages 10 water production facilities, 36 reservoirs and 641km of water mains delivering this service. The water supplies provide an average of 36,489 cubic meters of drinking water each day to meet the demand of residential, agricultural and industrial customers, taking into account outages for maintenance and breakdowns. Water is available 24 hours a day, seven days a week and requires treatment to meet the quality standards as defined by the Health Act.

Why we do it

Water is sourced from boreholes and the many streams that flow from Mount Taranaki to ensure there is sufficient quantity and quality of water. Streams supply the majority of water supply but boreholes are preferred as they are more reliable in a drought, have less impact on the environment and compliance with drinking water standards generally costs less. Boreholes are used in the following areas; Pātea, Waverley, Waverley Beach and Wai-inu with boreholes being used to augment the supply at the Kapuni and Waimate West Water Treatment Plants.

Water supply is the most critical infrastructure service provided by the Council. It is essential for the health and wellbeing of the population, and is required in large volumes to sustain existing domestic, agricultural and industrial customers. Having the ability to access additional water is also required to facilitate economic development in the District. The Local Government Act requires that we continue to provide water supply services and maintain their capacity. The Council needs to manage water resources in an environmentally sustainable way and this is achieved by reducing waste/water loss and encouraging appropriate water use.

The quantity of water taken from streams is regulated by the Taranaki Regional Council, who administers consents issued under the Resource Management Act, to sustain and protect the environment. With the use of Water Outlook, a data management software, Council is able to daily monitor water demand ensuring water is not leaking from our pipes, or on customers' properties so the Council are able to account for what is abstracted under the condition of resource consents.

In order to adequately operate the reticulation systems, a minimum storage capacity of 24 hours is desirable and the all plants with the exception of Waimate West provide more than 24 hours storage capacity at all of their water supplies. Waimate West has a minimum storage capacity of 18 hours storage. High levels of storage capacity allow water treatment plants to reduce water production when there is heavy rainfall where water can become more difficult to treat. Storage also provides resilience in the event of natural disasters or emergencies which affect water supply.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
*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. 36m	≤ 2 hrs	Achieved (33m). The median response time for service personnel to attend urgent call-outs was 33 minutes for the year.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
*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. 1h/28m	≤ 5 hrs	Achieved (1h/57m). The median response time for service personnel to fully complete urgent call-outs (P1 < 250 mm diameter main) was 1 hour and 57 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
*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. 0	≤ 9 hrs	Not achieved (16h/47m). Q3 – 1 mains call out with 22h/31m resolve time – 12m pipe in local stream water course. Due to flood event the repair was stalled to ensure no stream contamination of water main. Q4 – 1 mains shutdown with a shutdown time of 8h/42m as per valve register and resolve time of 11h/3m. Temporary water supplies were connected.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
*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/5h/57m	≤ 2 days	Achieved (1d/17h/35m). The median response time for service personnel to attend non-urgent call-outs (P2) was 1 day, 17 hours and 35 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
*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. 4d/1h/51m	≤ 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
*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/19h/25m	≤ 2 days	Achieved (1d/21h/41m). The median response time for service personnel to fully complete non-urgent call-outs (P2) was 1d/21h/41m 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
*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>	Not achieved. 5d/5h/27m	≤ 5 days	Achieved (4d/22h/33m). The median response time for service personnel to fully complete non-urgent call-outs (P3) was 4d/22h/33m 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 9/10	10/10	Achieved (10/10). All supplies complied with Drinking Water Standards for bacteria. DWA annual audit confirms.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Water supplied is clean and healthy.	Extent of compliance with NZ Drinking Water Standards (for protozoa). <i>DIA Performance Measure 1b</i>	Not achieved. 7/10	10/10	Not achieved (7/10). For the year only 7/10 supplies attained compliance. Three supplies (Inaha, Waverley Beach and Wai-inu) lacked appropriate treatment. DWA annual audit confirms.

Performance Measure 10 – Water Safety Plans approved by DHB

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Water supplied is clean and healthy.	Water Safety Plans approved by DHB.	Not achieved. 7/10	10/10	Not achieved (7/10). Of the 10 plans, 3 are still in draft (Inaha, Waverley Beach and Wai-inu). DWA granted a time extension for the Kapuni/Hāwera plan.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
The water supply is managed sustainably.	Water Losses. <i>DIA Performance Measure 2</i>	Achieved. 11.7%	≤ 15%	Achieved (13.5%). Annual measure achieved (13.5%) over all supplies. Waimate West 8.9%; Kapuni 16.8%; Inaha 21.8%; Eltham 14.8%; Ōpūnake 19.0%; Rahunu 7.8%; Pātea 26.4%; Waverley 2.7%; Waverley Beach 6.6%; Wai-inu Beach 8.1%. 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
The water supply is managed sustainably.	Average consumption of drinking water per day per resident. <i>DIA Performance Measure 5</i>	Not achieved. Urban 379	≤ 350 L/c/d	Not achieved (405 L/c/d). Annual measure total for STDC schemes was 405 L/c/d.

Performance Measure 13 – Compliance with resource consents for abstraction.

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
The water supply is managed sustainably.	Compliance with resource consents for abstraction.	Achieved. 100%	100%	Not achieved (90%). There were 2 supplies with variances of 10; minor variances with Ōpūnake discharge and Otakeho level recording.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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>	Achieved. 1.78	≤ 2	Achieved (0.84). 0.84 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 2.06	≤ 2	Achieved (0.84). 0.84 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 1.68	≤ 2	Achieved (0.75). 0.75 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 6.64	≤ 2	Not achieved (5.05). 5.05 complaints about drinking water pressure or flow per 1,000 connections were received for the year.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 9.63	≤ 9	Not 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	≤ 1	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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	≤ 18	Achieved (17.11). In total 17.11 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Consumers are satisfied with the Water Supply service.	% of consumers satisfied with the Water Supply overall.	Not achieved. 79%	80%	Achieved (83%). 83% of residents surveyed were satisfied with the Water Supply overall.

* The times shown for “attendance” and “resolution” are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The Council periodically monitors these timelines to verify accuracy on a sample basis.

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 are 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.

Development of walkways and cycleways is an important factor in attracting and retaining skilled people in our District. That is why we have embarked on a Pathways Programme which will provide a network of walkways and cycleways that link recreational spaces within urban centres and outlying attractions, improve walking and cycling access for employment and other regular travel needs, which are accessible by a variety of means and through multiple access points and are safe and attractive to families and a wide range of users.

In Stage one of the Pathways Programme, Council planned to build:

1. Pathway linking the town to Waihi Beach and Nowell's Lake via Denby Road, Fairfield Road and Manawapou Road. Completed in 2017/18.
2. Pathway in Manaia Township linking the streets around Manaia. Completed in 2016/17.
3. An off track cycleway at the end of Puawai Street. To be completed in 2018/19.
4. Pathway linking Hāwera to Normanby via the railway land. To be completed in 2018/19.

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

- Area wide pavement treatment (\$2.24 million) - sections of roads (completed 10.1kilometres) are re-metalled and sealed, resulting in a smoother more durable surface; widening and minor safety improvements are included where appropriate.
- Resealing of 90 kilometres (516,000sq metres) of road for the year (\$2.04 million).
- Renewing of footpaths, kerb and channel (completed \$489,000, with a carried over to 2017/18 of \$190,000) – 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 minor repair and painting for the year - \$402,000. Bridge renewal and investigation – \$766,000
- Flood damage for the year - \$1,238,545.
- Pathway connecting Denby Road to Fairfield Road was completed - \$302,000.

In addition, having achieved a successful outcome through the designation Hearing and subsequent Appeal in the Environment Court (as reported in The Year in Review section) for the proposed Nukumarū Station Road extension project, we commenced negotiating the land access arrangements, after which we will be in a position to tender and let the works to provide long term resilient access to the residents and businesses in and around the Wai-inu Beach community. This project will include substantial capital funding by the New Zealand Transport Agency (NZTA).

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 Rooding 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. <i>DIA Performance Measure 2</i>	Not achieved. 91%	93%	Achieved (93%). The road roughness survey undertaken was entered into the RAMM database which generated the Smooth Travel Exposure (STE) Report. Rural STE (97%) and Urban STE (84%) combined is 93%.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Council provides roads which are safe and comfortable to drive on.	% of road users satisfied with the condition of Council roads.	Not achieved. 74%	80%	Not achieved (73%). The Annual Resident's Survey showed that 73% of road users are satisfied with the condition of Council roads.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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>	Not achieved. +5	Decrease by 1 or zero	Achieved (0). For the year, there have been 9 reported serious injury crashes and 2 fatal crashes on local road networks compared to 8 serious injury crashes and 3 fatal crashes last year.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
The roading network is maintained in good condition.	% of sealed local road network resurfaced annually. <i>DIA Performance Measure 3</i>	Not achieved. 4.74%	6.5%	Achieved (6.8%). A total of 512,000m ² of road was sealed for the year which equates to 6.8% of sealed roading network.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 95%	94%	Achieved (94.3%). The footpath condition rating results is based on 2016/17 survey. The Footpath survey is carried out biennially with the next survey to be completed in 2019/20.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 97.7%	94%	Not achieved (92%). A total of 48 out of 52 (92%) urgent customer service requests were responded within the time frame for the year.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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%	94%	Not achieved 92%. A total of 1,393 out of 1,512 (92%) non-urgent customer service requests were responded to within 5 working days.

Stormwater

What we do

The Council manages and maintains stormwater assets made up of; culverts, channels, collectors and outfalls. Our 106 kilometres of stormwater reticulation network comprises of manholes to effectively divert stormwater from roads to natural water courses, with all Stormwater eventually exiting to the sea. The Council uses the Stormwater Asset Management Plan to assess the changes in demand, levels of service and how the maintenance, renewal and replacement of assets will be undertaken.

The Council encourages residential properties to control Stormwater internally via soakage and 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. The use of detention areas and diversion such as Allison Street in Ōpūnake assist in the management of stormwater especially in a heavy rainfall event. The Council is also actively involved in the management of existing open drains.

With increasing development more demand will be placed on stormwater services and some extra stormwater assets may be needed if additional kerb and channel is constructed as part of the roading programme. Due to changing climatic conditions, increased rainfall events are occurring more often, again placing more demand on stormwater assets.

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 and/or diversion paths can mitigate these risks. Unmanaged and blocked open drains have the potential to cause upstream ponding and delayed releases of larger volumes of water.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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>	Achieved. 0	<10	Achieved (4). A total of 4 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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>	Achieved. 0	≤ 1.0	Achieved (0.28). 0.28 habitable floors per 1,000 habitable properties were affected by Stormwater flooding 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
*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>	Achieved. 0	≤ 2 hrs	Not achieved (8hrs/39m). The median response time for service personnel to attend flooding events was 8 hours and 39 minutes for the year. This is due to some stormwater CRMs being issued to roading contractors who have different response timeframes to reticulation contractors.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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>	Achieved. 0	≤ 1	Achieved (0). No complaints were received about the stormwater system and response to issues for the year.

* The times shown for “attendance” and “resolution” are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The Council periodically monitors these timelines to verify accuracy on a sample basis.

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 Hāwera (includes Normanby), Eltham, Pātea, Waverley, Ōpūnake, 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. The treatment systems are via oxidation ponds (including anaerobic, two with wetlands) and septic tanks/sand filters.

Council is presently conducting work to minimise storm water inflow and infiltration into wastewater reticulation system. This includes smoke testing in Hāwera, Normanby, and Manaia. Rising wastewater manholes and replacing damaged, holed manholes lids also contributes to minimisation process.

CCTV investigation is also undertaken for the assessment and repair of critical areas of the sewerage network to minimise storm water inflow and infiltration into wastewater reticulation system. Once sections of reticulation have been identified as requiring maintenance a pipe lining programme is actioned to stop this inflow and infiltration. Capital programmes will continue to reduce the amount of inflow and infiltration to allow capacity in the wastewater system for new connections and compliance with resource consents.

The routine maintenance of the sewer reticulation includes planned flushing of flat section of sewer main, inspection and cleaning of pump stations and monitoring of trunk main flows. The Council uses the Wastewater Asset Management Plan to assess changes to demand, level of service and how maintenance, renewal and replacement of assets will be undertaken.

The implementation of the Trade Waste Bylaw has allowed for a mechanism to ensure the quality control of wastewater from industrial and commercial operations.

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.

Installation of fibre optic cable and new water main pipes in Hāwera and Pātea carried out using under boring method have caused damage to 21 sewer lateral pipes.

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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
*Sewage is managed without risk to public health.	Median response time for service personnel to attend overflow. <i>DIA Performance Measure 3a</i>	Achieved. 34m	≤ 2 hrs	Achieved (32m). The median response time for personnel to attend to overflows was 32 minutes for the year.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
*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/8m	≤ 5 hrs	Achieved (2h/23m). The median response time for personnel to resolve overflows was 2 hours and 23 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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>	Achieved. 0.38	≤ 1	Achieved (0.63). 0.63 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 26.6	≤ 12	Not achieved (39.17). 39.17 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 13.3	≤ 10	Not achieved (14.83). 14.83 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 40.28	≤ 25	Not achieved (54.63). In total 54.63 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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 0.89	≤ 1	Achieved (0.40). 0.40 dry weather overflows per 1,000 connections were reported for the year.

Performance Measure 9 – Compliance with discharge standards

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Sewage does not affect the quality of the environment.	% of compliance with discharge standards.	Not achieved. 98%	100%	Not achieved 99% Hāwera Wastewater Treatment Plant dissolved oxygen levels did not comply.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	Not achieved (1). One abatement notice (Ōpūnake WWTP) was received for the year.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Sewage does not affect the quality of the environment.	Number of infringement notices received for discharges. <i>DIA Performance Measure 2b</i>	Achieved. 0	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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Sewage does not affect the quality of the environment.	% of consumers satisfied with the Wastewater services.	Not achieved. 75%	80%	Achieved (85%). 85% of consumers surveyed were satisfied with the Wastewater Services overall.

* The times shown for “attendance” and “resolution” are reported by the service provider, Veolia as part of their contracted responsibilities. This includes travel time. The Council periodically monitors these timelines to verify accuracy on a sample basis.

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 Pātea estuary such as the moles. These concrete and stone walls which guide the Pātea River out to sea and associated structures in the Pātea 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. Collections also include a voluntary green waste collection service (fortnightly), on a user pays basis. Residents are serviced by seven transfer stations throughout the district (Hāwera, Eltham, Manaia, Ōpūnake, Pātea, Waverley and Waitotara) providing facilities to take refuse and recycling with 24 hour free recycling service at Ōpūnake, Eltham, Manaia and Waverley transfer stations. The Council also manages seven closed landfills.

The Council offers a weekly refuse and recycling kerbside collection service and has no current operational landfills. The Council is currently involved in a joint construction venture of a new landfill in Eltham. 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 Council contributes to the health and wellbeing of the community and the environment by providing waste management infrastructure and services. The council is involved in the collection of waste data region wide to assist in method of waste reduction via the Waste Management and Minimisation Plan. The WMMP makes provision for the collection of waste produced within the District and the reduction, reuse, recycling and disposal of waste.

Significant Negative Effects

The Council has seven consented closed landfill and 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.

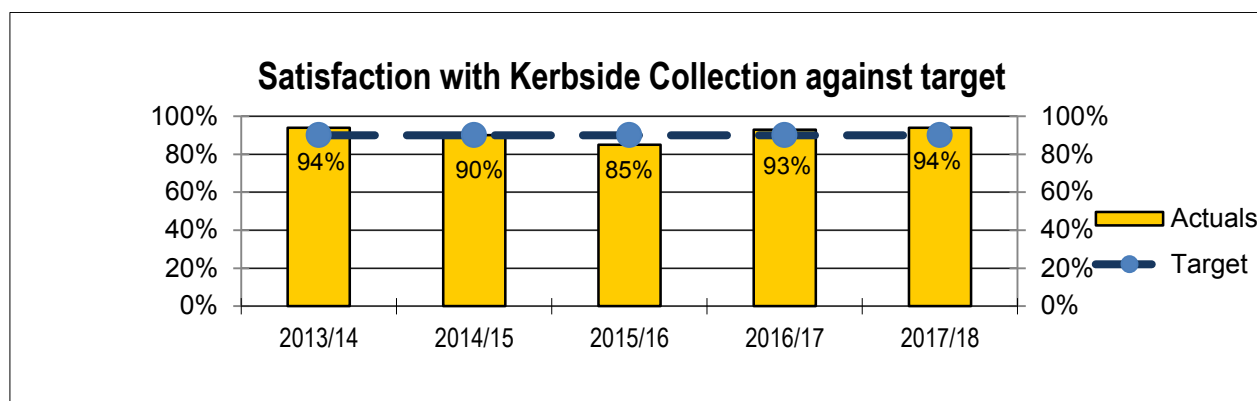
How we performed

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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 (0). Although a total of 5 streets were missed for the year, they were all resolved promptly.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
A reliable weekly kerbside recycling and rubbish collection service is provided.	% of customers satisfied with the solid waste collection service.	Achieved. 93%	90%	Achieved (94%). 94% of customers surveyed were satisfied with the Solid Waste collection service.



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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
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. 0.5	≤ 5	Achieved (2.38). On average 2.38 greenwaste bins were missed per fortnightly collection for the year.

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

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Transfer stations are safe and well maintained.	Number of complaints received about poor maintenance, noise or smell for Transfer Stations.	Not achieved. 6	≤ 5	Achieved (2). 2 complaints were received for the entire year.

Performance Measure 5 – Waste diverted from the landfill each year

Level of Service	Performance Measure	2016/17 Actuals	Target 2017/18	For the year ended 30 June 2018
Recycling is encouraged and less waste is sent to the regional landfill.	% of waste diverted from the landfill each year.	Achieved. 34%	27%	Achieved (36.29%). The total waste diversion from landfill, inclusive of recycling and greenwaste was 38.12% (10 months). This includes <u>estimated</u> residual waste figures from recycling for the 2 nd and 3 rd quarters. The last 2 months have been estimated as there is some outstanding volumes on kerbside & recycling, when added will improve the % value of waste diverted.

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 Property
- Policy and Governance
- Finance and Business Services
- Information Management and Information Technology
- Human Resources
- Communications

Statement of Accounting Policies

For the year ended 30 June 2018

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 2018. The financial statements were authorised by the Council on 8 October 2018.

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%
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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%
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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 2018 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 as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
2,574	2,620	General rates, uniform annual general charges, rates penalties	2,739	2,581
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
551	529	Local authorities fuel tax, fines, infringement fees and other receipts	642	524
3,125	3,149	Total operating funding (A)	3,381	3,105
Applications of operating funding				
1,081	894	Payments to staff and suppliers	1,099	855
1	2	Finance costs	2	2
1,732	1,728	Internal charges and overheads applied	1,920	1,771
498	539	Other operating funding applications	519	491
3,311	3,163	Total applications of operating funding (B)	3,540	3,119
(186)	(14)	Surplus (deficit) of operating funding (A-B)	(160)	(14)
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
0	14	Increase (decrease) in debt	0	0
0	0	Gross proceeds from sale of assets	0	(4)
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
0	14	Total sources of capital funding (C)	0	(4)
Applications of capital funding				
0	0	- To meet additional demand	0	0
0	0	- To improve the level of service	0	0
0	17	- To replace existing assets	0	0
(186)	(17)	Increase (decrease) in reserves	(160)	(18)
0	0	Increase (decrease) in investments	0	0
(186)	(0)	Total applications of capital funding (D)	(160)	(18)
186	14	Surplus (deficit) of capital funding (C -D)	160	14
0	0	Funding Balance ((A-B) + (C-D))	0	0
8	4	Excludes Depreciation of:	7	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 \$101 on internal borrowings.

South Taranaki District Council Funding Impact Statement – Cultural Services as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
2,711	2,684	General rates, uniform annual general charges, rates penalties	2,537	2,845
0	0	Targeted rates	0	0
20	18	Subsidies and grants for operating purposes	45	18
333	228	Fees and charges	349	237
0	0	Internal charge and overheads recovered	0	0
		Local authorities fuel tax, fines, infringement fees and other receipts		
553	641		517	679
3,618	3,570	Total operating funding (A)	3,448	3,779
Applications of operating funding				
2,183	2,187	Payments to staff and suppliers	2,251	2,345
63	55	Finance costs	58	48
900	885	Internal charges and overheads applied	898	923
0	0	Other operating funding applications	0	0
3,146	3,127	Total applications of operating funding (B)	3,207	3,316
471	443	Surplus (deficit) of operating funding (A-B)	242	462
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(133)	(82)	Increase (decrease) in debt	(27)	(99)
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
(133)	(82)	Total sources of capital funding (C)	(27)	(99)
Applications of capital funding				
0	0	- To meet additional demand	0	0
46	208	- To improve the level of service	0	301
241	153	- To replace existing assets	253	29
51	0	Increase (decrease) in reserves	(38)	34
0	0	Increase (decrease) in investments	0	0
338	361	Total applications of capital funding (D)	215	364
(471)	(443)	Surplus (deficit) of capital funding (C -D)	(242)	(462)
0	(0)	Funding Balance ((A-B) + (C-D))	0	0
426	463	Excludes Depreciation of:	480	481

The above Statement includes interest of \$22,762 and loan repayments of \$32,571 on internal borrowings. The outstanding balance of the internal loan is \$328,948.

South Taranaki District Council Funding Impact Statement – Recreation and Leisure as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
3,985	4,226	General rates, uniform annual general charges, rates penalties	4,434	4,651
0	0	Targeted rates	0	0
154	358	Subsidies and grants for operating purposes	25	16
1,345	1,236	Fees and charges	1,365	1,269
0	0	Internal charge and overheads recovered	0	0
2,855	2,902	Local authorities fuel tax, fines, infringement fees and other receipts	2,924	2,921
8,339	8,722	Total operating funding (A)	8,748	8,857
Applications of operating funding				
4,677	4,878	Payments to staff and suppliers	4,632	4,852
1,390	1,513	Finance costs	1,375	1,567
1,005	1,098	Internal charges and overheads applied	958	1,132
50	50	Other operating funding applications	89	50
7,122	7,539	Total applications of operating funding (B)	7,055	7,601
1,218	1,183	Surplus (deficit) of operating funding (A-B)	1,694	1,256
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	3	0
0	0	Development and financial contributions	0	0
(422)	96	Increase (decrease) in debt	696	(42)
6	0	Gross proceeds from sale of assets	0	0
114	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
(302)	96	Total sources of capital funding (C)	699	(42)
Applications of capital funding				
0	0	- To meet additional demand	0	0
647	487	- To improve the level of service	483	260
799	1,048	- To replace existing assets	1,615	871
(531)	(256)	Increase (decrease) in reserves	295	82
0	0	Increase (decrease) in investments	0	0
916	1,279	Total applications of capital funding (D)	2,393	1,214
(1,218)	(1,183)	Surplus (deficit) of capital funding (C -D)	(1,694)	(1,256)
0	0	Funding Balance ((A-B) + (C-D))	(0)	0
2,038	2,063	Excludes Depreciation of:	2,478	1,959

The above Statement includes interest of \$101,143 and loan repayments of \$39,212 on internal borrowings. The outstanding balance of the internal loan is \$418,094.

South Taranaki District Council Funding Impact Statement – District Economy as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
792	864	General rates, uniform annual general charges, rates penalties	844	861
159	163	Targeted rates	160	166
13	0	Subsidies and grants for operating purposes	14	0
153	110	Fees and charges	190	113
0	0	Internal charge and overheads recovered	0	0
175	757	Local authorities fuel tax, fines, infringement fees and other receipts	377	1,001
1,292	1,895	Total operating funding (A)	1,585	2,141
Applications of operating funding				
784	803	Payments to staff and suppliers	770	792
97	235	Finance costs	117	409
187	227	Internal charges and overheads applied	238	236
160	503	Other operating funding applications	161	506
1,229	1,768	Total applications of operating funding (B)	1,286	1,943
63	127	Surplus (deficit) of operating funding (A-B)	300	199
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
366	2,966	Increase (decrease) in debt	411	2,699
0	0	Gross proceeds from sale of assets	0	0
0	800	Lump sum contributions	0	800
0	0	Other dedicated capital funding	0	0
366	3,766	Total sources of capital funding (C)	411	3,499
Applications of capital funding				
0	0	- To meet additional demand	0	0
2,157	5,179	- To improve the level of service	337	3,680
0	0	- To replace existing assets	0	17
(1,727)	(1,286)	Increase (decrease) in reserves	374	1
0	0	Increase (decrease) in investments	0	0
429	3,893	Total applications of capital funding (D)	710	3,698
(63)	(127)	Surplus (deficit) of capital funding (C -D)	(300)	(199)
0	0	Funding Balance ((A-B) + (C-D))	(0)	0
9	167	Excludes Depreciation of:	27	291

The above Statement includes interest of \$9,295 and loan repayments of \$4,342 on internal borrowings. The outstanding balance of the internal loan is \$47,761.

South Taranaki District Council Funding Impact Statement – Community and Social Development as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
764	753	General rates, uniform annual general charges, rates penalties	718	784
0	0	Targeted rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
342	346	Fees and charges	358	368
0	0	Internal charge and overheads recovered	0	0
220	227	Local authorities fuel tax, fines, infringement fees and other receipts	216	233
1,326	1,326	Total operating funding (A)	1,292	1,386
Applications of operating funding				
638	831	Payments to staff and suppliers	610	846
123	134	Finance costs	123	147
270	271	Internal charges and overheads applied	293	281
0	0	Other operating funding applications	0	0
1,031	1,236	Total applications of operating funding (B)	1,027	1,275
295	89	Surplus (deficit) of operating funding (A-B)	265	111
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
17	150	Increase (decrease) in debt	(13)	149
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
17	150	Total sources of capital funding (C)	(13)	149
Applications of capital funding				
0	0	- To meet additional demand	0	0
113	239	- To improve the level of service	120	259
0	0	- To replace existing assets	0	0
199	0	Increase (decrease) in reserves	133	0
0	0	Increase (decrease) in investments	0	0
312	239	Total applications of capital funding (D)	253	259
(295)	(89)	Surplus (deficit) of capital funding (C -D)	(265)	(111)
0	(0)	Funding Balance ((A-B) + (C-D))	0	0
160	150	Excludes Depreciation of:	162	158

The above Statement includes interest of \$6,807 on internal borrowings.

South Taranaki District Council Funding Impact Statement – Environment and Development as at 30 June 2018

<i>Actual 2017</i>	<i>2015/25 LTP 2017</i>		<i>Actual 2018</i>	<i>2015/25 LTP 2018</i>
<i>(\$000)</i>	<i>(\$000)</i>		<i>(\$000)</i>	<i>(\$000)</i>
Sources of operating funding				
1,367	1,494	General rates, uniform annual general charges, rates penalties	1,278	1,503
0	0	Targeted rates	0	0
0	0	Subsidies and grants for operating purposes	0	0
1,693	1,787	Fees and charges	1,533	1,824
0	0	Internal charge and overheads recovered	0	0
725	400	Local authorities fuel tax, fines, infringement fees and other receipts	338	369
3,785	3,680	Total operating funding (A)	3,149	3,695
Applications of operating funding				
3,429	2,696	Payments to staff and suppliers	2,863	2,494
18	18	Finance costs	19	19
1,048	1,022	Internal charges and overheads applied	1,048	1,059
0	0	Other operating funding applications	0	0
4,496	3,736	Total applications of operating funding (B)	3,930	3,572
(710)	(55)	Surplus (deficit) of operating funding (A-B)	(781)	123
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(41)	(20)	Increase (decrease) in debt	(3)	32
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
(41)	(20)	Total sources of capital funding (C)	(3)	32
Applications of capital funding				
0	0	- To meet additional demand	0	0
0	0	- To improve the level of service	0	0
6	5	- To replace existing assets	17	38
(757)	(80)	Increase (decrease) in reserves	(801)	116
0	0	Increase (decrease) in investments	0	0
(751)	(75)	Total applications of capital funding (D)	(784)	154
710	55	Surplus (deficit) of capital funding (C -D)	781	(122)
0	0	Funding Balance ((A-B) + (C-D))	0	1
87	55	Excludes Depreciation of:	46	52

The above Statement includes interest of \$1,010 on internal borrowings.

South Taranaki District Council Funding Impact Statement – Water Supply Services as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
0	0	General rates, uniform annual general charges, rates penalties	0	0
12,152	12,032	Targeted rates	13,063	12,380
0	0	Subsidies and grants for operating purposes	0	0
92	78	Fees and charges	47	80
0	0	Internal charge and overheads recovered	0	0
354	273	Local authorities fuel tax, fines, infringement fees and other receipts	550	280
12,598	12,383	Total operating funding (A)	13,660	12,740
Applications of operating funding				
2,974	2,898	Payments to staff and suppliers	3,097	2,999
2,452	3,150	Finance costs	2,444	3,262
1,614	1,442	Internal charges and overheads applied	2,020	1,470
0	0	Other operating funding applications	0	0
7,041	7,489	Total applications of operating funding (B)	7,561	7,732
5,557	4,894	Surplus (deficit) of operating funding (A-B)	6,099	5,008
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
(952)	1,451	Increase (decrease) in debt	1,049	1,092
0	0	Gross proceeds from sale of assets	0	0
9	36	Lump sum contributions	67	36
0	0	Other dedicated capital funding	0	0
(943)	1,487	Total sources of capital funding (C)	1,115	1,128
Applications of capital funding				
34	820	- To meet additional demand	454	0
1,765	3,310	- To improve the level of service	2,694	2,225
1,546	1,855	- To replace existing assets	2,430	3,988
1,268	396	Increase (decrease) in reserves	1,636	(77)
0	0	Increase (decrease) in investments	0	0
4,613	6,381	Total applications of capital funding (D)	7,214	6,136
(5,557)	(4,894)	Surplus (deficit) of capital funding (C -D)	(6,099)	(5,008)
0	0	Funding Balance ((A-B) + (C-D))	0	0
4,033	4,510	Excludes Depreciation of:	4,559	4,624

The above Statement includes interest of \$264,720 and loan repayments of \$220,159 on internal borrowings. The outstanding balance of the internal loan is \$2,105,548.

South Taranaki District Council Funding Impact Statement – Roading and Footpaths as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
48	39	General rates, uniform annual general charges, rates penalties	49	37
6,695	6,695	Targeted rates	6,727	6,622
6,030	4,071	Subsidies and grants for operating purposes	6,172	4,233
100	126	Fees and charges	71	125
0	0	Internal charge and overheads recovered	0	0
1,683	1,261	Local authorities fuel tax, fines, infringement fees and other receipts	1,839	1,222
14,555	12,193	Total operating funding (A)	14,857	12,239
Applications of operating funding				
9,138	7,826	Payments to staff and suppliers	10,984	7,837
303	237	Finance costs	285	227
198	220	Internal charges and overheads applied	279	226
0	0	Other operating funding applications	0	0
9,638	8,284	Total applications of operating funding (B)	11,548	8,291
4,917	3,909	Surplus (deficit) of operating funding (A-B)	3,310	3,948
Sources of capital funding				
3,618	3,852	Subsidies and grants for capital expenditure	5,092	4,010
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
3,494	3,728	Total sources of capital funding (C)	4,968	3,886
Applications of capital funding				
0	0	- To meet additional demand	0	0
2,576	1,204	- To improve the level of service	2,197	1,257
5,267	6,434	- To replace existing assets	6,410	6,578
568	(1)	Increase (decrease) in reserves	(330)	(1)
0	0	Increase (decrease) in investments	0	0
8,411	7,637	Total applications of capital funding (D)	8,277	7,834
(4,917)	(3,909)	Surplus (deficit) of capital funding (C -D)	(3,310)	(3,948)
0	0	Funding Balance ((A-B) + (C-D))	0	(0)
6,174	5,925	Excludes Depreciation of:	6,470	5,944

The above Statement includes interest of \$161,250 and loan repayments of \$103,137 on internal borrowings. The outstanding balance of the internal loan is \$2,515,782.

South Taranaki District Council Funding Impact Statement – Stormwater as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
689	621	General rates, uniform annual general charges, rates penalties	787	649
7	6	Targeted rates	8	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
130	125	Local authorities fuel tax, fines, infringement fees and other receipts	155	132
826	752	Total operating funding (A)	950	787
Applications of operating funding				
219	214	Payments to staff and suppliers	221	220
169	175	Finance costs	170	179
203	217	Internal charges and overheads applied	261	223
0	0	Other operating funding applications	250	0
591	606	Total applications of operating funding (B)	902	621
235	146	Surplus (deficit) of operating funding (A-B)	48	166
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
48	38	Increase (decrease) in debt	243	(8)
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
48	38	Total sources of capital funding (C)	243	(8)
Applications of capital funding				
0	0	- To meet additional demand	0	0
195	153	- To improve the level of service	55	155
3	33	- To replace existing assets	130	5
85	(2)	Increase (decrease) in reserves	105	(2)
0	0	Increase (decrease) in investments	0	0
283	183	Total applications of capital funding (D)	290	158
(235)	(146)	Surplus (deficit) of capital funding (C -D)	(48)	(166)
0	0	Funding Balance ((A-B) + (C-D))	0	0
432	476	Excludes Depreciation of:	417	479

The above Statement includes interest of \$84,582 and loan repayments of \$117,375 on internal borrowings. The outstanding balance of the internal loan is \$1,236,482.

South Taranaki District Council Funding Impact Statement – Wastewater as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
0	0	General rates, uniform annual general charges, rates penalties	0	0
4,153	4,132	Targeted rates	4,341	4,299
0	0	Subsidies and grants for operating purposes	0	0
712	647	Fees and charges	754	614
0	0	Internal charge and overheads recovered	0	0
50	0	Local authorities fuel tax, fines, infringement fees and other receipts	6	0
4,914	4,778	Total operating funding (A)	5,101	4,914
Applications of operating funding				
2,188	2,466	Payments to staff and suppliers	2,329	2,447
1,347	1,564	Finance costs	1,377	1,655
351	309	Internal charges and overheads applied	452	315
0	0	Other operating funding applications	0	0
3,886	4,339	Total applications of operating funding (B)	4,158	4,417
1,028	440	Surplus (deficit) of operating funding (A-B)	943	497
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
585	1,746	Increase (decrease) in debt	443	886
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
585	1,746	Total sources of capital funding (C)	443	886
Applications of capital funding				
180	1,197	- To meet additional demand	170	401
359	477	- To improve the level of service	246	94
731	814	- To replace existing assets	964	1,196
342	(301)	Increase (decrease) in reserves	7	(308)
0	0	Increase (decrease) in investments	0	0
1,613	2,186	Total applications of capital funding (D)	1,386	1,383
(1,028)	(440)	Surplus (deficit) of capital funding (C -D)	(943)	(497)
0	0	Funding Balance ((A-B) + (C-D))	0	0
1,735	1,715	Excludes Depreciation of:	1,327	1,762

The above Statement includes interest of \$268,386 and loan repayments of \$295,846 on internal borrowings. The outstanding balance of the internal loan is \$3,162,517.

South Taranaki District Council Funding Impact Statement – Coastal Structures as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
73	80	General rates, uniform annual general charges, rates penalties	79	101
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
73	80	Total operating funding (A)	79	101
Applications of operating funding				
13	20	Payments to staff and suppliers	17	21
1	20	Finance costs	4	26
11	13	Internal charges and overheads applied	14	13
0	0	Other operating funding applications	0	0
25	53	Total applications of operating funding (B)	35	60
48	27	Surplus (deficit) of operating funding (A-B)	44	41
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
81	134	Increase (decrease) in debt	(6)	68
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
81	134	Total sources of capital funding (C)	(6)	68
Applications of capital funding				
0	0	- To meet additional demand	0	0
2	0	- To improve the level of service	0	0
118	161	- To replace existing assets	9	108
10	0	Increase (decrease) in reserves	29	1
0	0	Increase (decrease) in investments	0	0
129	161	Total applications of capital funding (D)	38	109
(48)	(27)	Surplus (deficit) of capital funding (C -D)	(44)	(41)
0	0	Funding Balance ((A-B) + (C-D))	0	(0)
266	267	Excludes Depreciation of:	273	266

The above Statement includes interest of \$226 on internal borrowings.

South Taranaki District Council Funding Impact Statement – Solid Waste as at 30 June 2018

<i>Actual 2017 (\$000)</i>	<i>2015/25 LTP 2017 (\$000)</i>		<i>Actual 2018 (\$000)</i>	<i>2015/25 LTP 2018 (\$000)</i>
Sources of operating funding				
842	831	General rates, uniform annual general charges, rates penalties	823	898
2,020	2,076	Targeted rates	2,033	2,076
0	0	Subsidies and grants for operating purposes	0	0
760	725	Fees and charges	646	744
0	0	Internal charge and overheads recovered	0	0
893	2,285	Local authorities fuel tax, fines, infringement fees and other receipts	4,466	766
4,515	5,917	Total operating funding (A)	7,968	4,484
Applications of operating funding				
3,023	3,192	Payments to staff and suppliers	4,249	3,273
238	235	Finance costs	277	361
369	381	Internal charges and overheads applied	463	391
0	0	Other operating funding applications	0	0
3,630	3,807	Total applications of operating funding (B)	4,990	4,024
885	2,110	Surplus (deficit) of operating funding (A-B)	2,978	459
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
0	0	Development and financial contributions	0	0
194	(139)	Increase (decrease) in debt	1,218	(145)
0	0	Gross proceeds from sale of assets	904	0
0	0	Lump sum contributions	0	0
0	0	Other dedicated capital funding	0	0
194	(139)	Total sources of capital funding (C)	2,122	(145)
Applications of capital funding				
0	0	- To meet additional demand	0	0
334	0	- To improve the level of service	0	0
24	27	- To replace existing assets	35	20
721	1,945	Increase (decrease) in reserves	5,065	294
0	0	Increase (decrease) in investments	0	0
1,079	1,971	Total applications of capital funding (D)	5,100	315
(885)	(2,110)	Surplus (deficit) of capital funding (C -D)	(2,978)	(459)
0	0	Funding Balance ((A-B) + (C-D))	0	0
36	41	Excludes Depreciation of:	44	41

The above Statement includes interest of \$77,768 and loan repayments of \$114,016 on internal borrowings. The outstanding balance of the internal loan is \$1,011,723.

South Taranaki District Council Funding Impact Statement for Support Services (Reallocated Activity) as at 30 June 2018

<i>Actual 2017</i>	<i>2015/25 LTP 2017</i>		<i>Actual 2018</i>	<i>2015/25 LTP 2018</i>
<i>(\$000)</i>	<i>(\$000)</i>		<i>(\$000)</i>	<i>(\$000)</i>
Sources of operating funding				
136	141	General rates, uniform annual general charges, rates penalties	120	118
106	86	Targeted rates	165	86
0	0	Subsidies and grants for operating purposes	0	0
79	0	Fees and charges	73	0
10,823	10,535	Internal charge and overheads recovered	11,751	10,863
6,987	3,218	Local authorities fuel tax, fines, infringement fees and other receipts	7,267	3,265
18,131	13,981	Total operating funding (A)	19,376	14,332
Applications of operating funding				
8,632	8,392	Payments to staff and suppliers	11,703	8,559
427	489	Finance costs	355	499
2,446	2,437	Internal charges and overheads applied	2,650	2,532
0	0	Other operating funding applications	0	0
11,505	11,318	Total applications of operating funding (B)	14,708	11,590
6,626	2,663	Surplus (deficit) of operating funding (A-B)	4,669	2,742
Sources of capital funding				
0	0	Subsidies and grants for capital expenditure	0	0
100	0	Development and financial contributions	33	0
1,181	179	Increase (decrease) in debt	536	9
7	0	Gross proceeds from sale of assets	450	0
49	0	Lump sum contributions	4	0
0	0	Other dedicated capital funding	0	0
1,337	179	Total sources of capital funding (C)	1,023	9
Applications of capital funding				
0	0	- To meet additional demand	0	0
556	370	- To improve the level of service	470	345
556	444	- To replace existing assets	373	345
6,851	2,029	Increase (decrease) in reserves	4,849	2,062
0	0	Increase (decrease) in investments	0	0
7,963	2,842	Total applications of capital funding (D)	5,692	2,751
(6,626)	(2,663)	Surplus (deficit) of capital funding (C -D)	(4,669)	(2,742)
0	0	Funding Balance ((A-B) + (C-D))	0	0
507	572	Excludes Depreciation of:	494	616

The above Statement includes interest of \$53,589 and loan repayments of \$50,608 on internal borrowings. The outstanding balance of the internal loan is \$556,683.

South Taranaki District Council Funding Impact Statement for Whole of Council as at 30 June 2018

2017 Actual (\$000)	2017 Annual Plan Budget (\$000)		2018 Actual (\$000)	2018 Annual Plan Budget (\$000)
Sources of operating funding				
13,772	13,433	General rates, uniform annual general charges, rates penalties	14,190	14,253
24,850	24,762	Targeted rates	26,044	24,840
6,217	5,484	Subsidies and grants for operating purposes	6,256	4,918
5,609	5,234	Fees and charges	5,385	5,488
11,139	8,269	Interest and dividends from investments	11,299	8,738
2,628	4,071	Local authorities fuel tax, fines, infringement fees and other receipts	6,439	2,177
64,215	61,253	Total operating funding (A)	69,611	60,415
Applications of operating funding				
37,497	37,643	Payments to staff and suppliers***	41,707	37,882
5,561	6,635	Finance costs*	5,556	6,905
708	923	Other operating funding applications	1,019	857
43,766	45,201	Total applications of operating funding (B)	48,283	45,644
20,449	16,052	Surplus (deficit) of operating funding (A-B)	21,328	14,771
Sources of capital funding				
3,618	3,878	Subsidies and grants for capital expenditure	5,095	3,940
100	0	Development and financial contributions	33	0
1,776	7,304	Increase (decrease) in debt**	5,400	6,372
13	0	Gross proceeds from sale of assets	1,354	0
172	36	Lump sum contributions	71	37
0	0	Other dedicated capital funding	0	0
5,679	11,219	Total sources of capital funding (C)	11,953	10,348
Applications of capital funding				
215	1,649	- To meet additional demand	624	126
8,748	10,139	- To improve the level of service	6,601	8,264
9,292	11,330	- To replace existing assets	12,237	12,390
7,873	4,152	Increase (decrease) in reserves	13,819	4,339
0	0	Increase (decrease) in investments	0	0
26,128	27,272	Total applications of capital funding (D)	33,281	25,119
(20,449)	(16,052)	Surplus (deficit) of capital funding (C -D)	(21,328)	(14,771)
0	0	Funding Balance ((A-B) + (C-D))	0	0
15,909	16,211	Excludes Depreciation of:	16,784	17,130

* The finance costs excludes interest of \$1,051,639 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 \$11,383,538.

***2017/18 Revenue and Expenditure amounts exclude internal charges of \$1.18 million such as Rates and Water by Meter (which the Council charges to itself).

Reconciliation to Surplus/(Deficit) before taxation

	<i>Actual 2018 (\$000)</i>	<i>Actual 2017 (\$000)</i>
Surplus (deficit) of operating funding (A-B)	21,328	20,449
Subsidies and grants for capital expenditure	5,095	3,618
Development and financial contributions	33	100
Other adjustments	0	13
Loss on disposal of assets	(661)	(743)
Lump sum Contributions	71	172
Gain/(Loss) on derivatives	(1,041)	4,284
Depreciation	(16,784)	(15,909)
Surplus (Deficit) before taxation	8,042	11,984

Statement of Financial Performance

For the year ended 30 June 2018

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 2017 \$000	Consolidated 2017 \$000		Note	Council 2018 \$000	Budget 2018 \$000	Consolidated 2018 \$000
		Income	1			
38,477	38,477	Rates Income		40,079	38,928	40,079
22,641	22,641	Other Income		23,279	16,724	23,279
11,139	11,139	Financial Income		11,299	8,738	11,299
0	0	Other Gains		0	0	0
72,257	72,257	Total Income		74,657	64,391	74,657
		Expenditure	2			
3,173	3,173	Democratic Process		3,394	3,300	3,394
3,541	3,541	Cultural Services		3,659	3,605	3,659
8,833	8,833	Recreation and Leisure		9,055	9,224	9,055
1,230	1,230	District Economy		1,298	1,768	1,298
1,054	1,054	Community & Social Development		1,182	1,237	1,182
4,580	4,580	Environment & Development		3,975	3,255	3,975
10,396	10,396	Water Supply Service		11,269	11,903	11,269
15,641	15,641	Roading & Footpaths		17,856	15,952	17,856
876	876	Stormwater		1,179	1,147	1,179
5,225	5,225	Waste Water		5,091	5,820	5,091
3,567	3,567	Solid Waste		4,938	3,948	4,938
291	291	Coastal Structure		308	142	308
1,867	1,867	Reallocated Activity		3,411	1,473	3,411
60,273	60,273	Total Expenditure		66,615	62,773	66,615
11,984	11,984	Surplus Operating (Deficit) before Tax		8,042	1,617	8,042
	0	Taxation	3	0	0	0
11,984	11,984	Surplus Operating (Deficit) after Tax		8,042	1,617	8,042

Explanation of Net Surplus

The Council made a net operating surplus of \$8,042,000 against a budgeted surplus of \$1,617,000. An explanation of this variance is detailed in the financial commentary.

*Other expenses include loss on disposal of assets (\$661k) and loss on derivative contracts (\$1.04m).

**2017/18 Revenue and Expenditure amounts exclude internal charges of \$1.18 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 2018

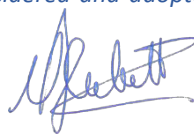
Council Actual 2017 \$000	Consolidated Actual 2017 \$000	Description	Note	Council Actual 2018 \$000	Council Budget 2018 \$000	Consolidated Actual 2018 \$000
Current Assets						
6,041	6,041	Cash and Cash Equivalents	4	6,956	4,988	6,956
0	0	Short Term, Term Deposit		0	0	0
9,220	9,220	Accounts Receivable	5	11,037	9,308	11,037
98,091	98,091	Current Portion of Investments	6	100,473	99,886	100,473
341	341	Prepayments		2,948	81	2,948
138	138	Stocks	7	140	161	140
113,832	113,832	Total Current Assets		121,554	114,425	121,554
Non Current Assets						
30,151	30,151	Investments	6	34,783	31,879	34,783
171	171	Derivative Financial Instruments	23	0	0	0
832,003	832,003	Property, Plant and Equipment	8	833,831	823,579	833,831
690	690	Intangible Assets	9	1,392	611	1,392
863,015	863,015	Total Non Current Assets		870,006	856,068	870,006
976,847	976,847	Total Assets		991,560	970,493	991,560
Current Liabilities						
8,107	8,107	Accounts Payable	10	8,847	7,219	8,847
850	850	Employee Entitlements	11	775	990	775
1,016	1,016	Income Received in Advance		754	944	754
20	20	Derivative Financial Instruments	23	213	27	213
93	93	Current Portion of Term Liabilities	13	20,098	3,500	20,098
32	32	Current Landfill Aftercare Provision	12	43	36	43
10,118	10,118	Total Current Liabilities		30,730	12,716	30,730
Non Current Liabilities						
112,818	112,818	Term Liabilities	13	98,126	130,692	98,126
7,961	7,961	Derivative Financial Instruments	23	8,638	7,066	8,638
209	209	Non-Current Landfill Aftercare Provision	12	314	253	314
120,988	120,988	Total Non Current Liabilities		107,078	138,011	107,078
845,741	845,741	Total Assets Less Liabilities		853,752	819,766	853,752
415,925	415,925	Accumulated Balances	14	415,549	422,150	415,549
1,886	1,886	Restricted and Statutory Reserves	14	1,711	1,939	1,711
5,673	5,673	Separate Operating Reserves	14	7,373	1,059	7,373
125,522	125,522	Council Created Reserves	14	132,305	125,362	132,305
196	196	Capital Replacement Reserves	14	305	439	305
227	227	Investment Revaluation Reserves	14	196	21	196
296,313	296,313	Asset Revaluation Reserves	14	296,313	268,796	296,313
845,741	845,741	Total Equity	*	853,752	819,766	853,752

* Individual reserve balances may change following this report, although the overall balance will remain the same.

The Annual Report and associated Audit Report were considered and adopted at a meeting of the South Taranaki District Council on 8 October 2018.



Ross Dunlop
Mayor



Waid Crockett
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 2018

<i>Council</i>	<i>Consolidated</i>		<i>Council</i>	<i>Budget</i>	<i>Consolidated</i>
<i>2017</i>	<i>2017</i>		<i>2018</i>	<i>2018</i>	<i>2018</i>
<i>\$000</i>	<i>\$000</i>		<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
769,133	769,133	Opening Equity as at 1 July	845,741	818,149	845,741
11,984	11,984	Total comprehensive income	8,042	1,617	8,042
64,624	64,624	Total other comprehensive income	(31)	0	(31)
<u>845,741</u>	<u>845,741</u>	Balance at 30 June	<u>853,752</u>	<u>819,766</u>	<u>853,752</u>
		Total comprehensive income attributable to:			
76,608	76,608	South Taranaki District Council	8,011	1,617	8,011
<u>76,608</u>	<u>76,608</u>	Total comprehensive income	<u>8,011</u>	<u>1,617</u>	<u>8,011</u>

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2018

<i>Council</i>	<i>Consolidated</i>		<i>Council</i>	<i>Council</i>	<i>Consolidated</i>
<i>Actual 2017</i>	<i>Actual</i>		<i>Actual 2018</i>	<i>Budget 2018</i>	<i>Actual</i>
<i>\$000</i>	<i>2017</i>		<i>\$000</i>	<i>\$000</i>	<i>2018</i>
	<i>\$000</i>				<i>\$000</i>
		Revenue			
		Revenue by Exchange Transactions			
7,977	7,977	Rates - Water by Meter	8,751	8,194	8,751
11,139	11,139	Financial Revenue	11,299	8,738	11,299
		Revenue from Non-Exchange Transactions			
30,500	30,500	Rates	31,328	30,734	31,328
5,609	5,609	Fees & Charges	5,482	5,488	5,482
10,008	10,008	Subsidies & Grants	11,422	8,894	11,422
100	100	Development and Financial Contributions	33	0	33
6,924	6,924	Other Revenue	6,342	2,342	6,342
<u>72,257</u>	<u>72,257</u>	Total Income	<u>74,657</u>	<u>64,391</u>	<u>74,657</u>
		Expenditure			
12,185	12,185	Personnel Costs	12,591	12,588	12,591
15,909	15,909	Depreciation & Amortisation Expense	16,784	17,130	16,784
5,561	5,561	Finance Costs	5,556	6,905	5,556
26,618	26,618	Other Expenses	31,685	26,150	31,685
<u>60,273</u>	<u>60,273</u>	Total Expenditure	<u>66,615</u>	<u>62,773</u>	<u>66,615</u>
11,984	11,984	Surplus/(Deficit) Before Tax	8,042	1,617	8,042
0	0	Tax	0	0	0
11,984	11,984	Surplus/(Deficit) After Tax	8,042	1,617	8,042
120	120	Increase/Decrease in Revaluation Reserves	-31	0	-31
64,504	64,504	Gain on Asset Revaluation	0	0	0
<u>76,608</u>	<u>76,608</u>	Total Comprehensive Revenue and Expense for the Year	<u>8,011</u>	<u>1,617</u>	<u>8,011</u>

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

*2017/18 Revenue and Expenditure amounts exclude internal charges of \$1.18 million such as Rates and Water by Meter (which the Council charges to itself).

Statement of Cashflow

For the year ended 30 June 2018

<i>Council 2017 \$000</i>	<i>Consolidated 2017 \$000</i>	<i>Note</i>	<i>Council 2018 \$000</i>	<i>Budget 2018 \$000</i>	<i>Consolidated 2018 \$000</i>
Cash Flows From Operating Activities					
Cash was provided from:					
38,715	38,715		39,785	39,394	39,785
36	36		36	0	36
82	82		92	2,234	92
20,877	20,877		41,009	16,725	41,009
2,109	2,109		2,486	2,300	2,486
Cash was applied to:					
(37,821)	(37,821)		(42,114)	(37,698)	(42,114)
(5,561)	(5,561)		(5,556)	(6,905)	(5,556)
873	873		(679)	0	(679)
(2,109)	(2,109)		(2,486)	(2,300)	(2,486)
17,201	17,201	15	32,573	13,751	32,573
Cash Flows From Investing Activities					
Cash was provided from:					
0	0		1,354	2,883	1,354
10,085	10,085		13,006	0	13,006
Cash was applied to:					
0	0		(27,624)	(3,900)	(27,624)
0	0		0	0	0
0	0		(2,400)	0	(2,400)
(18,184)	(18,184)		(21,400)	(20,780)	(21,400)
(8,099)	(8,099)		(37,064)	(21,797)	(37,064)
Cash Flows From Financing Activities					
Cash was provided from:					
9,470	9,470		8,385	13,308	8,385
Cash was applied to:					
(17,747)	(17,747)		(2,979)	(6,921)	(2,979)
(8,277)	(8,277)		5,406	6,388	5,406
Net Increase/(Decrease) In Cash Held					
825	825		915	(1,659)	915
5,216	5,216		6,041	6,647	6,041
6,041	6,041		6,956	4,988	6,956
Made Up Of:					
6,041	6,041		6,956	4,988	6,956

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

Note 1: Revenue

For the period ending June 2018

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Budget 2018 \$000	Consolidated 2018 \$000
		Rates			
13,598	13,598	General Rates	14,008	14,088	14,008
6,572	6,572	Targeted - Roading	6,603	6,549	6,603
3,968	3,968	Other Water Rates	4,097	3,616	4,097
7,977	7,977	Metered Water Rates	8,751	8,194	8,751
2,001	2,001	Targeted - Refuse	2,014	1,996	2,014
4,066	4,066	Targeted - Wastewater	4,249	4,202	4,249
106	106	Warmer Homes Scheme Rate	165	120	165
7	7	Eltham Drainage Board	8	8	8
155	155	Hāwera Business Rate	155	155	155
175	175	Rate Penalties	182	155	182
-146	-146	Remissions	-153	-155	-153
38,477	38,477	Total Rates	40,079	38,928	40,079
5,609	5,609	Fees and Charges	5,481	5,488	5,481
		Financial Revenue			
36	36	Dividends - General	36	0	36
72	72	Interest - General	93	109	93
10	10	Earnings - Long Term Investment Fund	0	0	0
9,951	9,951	Capital Gains on Long Term Investment Fund	12,899	8,629	12,899
1,069	1,069	Foreign Exchange Gains (Losses) on LTIF	-1,729	0	-1,729
11,139	11,139	Total Financial Revenue	11,299	8,738	11,299
100	100	Developmental Contributions	33	0	33
10,008	10,008	Subsidies & Grants	11,422	8,894	11,422
6,925	6,925	Other Revenue	6,342	2,342	6,342
72,257	72,257	Total Revenue	74,657	64,391	74,657

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 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Budget 2018 \$000	Consolidated 2018 \$000
19	19	Rates on community halls	19		19
81	81	Rates for sporting, games, branches of the arts, community care and volunteer organisations	84		84
7	7	Rates on land protected for natural, historical or cultural conservation purposes	7		7
39	39	Uniform annual general charges on non- contiguous units owned by the same owner	43		43
175	175	Rates Penalties*	182		182
321	321	Total Rates Remitted	335		335

* 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 2018

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Budget 2018 \$000	Consolidated 2018 \$000
12,176	12,176	Salary and Wages*	12,665	12,588	12,665
9	9	Increase/(decrease) in employee entitlements	(74)	0	(74)
12,185	12,185		12,591	12,588	12,591
		Other Operating Expenses			
558	558	Remuneration to Elected Representatives**	578	558	578
128	128	Audit Fees for Annual Report	130	130	130
4	4	Audit Fees for Ten Year Plan	102	0	102
708	708	Grants	1,019	857	1,019
0	0	Impairment of receivables	51	0	51
15,909	15,909	Depreciation and amortisation expense	16,784	17,130	16,784
399	399	Fund Manager Fees	415	470	415
0	0	Loss on Derivatives	1,041	0	1,041
743	743	Loss on Disposal of Asset	661	0	661
45	45	Operating Lease payments	29	0	29
24,033	24,033	Other Operating Expenses	27,658	24,135	27,658
42,527	42,527		48,468	43,280	48,468
		Finance Costs			
5,561	5,561	Interest Expense	5,556	6,905	5,556
5,561	5,561		5,556	6,905	5,556
60,273	60,273	Total Expenditure	66,615	62,773	66,615

*Salary and Wages include Council's contribution to Kiwisaver of \$299k (2017 \$282k).

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

Note 3: Tax

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Budget 2018 \$000	Consolidated 2018 \$000
11,984	11,984	Net Surplus/(Deficit) before Taxation	8,042	1,617	8,042
3,356	3,356	Tax at 28%	2,252	453	2,252
(3,356)	(3,356)	Plus/ (Less) Tax Effect of:	(2,252)	(453)	(2,252)
0	0	Non-taxable income/expenditure	0	0	0
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
		Comprising:			
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 \$707,352 (2017 \$703,752) with a tax effect of \$198,059 at 28% (2017 \$197,051 at 28%) available to carry forward to future years.

The Group has unrecognised tax losses of \$2,527,688 (2017 \$2,524,088) with a tax effect of \$707,753 at 28% (2017 \$706,745 at 28%) available to carry forward to future years.

Note 4: Cash and Cash Equivalents

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
3	3	Cash at bank and on hand	5	5
7,831	7,831	Westpac current account	8,923	8,923
(1,798)	(1,798)	Transfer to Long Term Investment Fund	(1,977)	(1,977)
5	5	TSB Hub account	5	5
<u>6,041</u>	<u>6,041</u>		<u>6,955</u>	<u>6,955</u>

The carrying value of cash at bank short-term deposits with maturity dates of three months or less approximates their fair value.

Note 5: Accounts Receivable

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
685	685	Accruals and Sundries	2,049	2,049
5,050	5,050	General Debtors (Incl. Water)	5,342	5,342
1,656	1,656	Rate Arrears	1,716	1,716
1,677	1,677	NZTA	1,088	1,088
364	364	Goods and Services Tax	1,105	1,105
(213)	(213)	Provision for Doubtful Debts	(263)	(263)
<u>9,220</u>	<u>9,220</u>		<u>11,037</u>	<u>11,037</u>

The above amount for accounts receivable includes exchange transactions of \$2.47m (2017 - \$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 2017 and 2018 are detailed below:

5,630	5,630	Not past due	8,348	8,348
739	739	Past due 1-60 days	215	215
530	530	Past due 61 - 90 days	153	153
2,321	2,321	Past due > 90 days	2,321	2,321
<u>9,220</u>	<u>9,220</u>		<u>11,037</u>	<u>11,037</u>

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
(213)	(213)	Collective Impairment	(263)	(263)
<u>(213)</u>	<u>(213)</u>	Total provision for Impairment	<u>(263)</u>	<u>(263)</u>

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

(306)	(306)	At 1 July	(213)	(213)
68	68	(Addition)/Reduction in provisions made during the year	(79)	(79)
0	0	Provisions reversed during the year	0	0
25	25	Receivables written-off during the period	29	29
(213)	(213)	At 30 June	(263)	(263)

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

Note 6: Investments

Council	Consolidated		Council	Consolidated
2017	2017		2018	2018
\$000	\$000		\$000	\$000
		Financial Assets		
		Current Portion		
2,404	2,404	Bonds with Maturities of less than 1 year	1,552	1,552
8,492	8,492	Cash & cash equivalents	9,348	9,348
		Cash Balance Transferred from Current/Call		
1,798	1,798	Account for LTIF	1,977	1,977
6,972	6,972	Property	7,438	7,438
8,321	8,321	Global Infrastructure	6,838	6,838
61,282	61,282	Equities	64,330	64,330
8,730	8,730	Hedge Fund	8,819	8,819
92	92	Warmer Home Scheme Loans & Nukumaru Loan	170	170
98,091	98,091	Total Current Portion	100,473	100,473
		Non Current Portion		
25,340	25,340	Bonds with Maturities of greater than 1 year	29,914	29,914
1,730	1,730	Cash & cash equivalents	1,613	1,613
		Warmer Home Scheme Loans and Nukumaru		
1,035	1,035	Loan	1,241	1,241
2,046	2,046	Other Shares and Notes	2,015	2,015
30,151	30,151	Total Non Current Portion	34,783	34,783
128,242	128,242	Total Financial Assets	135,256	135,256

Maturity of Financial Assets

The cash and cash equivalents portion of Council's investments are available immediately and represent 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 2018 was as follows:

2017		2018
12%	Trans Tasman Equities	14%
26%	Global Equities	25%
6%	Global Listed Infrastructure	5%
9%	New Zealand Cash	9%
9%	New Zealand Fixed Interest	9%
6%	Hedge Funds	6%
20%	Foreign Fixed Interest*	20%
7%	Low Volatility	7%
5%	Property	5%
100%		100%

* Includes internal borrowing.

Reconciliation of Investments

2017		2018
118,314	Opening Balance	125,069
	Income	
85	Interest	0
0	Dividends	0
7,640	Unrealised Gains/(Losses)	(7,733)
2,312	Realised Gains/(Losses)	20,633
1,069	Foreign Exchange Gains/(Losses)	(1,729)
	Less	
(3,946)	Subsidy Withdrawal	(4,006)
(399)	Management Fees	(420)
(6)	Other Transfers/adjustments	14
125,069	Closing Balance	131,828
3,173	Other Investments	3,428
128,242	Total Investments	135,256

*The net subsidy withdrawal amount is calculated using all LTIF subsidies \$5,803k (2017 \$5,727k) less internal interest received of \$819k (2017 \$804k) and loan repayments of \$977k (2017 \$977k) from Internal Borrowings to the LTIF.

Note 7: Stocks

Council	Consolidated		Council	Consolidated
2017	2017		2018	2018
\$000	\$000		\$000	\$000
		Held for Resale		
15	15	Information Centre Stock	17	17
9	9	Aquatic Centre Stock	9	9
6	6	New Zealand Post Stock	6	6
30	30		32	32
		Held for Business Contingency		
108	108	Infrastructure Stock	108	108
138	138	Total Stocks Held	140	140

No stocks are pledged as security for liabilities (2017 \$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 2018, amounted to \$nil (2017 \$nil).

There were no write-downs in value of any stocks held (2017 \$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 30/6/18 \$000	Accumulated Depreciation 30/6/18 \$000	Carrying Value 30/6/18 \$000	Cost/ Valuation 30/6/17 \$000	Accumulated Depreciation 30/6/17 \$000	Carrying Value 30/6/17 \$000
Council *						
Operational Assets						
Buildings	50,001	(2,149)	47,852	47,953	0	47,953
Land	9,733	0	9,733	9,689	0	9,689
Furniture & Fittings	1,100	(406)	694	782	(316)	465
Information Systems	2,162	(1,980)	182	2,076	(1,909)	167
Library Books	1,528	(788)	741	1,591	(847)	744
Office Equipment	341	(289)	53	341	(264)	77
Leased Office Equipment	323	(97)	226	323	(32)	291
Motor Vehicles	1,129	(324)	805	1,152	(379)	773
Plant & Equipment	2,085	(1,393)	692	1,954	(1,287)	666
Restricted Assets						
Parks & Recreation	13,695	(960)	12,735	13,540	0	13,540
Heritage & Cultural	1,547	(646)	901	1,522	(601)	921
Land	48,482	0	48,482	48,955	0	48,955
Work in Progress	6,326	0	6,326	5,754	0	5,754
Total Operational & Restricted Assets	138,451	(9,030)	129,421	135,631	(5,636)	129,996
Infrastructural Assets						
Land Under Roads	104,151	0	104,151	104,151	0	104,151
Network Assets						
Roading	382,294	(6,470)	375,825	373,197	0	373,197
Wastewater - treatment plants	18,061	(317)	17,745	17,919	0	17,919
Wastewater - other assets	41,807	(1,047)	40,760	41,026	0	41,026
Water - treatment plants	41,769	(2,021)	39,748	41,627	0	41,627
Water - other assets	98,881	(2,534)	96,347	96,774	0	96,774
Stormwater	22,890	(416)	22,475	22,903	0	22,903
Total Infrastructural & Network Assets	709,854	(12,803)	697,051	697,596	0	697,596
Work in progress	7,359	0	7,359	4,411	0	4,411
Total Fixed Assets	855,664	(21,833)	833,831	837,638	(5,636)	832,003

* 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 2018

	Carrying Value 1/7/17 \$000	Additions \$000	Disposal \$000	Accumulated Depreciation on Disposal	Vested Assets	Other Adj \$000	Depreciation \$000	Carrying Value 30/6/18 \$000
Operational Assets								
Buildings	47,953	2,049	0	0	0	0	(2,149)	47,852
Land	9,689	44	0	0	0	0	0	9,733
Furniture & Fittings	465	325	0	0	0	(7)	(90)	694
Information Systems	167	86	0	0	0	0	(71)	182
Library Books	744	212	(275)	238	0	0	(178)	741
Office Equipment	77	0	0	0	0	0	(24)	53
Leased Office Equipment	291	0	0	0	0	0	(65)	226
Motor Vehicles	775	308	(332)	199	0	0	(144)	807
Plant & Equipment	666	137	0	0	0	(6)	(106)	692
Restricted Assets								
Parks & Recreation	13,540	155	0	0	0	0	(960)	12,735
Heritage & Cultural	922	25	0	0	0	0	(45)	901
Land	48,955	0	(473)	0	0	0	0	48,482
Work in Progress	5,754	0	0	0	0	572	0	6,326
Total Operational & Restricted Assets	129,997	3,341	(1,080)	437	0	559	(3,832)	129,422
Infrastructural Assets								
Land Under Roads	104,151	0	0	0	0	0	0	104,151
Network Assets								
Roading	373,197	9,070	(3)	0	32	0	(6,470)	375,825
Wastewater - treatment plants	17,919	105	0	0	0	38	(317)	17,745
Wastewater - other assets	41,026	1,001	(221)	0	0	0	(1,047)	40,760
Water - treatment plants	41,627	310	(168)	0	0	0	(2,021)	39,748
Water - other assets	96,774	2,328	(221)	0	0	0	(2,534)	96,347
Stormwater	22,903	0	(12)	0	0	0	(416)	22,475
Total Infrastructural & Network Assets	697,596	12,814	(625)	0	32	38	(12,803)	697,051
Work in Progress	4,411	0	0	0	0	2,948	0	7,359
Total Fixed Assets	832,003	16,155	(1,705)	437	32	3,545	(16,635)	833,831

Work in Progress*

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

	2018 \$000	Council and Consolidated 2017 \$000
Buildings	3,753	4,891
Land	7	-
Information Systems	258	723
Motor Vehicles	4	-
Plant & Equipment	140	68
Furniture & Fittings	23	26
Parks & Reserves	188	47
Stormwater	228	43
Solid Waste - Landfill	1,953	0
Water Supply	4,568	1,628
Wastewater	1,613	1,340
Roading	951	1,400
Total work in progress	13,685	10,165

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
Operational Assets								
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
Restricted Assets								
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
Total Operational & Restricted Assets	113,545	2,461	(1,327)	708	0	18,046	(3,437)	129,997
Infrastructural Assets								
Land Under Roads	99,192	0	0	0	0	4,959	0	104,151
Network Assets								
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
Total Infrastructural & Network Assets	648,823	12,080	(595)	61	0	49,597	(12,373)	697,596
Work in Progress	3,832	0	0	0	0	579	0	4,411
Total Fixed Assets	766,200	14,541	(1,922)	769	-	68,222	(15,809)	832,003

Note 9: Intangible Assets

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
		Acquired Computer Software		
		Balance 1 July		
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 1 July	<u>690</u>	<u>690</u>
315	315	Additions	850	850
0	0	Disposals	0	0
0	0	Other Adjustments	0	0
(81)	(81)	Amortisation charge	(148)	(148)
		Closing Balance		
2,827	2,827	Cost	3,677	3,677
(2,137)	(2,137)	Accumulated amortisation and impairment	(2,285)	(2,285)
<u>690</u>	<u>690</u>	Carrying value 30 June	<u>1,392</u>	<u>1,392</u>
		Fonterra Outfall - use rights		
		Balance 1 July		
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
		Closing Balance		
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>690</u>	<u>690</u>	Total Intangible Assets	<u>1,392</u>	<u>1,392</u>

Note 10: Accounts Payable

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
4,923	4,923	Trade Liabilities	5,752	5,752
1,498	1,498	Accrued expenses and other payables	1,180	1,180
225	225	Accrued salaries and wages	349	349
1,461	1,461	Bonds and Deposits	1,565	1,565
<u>8,107</u>	<u>8,107</u>		<u>8,845</u>	<u>8,845</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

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
808	808	Annual leave	737	737
42	42	Sick leave	38	38
<u>850</u>	<u>850</u>		<u>775</u>	<u>775</u>

Note 12: Landfill Aftercare

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
289	289	Opening Balance	241	241
(48)	(48)	Provision reassessed	115	115
0	0	Unwinding of discount	0	0
<u>241</u>	<u>241</u>	Closing Balance	<u>356</u>	<u>356</u>
		Being:		
32	32	Current Portion	42	42
209	209	Term Portion	314	314
<u>241</u>	<u>241</u>		<u>356</u>	<u>356</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 10 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 5.44%. 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 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
		Financial Liabilities		
0	0	Debt Securities - Commercial Paper	0	0
104,000	104,000	Debt Securities - Local Authority Stock	104,000	104,000
7,394	7,394	Bank Facilities - Line of Credit Facility	12,800	12,800
0	0	Water Consent	0	0
298	298	Finance Leases	243	243
1,219	1,219	Income in advance from MOE	1,182	1,182
112,911	112,911	Total Financial Liabilities	118,224	118,224
		Current Liabilities		
0	0	Debt Securities - Commercial Paper	0	0
0	0	Debt Securities - Local Authority Stock	20,000	20,000
0	0	Bank Facilities - Line of Credit Facility	0	0
0	0	Water Consent	0	0
55	55	Finance Leases	61	61
38	38	Income in advance from MOE	38	38
93	93	Total Current Liabilities	20,098	20,098
		Non-Current Liabilities		
104,000	104,000	Debt Securities - Local Authority Stock	84,000	84,000
7,394	7,394	Bank Facilities - Line of Credit Facility	12,800	12,800
0	0	Water Consent	0	0
243	243	Finance Leases	182	182
1,181	1,181	Income in advance from MOE	1,144	1,144
112,818	112,818	Total Non-Current Liabilities	98,126	98,126

Secured Loans

The Council currently has \$30 million (2017 \$30 million) of committed lines of credit. The Council used \$12.8 million as at balance date and a further \$17.2 million (2017 \$22.61 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
		104,000

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 \$8,532 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 2017 \$000	Consolidated 2017 \$000	Financial Institution - Expiry	Council 2018 \$000	Consolidated 2018 \$000
30,000	30,000	TSB - 20 July 2023	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 2018

Fixed Rate	Start Date	Maturity	Amount
4.80%	31/10/2011	29/10/2020	1,000,000
2.79%	23/10/2018	25/10/2022	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
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

Fixed Rate	Start Date	Maturity	Amount
4.20%	15/01/2023	15/01/2027	4,000,000
4.18%	25/10/2022	25/10/2026	4,000,000
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
4.44%	20/08/2018	20/11/2029	4,000,000
2.75%	30/07/2019	31/01/2023	4,000,000
			157,000,000

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 -\$8,850,340.00 (2017 - \$7,809,684.32).

Finance Leases

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
82	82	Total minimum lease payments payable		
288	288	Not later than one year	82	82
0	0	Later than one year and not later than five years	206	206
370	370	Later than five years	0	0
(72)	(72)	Total minimum lease payments	288	288
298	298	Future finance charges	(46)	(46)
		Present value of minimum lease payments	243	243
		Present value of minimum lease payments payable		
55	55	Not later than one year	61	61
243	243	Later than one year and not later than five years	182	182
0	0	Later than five years	0	0
298	298	Total present value of minimum lease payments	243	243
		Represented by:		
55	55	Current	61	61
243	243	Non Current	182	182
298	298	Total finance leases	243	243

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 Hāwera High School for the 40 year period of which 32 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 2018, the Council had internally borrowed \$11,383,538 (2017 \$12,360,803) from its Special Fund Investments held with the Fund Managers.

Note 14: Equity

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
		Public Equity		
415,925	415,925	Accumulated Balances	415,549	415,549
1,886	1,886	Restricted and Statutory Reserves	1,711	1,711
227	227	Investment Revaluation Reserves	196	196
296,313	296,313	Asset Revaluation Reserves	296,313	296,313
5,673	5,673	Separate Operating Reserves	7,373	7,373
125,522	125,522	Council Created Reserves	132,305	132,305
196	196	Capital Replacement Reserves	305	305
<u>845,741</u>	<u>845,741</u>	Total Closing Public Equity	<u>853,752</u>	<u>853,752</u>
		Accumulated Balances		
411,285	411,285	Opening Balance 1 July	415,925	415,925
11,984	11,984	Net Surplus (Deficit)	8,042	8,042
0	0	Adjustment	0	0
		Less appropriation to		
(119)	(119)	Restricted Reserves	(68)	(68)
0	0	Statutory Reserves	0	0
(2,621)	(2,621)	Separate Operating Reserves	(1,700)	(1,700)
(4,510)	(4,510)	Council Created Reserves	(6,783)	(6,783)
(114)	(114)	Capital Replacement Reserves	(109)	(109)
		Funds applied from		
0	0	Restricted Reserves	0	0
21	21	Statutory Reserves	241	241
0	0	Separate Operating Reserves	0	0
0	0	Council Created Reserves	0	0
0	0	Capital Replacement Reserves	0	0
<u>415,925</u>	<u>415,925</u>	Closing Balance 30 June	<u>415,549</u>	<u>415,549</u>
		Restricted Reserves		
670	670	Opening Balance 1 July	791	791
199	199	Add Appropriation	161	161
(80)	(80)	Less Application of Funds	(94)	(94)
<u>789</u>	<u>789</u>	Closing Balance 30 June	<u>858</u>	<u>858</u>
		Statutory Reserves		
1,118	1,118	Opening Balance 1 July	1,097	1,097
137	137	Add Appropriation	59	59
(158)	(158)	Less Application of Funds	(302)	(302)
<u>1,097</u>	<u>1,097</u>	Closing Balance 30 June	<u>854</u>	<u>854</u>
<u>1,886</u>	<u>1,886</u>	Total Closing Restricted and Statutory Reserves	<u>1,711</u>	<u>1,711</u>
		Investment Revaluation Reserves		
107	107	Opening Balance 1 July	227	227
0	0	Gain/(Loss) on Long Term Investment Fund	0	0
120	120	Gain/(Loss) on Shares and Notes	(31)	(31)
0	0	Less Revaluation Attributed to Assets Sold	0	0
<u>227</u>	<u>227</u>	Closing Balance 30 June	<u>196</u>	<u>196</u>

0	0	Being:	0	0
227	227	Long Term Investment Fund	196	196
0	0	Shares and Notes	0	0
227	227	Transfers from Accumulated Balances	196	196
Council	Consolidated		Council	Consolidated
2017	2017		2018	2018
\$000	\$000		\$000	\$000
		Asset Revaluation Reserves		
231,808	231,808	Opening Balance 1 July	296,313	296,313
56,927	56,927	Revaluation of Infrastructural Assets	0	0
4,730	4,730	Revaluation of Operational Assets	0	0
2,313	2,313	Revaluation of Restricted Land	0	0
535	535	Revaluation of Operational Land	0	0
0	0	Less Revaluation Attributed to Assets Sold	0	0
296,313	296,313	Closing Balance 30 June	296,313	296,313
254,724	254,724	Being:	254,725	254,725
23,732	23,732	Infrastructural Assets	23,732	23,732
12,978	12,978	Operational Assets	12,978	12,978
4,879	4,879	Restricted Land	4,879	4,879
296,313	296,313	Operational Land	296,313	296,313
3,051	3,051	Separate Operating Reserves	5,673	5,673
17,938	17,938	Opening Balance 1 July	19,905	19,905
(15,316)	(15,316)	Add Appropriation	(18,205)	(18,205)
5,673	5,673	Less Application of Funds	7,373	7,373
		Closing Balance 30 June		
121,011	121,011	Council Created Reserves	125,522	125,522
12,574	12,574	Opening Balance 1 July	12,998	12,998
(8,063)	(8,063)	Add Appropriation	(6,215)	(6,215)
125,522	125,522	Less Application of Funds	132,305	132,305
		Closing Balance 30 June		
82	82	Capital Replacement Reserves	196	196
7,535	7,535	Opening Balance 1 July	6,855	6,855
(7,421)	(7,421)	Add Appropriation	(6,746)	(6,746)
196	196	Less Application of Funds	305	305
		Closing Balance 30 June		

Separate Operating Reserves		Balance 1 July 2017	Transfers into fund	Transfers out of fund	Balance 30 June 2018
Name	Activity to which the reserve relates	\$000	\$000	\$000	\$000
Roading	Roading and Footpaths	1,091	8,707	(8,732)	1,066
Regional Road Safety	Roading and Footpaths	26	0	(5)	21
Water Supply Urban	Water Supply Services	726	3,137	(2,861)	1,002
Waste Water	Waste Water	748	2,336	(2,317)	768
Water Supply Inaha	Water Supply Services	727	2,504	(2,652)	579
Eltham Drainage	Stormwater	18	2	0	20
Water Supply Pope	Water Supply Services	119	0	(119)	0
Water Supply Waimate West	Water Supply Services	1,439	2,782	(1,515)	2,706
Solid Waste Collection	Solid Waste	792	416	0	1,208
Nukumarū	Water Supply Services	(12)	0	(4)	(16)
Cold Creek	Water Supply Services	(21)	21	0	(0)
Hāwera Town Coordinator	District Economy	21	0	(2)	19
Total		5,673	19,904	(18,206)	7,373

Restricted Reserves		Balance 1 July 2017	Transfers into fund	Transfers out of fund	Balance 30 June 2018
Name	Activity to which the reserve relates	\$000	\$000	\$000	\$000
Eltham Property	Recreation & Leisure	42	0	(28)	15
Hāwera Property	Recreation & Leisure	0	0	0	0
Pool Plant	Recreation & Leisure	33	1	0	34
Larcom Beq-Turuturu Mokai	Recreation & Leisure	91	3	0	94
Pātea Property	Recreation & Leisure	20	1	(10)	11
Wairoa Recreation Res	Recreation & Leisure	403	51	0	454
Harbour Endowment	Recreation & Leisure	118	80	(53)	145
Centennial Bursary	Community & Social Development	67	3	(3)	67
Kaupokonui Beach	Recreation & Leisure	16	22	0	38
Total		791	161	(94)	858

Statutory Reserves		Balance 1 July 2017	Transfers into fund	Transfers out of fund	Balance 30 June 2018
Name	Activity to which the reserve relates	\$000	\$000	\$000	\$000
Eltham Reserve Contributions	Recreation & Leisure	41	1	0	42
Hāwera Reserve Contributions	Recreation & Leisure	128	20	(148)	(0)
Pātea Reserve Contributions	Recreation & Leisure	0	0	0	0
District Reserve Contributions	Recreation & Leisure	607	14	(154)	468
Waimate Development Levy	Democratic Process	275	8	0	283
Waverley Reserve Contributions	Recreation & Leisure	0	0	0	0
Ōpūnake Reserve Contributions	Recreation & Leisure	7	15	0	22
Manaia Reserve Contributions	Recreation & Leisure	39	2	0	41
Total		1,097	59	(302)	854

Council Created Reserves		Balance 1 July 2017	Transfers into fund	Transfers out of fund	Balance 30 June 2018
Name	Activity to which the reserve relates	\$000	\$000	\$000	\$000
Safer Communities	Community & Social Development	15	0	(0)	15
Economic Development Fund	Recreation & Leisure	178	0	0	178
Sale of Assets	All Activities	0	0	0	0
Forestry	Recreation & Leisure	66	2	0	68
Okotuku Domain	Recreation & Leisure	12	5	0	17
Centennial Close 1% Contribution	Recreation & Leisure	6	3	(9)	0
Long Term Investment Fund	All Activities	125,069	12,547	(5,875)	131,741
LTIF - Loan to Southcare	All Activities	0	0	0	0
Riparian/Indigenous	Environment & Development	121	4	(75)	50
Urban Redevelopment	All Activities	1	0	0	1
Painting Reserve	All Activities	0	437	(201)	236
Sale of Apex Reserve	All Activities	55	0	(55)	(0)
Total		125,522	12,998	(6,215)	132,305

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.

Hāwera Property

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

Pool Plant

To provide funds for district pools.

Larcom Beq - Turuturu Mokai

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

Pātea Property

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

Pātea Pools

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

Harbour Endowment

To manage lease income from land formerly owned by the Pātea 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 Pātea 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.

Hāwera Reserve Contributions

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

Pātea Reserve Contributions

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

Ōpūnake Reserve Contributions

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

Painting Reserve

To fund various painting projects.

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

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
11,984	11,984	Reported Surplus (Deficit) after Taxation	8,042	8,042
		Add (Deduct) Non Cash Items		
15,909	15,909	Depreciation and Amortisation	16,784	16,784
(4,284)	(4,284)	Movement in swaps revaluations	1,041	1,041
0	0	Vested assets	(32)	(32)
(7,271)	(7,271)	(Gain)/Loss in fair value of financial assets	7,676	7,676
743	743	(Gain)/Loss on Disposal of Property, Plant and Equipment	661	661
(48)	(48)	Movement in Landfill Aftercare Provision	116	116
0	0	Interest and gains direct to investment	0	0
<u>17,033</u>	<u>17,033</u>		<u>34,288</u>	<u>34,288</u>
		Add (Less) Movements in Other Working Capital Items:		
(542)	(542)	(Increase)/Decrease in Accounts Receivable	(1,817)	(1,817)
835	835	Increase/(Decrease) in Accounts Payable	561	561
10	10	Increase/(Decrease) in Employee Entitlements	49	49
43	43	(Increase)/Decrease in Inventory	(2)	(2)
82	82	Increase/(Decrease) Income Received in Advance	(299)	(299)
(260)	(260)	(Increase)/Decrease in Prepayments	(207)	(207)
<u>17,201</u>	<u>17,201</u>	Net Cash Inflow (Outflow) from Operating Activities	<u>32,573</u>	<u>32,573</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 \$32,808 (2017 \$11,316). Councillor A Beccard owns 50% of Beccard Motors.

During the year, the Council paid Hāwera High School \$18,290 (2017 \$5,814). Hāwera High School purchased goods and services off the Council of \$36,082.17 (2017 \$34,997). Councillor P Nixon is on the Board of Trustees.

During the year, the Council paid Cinema 2 Trust \$62,829 (2017 \$66,275). Hāwera Cinema 2 purchased goods and services off the Council of \$65,990 (2017 \$69,015). Councillor K Bourke is the Manager.

During the year, the Council paid Rangiwahia Architectural \$3,542 (2017 \$8,738). Councillor J Rangiwahia is the Director.

During the year, the Council paid Egmont A&P Association \$5,021 (2017 \$14,180). Hāwera Community Board Chair C Filbee was the Secretary of the Association.

Key Management Personnel	Council 2017	Council 2017	Council 2018	Council 2018
Salaries and other short term benefits	1,103,531	1,103,531	1,123,112	1,123,112
Full-time equivalent members	5	5	5	5
Total key management personnel compensation	1,103,531	1,103,531	1,123,112	1,123,112

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 \$64,930.90 (2017, \$37,553.72). Craig Stevenson was a member of the Executive Committee, while being Chief Executive.

Remuneration Paid - Elected Members		Council 2017	Council 2018
Dunlop R J	Mayor	98,959	100,907
Armstrong I	Councillor	11,809	0
Ballantyne A	Councillor	7,354	0
Beccard A	Councillor	29,688	30,822
Bigham B	Councillor	28,774	31,295
Bourke K	Councillor	24,263	25,161
Brown G	Councillor	16,603	26,693
Coxhead C	Councillor	18,993	28,688
Lawson G	Councillor	25,960	28,402
Mackay S	Councillor	19,688	30,782
Nixon P	Councillor	30,498	34,674
Northcott R	Councillor	28,476	29,498
Rangiwahia J	Councillor	16,603	24,855
Powell M	Councillor	8,381	0
Roach B	Councillor	24,612	29,193
Wards I	Councillor	30,052	31,212
Weir G	Councillor	8,381	0
	Total	429,094	452,182

Full-time equivalent Councillors

13

13

(Due to the difficulty in determining the time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.)

Car allowance for Ross Dunlop 3,727 4,035

Chief Executive (Salary and Kiwisaver)

Craig Stevenson (01/07/17 - 20/10/17)	313,234	152,377
Fiona Greenhill – Acting CE (23/10/17 – 12/01/18)	0	70,657
Waid Crockett (15/01/18 – 30/06/18)	0	139,322
Total	313,234	362,356

Council employees

Council 2017

Total annual remuneration by band for employees as at 30 June:

< \$60,000	138
\$60,000 - \$79,999	50
\$80,000 - \$99,999	16
\$100,000 - \$119,999	10
\$120,000 - \$219,999	11
\$120,000 - \$139,999	0
\$140,000 - \$239,999	0
\$280,000 - \$299,999	0
\$300,000 - \$319,999	1
Total	226

Council employees	Council 2018
Total annual remuneration by band for employees as at 30 June:	
< \$60,000	132
\$60,000 - \$79,999	51
\$80,000 - \$99,999	19
\$100,000 - \$119,999	9
\$120,000 - \$219,999	0
\$120,000 - \$139,999	6
\$140,000 - \$239,999	6
\$280,000 - \$299,999	1
\$300,000 - \$319,999	0
Total	<u><u>224</u></u>

At balance date, the Council employed 139 (2017 - 138) full-time employees, with the balance of staff representing 34 (2017 - 37) 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 2018, the Council made no payments to an employee (2017 \$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 have been made on the Balance Sheet.

	Council 2017	Consolidated 2017	Council 2018	Consolidated 2018
Financial guarantees as at balance date:				
Hāwera 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	0	0	0	0
Fluoride High Court Judicial Review	50,000	50,000	0	0
Easement Dispute	0	0	0	0
	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>0</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.

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.

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:

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
11	11	Within 12 months	11	11
11	11	1 - 2 Years	11	11
15	15	2 - 5 Years	4	4
0	0	Over 5 Years	0	0
<u>37</u>	<u>37</u>		<u>25</u>	<u>25</u>

Capital Commitments

The Council has the following capital commitments as at balance date:

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
48	48	Roading - Pavement Rehab and Associated Improvement (Prior year - Area Wide Treatment)	0	0
394	394	Resurfacing (chip sealing)	0	0
676	676	Footpath and Drainage	190	190
379	379	Bridges	0	0
345	345	Roading Minor Improvements	0	0
151	151	Recreation and Leisure	624	624
1,872	1,872	Water	1,003	1,003
0	0	Wastewater	36	36
0	0	Stormwater	19	19
147	147	Solid Waste	0	0
0	0	District Economy	879	879
<u>4,012</u>	<u>4,012</u>		<u>2,751</u>	<u>2,751</u>

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:

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
4,012	4,012	Within 12 months	2,691	2,691
0	0	1 - 2 years	0	0
0	0	2 - 5 years	60	60
0	0	Over 5 years	0	0
<u>4,012</u>	<u>4,012</u>		<u>2,751</u>	<u>2,751</u>

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
15910	Hāwera Library, Arts, Culture & Heritage Centre	Economic Development	163,609	2,000,000	Expenditure relates to design. Full project to be completed by 2020/21. The current stage will be completed in 2018/19 financial year.
13129	Waimate West asbestos cement pipes - Renewals	Water	185,675	1,069,587	Budget under one project with separate projects created for specific expenditure, to enable ease of project management. Relates to Project 76002. Construction stage to start in 2018/19 financial year. Revised budget for this project is \$1,171,000.
15911-15914	Hāwera Town Centre Development	Economic Development	12,115	1,000,000	The budget is under one project with separate projects created for specific expenditure, to enable ease of project management. Relates to Projects 15911 and 15913.
13114	Renewals - Water Supply - Urban 2015-2025	Water	1,342,666	978,330	The budget under one project with separate projects created for specific expenditure, to enable ease of project management. Relates to Projects 70001 to 70007, with a revised budget of \$2,076,670.
16200	Council Owned Property - Earthquake Prone Buildings Remedial Work	Community Facilities	208,386	662,496	The budget is under one project with separate projects created for specific expenditure, to enable ease of project management. Relates to Projects 16201-16207.
13108	Fire Hydrant Flow Reticulation Reinforcements	Water	150,090	575,215	Project not complete due to other projects taking priority.
10020	Pātea reticulation rationalisation	Water	122,885	570,032	Project costs going to projects 74004 and 74005. To be completed in 2018/19 financial year.
10029	Inaha WTP DWSNZ2005 compliance	Water	1,666,927	0	Work near completion. Revised budget \$2,200,684
16401	Hāwera Admin Building Roof Replacement	Parks and Reserves	853,188	0	Work completed. Revised budget \$992,749.
78500	Inaha DWS Skeet / Duthie Rd Water Mains	Water	662,637	0	Project to be complete in July 2018. Revised budget of \$654,745
Total			5,368,178	6,855,660	

Note 22: Financial Instruments

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
		Financial Assets		
		Fair Value through Comprehensive Revenue and Expenses		
171	171	Derivative Financial Instrument Assets	0	0
125,069	125,069	Long Term Investment Fund	131,828	131,828
125,240	125,240	Total Fair Value through Comprehensive Revenue and Expenses	131,828	131,828
		Loans and Receivables		
6,041	6,041	Cash and Cash Equivalents	6,956	6,956
0	0	Short Term Deposit	0	0
9,220	9,220	Accounts Receivable	11,037	11,037
992	992	LGFA FRNs	992	992
1,127	1,127	Warmer Home Scheme Loans & Nukumaru Loans	1,411	1,411
17,380	17,380	Total Loans and Receivables	20,396	20,396
		Fair Value through Other Comprehensive Revenue and Expenses		
605	605	Fonterra Shares	549	549
15	15	Ravensdown Shares	15	15
0	0	LIC Shares	0	0
100	100	LGFA Shares	100	100
207	207	The N.Z. Local Government Ins. Corporation Ltd.	207	207
126	126	Wanganui Forestry Committee	153	153
1,053	1,053	Total Fair Value through Other Comprehensive Revenue and Expenses	1,023	1,023
		Financial Liabilities		
		Fair Value through Comprehensive Revenue and Expenses		
7,981	7,981	Derivative Financial Instrument Liabilities	8,851	8,851
7,981	7,981	Total Fair Value through Comprehensive Revenue and Expenses	8,851	8,851
		Financial Liabilities at Amortised Cost		
8,107	8,107	Creditors and other payables	8,847	8,847
		Borrowings		
7,394	7,394	Secured Loans	12,800	12,800
104,000	104,000	Debentures	104,000	104,000
119,501	119,501	Total Financial Liabilities and Amortised Costs	125,643	125,643

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 30 June 2018 the Council had committed Line of Credit arrangements totalling \$30 million (2017 \$30 million) in place with TSB Bank. A total of \$12,800,000 (2017 \$7,394,000) 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.

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	(8,850,340)
Upwards Shift in Zero Rate (100bp)	(3,298,527)
Downwards Shift in Zero Rate (100bp)	(14,899,510)

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 PriceWaterHouseCoopers 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 and Note 13 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 Ōpūnake 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 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
		Financial Assets		
		Derivative Financial Instruments		
0	0	- Quoted Market Price	0	0
171	171	- Observable Inputs	0	0
0	0	- Significant Non Observable Inputs	0	0
		Cash Funds		
0	0	- Quoted Market Price	0	0
18,061	18,061	- Observable Inputs	19,895	19,895
0	0	- Significant Non Observable Inputs	0	0
		Short Term Deposit		
0	0	- Quoted Market Price	0	0
0	0	- Observable Inputs	0	0
0	0	- Significant Non Observable Inputs	0	0
		NZ Bonds		
0	0	- Quoted Market Price	0	0
12,757	12,757	- Observable Inputs	12,917	12,917
992	992	- Significant Non Observable Inputs	992	992
		Global Bonds		
0	0	- Quoted Market Price	0	0
14,987	14,987	- Observable Inputs	18,549	18,549
0	0	- Significant Non Observable Inputs	0	0
		Trans Tasman Equities		
605	605	- Quoted Market Price	549	549
15,734	15,734	- Observable Inputs	17,903	17,903
448	448	- Significant Non Observable Inputs	475	475
		Global Equities		
0	0	- Quoted Market Price	0	0
35,904	35,904	- Observable Inputs	36,993	36,993
0	0	- Significant Non Observable Inputs	0	0
		Low Volatility Equities		
0	0	- Quoted Market Price	0	0
9,644	9,644	- Observable Inputs	9,434	9,434
0	0	- Significant Non Observable Inputs	0	0
		Global Property Funds		
0	0	- Quoted Market Price	0	0
6,972	6,972	- Observable Inputs	7,438	7,438
0	0	- Significant Non Observable Inputs	0	0
		Hedge Fund		
0	0	- Quoted Market Price	0	0
8,730	8,730	- Observable Inputs	8,819	8,819
0	0	- Significant Non Observable Inputs	0	0
		Global List Infrastructure		
0	0	- Quoted Market Price	0	0
8,321	8,321	- Observable Inputs	6,838	6,838
0	0	- Significant Non Observable Inputs	0	0
		Financial Liabilities		
		Derivative Financial Instruments		
0	0	- Quoted Market Price	0	0
7,981	7,981	- Observable Inputs	8,851	8,851
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 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
1,374	1,374	Balance at 1 July	1,440	1,440
0	0	Purchase of New Investment	0	0
66	66	Gain and losses recognised in comprehensive income	26	26
0	0	Transfers out of level 3	0	0
1,440	1,440	Balance at 30 June	1,466	1,466

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 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
18,061	18,061	Cash and Cash equivalents	19,894	19,894
0	0	Short Term Deposit	0	0
37,966	37,966	Bonds	32,458	32,458
1,127	1,127	Loans and Receivables	1,411	1,411
9,220	9,220	Accounts Receivable	11,037	11,037
66,374	66,374	Total Financial Asset Credit Risk	64,801	64,801
		Bonds		
7,164	7,164	AAA, Government & Agency	9,093	9,093
23,612	23,612	AA+/AA/AA-	13,959	13,959
4,643	4,643	A+/A/A-	5,587	5,587
2,282	2,282	BBB+/BBB	3,331	3,331
265	265	Sub Prime Grade	488	488
37,966	37,966		32,458	32,458
		Cash & Short Term Deposit		
0	0	AAA, Government & Agency	0	0
18,061	18,061	AA+/AA/AA-	19,894	19,894
0	0	A+/A/A-	0	0
0	0	BBB+/BBB	0	0
18,061	18,061		19,894	19,894
		Existing Counterparties with no defaults in the past		
1,127	1,127	Loans and Receivables	1,411	1,411
35,904	35,904	Global Equities	36,993	36,993
6,972	6,972	Global Property	7,438	7,438
8,321	8,321	Global Listed Infrastructure	6,838	6,838
8,730	8,730	Hedge Fund	8,819	8,819
15,734	15,734	Trans Tasman Equities	17,903	17,903
9,644	9,644	Low Volatility	9,434	9,434
1,054	1,054	Other shares and notes	1,023	1,023
87,486	87,486		89,858	89,858
143,513	143,513	Total Financial Assets	142,210	142,210

Financial Assets Sensitivity Analysis

Cash and Cash Equivalents

As part of a diversified portfolio of investments the Council has an investment of \$10.96m in a wholesale cash funds and \$1.97m in term deposits. The Council also has \$8.95m 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 \$199,000 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 \$32.46m in bonds.

This comprises an investment in ANZ's NZ Bond Portfolio \$12.92m, PIMCO and Wellington portfolios managed by Fisher Funds \$18.55m 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 \$324,600 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 \$925,900.

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 \$14,110.

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 \$64.33m in equity funds, Global Property of \$7.44m, Global Listed Infrastructure of \$6.84m and Hedge Fund of \$8.82m.

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 \$643,300.

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 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
2,355	2,355	Australian Dollar	4,092	4,092
295	295	Brazilian Real	424	424
2,078	2,078	Canadian Dollar	2,386	2,386
2,832	2,832	Swiss Franc	2,310	2,310
24	24	Chilean Peso	15	15
16	16	Czech Koruna	0	0
11,978	11,978	Euro	13,750	13,750
10,782	10,782	British Pound	11,114	11,114
1,589	1,589	Hong Kong Dollar	1,315	1,315
15	15	Hungarian Forint	0	0
5,651	5,651	Japanese Yen	5,470	5,470
967	967	Denmark Krona	924	924
43	43	Polish Zloty	33	33
147	147	Mexican Peso	170	170
305	305	Norwegian Krone	395	395
42,608	42,608	New Zealand Dollar	42,957	42,957
1,149	1,149	Swedish Krona	1,320	1,320
318	318	Singapore Dollar	327	327
41,117	41,117	United States Dollar	43,907	43,907
(1)	(1)	Chinese Yuan	(8)	(8)
1	1	Indian Rupee	(1)	(1)
4	4	Indonesian Rupiah	19	19
225	225	South Korean Won	285	285
96	96	Thai Baht	157	157
34	34	Malaysian Ringgit	67	67
82	82	Taiwanese Dollar	107	107
92	92	South African Rand	19	19
(1)	(1)	Russian Ruble	14	14
12	12	Turkish Lira	18	18
257	257	Israeli Shekel	243	243
125,069	125,069		131,828	131,828

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
Council 2018						
Creditors and Other Payables	8,847	8,847	8,847	0	0	0
Secured Loans	12,800	14,733	383	383	1,150	12,816
Debentures	104,000	114,095	22,486	27,033	42,539	22,037
Finance Leases	1,424	1,552	120	120	318	994
Net Settled Derivative Liabilities	8,851	15,192	2,574	2,446	5,501	4,670
Total	135,922	154,418	34,410	29,982	49,509	40,517
Consolidated 2018						
Creditors and Other Payables	8,847	8,847	8,847	0	0	0
Secured Loans	12,800	14,733	383	383	1,150	12,816
Debentures	104,000	114,095	22,486	27,033	42,539	22,037
Finance Leases	1,424	1,552	120	120	318	994
Net Settled Derivative Liabilities	8,851	15,192	2,574	2,446	5,501	4,670
Total	135,922	154,418	34,410	29,982	49,509	40,517
Council 2017						
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	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
Total	128,999	150,568	13,707	25,319	72,734	38,808
Consolidated 2017						
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	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
Total	128,999	150,568	13,707	25,319	72,734	38,808

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
Council 2018						
Cash and Cash equivalents	6,956	6,956	6,956	0	0	0
Loans and Receivables	1,411	1,717	236	352	990	139
Accounts Receivable	11,037	11,037	11,037	0	0	0
Net Settled Derivative Asset	0	0	0	0	0	0
Total	19,404	19,710	18,228	352	990	139
Consolidated 2018						
Cash and Cash equivalents	6,956	6,956	6,956	0	0	0
Loans and Receivables	1,411	1,717	236	352	990	139
Accounts Receivable	11,037	11,037	11,037	0	0	0
Net Settled Derivative Asset	0	0	0	0	0	0
Total	19,404	19,710	18,228	352	990	139
Council 2017						
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
Total	28,579	28,708	27,440	273	671	324

Assets	Carrying Amount	Contractual Cash flows	Less than 1 Year	1 - 2 Years	2 - 5 Years	More than 5 Years
Consolidated 2017						
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
Total	28,579	28,708	27,440	273	671	324

Maturity term of LTIF Bonds

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
2,404	2,404	Less than one year	1,552	1,552
9,852	9,852	One to five years	16,468	16,468
15,488	15,488	Greater than five years	13,446	13,446
27,744	27,744		31,466	31,466

Note 23: Derivative Financial Instruments

Council 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Consolidated 2018 \$000
Current Asset Portion				
0	0	Interest rate swaps	0	0
0	0	Total current asset portion	0	0
Non-current asset portion				
171	171	Interest rate swaps	0	0
171	171	Total non-current asset portion	0	0
171	171	Total derivative financial instrument assets	0	0
Current liability portion				
20	20	Interest rate swaps	213	213
20	20	Total current liability portion	213	213
Non-current liability portion				
7,961	7,961	Interest rate swaps	8,638	8,638
7,961	7,961	Total non-current liability portion	8,638	8,638
7,981	7,981	Total derivative financial instrument liabilities	8,850	8,850

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 \$157m (2017 \$153m). As at 30 June 2018, the fixed interest rates for cash flow hedge interest rate swaps varied from 2.75% to 5.55% (2017 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 30 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 2018, NZLGFA had borrowings totalling \$8,272m (2017: \$7,946m).

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 2017 \$000	Consolidated 2017 \$000		Council 2018 \$000	Budget 2018 \$000	Consolidated 2018 \$000
507	507	Reallocated Activity	494	615	494
8	8	Democratic Process	7	5	7
426	426	Cultural Services	480	458	480
2,038	2,038	Recreation & Leisure	2,477	2,079	2,477
9	9	District Economy	27	137	27
160	160	Community & Social Development	162	194	162
87	87	Environment & Development	46	53	46
4,033	4,033	Water Supply Service	4,559	4,784	4,559
6,174	6,174	Roading & Footpaths	6,470	6,363	6,470
432	432	Stormwater	417	492	417
1,735	1,735	Waste Water	1,327	1,841	1,327
36	36	Solid Waste	44	35	44
266	266	Coastal Structure	273	73	273
15,909	15,909		16,784	17,130	16,784

Note 26: Explanations of Major Variances against budget

Explanations for major variations from the Council's budget figures in its 2017/18 Annual Plan are as follows:

Statement of Comprehensive Revenue and Expense

- Financial Revenue is greater than budgeted by \$2.6 million due to Council's Investment Portfolio returns being higher than expected as a result of strong market conditions.
- Subsidies, Grants and Other Revenue are greater than budgeted by \$6.5 million due to unbudgeted income for the Landfill roading project and other Landfill related costs, recovered from NZTA and NPDC.
- Loss on derivative contract valuations of \$1.04 million which was unbudgeted.
- Finance costs and Depreciation are lower than budgeted by \$1.7 million due to savings on Interest paid and delayed projects.

Statement of Financial Position

- The Current Assets are higher than budgeted by \$7 million due to more cash in the bank, higher accounts receivables and higher prepayments which include payment to NPDC for Council's Landfill share.
- Total Non-Current Assets are higher than budgeted by \$14 million due to a combination of revaluation being higher than budgeted at 30 June 2017 and delayed capital works programme. There is also a corresponding impact on equity.
- The Current and Non-Current Term Liabilities are \$31 million lower than budgeted mainly due to a lower than anticipated debt requirement as a result of delays in capital projects.

Note 27: Insurance Information

	2018	2017
	\$000	\$000
Total value of all assets covered by insurance contracts	175,658	163,652
Total value of all assets covered by financial risk sharing arrangements	282,755	266,517
Total assets covered by insurance	<u>458,413</u>	<u>430,169</u>

Note 28: Rating Base Information

	30/06/2018	30/06/2017
Number of rating units	14,231	14,197
Total capital value of rating units	\$10,293,895,450	\$10,259,618,500
Total land value of rating units	\$7,255,359,100	\$7,251,101,950

Note 29: Joint Committee – Central Landfill

During the year the Council agreed with the New Plymouth District Council (NPDC) and the Stratford District Council (SDC) to form a Joint Committee tasked with developing a new central landfill and operating it following the closure of the Colson Road Landfill.

Each council's share of capital contribution, distribution of any operating surplus or apportionment of any operating deficit has been agreed as NPDC 66.4%, STDC 27.1% and SDC 6.5%.

As at 30 June 2018, the total contribution of \$16.1 million has been made by all three councils. So far the capital costs incurred are \$7.2 million. As a result, the Council has split its contribution of \$4.36 million into two separate disclosures. The property, plant and equipment include \$1.95 being 27.1% share of \$7.2 million of capital costs and prepayments include \$2.4 million, which is the remaining share of the Council contribution.

Note 30: Items subsequent to Balance Date

We have no items subsequent to balance date at this time.

Note 31: Financial Prudence Benchmarks

Annual Report Disclosure Statement for year ending 30 June 2018

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.

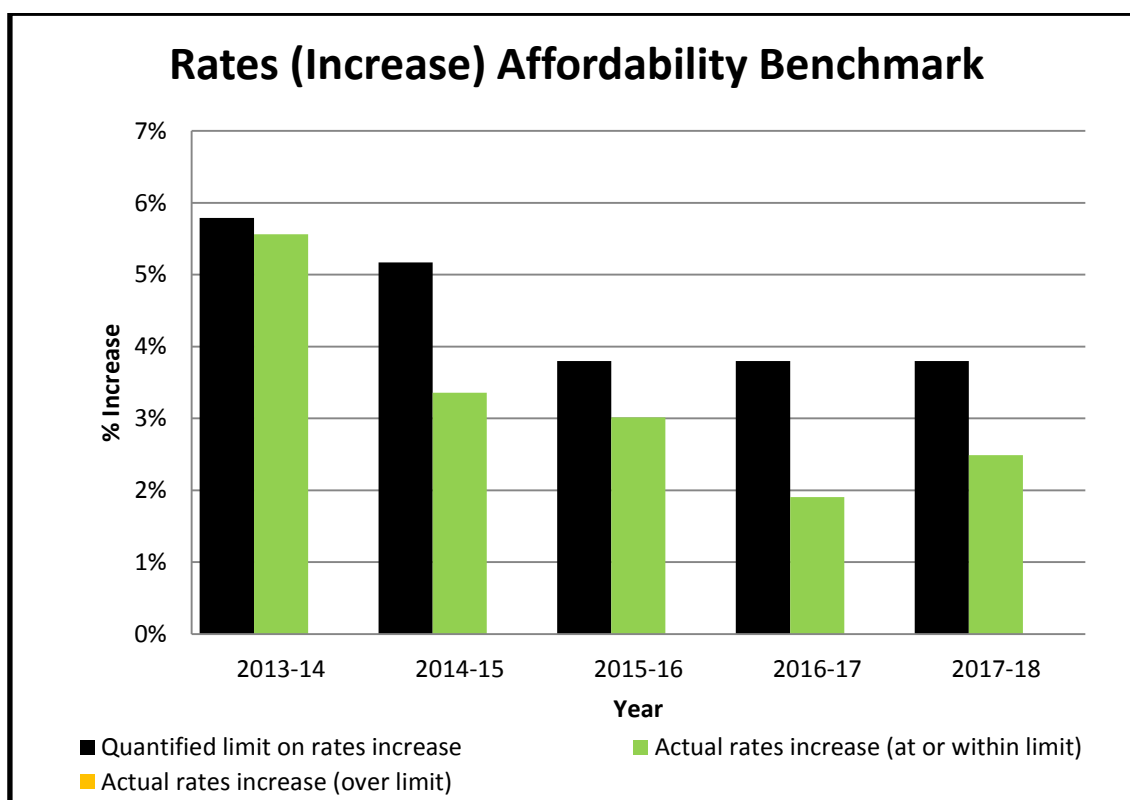
Rates affordability benchmark

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.

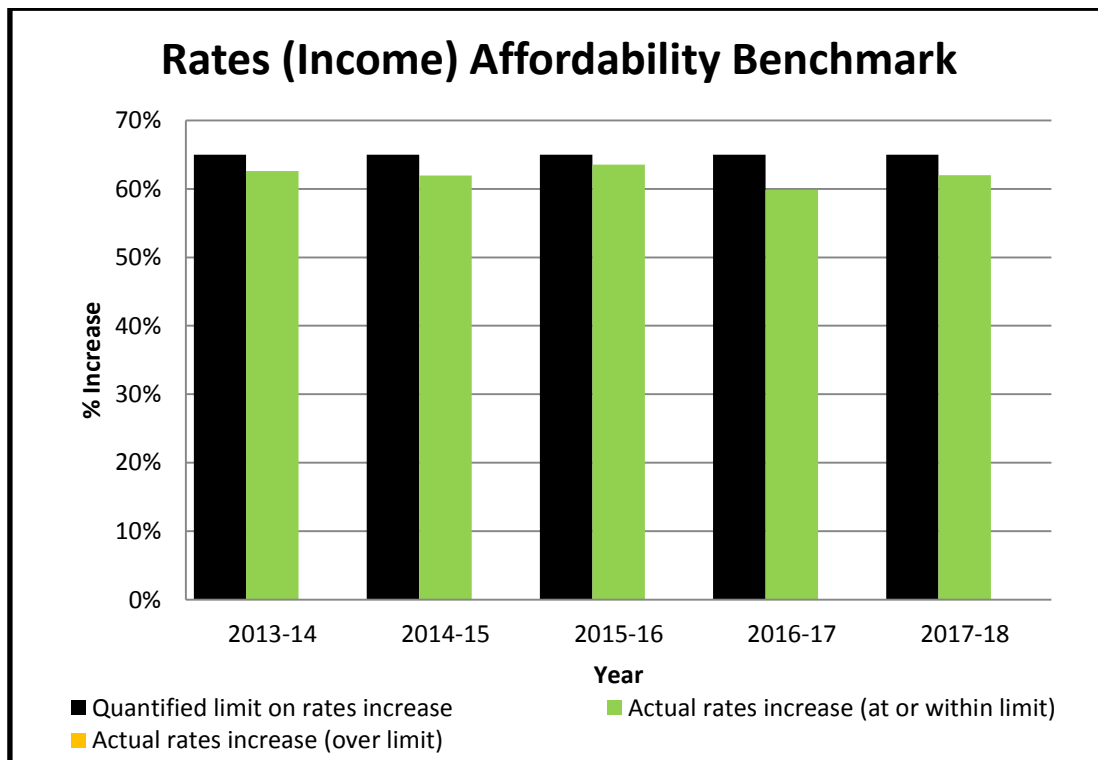
Rates (increase) Affordability

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

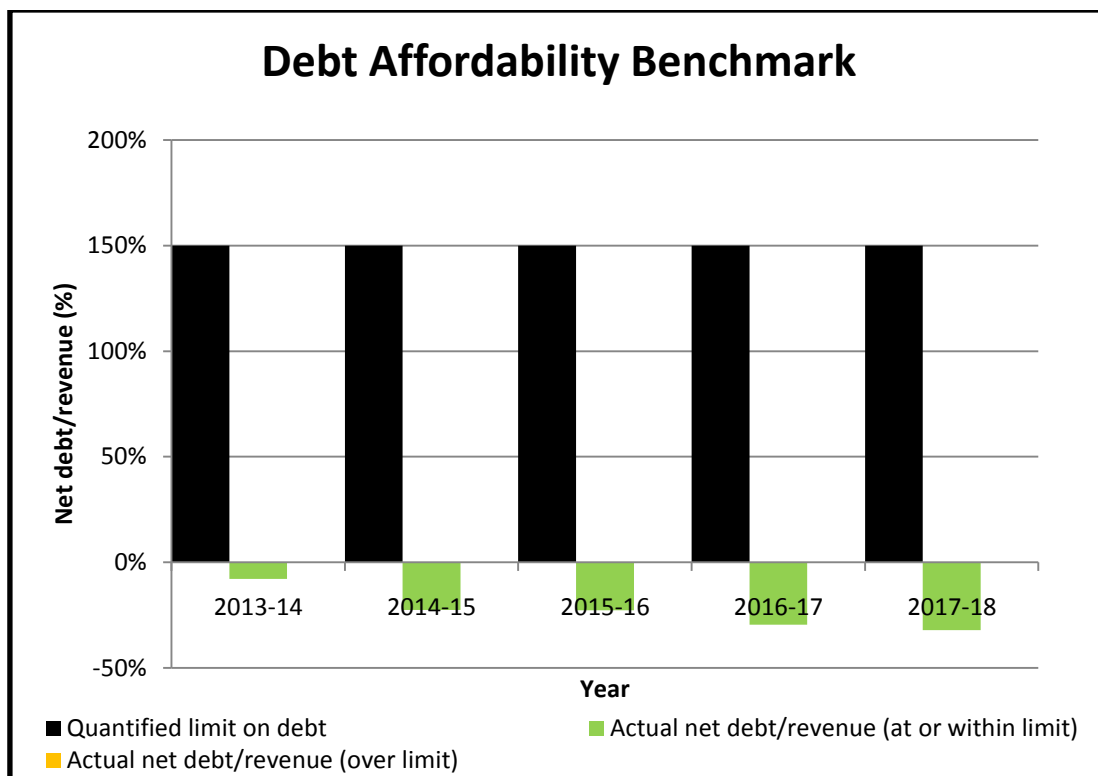
The following graph compares the Council's actual rates income with a quantified limit on rates included in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is rates income 60-65% of total projected revenue.



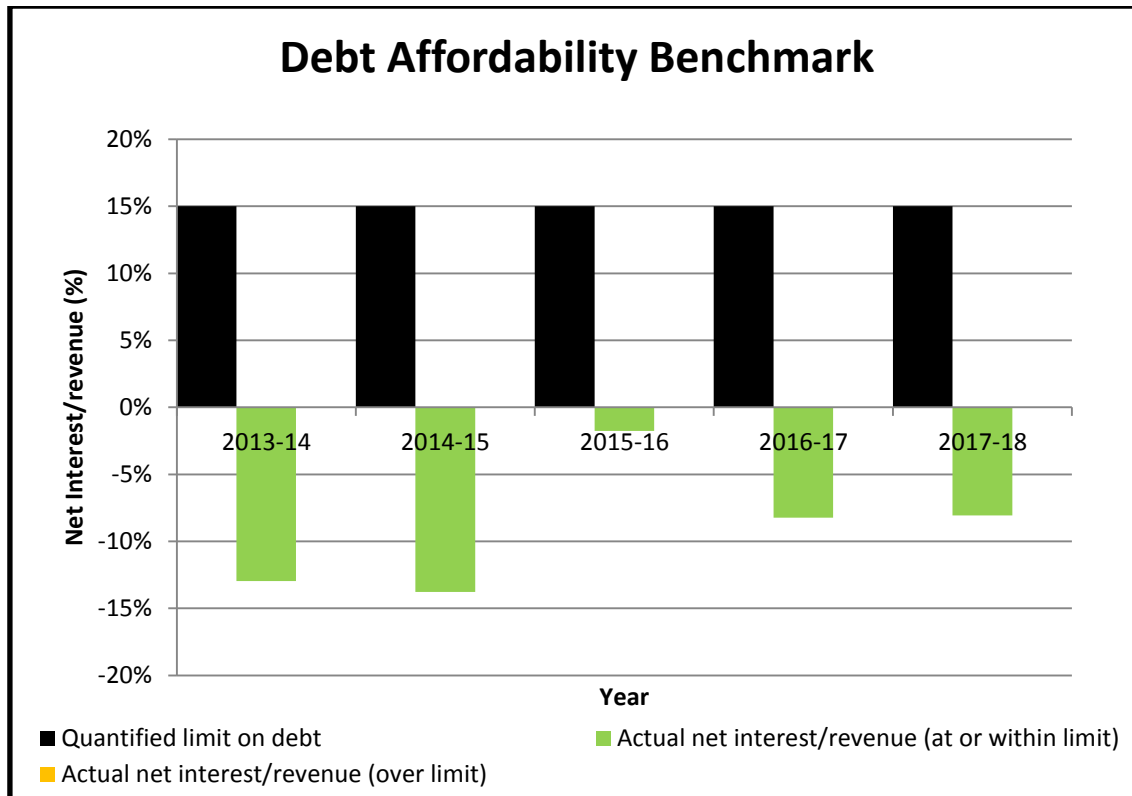
Debt Affordability

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.

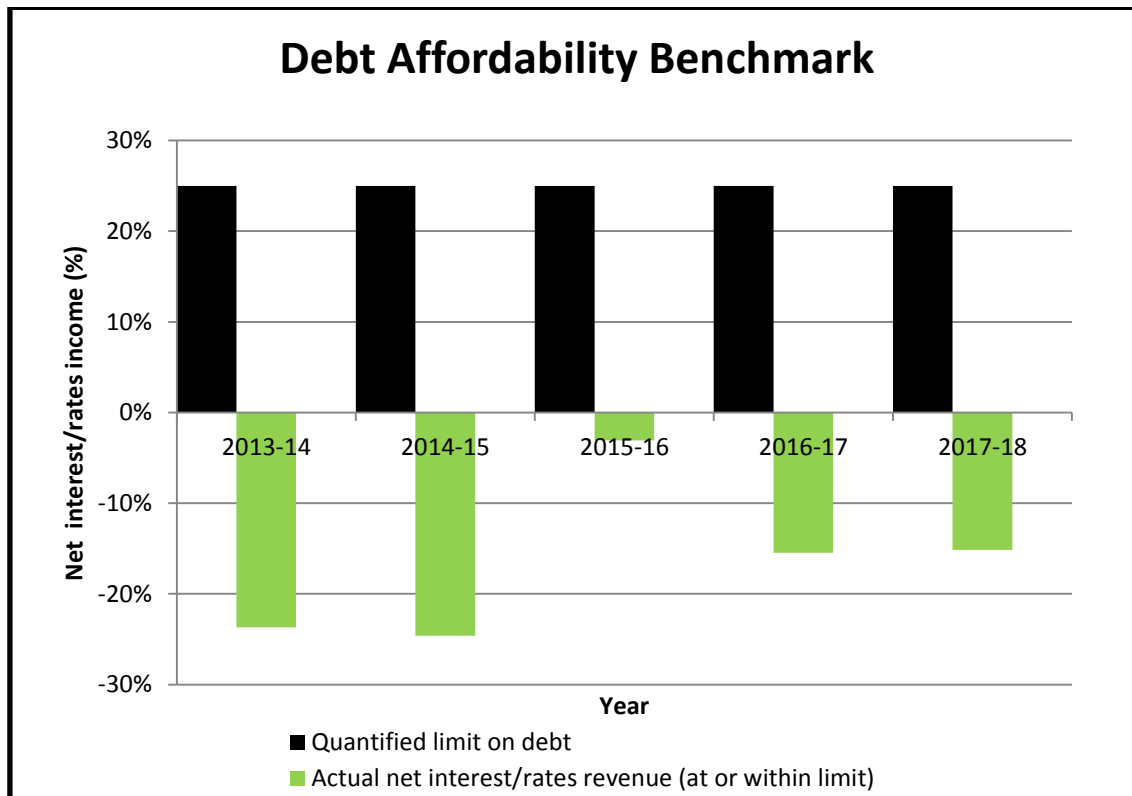
1 – The quantified limit is net debt less than 150% of revenue.



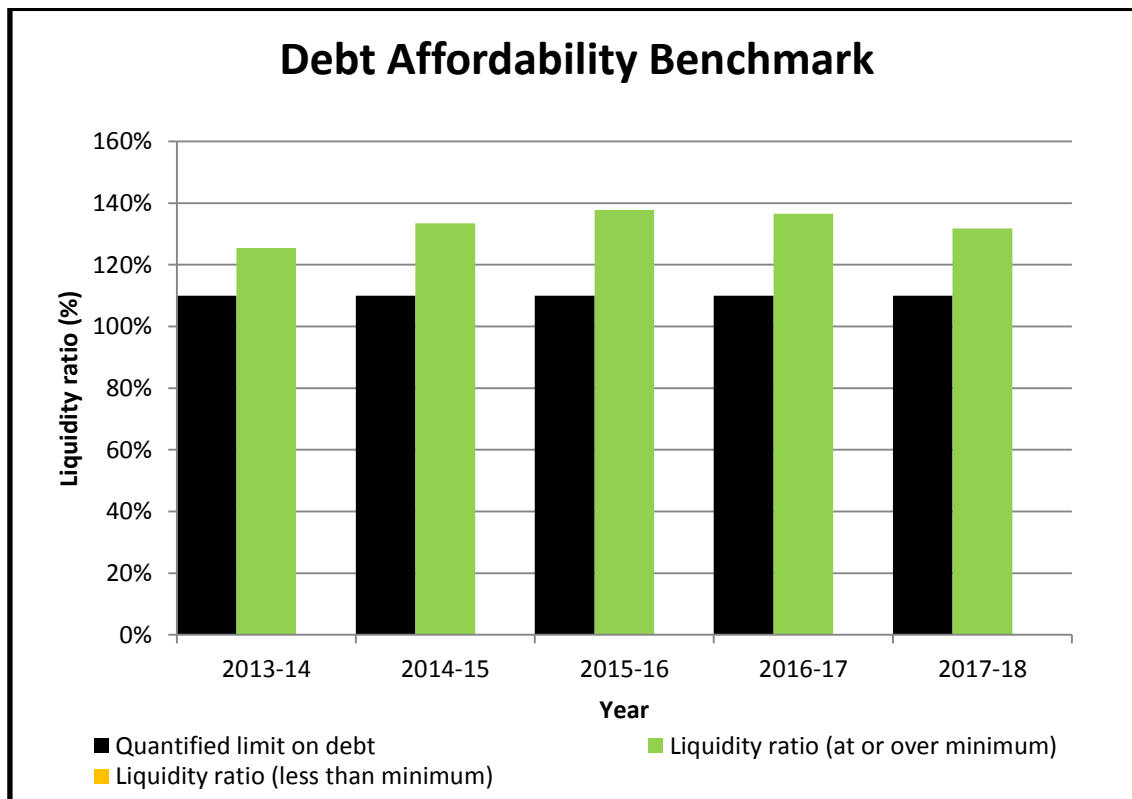
2 - Net interest expense as a percentage of total annual income of not more than 15%.



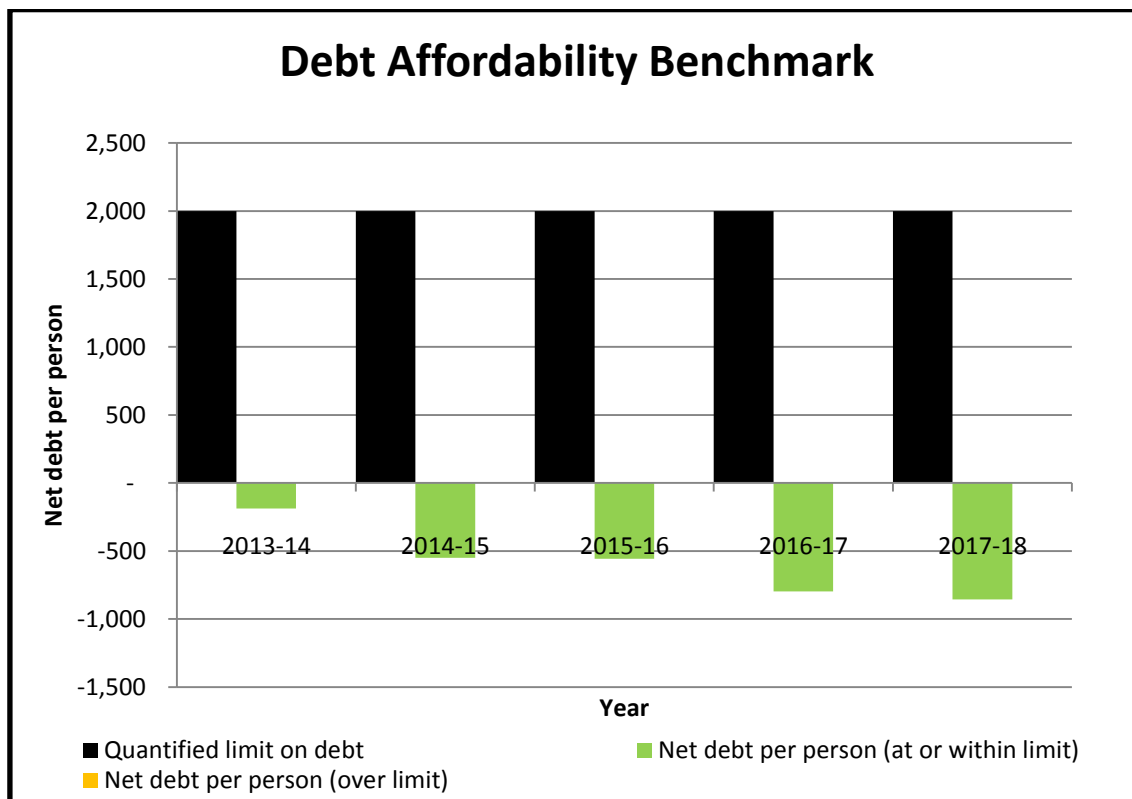
3 - Net interest expense as a percentage of total annual rates income of not more than 25%.



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.

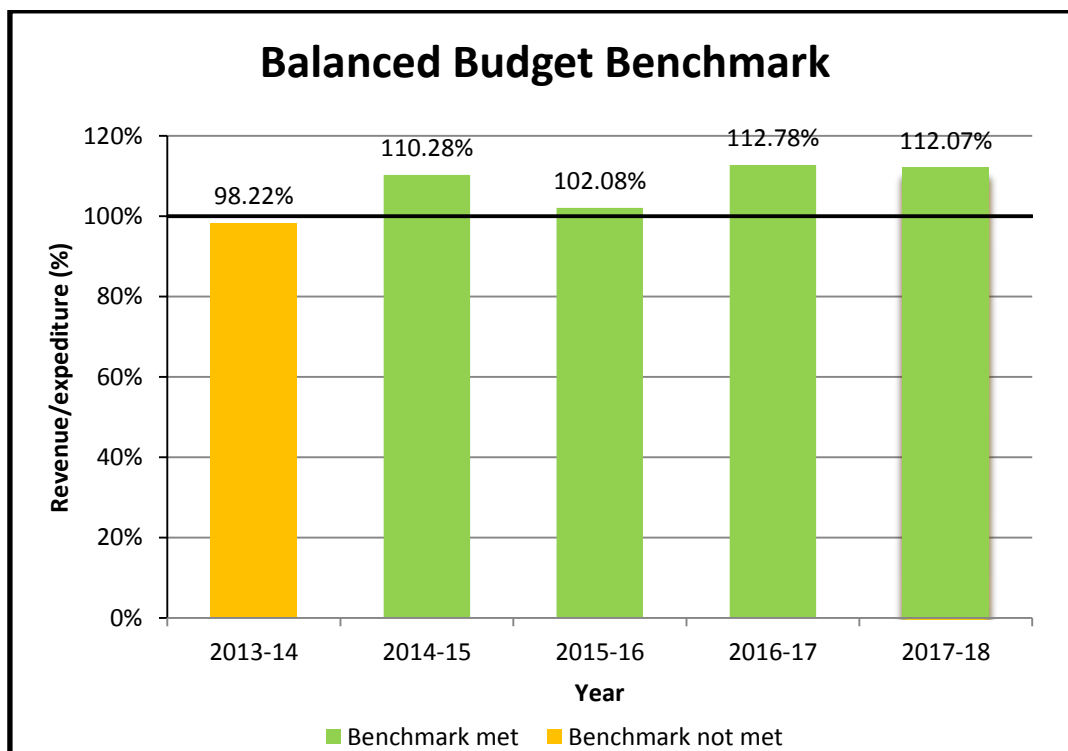


5 - Net debt per capita is less than \$2,000 per person.



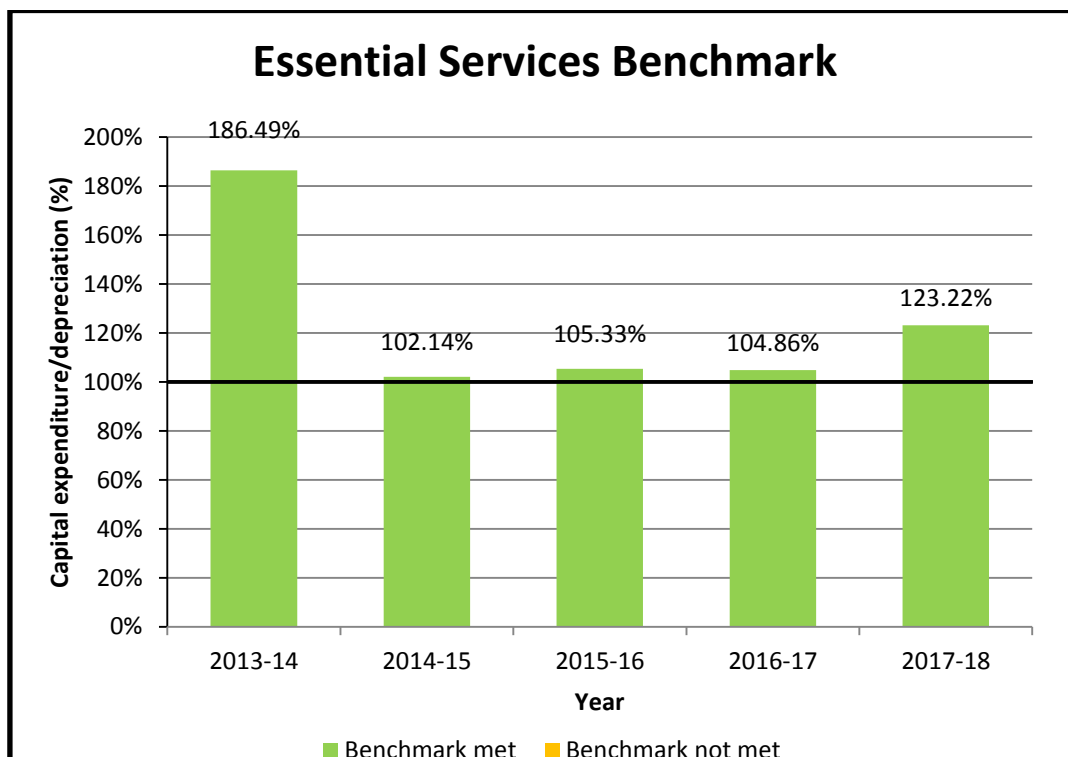
Balanced Budget Benchmark

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.



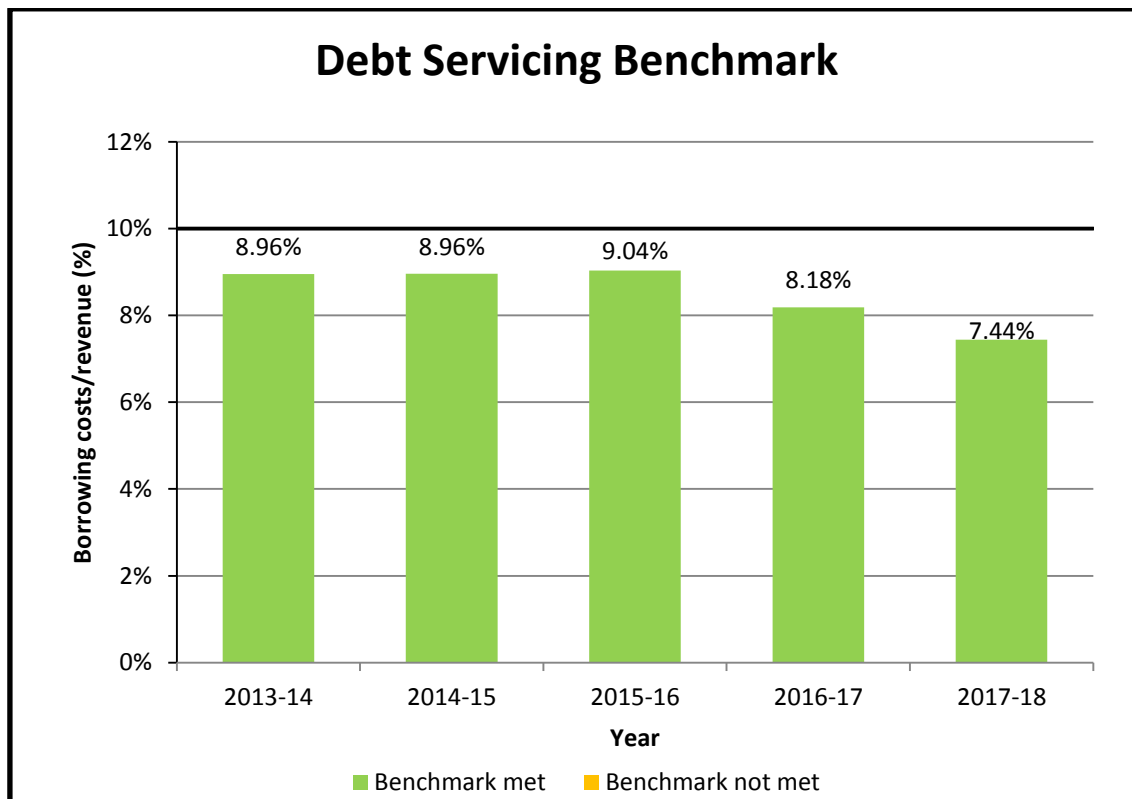
Essential Services Benchmark

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 its capital expenditure on network services equal or is greater than depreciation on network services.



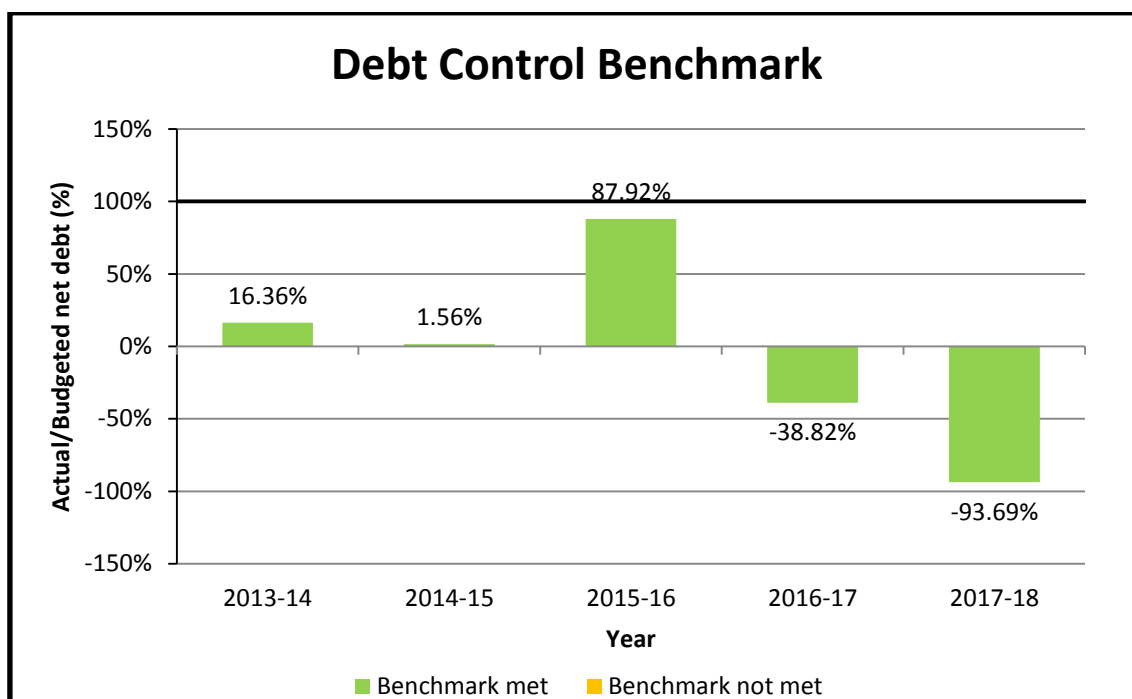
Debt Servicing Benchmark

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.



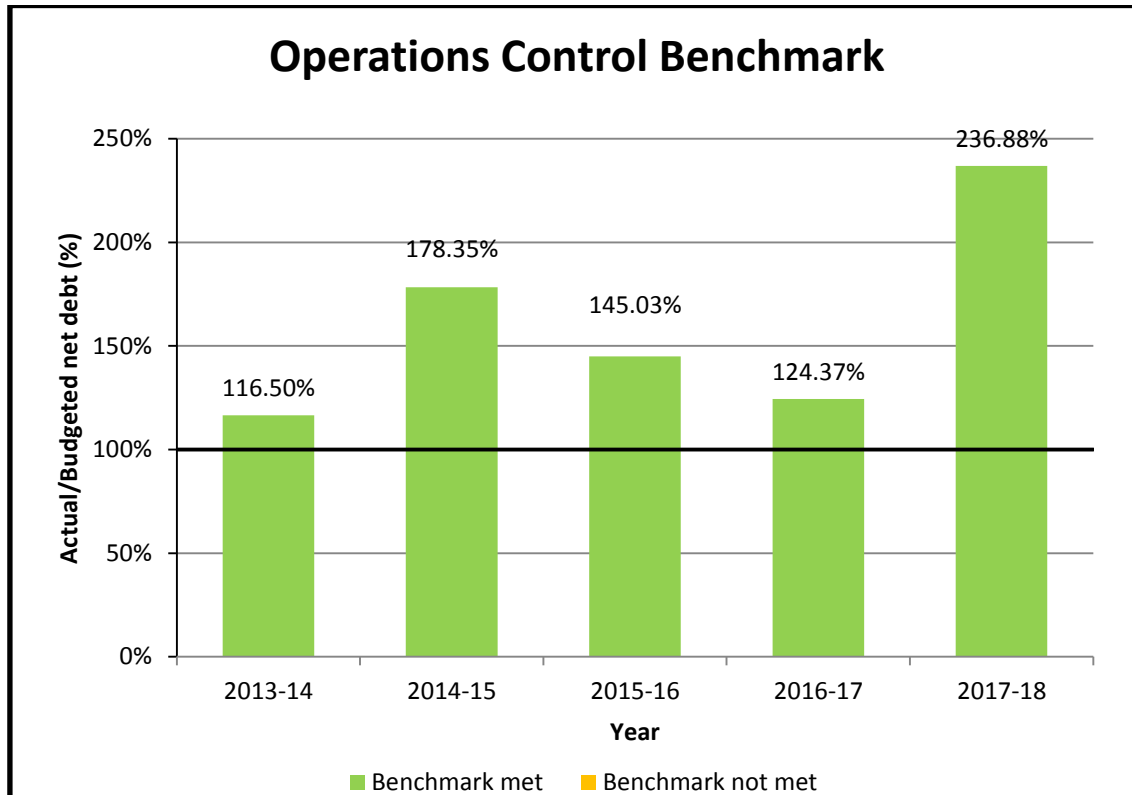
Debt Control Benchmark

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.

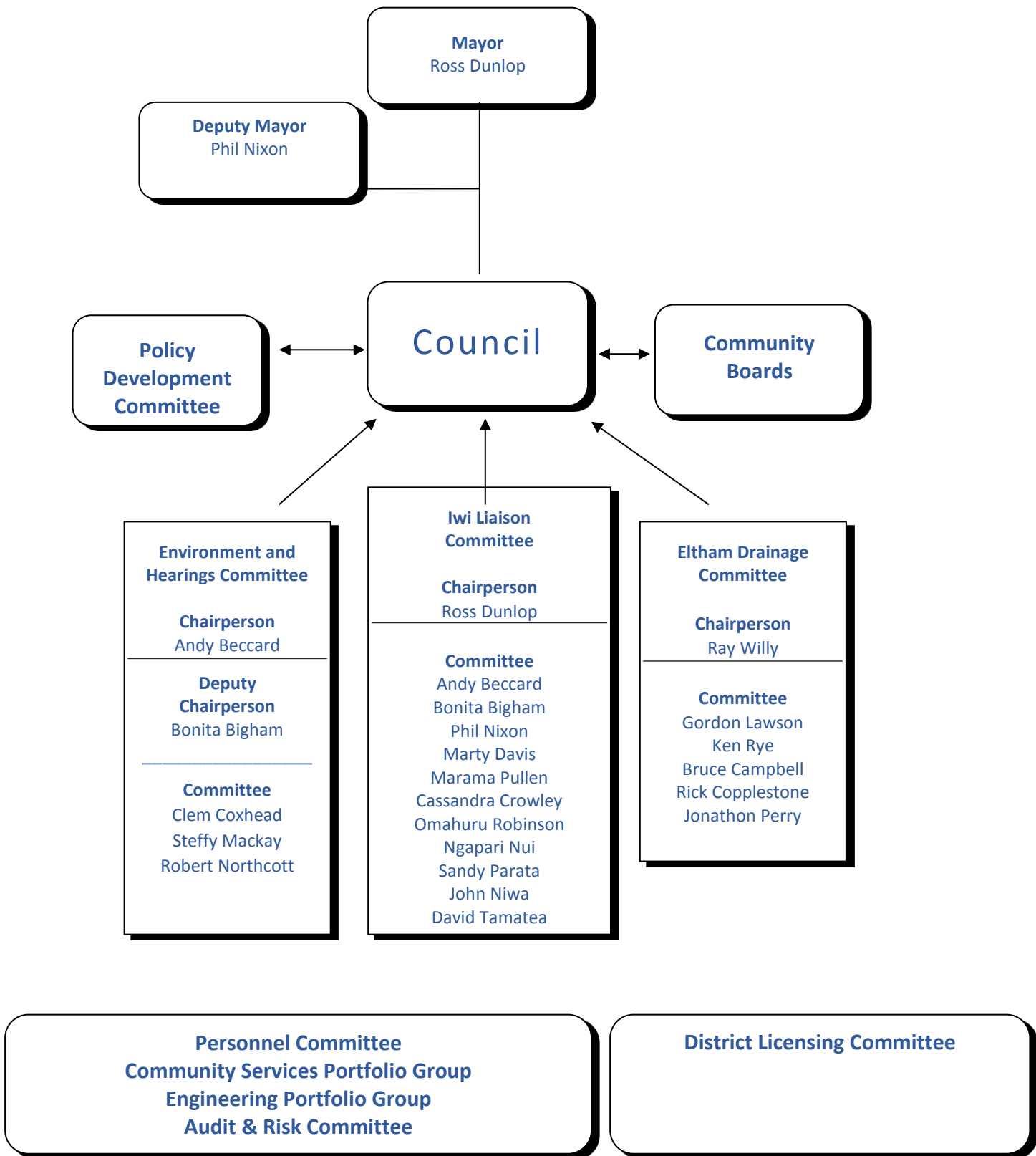


Operations Control Benchmark

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.



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 Rangiwahia
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

Hāwera-Tangahoe Community Board

Ms Celine Filbee (Chair)
Mr Mark Hayman
Mr Roydon Collingwood
Mrs Diana Reid
Cr Gary Brown

Pātea Community Board

Mrs Jacq Dwyer
Ms Dianne Lance
Mrs Ruth MacKay (Chair)
Mrs Olivia McQuillan
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 (July 2017 – 20 October 2017)
Ms Fiona Greenhill	Acting Chief Executive (23 October 2017 – 12 January 2018)
Mr Waid Crockett	Chief Executive (15 January 2018 – 30 June 2018)
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.

	2017			2018		
	Fulltime	Part-time	Fixed Term	Fulltime	Part-time	Fixed Term
Office of the Chief Executive	8	0	1	9	0	0
Community Services	42	54	3	40	51	4
Environmental	21	1	0	20	1	0
Engineering	27	1	0	27	1	1
Corporate	36	13	1	34	11	5
Totals	134	69	5	130	64	10

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, Hāwera and the Council provides an extensive combined library and council service throughout the District, known as LibraryPlus centres in Ōpūnake, Eltham, Hāwera, Kaponga, Manaia, Pātea 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

Hāwera Administration Centre	105-111 Albion Street Hāwera 4610 Telephone 06 278 0555/0800 111 323 Fax 06 278 8757
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Postal Address

South Taranaki District Council
Private Bag 902
Hāwera 4640

Contact Centre Manager	Jan Johnston
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Libraries & Cultural Services Manager	Cath Sheard
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Hāwera LibraryPlus	High Street Hāwera Telephone 0800 111 323 Fax 06 2789407 Branch Librarian Ann-Louise Vonk
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Eltham LibraryPlus	High Street Eltham Telephone 0800 111 323 Fax 06 764 8857 Branch Librarian Lis Marrow
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Kaponga LibraryPlus	Egmont Street Kaponga Telephone 0800 111 323 Fax 06 764 6088 Branch Librarian Lis Marrow
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Manaia LibraryPlus	South Road Manaia Telephone 0800 111 323 Fax 06 274 8374 Branch Librarian Maria Brewerton
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Ōpūnake LibraryPlus	Napier Street Ōpūnake Telephone Fax Branch Librarian	0800 111 323 06 761 7039 Maria Brewerton
Pātea LibraryPlus	Egmont Street Pātea Telephone Fax Branch Librarian	0800 111 323 06 273 8340 Katherine Bosworth
Waverley LibraryPlus	Weraroa Road Waverley Telephone Fax Branch Librarian	0800 111 323 06 346 6052 Katherine Bosworth
i-SITE	High Street Hāwera Telephone Fax i-SITE Supervisor	06 2788599 06 2786599 Sharon Wilson
TSB HUB	Camberwell Road Hāwera 4610 Telephone TSB Hub Team Leader	06 2780646 Tash Willison
Hāwera Aquatic Centre	Waihi Road Hāwera 4610 Telephone Fax Aquatic Services Manager	06 2780021 06 2780022 Dave Lee

General Information

Bankers

Westpac Trust
PO Box 83
Hāwera 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
Hāwera 4640

Website

www.southtaranaki.com