

Notice is hereby given that an ordinary meeting of the Finance, Audit & Risk Subcommittee will be held on:

Date: Wednesday 27 April 2016
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: Horowhenua District Council
Levin

Finance, Audit & Risk Subcommittee

OPEN AGENDA

MEMBERSHIP

Chairperson	Cr W E R Bishop	
Members	Mayor B J Duffy	
	Mr B J Jackson	
	Cr C B Mitchell	
	Cr A D Rush	
	Cr P Tukapua	
Reporting Officer	Mr D Law	(Group Manager – Finance)
Meeting Secretary	Mrs K J Corkill	

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Website: www.horowhenua.govt.nz

Full Agendas are available on Council's website
www.horowhenua.govt.nz

Full Agendas are also available to be collected from:
Horowhenua District Council Service Centre, 126 Oxford Street, Levin
Foxton Service Centre/Library, Clyde Street, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takere/Library, Bath Street, Levin

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	Notification to speak is required by 12 noon on the day of the meeting. Further information is available on www.horowhenua.govt.nz or by phoning 06 366 0999.	
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	The meeting will be followed by an Internal Controls Workshop.	
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Financial Report for the nine months to 31 March 2016

File No.: 16/205

1. Purpose

To present to the Finance, Audit & Risk Subcommittee the financial report for the eight months to 31 March 2016.

2. Recommendation

- 2.1 That Report 16/205 Financial Report for the nine months to 31 March 2016 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Issues for Consideration

As included in the **attached** report.

Attachments



No.	Title	Page
A	Financial Reporting - Monthly Report FINAL- March 2016	7

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Tracey Whitehouse Management Accountant	
Approved by	Doug Law Group Manager - Finance	



Horowhenua 
DISTRICT COUNCIL

Nine Month Report

1 July 2015 - 31 March 2016



Executive Summary

Operating surplus: A variance of +\$1,404,000 with a surplus of \$1,221,000 against a budgeted deficit of (\$182,000).

Activity revenue: above budget by \$250,000 with no major variance to report.

Activity expenditure: below budget by \$1,471,000 with no major variance to report.

The Forecast budget for 30 June 2016 is forecasting a surplus of \$1,119,000 at 30 June 2016 versus the Annual Budget of \$1,596,000.

Forecast activity revenue: expected to be below budget by \$96K.

Forecast activity expenditure: expected to be below budget by \$465K.

Sundry debtors: The total Outstanding Debtors have decreased in the month. The total Outstanding Debtors is \$660K and have reduced by 47% since June 2015.

Major variances

	30 June 2015	31 March 2016	Variance
On charges	\$138,788	\$103,356	(\$35,432)
Development Contribution	\$353,371	\$82,234	(\$271,137)
90 day outstanding	\$639,089	\$405,621	(\$223,468)

Treasury: Our weighted average interest rate has reduced to 4.85% at March 2016, decreasing from 5.15% at June 15 and 5.35% at March 2015. This is a potential saving of \$399K in interest payable compared to the LTP interest rate assumption of 5.5% for 2015/16.

Interest Rate Swap: Our current swaps have been valued at a loss of \$888K as at 12 April 2016. This may change depending on movements in the swap interest rate between now and 30 June 2016. At this valuation there is a negative impact of \$321k on this year's accounts.

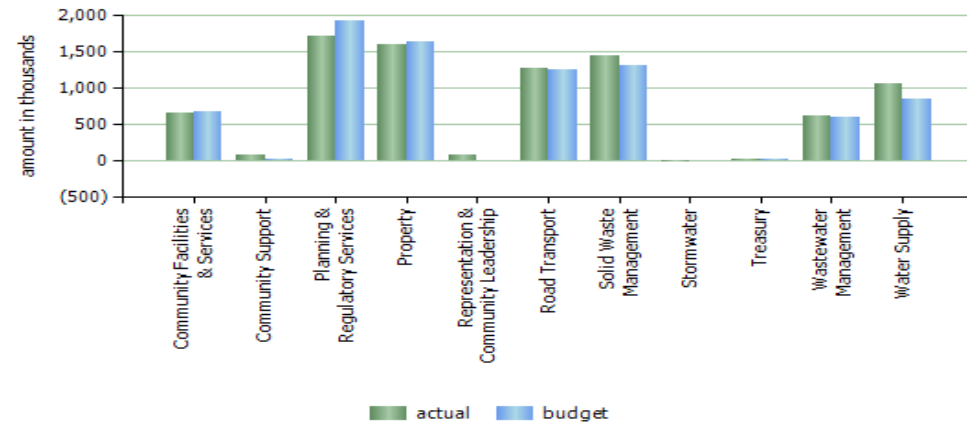
Doug Law
Group Manager Finance
27 April 2016

Organisation Summary

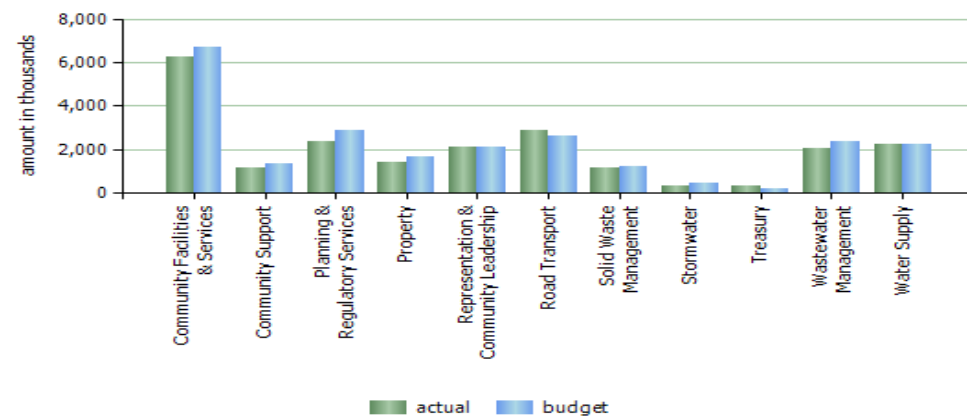
Financial operation

Operational revenue \$33.74 m -1% less than budget	Operational expenditure \$32.74 m 4% less than budget	Operational surplus/(deficit) \$1 m 497% more than budget
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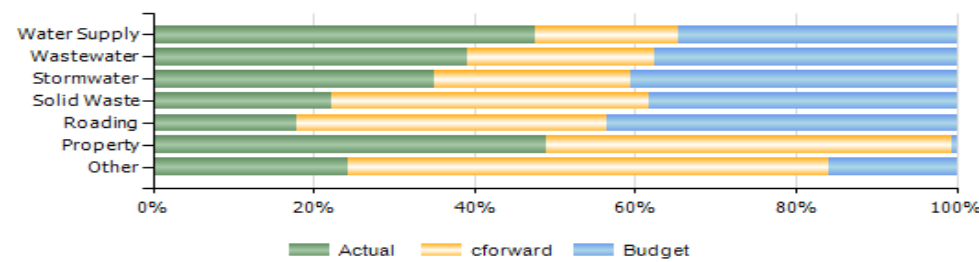
Operational revenue by activity



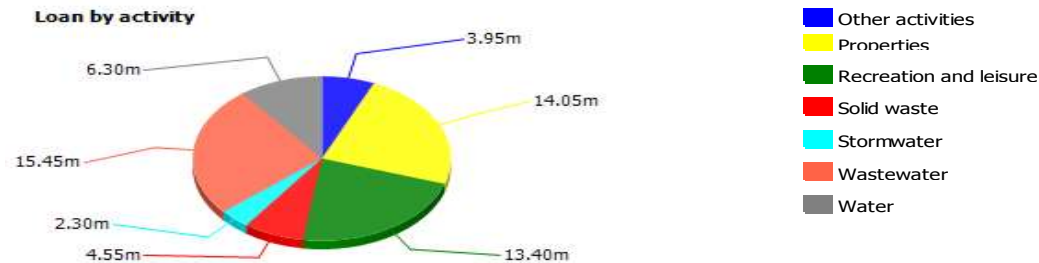
Operational expenditure by activity



Capital expenditure

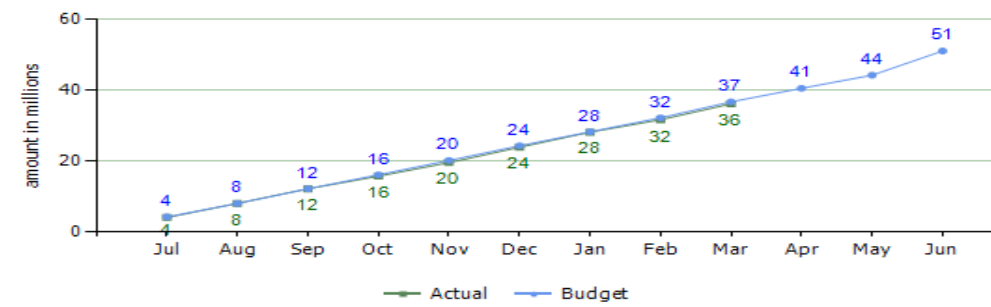


Loan by activity

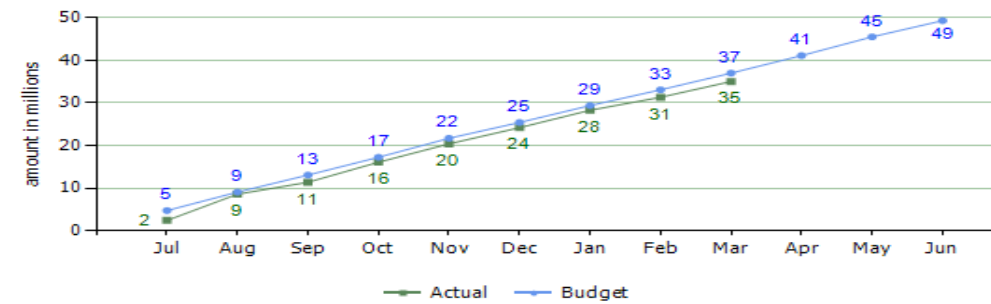


Financial trends

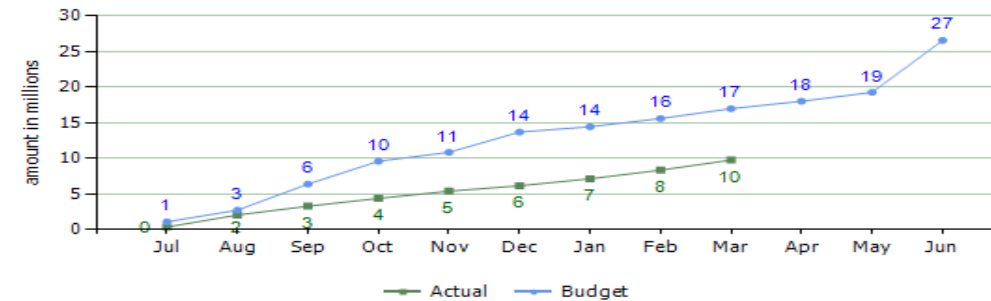
Total revenue



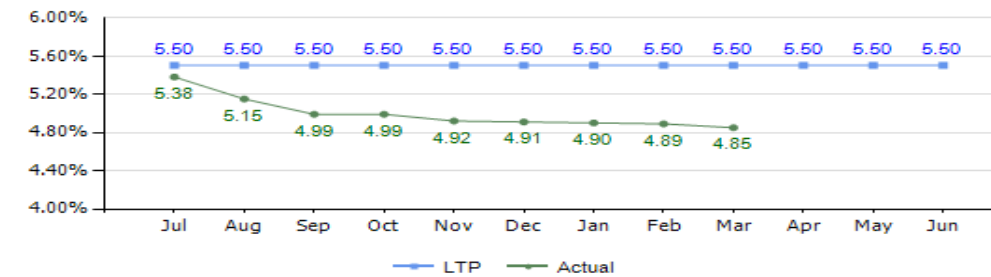
Total expenditure



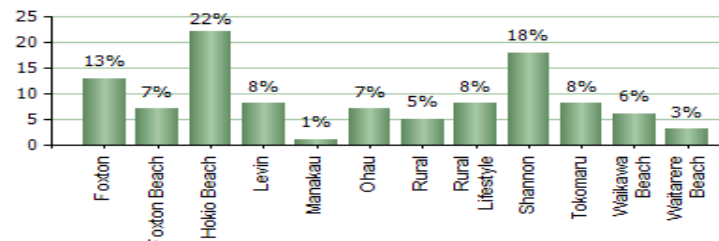
Total capital expenditure



Interest rate movement



Rates debtors % with arrears



Financial sustainability

Rates to operating revenue 70%

Rates revenue	\$23.73 m
Operating revenue	\$33.74 m

70% of operating revenue is derived from rates revenue

Fees and charges to operating revenue 25%

User fees and charges	\$8.53 m
Operating revenue	\$33.74 m

25% of operating revenue is derived from user fees and charges

Balance budget ratio 103%

Operational revenue	\$33.74 m
Operational expenditure	\$32.74 m

Operational revenue should be equal or more than operational expenditure. Year to date revenue is more than 3%

Essential services ratio 114%

Capital expenditure	\$8.12 m
Depreciation	\$7.14 m

Capital expenditure should be equal or more than depreciation for essential services, for year to date capex is 114% more than depreciation.

Debt affordability ratio - (LGFA Cov.) 123%

Total borrowing	\$60.00 m
Total projected revenue	\$48.72 m

With the total borrowing of \$60m we are still under the set limit of 175% of projected revenue

Debt to total assets - (LGFA Cov.) 12%

Total borrowing	\$60.00 m
Total assets	\$489.00 m

Net debt should not be more than 15% of total assets. With 60m we are still under the set limit

Interest to rates revenue (LGFA Cov.) 9%

Interest paid	\$2.10 m
Rates revenue	\$23.73 m

9% of rates revenue is paid in interest. Our set limit is 25% of of total rates revenue.

Interest cover ratio - (LGFA Cov.) 6%

Interest paid	\$2.10 m
Operating revenue	\$33.74 m

6% of operating revenue is paid in interest. Our set limit is 20% of operating revenue.

Available financial accommodation to external indebtedness - (LGFA Cov.) 118%

Net debt	\$55.00 m
Undrawn committed facilities	\$10.00 m

Committed bank facility to enable us to borrow at least 10% of our current external debt immediately, currently we can borrow 18% more than our current debt

Statement of Income and Expenditure

Percentage of year completed: 75.00%	End of the year			Last year	Actual	Year to date		Variance In \$	Variance In %	% Actual to Annual Plan	% Variance to total Annual Plan	Notes to accounts
	Projection	Annual Plan	Variance			Budget						
	A	B	C = B - A	D	E	F	G = F - E	H = G/F	I = E/B	J = G/Tot B		
Income												
Rates revenue												
General rates	8,223,698	8,223,698	0	5,843,423	6,184,625	6,167,774	(16,851)	(0.27%)	75.20%	0.04%		
Targeted rates	23,338,441	23,338,441	0	16,361,881	17,545,575	17,503,832	(41,743)	(0.24%)	75.18%	0.09%		
Total	31,562,139	31,562,139	0	22,205,304	23,730,200	23,671,606	58,594	(0.25%)	75.19%	(0.12%)		
Treasury												
External interest received	150,000	150,000	0	140,975	88,110	112,500	24,390	21.68%	58.74%	(0.05%)	1	
Rates penalties	600,000	600,000	0	520,352	566,371	375,000	(191,371)	(51.03%)	94.40%	0.41%	2	
Total	750,000	750,000	0	661,327	654,480	487,500	166,980	(34.25%)	87.26%	(0.35%)		
Significant activity revenue												
Community Facilities & Services	875,680	888,876	(13,196)	580,543	661,503	666,665	5,162	0.77%	74.42%	(0.01%)		
Community Support	101,646	39,500	62,146	166,009	86,441	30,753	(55,688)	(181.08%)	218.84%	0.12%	3	
Planning & Regulatory Services	2,174,233	2,401,470	(227,237)	1,618,308	1,710,629	1,919,842	209,213	10.90%	71.23%	(0.44%)	4	
Property	2,016,846	2,192,889	(176,043)	1,324,272	1,589,731	1,644,675	54,944	3.34%	72.49%	(0.12%)		
Representation & Community	128,626	0	128,626	1,961	74,041	0	(74,041)	100.00%	100.00%	0.16%	5	
Road Transport	1,667,000	1,667,000	0	989,134	1,279,615	1,258,318	(21,297)	(1.69%)	76.76%	0.05%		
Solid Waste Management	1,822,500	1,741,206	81,294	1,372,729	1,449,957	1,305,900	(144,057)	(11.03%)	83.27%	0.31%		
Stormwater	19,928	0	19,928	10,000	0	0	0	100.00%	100.00%	0.00%		
Treasury	6,430	6,000	430	0	6,430	6,000	(430)	(7.17%)	107.17%	0.00%		
Wastewater Management	858,120	792,687	65,433	594,693	616,788	594,528	(22,260)	(3.74%)	77.81%	0.05%		
Water Supply	1,100,527	1,138,277	(37,750)	684,341	1,055,004	853,704	(201,300)	(23.58%)	92.68%	0.43%	6	
Total	10,771,536	10,867,905	(96,369)	7,341,990	8,530,138	8,280,385	249,753	(3.02%)	78.49%	(0.53%)		
Capital subsidies												
Capital subsidies and grants	2,698,000	3,968,241	(1,270,241)	602,565	829,743	1,566,447	736,704	47.03%	20.91%	(1.56%)	7	
Total	2,698,000	3,968,241	(1,270,241)	602,565	829,743	1,566,447	(736,704)	47.03%	20.91%	1.56%		
Total operating income	45,781,675	47,148,285	(1,366,610)	30,811,186	33,744,561	34,005,938	(261,377)	0.77%	71.57%	0.55%		

Notes

- Funds received are at lower interest rates than anticipated at budget.
- This includes the penalties for late payment 15 March 2016.
- Revenue is higher than anticipated, due to success in obtaining 3rd party funding for programmes.
- Revenue will be below budget due to less income in the parking activity
- Funding has been received for Levin Town Strategy which is being offset by the expenditure.
- Water billing / two large user connect charges
- Capital Subsidises includes Rooding Transport with a current budget of \$1,566K and income of \$829K.
The annual budget includes \$2,270K for Te Awahou. The forecast for Te Awahou has been reduced to \$1m. Currently \$375K has been received which is to yet be approved for released to income.

Statement of Income and Expenditure (continued...)



Percentage of year completed: 75.00%	End of the year			Last year	Actual	Year to date		Variance In \$	Variance In %	% Actual to Annual Plan	% Variance to total Annual Plan	Notes to accounts
	Projection	Annual Plan	Variance			Budget						
	A	B	C = B - A	D	E	F	G = F - E	H = G/F	I = E/B	J = G/Tot B		
Expenditure												
Significant activity expenditure												
Community Facilities & Services	8,546,810	8,895,839	349,029	3,953,826	6,231,847	6,725,737	493,890	7.34%	70.05%	1.08%	8	
Community Support	1,736,064	1,844,331	108,267	2,721,893	1,130,748	1,349,267	218,519	16.20%	61.31%	0.48%	9	
Planning & Regulatory Services	3,335,200	3,829,668	494,468	3,088,738	2,384,052	2,884,787	500,735	17.36%	62.25%	1.10%	10	
Property	1,855,185	2,001,981	146,796	1,725,025	1,376,897	1,635,310	258,413	15.80%	68.78%	0.57%	11	
Representation & Community	2,807,318	2,804,429	(2,889)	2,217,479	2,115,287	2,118,232	2,945	0.14%	75.43%	0.01%		
Road Transport	4,056,790	3,499,830	(556,960)	2,674,359	2,884,268	2,644,651	(239,617)	(9.06%)	82.41%	(0.52%)		
Solid Waste Management	1,757,735	1,682,182	(75,553)	1,048,338	1,152,310	1,192,340	40,030	3.36%	68.50%	0.09%		
Stormwater	539,009	545,164	6,155	322,320	332,042	420,733	88,691	21.08%	60.91%	0.19%	12	
Treasury	372,839	204,276	(168,563)	123,937	303,599	175,210	(128,389)	(73.28%)	148.62%	(0.28%)	13	
Wastewater Management	2,889,083	3,052,852	163,769	2,346,781	2,049,625	2,339,696	290,071	12.40%	67.14%	0.64%	14	
Water Supply	2,893,917	2,894,405	488	1,921,312	2,260,843	2,207,283	(53,560)	(2.43%)	78.11%	(0.12%)		
Total	30,789,950	31,254,957	465,007	22,144,008	22,221,518	23,693,246	1,471,728	6.21%	71.10%	3.22%		
Other expenses												
Allocated portion of depreciation	(394,413)	(394,436)	(23)		(292,554)	(295,833)	(3,279)	1.11%	74.17%	(0.01%)		
Depreciation and amortisation	11,618,741	11,618,746	5	9,444,039	8,710,830	8,714,057	3,227	0.04%	74.97%	0.01%		
External interest	2,990,000	3,191,827	201,827	2,042,591	2,103,597	2,146,717	43,120	2.01%	65.91%	0.09%		
Total	14,214,328	14,416,137	201,809	11,486,630	10,521,873	10,564,941	43,068	0.41%	72.99%	0.09%		
Total operating expenditure	45,004,278	45,671,094	666,816	33,630,638	32,743,391	34,258,187	1,514,796	4.42%	71.69%	3.32%		

Notes

8. Community Facilities & Services is under budget with the new contractors. As a result of savings from the new contracts direct expenditure on this activity is forecasted to be \$250k below budget by 30 June 2016
9. Community Support is under budget due to careful management of spend and timing of allocation of Community Grants and Funding.
10. Planning and Regulatory Services is under budget due to staff vacancies. This is also reflected in lower levels of income.
11. Property is under budget due to careful management in costs. It is also a reflection of the new Parks and Property Maintenance Contracts.
12. Storm water maintenance has been lower than anticipated.
13. Treasury is above budget with higher rates remissions than anticipated. This is forecasted to continue to 30 June 2016.
14. Lower maintenance and utility costs than anticipated year to date.

Statement of Income and Expenditure (continued...)

Percentage of year completed: 75.00%	End of the year			Last year	Year to date				% Actual to Annual Plan	% Variance to total Annual Plan	Notes to accounts
	Projection	Annual Plan	Variance		Actual	Budget	Variance in \$	Variance in %			
	A	B	C = B - A	D	E	F	G = F - E	H = G/F	I = E/B	J = G/Tot B	
Non-operational costs											
Non operating income											
Internal interest income	2,999,385	3,600,046	(600,661)	2,313,499	2,221,121	2,700,034	478,913	17.74%	61.70%	100.00%	
Revaluation gains	218,037	321,664	(103,627)	0	112,607	0	(112,607)	100.00%	35.01%	100.00%	
Vested Assets	67,778	0	67,778	58,370	70,957	0	(70,957)	100.00%	100.00%	100.00%	
Development Contributions	0	0	0	201,145	0	0	0	0.00%	0.00%	0.00%	
Total	3,285,200	3,921,710	(636,510)	2,573,014	2,404,685	2,700,034	(295,349)	10.94%	61.32%	100.00%	
Non operating expenditure											
Allocated portion of internal	(76,000)	(92,680)	(16,680)		(56,413)	(69,511)	(13,098)	18.84%	60.87%	100.00%	
Internal interest expense	2,999,385	3,600,046	600,661	2,313,499	2,221,121	2,700,034	478,913	17.74%	61.70%	100.00%	
Loss on sale	20,000	0	(20,000)	0	19,745	0	(19,745)	100.00%	100.00%	100.00%	
Total	2,943,385	3,507,366	563,981	2,313,499	2,184,453	2,630,523	446,070	16.96%	62.28%	100.00%	
Net non-operational costs	341,815	414,344	(72,529)	(259,515)	220,232	69,511	150,721	(216.83%)	53.15%	100.00%	
Total surplus/(deficit)	1,119,212	1,596,512	(772,323)	2,559,937	1,221,402	(182,738)	1,404,140	(768.39%)	64.57%		

-  For income when percentage actual to annual plan is 10% less than percentage of year completed.
For expenditure when percentage actual to annual plan is 10% more than percentage of year completed.
-  For income when percentage actual to annual plan is 20% more than percentage of year completed.
For expenditure when percentage actual to annual plan is 10% less than percentage of year completed.

Statement of Financial Position as at 31 March 2016

	Last year Actual \$000	YTD Actual \$000	Full year Budget \$000	Notes
Assets				
Current assets				
Cash and cash equivalents	7,856	5,121	6,358	
Debtors and other receivables	5,381	5,791	6,481	15
Other financial assets	470	0	10	
Assets held for sale	475	475	393	
Total current assets	14,182	11,388	13,242	
Non-current assets				
Operational assets	42,492	41,936	45,097	
Infrastructural assets	386,465	387,505	402,881	
Restricted assets	39,293	38,544	41,054	
Intangible assets	1,680	1,641	1,672	
Forestry assets	911	911	680	
Commercial property	5,706	5,706	3,946	
Investments in other entities	987	1,088	2,042	
Other financial asset	803	803	116	
Total non-current assets	478,337	478,133	497,488	
Total assets	492,519	489,521	510,730	
Liabilities				
Current liabilities				
Creditors and other payables	8,070	7,830	8,439	
Provisions	997	997	1,003	
Employee entitlements	1,003	502	585	
Borrowings	2,000	7,000	0	
Total current liabilities	12,070	16,329	10,027	
Non-current liabilities				
Provisions	2,068	2,068	2,991	
Employee entitlements	178	178	224	
Borrowings	58,000	53,000	76,000	
Other	1,634	909	0	16
Total non-current liabilities	61,880	56,155	79,215	
Total liabilities	73,950	72,484	89,242	
Net assets	418,570	417,037	421,488	
Equity				
Retained earnings	264,911	255,775	267,350	
Revaluation reserves	147,449	147,447	147,447	
Other reserves	6,210	13,815	6,690	
Total equity	418,570	417,037	421,488	

Notes

15. A breakdown of Current Sundry Debtors is shown on the Statement of Current Debtors.

16. Non-current liabilities – Other is LGFA Amortisation Reserve and Development Contributions held.

Statement of Capital Expenditure – Major Projects over \$50,000

Reference	Description	LTP 2015/16	Project Cost YTD			Total Project Costs			Estimated final costs and comments	Expected	
			Actual	Budget	Variance	Budget	Cost to date	Variance		Start	Completion
Growth											
STW 27	Storm water - Development Planning North East Levin	150,000	38,664	7,500	(20,233)	150,000	38,664	111,336	Total cost is unknown at this stage. Project is in planning stage.	Nov-12	Jun-16
WW 41	Waste water - Development Planning - North East Levin	260,980	9,232	260,980	255,152	260,980	9,232	251,748	Total cost is unknown at this stage. Project is in planning stage.	Apr-15	Jun-16
WW 44	Waste Water - Levin Tararua Industrial Development	125,000	20,102	0	(11,546)	125,000	20,102	104,898	To carry forward \$100K.	Jan-16	Jun-16
SW 17	Landfill Development	385,237	109,365	385,237	283,186	385,237	109,365	275,872	On track - project will span beyond June 2016. Request to carry forward \$157K.	Dec-15	Jun-15
PR 58	Tararua Industrial Development	0	152,622	0	(152,622)	0	152,622	(152,622)	Deferred to 2016/17	Nov-15	
	Total Growth	921,217	147,157	653,717	506,560	921,217	329,985	591,232			
Level of Service											
WS 32	Water Supply -Levin Clarifier Installation	2,000,000	70,252	0	(59,567)	2,000,000	70,252	1,929,748	This is now underway. There are two budget lines for the upgrade of the Levin WTP. WS32 is for \$2 million for the 2015/16 year, and WS33 is for \$3.6 million for the 2016/17 year. 2016/17 (subject to confirmation of funding) \$25K per LTP. Total cost of project is expected to be around \$280,000 split across three budget lines STW14, WS38 and WW27.	Aug-15	Jun-16
WS 38	Water Supply - Telemetry - District Wide	95,000	47,609	95,000	47,245	95,000	47,609	47,391		Oct-15	Jun-17
STW 14	Storm Water -Telemetry	81,000	82,186	81,000	(1,303)	81,000	82,186	(1,186)	See WS38	Sep-15	Mar-16
STW 15	Storm Water -Levin Queen Street	250,000	13,374	0	(11,379)	250,000	13,374	236,626	Assessment completed by Archaeologist was reviewed and by Heritage NZ and had some gaps to be filled. A new archaeologist is looking at the work done to date and will provide a price to complete the works. Request to carry forward \$200K.	Oct-15	Jun-16
STW 16	Storm Water -Stormwater Stategy	80,000	14,345	80,000	(13,558)	80,000	14,345	65,655	Completed with Council briefing 16 march 2016.	Mar-16	Mar-16
STW 19	Storm Water -Foxton Beach Catchment Management Plan	83,000	44,795	0	0	83,000	44,795	38,205	Contract evaluation complete - Work will commence soon.	Jun-16	Jun-16
WW 11	Foxton Wastewater Treatment Plant - Strategic Upgrade	2,326,000	589,531	2,326,000	1,746,053	2,545,832	809,363	1,736,469	Design Underway (IN-HOUSE).	Sep-15	TBA
WW 27	Waste Water - Telemetry System	95,000	116,936	95,000	(22,072)	95,000	116,936	(21,936)	See WS38	Jul-15	Mar-16
WW 37	Levin Wastewater Treatment Plant - Strategic Upgrade	610,000	112,043	3,065,921	(85,902)	610,000	112,043	497,957	Contract for sludge press procured and pond lining is with contractor for pricing.	Sep-15	Jun-16
WW 45	Waste Water - Shannon Disposal System	3,065,921	1,371,762	3,065,921	1,723,566	3,614,155	1,919,996	1,694,159	Three contracts. Desludging, waveband and Irrigation. The irrigation project is expected to cost \$1,200,000. This excludes preconstruction costs like consents and preliminary designs etc. The waveband project is expected to cost around \$700,000. The Desludging project is expected to cost around \$320,000.	Aug-15	Jun-16
RD 14	New Footpath	100,000	0	60,000	40,000	100,000	0	100,000		TBA	Jun-16
RD 16	Foxton Townscape Main Street Upgrade	750,000	94,459	562,500	418,310	750,000	94,459	655,541	Initial design has been undertaken	Sep-15	May-16
RD 18	Waitarere Beach Kent Gloucester Upgrade	260,000	35,268	173,333	138,065	260,000	35,268	224,732		Jul-15	Jun-16
SW 16	Landfill Consent	107,000	29,624	0	(24,576)	107,000	29,624	77,376	Progressing.	Mar-16	May-16
SW 18	Leachate pre treatment	129,000	0	129,000	0	129,000	0	129,000	Planning Stage.	Nov-15	Mar-16
SW 19	Levin Landfill Energy Recovery / Flare	200,000	29,143	0	(5,356)	200,000	29,143	170,857	Request to carry forward \$150K.	TBA	Jun-16

Statement of Capital Expenditure – Major Projects (continued...)

Reference	Description	2015/16	Project Cost YTD			Total Project			Estimated final cost	Expected	
			Actual	Budget	Variance	Budget	Total cost	Start		Completion	
PR 11	including kitchen (with renewal contribution from Thompson House)	80,000	0	80,000	80,000	80,000	0	80,000	Design and construction drawings completed. Currently out for tender.	Jan-16	Mar-15
PR 12	improvements and disability access including toilet provision	80,000	20,553	80,000	61,853	80,000	20,553	59,447	Design and construction drawings completed. Currently out for tender.	Jan-16	Jun-15
PR 17	Upgrade ablutions block Donnelly Park	60,000	22,008	60,000	60,000	60,000	22,008	37,992	Works programmed to commence 23 February 2016. Work almost complete.	Feb-16	Mar-16
PR 19	Shannon Memorial Hall - accesbile facility/s upgrade (toilet block and entrance)	50,000	0	50,000	50,000	50,000	0	50,000	Dependent on strategic review of facilities. Project Deferred.	TBA	TBA
PR 41	Public Toilets-Upgrade, Reroof, renew flooring, change doors	54,530	0	54,530	54,530	54,530	0	54,530	New toilet block at Waitare Domain, works to commence April 2016 after busy summer use of site	Apr-16	TBA
BEAUT 1	Flag Trax	54,270	41,950	54,270	12,320	54,270	41,950	12,320	Flagtrax systems have successfully been installed in Levin and Foxton and are currently being utilised by a community organisation. Shannon has temporarily been put on hold until the future of the columns has been decided as installing hardware on the current columns will question the integrity of the pole, this has been communicated with the Shannon Progressive Association	Nov-15	Feb-16
CA 12	General Network Modelling	100,000	53,967	100,000	40,318	100,000	53,967	46,033	To carry forward to 2016/17 \$50K.	Jul-15	Jun-17
CA 16	Purchase of Urban Aerial Imagery	60,000	50,150	60,000	0	60,000	50,150	9,850	Aerials flown, pending final files and completion payment will be made.	Dec-15	Apr-16
	Levin disable facilities upgrade, hydrotherapy pool	0	69,823	0	(69,823)	0	69,823	(69,823)	Project is currently out for tender. Work is to commence May 2016 - funds sit in 2016/2017 financial year.	May-16	Sep-16
	Total Level of Service	10,770,721	2,625,088	6,873,633	4,248,545	11,538,787	3,677,845	7,860,943			
Renewal								0			
WS 11	Levin Reticulation- RENEWAL	1,061,000	575,223	735,866	30,560	1,061,000	575,223	485,777	This is on track. There are three projects within this one budget line. Due to the savings made on Contract 15-12 (around \$95,000) a variation is being sought to add an additional street onto the work being undertaken. The estimated final cost for the year for this budget line is \$1,061,000. Contract 15-12 has a Project cost of \$462,845. Contract 15-06 has a Project cost of \$429,506. Contract 14-04 had a contract value of \$376,783 (part of this was from last year).	Jul-15	Jun-16
WS 15	Shannon - Mangaore Reticulation- RENEWAL	158,000	151,443	158,000	6,558	158,000	151,443	6,557	This is on track. Project Cost \$517,736. (The \$158,000 is a carry forward from last financial year).	Jul-15	Jun-16
WS 19	Foxton Beach Edingburg Terrace Bore- RENEWAL	150,000	0	0	(9,005)	150,000	0	150,000	To carry forward to 2016/17 \$150K.	Apr-16	TBA
WS 28	Levin Treatment Plant - Renewals	50,000	92,482	0	(40,621)	50,000	92,482	(42,482)	Initial planning has been undertaken.	TBA	Jun-16
WS 39	Reactive renewals - District Wide	150,000	8,468	0	(8,468)	150,000	8,468	141,532	On track and 100% committed.	Jul-15	Jun-16
WS 45	Shannon Reservoir structural work	100,000	109,344	0	100,000	100,000	109,344	(9,344)	On track.	Feb-16	Jun-16

Statement of Capital Expenditure – Major Projects (continued...)

Reference	Description	2015/16	Project Cost YTD			Total Project Budget		Total cost	Estimated final cost	Expected	
			Actual	Budget	Variance	Budget	Total cost			Start	Completion
STW 12	District Wide Reticulation - Unplanned Renewals	50,000	46,809	0	(41,296)	50,000	46,809	3,191	On track and 100% committed.	TBA	Jun-16
STW 13	District Wide Pump Station - Planned Renewals	79,350	2,300	79,350	77,050	79,350	2,300	77,050	Assessments underway.	Feb-16	Jun-16
WW 21	Tokomaru Wastewater Treatment Plant - Consent Renewal	100,000	0	0	0	100,000	27,450	72,550	Part spend this year and to carry forward to 2016/17 \$50K.	TBA	Jun-16
WW 29	Foxton Reticulation - Renewals	417,873	24,148	111,799	35,110	417,873	24,148	393,725	On track.	Oct-15	Jun-16
WW 30	Levin Reticulation - Renewals	1,758,767	899,396	1,035,259	38,833	1,758,767	899,396	859,371	This budget line covers two projects. The Project costs for Contract 14-06 was for \$1,318,900, and the Project Costs for Contract 15-08 is \$850,000. Contract 14-06 was commenced in the previous financial year.	Jul-15	Jun-16
WW 35	Districtwide - Reticulation Unplanned Renewals	443,377	41,786	295,584	204,534	443,377	41,786	401,591	Covers a variety of maintenance renewals. We expect to spend this budget before the end of year as we are planning on upgrading the wastewater pipe at Mako Mako and are undertaking additional work at Foxton.	Oct-15	Jun-16
WW 36	Levin Treatment Plant - Planned Renewals	1,044,242	230,354	544,242	310,699	1,044,242	230,354	813,888	It is understood this relates mainly to the renewal of the lease and consenting. Negotiations are currently being undertaken. Resource Consent costs to date.	Dec-15	May-16
WW 38	Levin Treatment Plant - Unplanned Renewals	88,478	12,518	0	(12,518)	88,478	12,518	75,960	On track.	Oct-15	Jun-16
WW 50	Tokomaru WWTP Desludging	100,000	23,527	0	(10,274)	100,000	23,527	76,473	Highly likely will be 100% spent.	Apr-16	Jun-16
WW 51	Tokomaru WWTP Oxidation Pond Relining	61,500	0	0	0	61,500	0	61,500	To be completed by 30 June 2016	TBA	Jun-16
RD 13	Footpath Renewal	400,000	29,148	15,000	154,341	400,000	29,148	370,852		Jul-15	Jun-16
SW 15	Solid Waste - Cap Shape Correction	68,580	0	0	0	68,580	0	68,580	Part spend this year and part 2016/17.	Mar-16	Jun-16
PR 13	Thompson House Exterior renew & Paint	54,530	0	54,530	54,530	54,530	0	54,530	Design and construction drawings completed. Currently out for tender.	Jan-16	Jun-16
PRES 13	Waitarere Dune management Dune management - flatten recountour	102,900	0	0	0	102,900	175	102,725	Designation has been accomplished for new Surf life saving club, however unlikely physical work will commence on the project this financial year - funding to be deferred to next year.	TBA	Jun-16
PRES 44	Levin Domain Pathways resurface	298,780	0	0	0	352,580	49,570	303,010	Project deferred into 2016-2017	Dec-15	Jun-16
PRES 62	Reserves - Foxton Beach	100,000	0	0	0	100,000	0	100,000	Foxton Community Board have been consulted. 30k to be used this financial year to facilitate planning process, 70 k for financial works to be moved into Yr 2 of the LTP	TBA	Jun-16
CA 19A	IT Disaster Recovery brought forward from 2013/14	130,000	0	60,000	60,000	130,000	0	130,000	Procurement plan to be presented end April 16	Jan-16	May-16
CA 25	Rural Aerial Updates	50,000	10,018	50,000	14,983	50,000	10,018	39,982	Aerials partially flown.	Dec-15	Mar-16
	Total Renewals	7,017,377	2,147,849	3,112,864	965,015	7,071,177	2,334,159	4,737,018			
	Growth/LOS/Renewal projects Mixed										
CS 11	Te Awahou Community Centre	2,683,500	579,770	1,046,565	394,721	2,683,500	579,770	2,103,730	Progressing – Construction work anticipated to commence May 2016 and continue into 16/17	Jul-15	Jun-16
WS 46	Levin Bore exploration, new reservoir, treatment plant upgrade	3,010,665	1,928,603	3,002,432	(1,387,514)	3,010,665	1,928,603	1,082,062	Project will be 100% complete with \$600,000 underspent.	Jul-15	Jun-16
	Total Growth/LOS/Renewal projects Mixed	5,694,165	2,458,632	1,465,839	(992,793)	5,694,165	2,508,373	3,185,792			

Statement of Rates Debtors

Area	Total assessments	Assessments 31/3/2016 with arrears	Assessments 30/6/2015 with arrears	% with arrears	Total arrears	Year to date arrears	Instalment one arrears	Instalment two arrears	Instalment three arrears	Penalties arrears	Prior year arrears
F - Foxton	1274	147	130	12%	245,937	151,344	24,128	35,441	61,807	29,968	94,592
FB - Foxton Beach	1573	101	100	6%	126,282	99,204	16,854	25,283	44,857	12,209	27,077
HB - Hokio Beach	199	42	37	21%	738,433	144,637	7,087	7,311	8,763	121,476	593,795
L - Levin	7350	506	370	7%	709,334	524,848	90,896	126,920	227,314	79,723	184,486
MK - Manakau	86	1	2	1%	822	822	0	374	374	75	0
NR - Non Rateable	127	6	1	5%	3,646	2,422	431	431	992	569	1,224
OH - Ohau	150	9	10	6%	8,082	6,924	757	2,286	3,469	412	1,158
R - Rural	2572	114	84	4%	474,225	139,597	17,626	20,148	27,425	74,563	334,627
RL - Rural Lifestyle	2442	170	170	7%	223,263	142,220	23,833	32,540	57,093	28,755	81,042
S - Shannon	674	109	86	16%	189,046	113,956	21,927	27,126	41,380	23,523	75,090
TK - Tokomaru	164	10	6	6%	7,454	7,454	877	2,075	4,009	492	0
WB - Waitarere Beach	943	50	33	5%	50,558	35,867	5,697	8,496	18,239	3,435	14,692
WK - Waikawa Beach	231	6	3	3%	3,231	3,231	318	815	1,834	265	0
Total at 31 March 2016	17,785	1,271	1,032	7%	2,780,311	1,372,526	210,430	289,246	497,555	375,465	1,407,784
Total at 31 March 2015	17,782		1,266	7%	3,218,065	1,352,147	219,951	301,783	340,718	340,714	1,171,093

In the year to 31 March 2016

- Of the total arrears, \$408,388 owned are paying by Direct Debit on a payment plan
- 1,969 Rate rebates processed for \$1,080,630
- 370 Assessments received the rates invoice by email
- 17,520 rate payments received for \$27,021,862

There was an error on the Year to Date arrears in the February 2016 Monthly Report which stated Year to date arrears as \$133,678, the correct amount is \$437,781.

Statement of Sundry Debtors

Category	Total Outstanding	Current Outstanding	31 - 60 days Outstanding	61 - 90 days Outstanding	Over 90 days Outstanding	Notes
Aquatic Centre	12,689	12,038	446	90	115	
Building Consents	42,167	26,969	2,303	0	12,895	3
Building Fee - BWOFF	910	650	130	0	130	
Cemeteries	16,952	15,276	1,644	0	32	
Dev Cont New Policy	82,234	0	0	0	82,234	1
Develop Cont Old Policy	64,181	0	3,693	0	60,488	
Dogs	732	0	0	0	732	
Dogs - Debt Collection	15,996	0	0	0	15,996	
Dogs Arrange to pay	7,016	77	1,217	143	5,579	
Dogs Pre Payments	13	0	0	0	13	
Fines	8,546	0	1,735	0	6,811	
Fire Hazard	631	0	0	0	631	
General	26,427	5,676	13,301	132	7,318	6
Health Accreditation Renewals	722	142	232	0	349	
Hire	7,497	2,105	3,679	0	1,713	
On Charges	103,356	16,289	17,682	0	69,385	4
Pension Housing	626	459	0	0	167	5
Rental Income Monthly	115,848	530	26,338	949	88,031	2
Resource Consent Fees	104,998	28,377	29,744	155	46,723	
Rubbish Bags	3,880	0	3,880	0	0	
Staff Account	753	372	279	0	102	
Waste Transfer Station	3,090	2,249	387	129	325	
Water & Trade Waste	37,490	1,097	30,540	0	5,853	
Water Septage - Septic Tank Disposal	3,155	1,806	1,115	234	0	
Total as at 31 March 2016	659,908	114,110	138,345	1,832	405,621	7
Total as at 31 March 2015	1,073,399	217,928	175,371	47,448	632,592	

Notes and Comments

1. These Development Contribution debtors are being actively pursued. The batch of debt letters sent had a positive effect with several payments being made. Most of the Development Contributions – Old Policy are with the Debt Collection Agency, with the balance of them either being paid off or having an arrangement to pay when the sections sell.
2. The Rental Income category is comprised mainly of annual endowment leases, which are billed in October each year and have until September the following year to pay. The majority of these lessees pay regular monthly amounts, with a few making lump sum payments, for some leases this builds up a credit balance which is offset against the October invoicing.
3. Amongst the Building Consents category, there are some damage deposit bonds in here, as well as extensions of time for a number of the older aged consents.
4. In the On Charges category, the majority of the 90+ Days debtors have been provided for as Doubtful Debts.
5. Amongst the Resource Consent category, there are some land use bonds. The debtors in this category are being actively pursued, and some of the 90+ Days debtors have been provided for as Doubtful Debts.
6. In this category this is charges for grazing leases, new connections, car access way, HR charges and THT charges.
7. Out of the \$406K owing +90 Days, \$283k is provided for in the Doubtful Debts Provision. As at 31 March 2016 there are 548 sundry debtors with a balance.

Statement of Loans by Parcel

Loan parcels	Maturity	Interest	Opening balance	Raised	Repaid	Closing balance
Due within a year						
Stock FRN	16 May 16	3.9000%	2,000,000			2,000,000
Stock	16 Aug 16	6.2750%	2,000,000			2,000,000
Stock	15 Mar 17	5.0550%	3,000,000			3,000,000
Total due within a year						7,000,000
Due within 2 - 5 years						
Stock	23 May 17	4.3900%	4,000,000			4,000,000
LGFA FRN	15 Dec 17	3.2563%	2,000,000			2,000,000
Stock	15 Nov 18	5.5950%	2,000,000			2,000,000
LGFA Bond	15 Mar 19	4.4500%	4,000,000			4,000,000
LGFA Bond	15 Mar 19	4.7064%	5,000,000			5,000,000
LGFA FRN	15 Mar 19	3.1463%	3,000,000			3,000,000
Total due within 2 - 5 years						20,000,000
Due after 5 years						
LGFA FRN	17 May 21	3.4454%	4,000,000			4,000,000
LGFA Bond	15 May 21	4.5650%	5,000,000			5,000,000
LGFA Bond	15 May 21	5.9852%	5,000,000			5,000,000
LGFA Bond	15 May 21	5.8516%	5,000,000			5,000,000
LGFA Bond	15 Apr 23	5.1336%	4,000,000			4,000,000
LGFA FRN	18 May 22	3.0250%	3,000,000			3,000,000
LGFA FRN	19 May 25	3.0900%	7,000,000			7,000,000
Total due after 5 years						33,000,000
Total			60,000,000	0	0	60,000,000

Statement of External Loans and Interest by Activity

Activity	Loans as at 30 Jun 2014	Loans as at 30 Jun 2015	Year to date Finance costs
Water supply			
Water Levin	2,550,000	3,300,000	115,698
Water Shannon	1,350,000	1,400,000	49,084
Water Foxton	900,000	900,000	31,554
Water Foxton beach	350,000	300,000	10,518
Water Tokomaru	100,000	400,000	14,024
Total for water supply	5,250,000	6,300,000	220,878
Wastewater			
Wastewater Levin	6,050,000	7,000,000	245,420
Wastewater Shannon	6,150,000	6,650,000	233,149
Wastewater Foxton	1,150,000	1,400,000	49,084
Wastewater Foxton Beach	350,000	300,000	10,518
Wastewater Tokomaru	0	50,000	1,753
Wastewater Waitarere	0	50,000	1,753
Total for wastewater	13,700,000	15,450,000	541,676
Stormwater	2,300,000	2,300,000	80,638
Waste management Landfill	4,500,000	4,550,000	159,523
Recreation and leisure			
Libraries	6,900,000	7,900,000	276,974
Pools	2,850,000	2,700,000	94,662
Reserves	1,300,000	1,350,000	47,331
Sports grounds	1,500,000	1,450,000	50,837
Total for recreation and leisure	12,550,000	13,400,000	469,803
Properties			
Residential housing	5,000,000	5,000,000	175,300
Halls	250,000	250,000	8,765
Commercial properties	1,200,000	1,150,000	40,319
Toilets	300,000	300,000	10,518
General properties	800,000	750,000	26,295
Cemeteries	0	100,000	3,506
Council building	6,800,000	6,500,000	227,890
Total for properties	14,350,000	14,050,000	492,592
Other activities			
Information technology	1,500,000	1,500,000	52,590
District plan	2,600,000	2,450,000	85,897
Total for other	4,100,000	3,950,000	138,487
Total	56,750,000	60,000,000	2,103,597

Statement of Internal Loans and Interest by Activity

Activity	Loans as at 30 Jun 2014	Loans as at 30 Jun 2015	Year to date Finance costs
Water supply			
Water Levin	38,323	44,338	1,613
Water Shannon	41,366	47,234	1,718
Water Foxton	5,172	49,717	1,808
Water Foxton beach	4,237	40,130	1,460
Water Tokomaru	7,997	14,491	527
Total for water supply	97,095	195,910	7,126
Wastewater			
Wastewater Levin	26,056	14,425	525
Wastewater Shannon	5,628	7,066	257
Wastewater Foxton	97,038	31,782	1,156
Wastewater Foxton Beach	(1,729)	3,732	136
Wastewater Tokomaru	81,678	28,411	1,033
Wastewater Waitarere	81,962	26,458	962
Total for wastewater	290,633	111,874	4,069
Stormwater			
Stormwater	1,996	72,917	2,652
Total for Stormwater	1,996	72,917	2,652
Waste management Landfill			
Waste management Landfill	56,659	37,161	1,352
Total for Waste management Landfill	56,659	37,161	1,352
Recreation and leisure			
Libraries	277,057	25,929	943
Pools	(3,821)	10,561	384
Reserves	17,034	49,463	1,799
Sports grounds	48,853	42,503	1,546
Beautification	24,038	23,076	839
Total for recreation and leisure	363,161	151,532	5,512
Properties			
Residential housing	10,207	35,866	1,305
Halls	34,405	29,101	1,059
Commercial properties	22,987	24,068	875
Toilets	18,546	9,187	334
General properties	4,824	49,906	1,815
Cemeteries	121,930	17,294	629
Council building	25,856	14,478	527
Total for properties	238,755	179,900	6,544
Other activities			
Information technology	109,024	44,663	1,625
District plan	451	23,452	853
Total for other	109,475	68,115	2,478
Total	1,157,774	817,409	29,733

Planning and Regulatory Services

COST OF SERVICE STATEMENT

For the Nine Months Ended 31 March 2016

Percentage of year completed: 75.00%	Annual Plan		Year to date		Variance In \$ E = D - C	Variance In % F = E/D	% Actual to Annual Plan G = C/A	% Variance to total Annual Plan H = E/Tot A	Notes to accounts
	A	Last year B	Actual C	Budget D					
Income									
Significant activity revenue									
Health Applications	54,290	53,693	69,670	53,583	16,087	-30.02%	128.33%	-0.67%	
Liquor Applications	72,200	58,582	84,077	54,135	29,942	-55.31%	116.45%	-1.25%	
Dog Control	473,600	446,087	488,249	460,947	27,302	-5.92%	103.09%	-1.14%	
Animal Control	1,000	60	1,346	747	2,093	280.23%	-134.63%	-0.09%	
Resource Management Application	304,175	2,070	279,615	228,132	51,483	-22.57%	91.93%	-2.14%	
Resource Management	0	180,874	3,152	0	3,152	100.00%	100.00%	-0.13%	
Safety Licencing	2,750	272	1,127	1,811	(2,938)	162.22%	-40.98%	0.12%	
Building Applications	616,975	468,441	521,459	463,118	58,341	-12.60%	84.52%	-2.43%	
Parking Enforcement	738,500	425,532	264,187	553,878	(289,691)	52.30%	35.77%	12.06%	1
Total	2,401,470	1,635,611	\$1,710,629	1,919,842	(209,213)	10.90%	71.23%	8.71%	
Total income	2,401,470	1,635,611	1,710,629	1,919,842	(209,213)	10.90%	71.23%	8.71%	
Expenditure									
Significant activity expenditure									
Liquor Applications	196,906	224,890	125,939	147,681	21,742	14.72%	63.96%	0.58%	
Parking Enforcement	444,242	285,126	211,842	334,661	122,819	36.70%	47.69%	3.26%	2
Safety Licencing	355,134	175,727	164,554	268,224	103,670	38.65%	46.34%	2.75%	3
Building Applications	705,636	595,077	450,883	530,108	79,225	14.94%	63.90%	2.10%	
Dog Control	563,148	448,779	366,426	423,355	56,929	13.45%	65.07%	1.51%	
Health Applications	188,320	28,782	127,940	141,295	13,355	9.45%	67.94%	0.35%	
Resource Management Application	512,642	485,148	396,505	384,489	(12,016)	-3.13%	77.35%	-0.32%	
Resource Management	404,676	366,237	251,412	311,007	59,595	19.16%	62.13%	1.58%	
Animal Control	222,864	110,881	140,075	166,892	26,817	16.07%	62.85%	0.71%	
Environmental Health Policy	41,352	28,166	27,714	31,014	3,300	10.64%	67.02%	0.09%	
Liquor Policy	14,820	1,305	8,601	11,115	2,514	22.62%	58.04%	0.07%	
Building Policy	179,928	75,458	112,161	134,946	22,785	16.88%	62.34%	0.60%	
Total	3,689,688	2,825,576	\$2,384,052	2,779,802	395,750	14.24%	64.61%	10.50%	
Other expenses									
Depreciation and amortisation	77,712	82,964	58,293	58,281	(12)	-0.02%	75.01%	0.00%	
Total	77,712	82,964	\$58,293	58,281	(12)	-0.02%	75.01%	0.00%	
Total expenditure	3,767,400	2,908,540	2,442,345	2,838,083	395,738	13.94%	64.83%	10.50%	
Non-operational costs									
Non operating expenditure									
Internal interest expense	149,836	103,892	90,333	112,378	22,045	19.62%	60.29%	100.00%	
Total	149,836	103,892	\$90,333	112,378	22,045	19.62%	60.29%	100.00%	
Total non-operational costs	149,836	103,892	90,333	112,378	22,045	19.62%	60.29%	100.00%	
Total surplus/(deficit)	1,515,766	1,376,821	822,050	1,030,619	208,569	20.24%	54.23%		

Notes

1. Revenue will be below budget due to less income in the parking activity
2. Expenditure is below budget due to staff vacancies. This is reflected in income also.
3. Expenditure is below budget due to staff vacancies. There is however expected expenditure in this area relating to legal advice on bylaws yet to be made.

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>District Planning – Resource Consenting: Processing of applications under the Resource Management Act. Monitoring of the District Plan requirements, resource consent compliance and complaints.</p>	<p>1. Applications under the Resource Management Act will be processed within statutory timeframes. Target 100%</p>	<p>As at 31 March 2016, one hundred and seven (107) applications have been processed all within statutory timeframes (100% compliance).</p>
	<p>2. Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and any appropriate action will be taken. Target 100% responded to in 2 working days.</p>	<p>As at 31 March 2016, forty-two (42) complaints have been received, all responded to within 2 working days (100% compliance).</p>
	<p>3. Resource consents will be monitored for compliance with conditions.(Target 100%*) * Interpreted to mean those that required monitoring.</p>	<p>As at 31 March 2016, one hundred and three (103) resource consents were monitored for compliance, seventy-four (74) complied, twenty-nine (29) required enforcement action (28 warnings, 1 abatement notice issued). (100% compliance).</p>
<p>District Planning – Policy: The District Plan provides for a balanced regulatory framework that protects important Community and environmental values.</p>	<p>1. Percent of non-complying resource consents approved as a proportion of all approved consents is less than 10%.</p>	<p>As at 31 March 2016, one (1) non-complying resource consent has been approved out of a total of ninety-five (95) approved consents (1.05%).</p>
<p>Building Control: Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.</p>	<p>1. The percent of building consent applications granted within 20 working days or less is 100% of applications.</p>	<p>As at 31 March 2016, there have been four hundred and twelve (412) consents granted to be issued, and all (100%) have been processed in less than 20 working days (average time being 12.62 days). Four hundred and seven (407) consents have been issued to applicant. YTD for a combined value of \$47,881,671.</p>
	<p>2. The percent of consent applications for new residential dwellings are processed in 18 days or less is 90% of applications.</p>	<p>As at 31 March 2016, one hundred and twelve (112) new residential dwellings consents have been granted in < 18 days (100%).</p>
	<p>3. That 100% of reported cases of illegal building work will be responded to within 3 working days.</p>	<p>As at 31 March 2016, there has been one (1) reported incident that has been responded to within 3 working days (100%).</p>
	<p>4. The percent of private swimming pools on the register inspected annually for compliance is 33% of private swimming pools are inspected.</p>	<p>There are two hundred and forty-two (242) pools on the register. One third of swimming pools = 80. Sixty-five (65) have been inspected as at 31 March 2016. All inspections will be completed by 30 June 2016.</p>

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Building Control: Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.</p>	<p>5. Council will maintain its accredited status as a Building Consent Authority.</p>	<p>Council is an accredited BCA. The latest assessment was held 28-30 April 2015 and the BCA received re-accreditation without receiving any Corrective Action Requirements. The next assessment is scheduled for 2017.</p>
<p>Environmental Health – Food Safety: Monitoring of food services used by the Community to ensure that they are healthy and safe.</p>	<p>1. The percent of food premises fitting the scope of templated Food Control Plans apply for exemption from the Food Hygiene Regulations 1974 will be 10%.</p>	<p>As at 31 March 2016, fourteen (14) premises have applied for an exemption which represents 14% of those premises that fit the scope of the Voluntary Implementation Plan. Complied. No further businesses are able to apply under the Voluntary Implementation Plan as the Food Act 2014 has now been fully enacted.</p>
	<p>2. The percent of registered premises that are inspected/audited and graded will be 100%.</p>	<p>As at 31 March 2016, one hundred and fifty-four (154) premises are registered, of which one hundred and four (104) have been inspected (67%) YTD – <u>it is possible that with the requirements to implement the Food Act from 1 March 2016, that not all premises will be inspected for the year ending 30 June 2016.</u> A total of fifty (50) premises have not yet been inspected and an additional eleven (11) businesses that have moved onto Food Control Plans are due to be audited within the next three (3) months.</p> <p>Current grading's are as follows: A Grade = 138 B Grade = 8 Ungraded = 1 New = 7</p> <p>Twenty (20) premises have opened and seventeen (17) premises have closed YTD.</p>
<p>Liquor Licensing: Monitoring of licensed premises to ensure compliance with relevant legislation.</p>	<p>1. The percent of premises that are inspected annually to check for compliance with their licence conditions are 100% of premises are inspected.</p>	<p>There are a total of seventy-four (74) licensed premises holding seventy-nine (79) operative licences. (NB: A premise can hold more than 1 license).</p> <p>Twenty-five (25) inspections (33%) have been completed YTD, all will be inspected by 30 June 2016.</p>

	<p>2. The percent of applications for a licence that will be forwarded to Public Health and the Police for comment are 100% of applications.</p>	<p>As at 31 March 2016, one hundred and fifty-two (152) applications have been received and all licence applications (74) that were required to be forwarded to Police and Public Health for comment were (100%).</p>
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REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Animal Control: Reported instances of non-compliance and dog nuisance will be responded to.</p>	<p>1. The percent of reported instances of non-compliance and dog nuisance will be responded to 100%.</p> <p>2. An after-hours emergency response will be continuously provided</p>	<p>As at 31 March 2016 there have been one thousand, one hundred and seventy-six (1,176) complaints made (with priority given to those reported as dog attacks), comprising: Barking = 454 Wandering = 568 Reported as attacks = 67 Aggressive behaviour = 83 Stock worrying = 4</p> <p>(100%) of complaints have been responded to.</p> <p>Two (2) prosecutions have been successfully completed YTD.</p> <p>304 dogs have been impounded of which 26 have been rehoused, 146 claimed by their owner and 48 have been euthanised.</p> <p>The service has been provided by way of an after-hours roster.</p>
<p>Registration and classification of all known dogs within the District.</p>	<p>3. The percent of known dogs that will be registered or accounted for annually by 31 October will be 100%.</p>	<p>As at 31 March 2016, of the known 6,359 dogs currently on the dog database, 6,142 (96%) are registered and the 217 that show as unregistered have been accounted for by way of an infringement notice issued. All known dogs (100%) have been accounted for.</p>
<p>Parking Enforcement: All parking restricted areas in Levin will be enforced under the provisions of Council's Bylaw and the Transport Regulations.</p>	<p>Enforcement will be conducted each working day.</p>	<p>Enforcement has been conducted each working day, with the exception of the three (3) days between Christmas and New Year. As at 31 March 2016, 3,047 stationary vehicle infringement notices have been issued and 1,521 notices have been processed to the Courts for collection.</p>
<p>General Regulatory Services: Noise complaints response service will be provided.</p>	<p>1. Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.</p>	<p>As at 31 March 2016 there have been 1,810 complaints and all (100%) have been responded to within 60 minutes of receipt resulting in 217 verbal directions being given and 237 abatement notices have been issued. Six (6) equipment seizures have occurred, and police assistance has been required on fifteen (15) occasions.</p>
<p>Public Safety bylaws and other legislation will be enforced.</p>	<p>2. The percent of reported non-compliances and complaints that are responded to within 5 working days is 100%.</p>	<p>There have been fifty-one (51) smoke complaints and twenty-eight (28) vehicles reported as abandoned. All (100%) have been responded to within 5 working days.</p>

Community Facilities and Services

COST OF SERVICE STATEMENT

For the Nine Months Ended 31 March 2016

Percentage of year completed: 75.00%	Annual Plan		Year to date				% Actual to Annual Plan G = C/A	% Variance to total Annual Plan H = E/Tot A	Notes to accounts
	Last year	Actual	Budget	Variance In \$ E = D - C	Variance In % F = E/D				
	A	B	C	D					
Income									
Significant activity revenue									
Halls	12,447	19,549	13,908	9,333	4,575	-49.02%	111.74%	-0.14%	
Sportsgrounds	16,504	8,139	22,356	12,375	9,981	-80.65%	135.46%	-0.32%	
Reserves	81,595	53,061	58,248	61,197	(2,949)	4.82%	71.39%	0.09%	
Cemetery	198,630	148,180	131,420	148,979	(17,559)	11.79%	66.16%	0.56%	
Swimming Pool(s)	457,700	370,070	338,605	343,278	(4,673)	1.36%	73.98%	0.15%	
Libraries	120,000	115,321	96,966	90,000	6,966	-7.74%	80.81%	-0.22%	
Beautification	2,000	1,093	0	1,503	(1,503)	100.00%	0.00%	0.05%	
Total	888,876	715,413	\$661,503	666,665	(5,162)	0.77%	74.42%	0.16%	
Capital subsidies									
Capital subsidies and grants	2,270,241	2,174	0	0	0	100.00%	0.00%	0.00%	
Total	2,270,241	2,174	\$0	0	0	100.00%	0.00%	0.00%	
Total income	3,159,117	717,587	661,503	666,665	(5,162)	0.77%	20.94%	0.16%	
Expenditure									
Significant activity expenditure									
Swimming Pool(s)	2,246,882	1,760,695	1,521,947	1,689,341	167,394	9.91%	67.74%	1.70%	1
Urban Cleansing	237,411	0	254,227	178,054	(76,173)	-42.78%	107.08%	-0.77%	2
Public Toilets	290,677	190,775	197,159	218,488	21,329	9.76%	67.83%	0.22%	
Sportsgrounds	821,714	580,344	747,964	619,125	(128,839)	-20.81%	91.02%	-1.31%	3
Reserves	1,576,406	1,032,086	942,083	1,208,777	266,694	22.06%	59.76%	2.71%	4
Cemetery	295,595	249,657	156,591	222,548	65,957	29.64%	52.97%	0.67%	
Beautification	585,412	331,044	460,391	439,053	(21,338)	-4.86%	78.64%	-0.22%	
Halls	228,806	161,222	117,595	178,237	60,642	34.02%	51.39%	0.62%	
Libraries	2,612,936	1,884,365	1,833,582	1,972,114	138,532	7.02%	70.17%	1.41%	5
Total	8,895,839	6,190,188	\$6,231,538	6,725,737	494,199	7.35%	70.05%	5.02%	
Other expenses									
Depreciation and amortisation	946,652	506,615	709,992	709,988	(4)	0.00%	75.00%	0.00%	
Total	946,652	506,615	\$709,992	709,988	(4)	0.00%	75.00%	0.00%	
Total expenditure	9,842,491	6,696,803	6,941,530	7,435,725	494,195	6.65%	70.53%	5.02%	
Non-operational costs									
Non operating income									
Revaluation gains	3,218	0	23,409	0	23,409	100.00%	727.43%	100.00%	
Development Contributions	0	24,402	0	0	0	0.00%	0.00%	0.00%	
Total	3,218	24,402	\$23,409	0	23,409	100.00%	727.43%	100.00%	
Non operating expenditure									
Internal interest expense	820,718	25,983	520,686	615,542	94,856	15.41%	63.44%	100.00%	
Total	820,718	25,983	\$520,686	615,542	94,856	15.41%	63.44%	100.00%	
Total non-operational costs	817,500	1,581	497,277	615,542	118,265	19.21%	60.83%	100.00%	
Total surplus/(deficit)	7,500,874	5,980,797	6,777,305	7,384,602	607,297	8.22%	90.35%		

Notes

- 1,4,5 Community Facilities & Services is under budget and forecasted to be end of year as a result of the new Community Facilities contracts in place. The under budget is a result of both savings from the new contracts as well as better management. It should also be noted that the Community Support Activity is also projected to be under budget, this is a result of operational savings achieved also due to better management.
2. Urban Cleansing is above budget due to a LoS omission. This relates primarily to the emptying of litter bins. The contractor priced the operation on a frequency of operation basis which has proved insufficient to meet the needs of the service. This has been exacerbated by the unauthorised disposal of commercial waste through the urban cleansing stream (commercial packaging). It is likely the demand for a higher level of funding will continue should existing LoS be desirable. The impact of this additional cost could be mitigated by ensuring commercial waste enters the commercial stream.
3. Sports Ground is above budget due to timing of scheduled works. A significant sum is expended during sportsfield renovations in spring and autumn. It is anticipated the current overspend is as a result of adopting a flat line to expenditure profiling. The impact could be reduced by reviewing the profile to better represent the impact of non-routine scheduled works on expenditure per month.
4. Reserves are under budget for similar reasons as sportsfields are over budget that being the tendency to flat-line expenditure. A considerable amount of improvement and development works on Reserves is completed during Spring and Autumn and better tracking might be achieved by profiling expenditure in line with operational demand.

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan
(Reserves, Public Halls, Sports Grounds, Cemeteries and Beautification)

Objective	LTP Performance Targets	Actual Performance
Reserves: To ensure reserves are available for community use.	To ensure sufficient space is available and is at least 1 hectare/1,000 population.	As at 31 March 2016, complied.
Community Halls: To ensure Community Halls are available for public use.	The Levin, Foxton and Shannon halls will be used at least ten (10) times per fortnight.	As at 31 March 2016, the Levin Memorial Hall was used 227 times, the Shannon Memorial Hall was used 104 times, and the Foxton Memorial Hall was used 49 times. A total of 380 times (an average of 19.49 times per fortnight). The LTP performance target has therefore been achieved.
Sports Grounds: To ensure sports grounds are available for community use.	To ensure sports grounds are available for use during their opening hours 95% of the time.	As at 31 March 2016, sportsgrounds were open for a minimum of 95% of the scheduled opening times.
Playgrounds: To ensure playgrounds are safe for users.	To ensure playground facilities comply with relevant standards 100% of the time.	As at 31 March 2016, all surfaces complied.
Cemeteries Management: To ensure cemeteries are managed and maintained to an appropriate standard.	To ensure Council meet the needs according to legal requirements.	As at 31 March 2016, complied. There was no legal or regulatory non-compliance.
Cemeteries: To ensure cemeteries operate to an acceptable level.	To ensure all arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	As at 31 March 2016, all interment arrangements were completed satisfactorily within the required timeframe.

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan
(Aquatic Centres and Recreation)

Objective	LTP Performance Targets	Actual Performance
<p>Aquatics: 1. To ensure safe aquatic facilities are operating in the District.</p>	<p>To ensure 100% compliance with relevant standards including Pool Safe Accreditation.</p>	<p>As at 30 December 2015, the Levin and Foxton Pool are both 100% water compliant. Both pools have received "Pool Safe" accreditation during March 2015 until April 2016.</p>
<p>2. To ensure the Aquatics Centres meet customer needs.</p>	<p>To ensure the Annual Customer Satisfaction Survey for the Aquatic Centres show at least 90% of customers to be 'satisfied' or 'very satisfied'.</p>	<p>The most recent Annual Resident Satisfaction Survey conducted in May 2015 showed Customer satisfaction at 91.94%.</p>
<p>Aquatics: 3. To ensure a high quality Swim School operates at the Levin and Foxton Aquatic Centres.</p>	<p>The number of participants in Learn-to-Swim classes per school term will exceed 400.</p>	<p>As at 31 March 2016, there were 492 participants in the Term 1 Learn-to Swim classes. There are 54 Enrolments in Learn-to-Swim classes in Foxton for Term 2 and 438 enrolments in Learn-to-Swim classes in Levin.</p>
<p>4. To ensure that local clubs are supported to deliver their own events.</p>	<p>The number of events per year held by clubs – clubs growing and taking ownership of their own events and future will be 4 per year.</p>	<p>Council staff are working with local clubs to build capacity and capability so that clubs take growing ownership of the Aquatics facility and run their own events.</p> <p>Council officers continue to work with community organisations to ensure that they have the tools necessary to carry out successful events.</p> <p>The following tournaments have been scheduled by Aquatics Users/Clubs/Schools at Levin Aquatics Centre in this calendar year where the whole pool is booked:</p> <ul style="list-style-type: none"> • Waiopēhu Swim Sports (February) • Go Active TRYathlon (6 March) • Levin Swim Club (6 March) • Levin School Swim Sports (8 March) • Koputaroa Swim Sports (24 March) • Levin Masters Swim Meet (24th and 25th June) • Special Olympics (10th and 11th September) • Special Olympics NZ Swim Meet (26 October) <p>Council officers sit on the Sports Park User Group Committee to ensure that everyday sport activity is carried out without any issues.</p> <p>HDC has delivered 16 Community Capacity workshops in 2015/2016.</p>

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan
(Aquatic Centres and Recreation)

Objective	LTP Performance Targets	Actual Performance
<p>4. To ensure that local clubs are supported to deliver their own events.</p>	<p>The number of events per year held by clubs – clubs growing and taking ownership of their own events and future will be 4 per year.</p>	<p>Note: “Events” do not include the regular swim, fitness and aqua classes based at the pools.</p> <p>Events run this year-to-date are as follows:</p> <p>Children – 4 – Fun Day, Go Active, Water Polo (in Foxton and Levin) and Tiny Tots promotion.</p> <p>General Public – 9 – Foxton open day, Levin Aquatic Centre birthday, Electra Business After 5 (Supported), Industry Training Graduation, Civic Honours, Levin Christmas Parade, Armistice Day, International Food Festival, 3 x Go Active TRYathlon trainings, Go Active Kids TRYathlon and Prime Ministers visit (Supported).</p> <p>Community Support – 5 – Great Forest Events, Whanau Tri, Careers Expo, White Ribbon Reverse Colour Run and Youth Council Conference.</p> <p>Retirees – 4 – Fitness lunch x 2, Dash and Splash, Age on the Go Expo and Teen Raves x 2.</p> <p>Teens Raves – 2</p>

COMMUNITY FACILITIES AND SERVICES – Performance Measures – LTP/Annual Plan
(Community Centres and Libraries)

Objective	LTP Performance Targets	Actual Performance
<p>1. Council provides Community facilities for residents, ratepayers, and visitors to access community services including library services.</p>	<p>1. To ensure Levin, Foxton and Shannon Communities are provided with library and community facilities providing an integrated and District wider service.</p>	<p>Library Services are provided by Te Horowhenua Trust in Levin, Shannon and Foxton.</p>
	<p>2. To ensure greater than 85% of residents and non-residents are satisfied with library and community services.</p>	<p>The most recent Annual Resident Satisfaction Survey conducted in May 2015 showed Customer Satisfaction of these facilities at 89.85%.</p>
	<p>3. To ensure at least 380 of booking counts for community facilities.</p>	<p>Te Horowhenua Trust report to Council on a quarterly basis (see below).</p>
	<p>4. To ensure at least 650,000 people across Te Takere, Foxton Library & Service Centre and the Shannon Library visit annually.</p>	<p>Te Horowhenua Trust report to Council on a quarterly basis (see below).</p>
<p>2. To ensure customers have access to a range of current information in both print and digital format.</p>	<p>1. To ensure at least 370,000 items are loaned from the Library across the District, including books, magazines, etc.</p>	<p>Te Horowhenua Trust report to Council on a quarterly basis (see below).</p>
	<p>2. To ensure an increase of +>1% in the use of the website.</p>	<p>Te Horowhenua Trust report to Council on a quarterly basis (see below).</p>
<p>3. To ensure customers have access to programmes and initiatives that enhance the wellbeing of the District.</p>	<p>To ensure at least 100 programmes are delivered.</p>	<p>Te Horowhenua Trust report to Council on a quarterly basis (see below).</p>

Quarterly Report to Horowhenua District Council 15/16

The Trust is required to report quarterly to Council on progress against the KPIs identified in the Statement of Intent.

R HDC Collaboration - Strategic and operational partnerships.				
I	HDC Number of new relationships developed	Q2 2016	20	4
I	HDC Number of collaborative projects delivered	Q2 2016	8	6
R HDC Library - Access to information, ideas and works of the imagination.				
I	HDC New Library materials distributed to Foxton Library	Q2 2016	15%	15%
I	HDC New Library materials distributed to Shannon Library	Q2 2016	10%	10%
I	HDC Library materials refetched at Foxton Library	Q2 2016	4,701	1,000
I	HDC Library materials refetched at Shannon Library	Q2 2016	3,004	700
I	HDC Investment per capita in new Library materials	Q2 2016	\$4.41	\$4.00
R HDC Community - Opportunities to participate in community life.				
I	HDC Community activities delivered across the District - programmes	Q2 2016	\$5	15
I	HDC Community activities delivered across the District - sessions	Q2 2016	451	—
I	HDC Community activities delivered at Foxton Library - programmes	Q2 2016	8	3
I	HDC Community activities delivered at Foxton Library - sessions	Q2 2016	85	—
I	HDC Community activities delivered at Shannon Library - programmes	Q2 2016	15	3
I	HDC Community activities delivered at Shannon Library - sessions	Q2 2016	64	—
I	HDC Average visitor door counts per month over all sites	Q2 2016	54,074	57,000
I	HDC Average visitor doorcounts per month at Te Takeke	Q2 2016	41,692	45,000
R HDC Lifelong Learning and Digital - Independent learners have educational and training opportunities.				
I	HDC Learning activities delivered across the District - programmes	Q2 2016	27	5
I	HDC Learning activities delivered across the District - sessions	Q2 2016	186	—
R HDC Sustainability - Facilities, technology, resources and services that deliver social, cultural and economic benefits				
I	HDC % of funding from sources other than the Annual Grant.	Q2 2016	35%	25%
I	HDC # of different organisations who use the meeting spaces at Te Takeke	Q2 2016	102	74

Property

COST OF SERVICE STATEMENT

For the Nine Months Ended 31 March 2016

Percentage of year completed: 75.00%	Annual Plan		Year to date		Variance In \$ E = D - C	Variance In % F = E/D	% Actual to Annual Plan G = C/A	% Variance to total Annual Plan H = E/Tot A	Notes to accounts
	A	Last year B	Actual C	Budget D					
Income									
Significant activity revenue									
Residential Housing	856,349	634,633	668,891	642,258	26,633		78.11%	-1.21%	
General Property	88,738	81,637	48,880	66,564	(17,684)	26.57%	55.08%	0.81%	1
Commercial Property	536,236	414,644	414,594	402,171	12,423	-3.09%	77.32%	-0.57%	
Council Building	7,000	934	788	5,256	(4,468)	85.01%	11.26%	0.20%	2
Endowment Property	125,328	155,146	113,759	93,996	19,763	-21.03%	90.77%	-0.90%	
Camping Grounds	23,638	17,729	17,729	17,730	(1)	0.01%	75.00%	0.00%	
Total	1,637,289	1,304,723	\$1,264,641	\$1,227,975	36,666	-2.99%	77.24%	-1.67%	
Total income	2,192,889	1,304,723	1,264,641	1,227,975	(54,944)	3.34%	72.49%	2.51%	
Expenditure									
Significant activity expenditure									
Council Building	385,978	-115,803	252,950	304,914	51,964	17.04%	65.53%	2.87%	
General Property	505,660	441,465	336,959	402,423	65,464	16.27%	66.64%	3.62%	
Residential Housing	626,989	486,075	425,648	533,416	107,768	20.20%	67.89%	5.96%	3
Camping Grounds	8,200	23,621	1,776	6,906	5,130	74.28%	21.66%	0.28%	
Endowment Property	231,551	305,135	182,492	200,117	17,625	8.81%	78.81%	0.97%	
Commercial Property	243,603	223,667	177,072	187,534	10,462	5.58%	72.69%	0.58%	
Total	2,001,981	2,001,981	\$1,376,897	\$1,635,310	258,413	15.80%	68.78%	10.93%	
Other expenses									
Depreciation and amortisation	362,228	353,830	271,674	271,670	(4)	0.00%	75.00%	0.00%	
Total	362,228	353,830	\$271,674	271,670	(4)	0.00%	75.00%	0.00%	
Total expenditure	2,364,209	2,355,811	1,648,571	1,906,980	258,409	13.55%	69.73%	10.93%	
Non-operational costs									
Non operating income									
Gain on sale	307,036	44,214	89,199	0	89,199	100.00%	29.05%	100.00%	
Total	307,036	44,214	\$89,199	0	89,199	100.00%	29.05%	100.00%	
Non operating expenditure									
Loss on sale	0	138,247	19,745	0	(19,745)	100.00%	100.00%	100.00%	
Internal interest expense	820,804	577,971	493,923	615,601	121,678	19.77%	60.18%	100.00%	
Total	820,804	716,218	\$513,668	615,601	101,933	16.56%	62.58%	100.00%	
Total non-operational costs	513,768	672,004	424,470	615,601	191,131	31.05%	82.62%	100.00%	
Total surplus/(deficit)	129,488	1,723,092	3,337,681	3,750,556	504,484	13.45%	122.19%		

Note:

1. Income is below budget due to less lease uptake at Levin Depot. This is being actively marketed.
2. Income is below budget in Council building due to less use of Civic Area.
3. Residential housing is below budget as a result of savings in Maintenance Contracts.

PROPERTY – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Facilities for Public Hire: To ensure Council operated facilities are available for public hire.</p>	<p>To ensure facilities are available for at least eight (8) hours per day for hire and charges are to be reviewed annually.</p>	<p>All District Memorial Halls were available for hire for at least eight hours per day.</p>
<p>Pensioner Housing: To ensure residential housing is provided for the elderly.</p>	<p>To ensure pensioner accommodation will achieve at least a 95% occupancy rate.</p>	<p>As at 31 March 2016 there has been 96.18% occupancy.</p>
<p>Endowment Property: To ensure endowment property is appropriately managed.</p>	<p>The number of sections available for sale will be 20 sections of endowment property which are released by Council for purchase.</p>	<p>As at 31 March 2016 there are currently 27 sections available for sale. The sale of 6 Forbes Road fell through (hadn't gone unconditional).</p>
<p>General: All Council owned property will comply with relevant legislation.</p>	<p>100% of Council owned buildings with Compliance Schedules will have a current Building Warrant of Fitness (BWOFF).</p>	<p>All buildings with Compliance Schedules have current BWOFF's. This means all specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.</p>
<p>Commercial Property: To ensure commercial property is appropriately managed.</p>	<p>To ensure rent is within a 10% percentage range of current market rentals at time of review/renewal.</p>	<p>Deed of Renewal of Lease for the Levin Pottery Club for a further period of five years. The lease will now terminate on 31 March 2021. No change to the annual rent as the current annual rental is consistent with Council policy.</p> <p>Deed of Variation of Lease – Deborah Gay Nichol – Area varied: The area of land leased is reduced by 834m² more or less being part of Section 2 SO 23799 Blk III Moutere SD, with no change to the annual rent.</p>

Representation and Community Leadership

COST OF SERVICE STATEMENT

For the Nine Months Ended 31 March 2016

Percentage of year completed: 75.00%	Annual Plan		Year to date				% Actual to Annual Plan G = C/A	% Variance to total Annual Plan H = E/Tot A	Notes to accounts
	A	Last year B	Actual C	Budget D	Variance In \$ E = D - C	Variance In % F = E/D			
Income									
Significant activity revenue									
General Governance Other	0	1,961	74,041	0	74,041	100.00%	100.00%	100.00%	1
Total	0	1,961	\$74,041	0	74,041	100.00%	100.00%	100.00%	
Total income	0	1,961	74,041	0	74,041	100.00%	100.00%	100.00%	
Expenditure									
Significant activity expenditure									
General Governance Other	1,593,451	1,216,011	1,419,102	1,165,706	(253,396)	-21.74%	89.06%	-9.03%	2
Community Board	150,238	90,661	109,575	112,677	3,103	2.75%	72.93%	0.11%	
LTP/Annual Plan/Annual Report	1,043,116	886,609	582,233	825,459	243,226	29.47%	55.82%	8.67%	3
Elections	17,624	24,198	4,377	14,390	10,013	69.58%	24.84%	0.36%	
Total	2,804,429	2,217,479	\$2,115,287	2,118,232	2,945	0.14%	75.43%	0.11%	
Other expenses									
Depreciation and amortisation	240	179	180	180	0	0.00%	75.00%	0.00%	
Total	240	179	\$180	180	0	0.00%	75.00%	0.00%	
Total expenditure	2,804,669	2,217,658	2,115,467	2,118,412	2,945	0.14%	75.43%	0.11%	
Total surplus/(deficit)	2,804,669	2,215,697	2,041,426	2,118,412	76,986	3.63%	72.79%		

Note:

1. Funding has been received for Levin Town Strategy General Governance paid which has offset the expenditure.
2. Donation of \$15k to Relief Fund Trust and Levin Town Strategy costs
3. LTP/AP is below budget due to not consulting on the Annual Plan 2016/2017

REPRESENTATION AND COMMUNITY LEADERSHIP – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
To ensure Council provides open, accessible processes to local government.	1. Local body elections will be held in compliance with relevant legislation.	Local body elections were held in October 2013. The next Local Body Elections will be held in October 2016.
	2. The number of complaints upheld against the election process will be zero (0).	Zero (0) complaints were upheld following the October 2013 election.
To ensure Council supports residents and ratepayers to have their views heard and considered in Council decision making.	1. The percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making is to be greater than 50%.	This is a new measure identified in the Long Term Plan 2015-2025 and will be assessed during Councils annual resident satisfaction survey in May 2016.
	2. To ensure the Council's Community Engagement Strategy is implemented and reviewed every three (3) years and that 90% of the Annual Work Plan is completed.	The Council's Community Engagement Strategy is in the implementation phase. It will be reviewed again in 2017.
To ensure Council's planning documents meet statutory requirements and meet Audit NZ standards.	1. To ensure the LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act and must be adopted before 30 June (every 3 years).	Council adopted the Long Term Plan and Financial Strategy on 24 June 2015. Complied.
	2. The Annual Plan will be adopted before 30 June annually.	The Annual Plan is due for adoption by 30 June 2016.
	3. The Annual Report will include an unqualified audit opinion.	The Annual Report for the Year Ended 30 June 2015 received an unqualified audit opinion on 28 October 2015.

Community Support

COST OF SERVICE STATEMENT

For the Nine Months Ended 31 March 2016

Percentage of year completed: 75.00%	Annual Plan	Year to date				% Actual to Annual Plan G = C/A	% Variance to total Annual Plan H = E/Tot A	Notes to accounts
	A	Last year B	Actual C	Budget D	Variance in \$ E = D - C			
Income								
Significant activity revenue								
Community Grants	27,000	29,779	29,542	27,000	2,542	-9.41%	109.41%	-6.43%
Community Development	5,000	19,537	36,928	3,753	33,175	-883.97%	738.57%	-83.99%
Economic Development	7,500	1,372	2,141	0	2,141	100.00%	28.55%	-5.42%
Rural Fire	0	0	13,751	0	13,751	100.00%	100.00%	-34.81%
Emergency Management	0	37,144	4,079	0	4,079	100.00%	100.00%	-10.33%
Total	39,500	87,832	\$86,441	30,753	55,688	-181.08%	218.84%	-140.98%
Total income	39,500	87,832	86,441	30,753	55,688	-181.08%	218.84%	-140.98%
Expenditure								
Significant activity expenditure								
Emergency Management	286,420	261,713	188,387	214,471	26,084	12.16%	65.77%	1.39%
Rural Fire	222,232	0	124,352	166,674	42,322	25.39%	55.96%	2.25%
Economic Development	539,499	325,931	294,820	374,841	80,021	21.35%	54.65%	4.26%
District Marketing	177,064	125,980	100,698	132,804	32,106	24.18%	56.87%	1.71%
Community Development	280,252	173,864	197,861	215,201	17,340	8.06%	70.60%	0.92%
Community Grants	338,864	208,183	224,630	245,276	20,646	8.42%	66.29%	1.10%
Total	1,844,331	1,095,671	\$1,130,748	1,349,267	218,519	16.20%	61.31%	11.64%
Other expenses								
Depreciation and amortisation	32,616	94,283	24,462	24,462	0	0.00%	75.00%	0.00%
Total	32,616	94,283	\$24,462	24,462	0	0.00%	75.00%	0.00%
Total expenditure	1,876,947	1,189,954	1,155,210	1,373,729	218,519	15.91%	61.55%	11.64%
Total surplus/(deficit)	1,837,447	1,102,122	1,068,769	1,342,976	274,207	20.42%	58.17%	

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Emergency Management and Rural Fire:</p> <p>1. To reduce the potential impact of Civil Defence emergencies on communities.</p>	<p>1. Five (5) media releases promoting preparedness for an emergency will be made to residents and ratepayers annually.</p>	<p>The following media releases promoting Emergency Preparedness have been made this year-to-date: We have undertaken CDEM advertising in the following:</p> <ul style="list-style-type: none"> • 2015/16 Neighbourhood Support Wall Planner • 2015/16 Manawatu-Horowhenua Medical Practitioners Wall Planner • Palmerston North / Horowhenua / Manawatu Neighbourhood Support Handbook – 2015 edition • Horowhenua A-Z Business Directory 2015/16 • Horowhenua Chronicle Emergency Services feature (plus other features throughout the year) • Newspaper & radio advertising re NZ Shakeout 2015 • Various CDEM features in Community Connection throughout the year • Homelink Road Safety Booklet for Horowhenua Schools 2015 • Continue to circulate the Horowhenua Emergency Planning Guide (Get Ready Get Thru) <p>Plus other various advertising opportunities as they arise.</p>
<p>2. To ensure Council maintains a functional EOC and trained staff.</p>	<p>2. To ensure Civil Defence and Emergency Management assessment of readiness and capability of 90% of Council staff.</p>	<ul style="list-style-type: none"> • Council currently have 70 staff trained in at least the basic user level of EMIS (Emergency Management Information System). • 4 staff plus the Emergency Management Officer are trained Super Users of EMIS. • The district EMO is a member of the National EMIS User Group which is administered by MCDEM and continues to be proactive in the ongoing development and functionality of the system. • 30 Council personnel are trained in the Foundational level of the ITF (Integrated Training Framework) CDEM training package which focuses on CDEM structures, CIMS and EOC operations. • In March 2016 there was another training rollout in EMIS systems for HDC Staff. • Horowhenua District Council has planning underway for Exercise Tangaroa in 2016. <p>Note: The Council has a contract in place with Horizons Regional Council for the delivery of Civil Defence Emergency Management Services and Rural Fire Services. Operational response capability is maintained at a local level through the Emergency Management Committee and the Volunteer Rural Fire Force.</p>

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Emergency Management and Rural Fire:</p> <p>3. To ensure Rural Fire services are provided.</p>	<p>3. To ensure 100% of call outs are responded to.</p>	<p>A Fire Safety Plan is currently being prepared by Horizons for Horowhenua District Council to sign off.</p> <p>The Volunteer Rural Fire Force is active and meeting regularly. It operates out of the Depot on Hokio Beach Road. Call outs are responded to in the first instance by the Fire Service (by way of agreement), with the volunteers required to attend within one hour.</p> <p>Volunteer training provided in 2015/2016:</p> <ul style="list-style-type: none"> • Local Team training is the main training that has been happening. • Volunteer training planned: <ul style="list-style-type: none"> ○ Defending Structures – July 2016 ○ Lead Heavy Machinery – July 2016 (\$ Contribution required from HDC) <p>(Note that the July date is chosen due to availability of instructors as well as the resources/facilities required for the training).</p>
<p>Community Engagement:</p> <p>1. To ensure Council provides effective leadership in advocating, co-ordinating and facilitating on behalf of community needs.</p>	<p>There are to be five (5) Community Wellbeing Executive meetings per year. (Note: the schedule for 2015 onwards has changed from 6 weekly to bi-monthly).</p>	<p>The Community Wellbeing Executive has met five (5) times since the beginning of the financial year. A draft Community Wellbeing Strategy has been prepared and tabled for discussion.</p> <p>A Workshop to confirm the results and measures for the Wellbeing Strategy is being planned for May 2016.</p>
<p>2. Council supports the vision that young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.</p>	<p>1. There are to be eight (8) Youth Voice meetings per year.</p>	<p>Monthly Youth Voice meetings continue, with numerous sub-group meetings to deliver Youth Voice projects. Year-to-date seven (7) meetings have been held. Further meetings are scheduled for May and June.</p> <p>The 2015 Youth Council disbanded in December. The 2016 Youth Council was selected and inducted in March, with previous Youth Councillors interviewing applicants. Their orientation evening was Friday 1 April.</p>
	<p>2. There are to be four (4) programmes or projects implemented by Youth Voice.</p>	<p>Youth Voice has helped to implement: 1) Listen to the Music; 2) The Lower North Island Youth Councils Conference; 3) The</p>

		Reverse Colour Run event with HALT; and is currently preparing to confirm 4) The Revised Youth Action Plan.
	3. There are to be six (6) Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly).	The Youth Network continues to meet every six (6) weeks. Six (6) meetings have occurred since the beginning of the financial year. There are two (2) more meetings scheduled for this financial year.

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Community Engagement: 3. Council supports the vision that Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.</p>	<p>1. There are to be ten (10) Older Person Network meetings per year.</p>	<p>The Older Persons Network continues to meet monthly. Year-to-date seven (7) meetings have been held. Three (3) more meetings are scheduled and they are progressing with development of a new Positive Ageing Action Plan for 2016-2019.</p>
	<p>2. There are to be four (4) issues of the Elderberries Magazine publications annually.</p>	<p>Two (2) issues have been published so far.</p>
<p>4. Council supports the vision that Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.</p>	<p>There are to be two (2) Creative Communities funding rounds per year.</p>	<p>The Creative Communities Committee met in March and allocations have been prepared for the April Council meeting seeking ratification.</p>
<p>5. Council supports the vision that Horowhenua is New Zealand's foremost region in taking joint responsibility for the success of our community through education.</p>	<p>There are to be four (4) Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly).</p>	<p>Education Horowhenua continues to meet every 6-9 weeks. Six (6) meetings have been held year-to-date. There was a meeting with Ministers Parata and Guy in February 2016. Minister Parata's office recommended that a nomination be submitted for the "Excellence in Engagement Award". This was subsequently prepared and submitted on 18 March 2016.</p>
<p>6. Council supports the vision that Horowhenua is fully accessible to all people.</p>	<p>There are to be four (4) Disability Leadership Forums per year.</p>	<p>The Disability Leadership Forum continues to meet quarterly. Three (3) meetings have been held year-to-date. One meeting occurred in March 2016.</p>
<p>7. Council promotes community empowerment and provides opportunities for community driven initiatives and projects.</p>	<p>To ensure 100% of funds are distributed through contestable Community Grants and Funding schemes that comply with grant criteria.</p>	<p>On track. The Grants and Funding Committee met in March and allocations have been prepared for the April Council meeting seeking ratification.</p>
<p>8. Council promotes community group empowerment and provides opportunity for community groups to grow and develop.</p>	<p>1. There are to be ten (10) Community Capacity and Capability Building Programme workshops or trainings offered per year.</p>	<p>Eighteen (18) have been held year-to-date. On track for a new target of nineteen (19) workshops this financial year. HDC has delivered the following Community Capacity workshops I this calendar year suitable for not-for-profit sport and recreation organisations:</p> <ul style="list-style-type: none"> • St John Level 1 Workplace First Aid (refresher) – February 2016 • St John Level 1 Workplace First Aid (full course) – February 2016 • Health and Safety Act Update • Youth Relationships • Youth Strategy and Engagement • Social Media for non-profits

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Community Engagement:</p> <p>8. Council promotes community group empowerment and provides opportunity for community groups to grow and develop.</p>	<p>2. There is to be 80% satisfaction with the Community Capacity and Capability Building Programme workshops or training.</p>	<p>Data to be collected in April/May 2016.</p>
	<p>3. There are to be at least 100 individuals participating the Community Capacity and Capability Building Programme workshops or training over the year.</p>	<p>On track to be achieved.</p>
<p>9. Council supports beach safety initiatives within communities by providing financial support.</p>	<p>There are to be six (6) weeks of Council funded surf life-saving services provided at Foxton and Waitarere Beaches.</p>	<p>On track. Council has awarded the contract to the Levin Waitarere Surf Lifesaving Club.</p>
<p>10. Council effectively communicates with its ratepayers and residents.</p>	<p>1. There are to be ten (10) “Community Connections” newsletters published annually.</p>	<p>The March 2016 issue of Community Connections was published in the Horowhenua Chronicle.</p>
	<p>2. There are to be at least 100 media releases published annually.</p>	<p>Year-to-date, sixty-two (62) Media Releases have been published.</p>
	<p>3. Council is to provide a 24/7 telephone contact centre operation for people to phone.</p>	<p>Council’s 06 366 0999 telephone number is operational 24/7.</p>
<p>Visitor Information:</p> <p>Council supports the promotion of Horowhenua as a tourism destination.</p>	<p>1. To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.</p>	<p>Contracts for the Levin, Shannon and Foxton Visitor Information Centres have been created, agreed upon and signed off by all parties.</p> <p>Quarterly payments have gone to all centres.</p>
	<p>2. To ensure greater than 85% of key performance indicators are achieved by providers of Visitor Information as set out in the Annual Service Level agreement.</p>	<p>Visitor information centres are being supported through the Experience Horowhenua Group which consists of Council representatives, Tourism Horowhenua, Foxton Tourism and Development Organisation, and key stakeholders including Destination Manawatu.</p> <p>All centres provided quarterly reports for the year-to-date.</p> <p>A two (2) year action plan has been developed and approved by all parties. This will give us a framework to work towards moving forward.</p>

	<p>3. To ensure greater than 85% of key performance indicators are achieved by Destination Manawatu (Regional Tourism Organisation) as set out in the Annual Service Level agreement.</p>	<p>Destination Manawatu has been assisting with the following projects; Main Street Foxton, Community Signage, Experience Horowhenua Forum, Summer Promotion, Cycleway and Walkways Promotion.</p> <p>85% of performance measures have been achieved.</p>
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COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Economic Development:</p> <p>1. Council provides strategic leadership in co-ordinating Economic Development activities across the District.</p>	<p>1. To ensure the Council's Economic Development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development and that 90% of the Annual Work Plan is completed.</p>	<p>Councils Economic Development Manager and the Horowhenua Economic Development Board continue to progress a number of strategic priorities as identified in the Economic Development Strategy.</p>
	<p>2. To ensure that ten (10) Economic Development Board meetings are held per year.</p>	<p>The Economic Development Board has met monthly, as well as having a number of informal meetings. The Board also facilitated a joint briefing with Councillors in December 2015. Meetings for the first half of 2016 have been scheduled.</p>
<p>2. Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.</p>	<p>To ensure that ten (10) Business Networking meetings are held per year.</p>	<p>Council has most recently facilitated an Electra Business After 5 event with Bernard Hickey presenting. This was the first time that the event has sold out, with over 130 registering to attend. The next networking event will be held in March 2016.</p>
<p>3. Council advocates for and facilitates business development and new business investment in the Horowhenua.</p>	<p>To ensure greater than 75% of the District's business community are satisfied or more than satisfied with the Council's overall performance in the Economic Development Activity.</p>	<p>The most recent Annual Resident Satisfaction Survey conducted in May 2015 showed Customer satisfaction of this activity at 50.87%.</p>

Land Transport

COST OF SERVICE STATEMENT

For the Nine Months Ended 31 March 2016

Percentage of year completed: 75.00%	Annual Plan	Last year	Actual	Year to date	Variance In	Variance In	% Actual to	% Variance to	Notes to accounts
	A	B	C	Budget	\$ E = D - C	% F = E/D	Annual Plan G = C/A	total Annual Plan H = E/Tot A	
Income									
Significant activity revenue									
Unsubsidised Rooding	0	32,827	25,523	0	25,523	100.00%	100.00%	-0.76%	
Subsidised Rooding	1,667,000	956,307	1,254,092	1,258,318	(4,226)	0.34%	75.23%	0.13%	
Total	1,667,000	989,134	\$1,279,615	1,258,318	21,297	-1.69%	76.76%	-0.63%	
Capital subsidies									
Capital subsidies and grants	1,698,000	600,391	829,743	1,566,447	(736,704)	47.03%	48.87%	21.89%	1
Total	1,698,000	600,391	\$829,743	1,566,447	(736,704)	47.03%	48.87%	21.89%	
Total income	3,365,000	600,391	2,109,358	2,824,765	(715,407)	25.33%	62.69%	21.26%	
Expenditure									
Significant activity expenditure									
Unsubsidised Rooding	251,640	546,639	166,742	189,255	22,513	11.90%	66.26%	0.28%	
Footpaths	79,256	53,062	58,380	59,445	1,065	1.79%	73.66%	0.01%	
Subsidised Rooding - Emergency	0	0	209,902	0	(209,902)	100.00%	100.00%	-2.57%	2
Subsidised Rooding - CAPEX	0	0	1,220	0	(1,220)	100.00%	100.00%	-0.01%	
Subsidised Rooding	3,168,934	2,074,659	2,448,024	2,395,951	(52,073)	-2.17%	77.25%	-0.64%	
Total	3,499,830	2,674,360	\$2,884,268	2,644,651	(239,617)	-9.06%	82.41%	-2.94%	
Other expenses									
Depreciation and amortisation	4,657,314	4,315,102	3,492,990	3,492,984	(6)	0.00%	75.00%	0.00%	
Total	4,657,314	4,315,102	\$3,492,990	3,492,984	(6)	0.00%	75.00%	0.00%	
Total expenditure	8,157,144	6,989,462	6,377,258	6,137,635	(239,623)	-3.90%	78.18%	-2.94%	
Non-operational costs									
Non operating income									
Development Contribution	0	67,182	0	0	0	0.00%	0.00%	0.00%	
Total		67,182	0	0	0	0.00%	0.00%	0.00%	
Total non-operational costs		67,182	0	0	0	0.00%	0.00%		
Total surplus/(deficit)	4,792,144	6,321,889	4,267,900	3,312,870	(955,030)	-28.83%	89.06%		

Notes

1. Exactly 50% of Subsidised - Renewals” & “Subsidised - Road Improvements costs claimed which is in line with the FAR rate.
2. Unbudgeted emergency works for repairs to roads due to slips and seal washouts.

LAND TRANSPORT (ROADS AND FOOTPATHS) – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Roads and Footpaths: To have a safe road network.</p>	<p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.</p>	<p>This is reported on annually.</p>
<p>To have roads in good condition.</p>	<p>The average quality of ride on a sealed local road network measured by smooth travel exposure with a minimum of 85%.</p>	<p>Smooth Travel Exposure measures the proportion (%) of vehicle kilometres travelled in a year (VKT) that occurs on ‘smooth’ sealed roads and indicates the ride quality experienced by motorists. A ‘smooth’ road is one smoother than a predetermined NAASRA roughness threshold. The thresholds used vary with traffic density and road location i.e. not all roads are calculated the same. Heavily trafficked roads have a lower (smoother) threshold. High volume urban roads have lower roughness thresholds than low volume rural roads. Our STE percentages are generated by running a report in RAMM.</p> <p>The Annual Roughness Survey for 2014/15 was completed by Briken Ltd in January 2015 and covered half of the district. The other half of the district will be done in 2015/2016. The data is used to help with decision making when producing the 10yr Forward Works Plan.</p> <p>Urban Roads = 87%</p> <p>Rural Roads = 96%</p> <p>The annual condition and roughness ratings for 2015/16 will be carried out early in the 2016 calendar year.</p>
<p>To have roads that are well maintained.</p>	<p>The percentage of the sealed local road network that is resurfaced annually with a minimum of 5% of total area.</p>	<p>There are 33km in the current reseal programme. To be undertaken over the reseal season. (November 2015 to March 2016).</p> <p>This equates to 210,453m² which is 6% of the total 3,427,641m² total sealed local road network.</p>
<p>To make sure footpaths are in an acceptable condition.</p>	<p>Target footpath condition rating (% compliant with Councils standards). Minimum of 30% in excellent condition and a maximum of 10% in poor condition.</p>	<p>From the last footpath condition rating Excellent Condition 28% - Poor Condition 12%.</p> <p>There is currently \$400k in the footpath renewal budgets to increase the amount of excellent condition and reduce the amount of poor condition.</p>
<p>To make sure there is a good response to service requests.</p>	<p>The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days is greater than 95%.</p>	<p>Currently 99%.</p>

Stormwater

COST OF SERVICE STATEMENT

For the Nine Months Ended 31 March 2016

Percentage of year completed: 75.00%	Annual Plan		Year to date				% Actual to Annual Plan G = C/A	% Variance to total Annual Plan H = E/Tot A	Notes to accounts
	Last year	Actual	Budget	Variance In \$ E = D - C	Variance In % F = E/D				
	A	B	C	D					
Income									
Significant activity revenue									
Stormwater Drainage	0	10,000	0	0	(0)	100.00%	100.00%	100.00%	
Total	0	10,000	\$0	0	(0)	100.00%	100.00%	100.00%	
Total income	0	10,000	0	0	(0)	100.00%	100.00%	100.00%	
Expenditure									
Significant activity expenditure									
Stormwater Drainage	545,164	322,320	332,042	420,733	88,691	21.08%	60.91%	8.50%	
Total	545,164	322,320	\$332,042	420,733	88,691	21.08%	60.91%	8.50%	
Other expenses									
Depreciation and amortisation	498,417	421,417	373,815	373,812	(3)	0.00%	75.00%	0.00%	
Total	498,417	421,417	\$373,815	373,812	(3)	0.00%	75.00%	0.00%	
Total expenditure	1,043,581	743,737	705,857	794,545	88,688	11.16%	67.64%	8.50%	
Non-operational costs									
Non operating income									
Development Contributions	0	2,311	0	0	(0)	100.00%	100.00%	100.00%	
Total	0	2,311	\$0	\$0	(0)	100.00%	100.00%	100.00%	
Non operating expenditure									
Internal interest expense	163,314	91,968	86,662	122,484	35,822	29.25%	53.06%	100.00%	
Total	163,314	91,968	\$86,662	122,484	35,822	29.25%	53.06%	100.00%	
Total non-operational costs	163,314	89,657	86,662	122,484	35,822	29.25%	53.06%	100.00%	
Total surplus/(deficit)	1,206,895	823,394	792,519	917,029	124,510	13.58%	65.67%		

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3. STORMWATER – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance																																			
System Adequacy: To have an adequate stormwater system.	1. The number of flooding events that occur in the authority district is less than five per year, per 1,000 properties connected to the territorial authority's stormwater system.	Complied. In the month of March 2016 there were no reported flooding events (flooding of habitable floors from the Stormwater Drainage System). <i>Year-to-date – zero (0) per 1,000 connections</i>																																			
	2. For each flooding event, the number of habitable floors affected is two or less, per 1,000 properties connected to the Council's stormwater network.	Complied. In the month of March 2016 there were no reported flooding events. <i>Year-to-date – zero (0) per 1,000 connections</i>																																			
Response Time:	The median response time to attend a flooding event is one hour or less from the time that Council receives notification to the time that service personnel reach the site.	In the month of 31 March 2016, the median response time to attend flooding events in the Horowhenua District was less than one hour from the time of notification. Complied (no flooding events). <i>Year-to-date – zero (0) per 1,000 connections</i>																																			
Customer Satisfaction:	1. The number of complaints received by Council about the performance of its stormwater system is less than 10 per year, expressed per 1,000 properties connected to the Council's stormwater system.	In the month of 31 March 2016, there were zero (0) complaints received regarding the performance of Council Stormwater systems. This equates to 0.00 complaints per 1,000 connections. Complied. <i>Year-to-date – 34 complaints received at 2.78 per 1,000 connections</i>																																			
	2. The percentage of customers satisfied with the stormwater service is 70%. As per the Annual Customer Satisfaction Survey.	The results from the 2015 Customer Satisfaction Survey are shown below: <table border="1" data-bbox="1317 845 2128 1149"> <thead> <tr> <th></th> <th>Total %</th> <th>Kere Kere %</th> <th>Levin %</th> <th>Miranui %</th> <th>Waiopehu %</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>3.50</td> <td>5.62</td> <td>3.41</td> <td>7.50</td> <td>1.81</td> </tr> <tr> <td>Satisfied</td> <td>22.41</td> <td>23.60</td> <td>25.08</td> <td>25.00</td> <td>18.07</td> </tr> <tr> <td>Neither Satisfied nor Dissatisfied</td> <td>27.59</td> <td>34.83</td> <td>24.77</td> <td>22.50</td> <td>25.30</td> </tr> <tr> <td>Dissatisfied</td> <td>27.17</td> <td>22.47</td> <td>30.03</td> <td>5.00</td> <td>30.12</td> </tr> <tr> <td>Very Dissatisfied</td> <td>11.34</td> <td>7.87</td> <td>13.93</td> <td>10.00</td> <td>12.05</td> </tr> </tbody> </table>		Total %	Kere Kere %	Levin %	Miranui %	Waiopehu %	Very Satisfied	3.50	5.62	3.41	7.50	1.81	Satisfied	22.41	23.60	25.08	25.00	18.07	Neither Satisfied nor Dissatisfied	27.59	34.83	24.77	22.50	25.30	Dissatisfied	27.17	22.47	30.03	5.00	30.12	Very Dissatisfied	11.34	7.87	13.93	10.00
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Very Dissatisfied	11.34	7.87	13.93	10.00	12.05																																
Sustainability: To have a sustainable stormwater service.	To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"> Abatement notices; Infringement notices; Enforcement orders; and Convictions. 	As at 31 March 2016, there was 100% compliance with the Regional Council's resource consents for discharge from its Stormwater system. <i>Year-to-date – 100% Compliance</i>																																			

4. STORMWATER – Performance Measures – LTP/Annual Plan

Objective	Management Reporting Performance Targets	Actual Performance
<p>Planning:</p>	<p>As per Management:</p> <ul style="list-style-type: none"> • An Asset Management Plan will be adopted providing a 10-year planning horizon and reviewed every 3 years. • An Infrastructure Strategy will be adopted providing a 30-year planning horizon and reviewed every 3 years. 	<p>As at 31 March 2016:</p> <ul style="list-style-type: none"> • A Stormwater Asset Management Plan has been prepared. • Completed. The Infrastructure Strategy was adopted at the Council meeting on the 18th February 2015.
<p>Stormwater Drainage: To provide reliable stormwater drainage.</p>	<p>1. As per Management, to adopt a Stormwater Management Strategy.</p>	<p>As at 31 March 2016, a Stormwater Management Strategy is currently being developed.</p>
	<p>2. To ensure 100% compliance with Regional Council resource consents.</p>	<p>As at 31 March 2016, there is 100% compliance with the Regional Councils resource consents.</p> <p><i>Year-to-date – 100% Compliance</i></p>

Water Supply

COST OF SERVICE STATEMENT

For the Nine Months Ended 31 March 2016

Percentage of year completed: 75.00%	Annual Plan	Last year	Actual	Year to date	Variance in	Variance in	% Actual to	% Variance to	Notes to
	A	B	C	Budget	\$ E = D - C	% F = E/D	Annual Plan G = C/A	total Annual Plan H = E/Tot A	accounts
Income									
Significant activity revenue									
Shannon Water	19,000	18,604	10,439	14,250	(3,811)	26.74%	54.94%	0.33%	
Levin Water	774,000	429,182	746,755	580,500	166,255	-28.64%	96.48%	-14.61%	1
Foxton Beach Water	105,000	69,064	74,250	78,750	(4,500)	5.71%	70.71%	0.40%	
Foxton Water	236,577	159,915	221,433	177,429	44,004	-24.80%	93.60%	-3.87%	
Tokomaru Water	3,700	4,576	2,126	2,775	(649)	23.40%	57.45%	0.06%	
Total	1,138,277	681,341	\$1,055,004	853,704	201,300	-23.58%	92.68%	-17.68%	
Total income	1,138,277	681,341	1,055,004	853,704	201,300	-23.58%	92.68%	-17.68%	
Expenditure									
Significant activity expenditure									
Levin Water	1,533,411	958,199	1,085,298	1,170,548	85,250	7.28%	70.78%	1.77%	
Foxton Water	395,772	380,222	407,718	302,407	(105,311)	-34.82%	103.02%	-2.18%	2
Water Races Water	0	31,520	0	0	0	100.00%	100.00%	0.00%	
Shannon Water	373,609	237,661	314,946	285,775	(29,171)	-10.21%	84.30%	-0.61%	3
Tokomaru Water	197,914	90,454	113,140	149,239	36,099	24.19%	57.17%	0.75%	
Foxton Beach Water	393,699	223,256	339,741	299,314	(40,427)	-13.51%	86.29%	-0.84%	4
Total	2,894,405	1,921,312	\$2,260,843	2,207,283	(53,560)	-2.43%	78.11%	-1.11%	
Other expenses									
Depreciation and amortisation	1,925,924	1,450,088	1,444,455	1,444,442	(13)	0.00%	75.00%	0.00%	
Total	1,925,924	1,450,088	\$1,444,455	1,444,442	(13)	0.00%	75.00%	0.00%	
Total expenditure	4,820,329	3,371,400	3,705,298	3,651,725	(53,573)	-1.47%	76.87%	-1.11%	
Non-operational costs									
Non operating income									
Development Contribution	0	39,697	0	0	0	100.00%	100.00%	100.00%	
Vested Assets	0	31,466	46,999	0	46,999	100.00%	100.00%	100.00%	
Total	0	71,163	\$46,999	0	46,999	100.00%	100.00%	100.00%	
Non operating expenditure									
Internal interest expense	332,870	213,624	237,238	249,653	12,415	4.97%	71.27%	100.00%	
Total	332,870	213,624	\$237,238	249,653	12,415	4.97%	71.27%	100.00%	
Total non-operational costs	332,870	142,461	190,239	249,653	59,414	23.80%	57.15%	100.00%	
Total surplus/(deficit)	4,014,922	2,832,520	2,840,533	3,047,674	207,141	6.80%	70.75%		

Notes

1. Water billing / 2 large user connection charges
2. Unplanned reservoir cleaning and minor electrical repairs
3. Incorrectly posted chemicals, consent renewal fees (capex), payment to Pall NZ
4. Incorrectly posted chemicals / Overheads

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Water Supply: To provide a reliable supply of safe water.</p>	<p>To ensure the percentage in which the local authority's drinking water supply complies with:</p> <p>a) part 4 of the Drinking Water Standards for New Zealand 2005 (revised 2008) bacterial compliance criteria complies 100% of the time as below:</p> <ul style="list-style-type: none"> • Levin • Shannon • Foxton • Foxton Beach • Tokomaru <p>b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies as below:</p> <ul style="list-style-type: none"> • Levin: 0% • Shannon: 100% • Foxton: 100% • Foxton Beach: 100% • Tokomaru: 100%. 	<p>The target of 99% has been achieved regarding compliance with the 2005 Drinking Water Standards for New Zealand (revised 2008) for Levin, Foxton, Foxton Beach, Shannon and Tokomaru supply.</p> <p>There was 100% compliance for all bacterial testing done in March 2016. This was based on a report of all test results viewed on the Lab website. Two results for E.coli came back positive towards the end of March but the 3 consecutive tests done in the 3 days following the positive sample came back clear. It is unsure why the results came back positive for the two samples.</p> <p>The target of 99% has been achieved regarding compliance with the 2005 Drinking Water Standards for New Zealand (revised 2008) for Levin, Foxton, Foxton Beach, Shannon and Tokomaru supply.</p> <p>All set targets were achieved in the month of March 2016 except for one recorded incident of a missed MIT on the Rack A Membrane filter. Awaiting results of the investigation into the failure.</p>
<p>Customer Satisfaction: To have drinking water that tastes and looks satisfactory.</p>	<p>The total number of complaints received about any of the following (expressed per 1,000 connections) is no more than 5 complaints about each of the following:</p> <ol style="list-style-type: none"> 1. Drinking water clarity 2. Drinking water taste 3. Drinking water pressure or flow 4. Continuity of supply; and 5. The Council's response to any of these issues. 	<p>As at 31 March 2016, the total number of connections recorded is 10,838, and there were:</p> <ul style="list-style-type: none"> • 12 complaints were received for targets 1 and 2, with 58 for year-to-date (5.35 per 1,000 connections YTD). • 4 complaints were received for targets 3 and 4, with 29 for year-to-date (2.68 per 1,000 connections YTD). • Zero (0) complaints were received for Target 5. <p>The Total complaints per 1,000 connections for all five targets is 8.03 YTD.</p>

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance															
<p>Fault Response:</p>	<p>The median time from the time that Council received notification to the time that service personnel:</p> <ul style="list-style-type: none"> Attendance for urgent call-outs; from the time that Council receives notification to the time that service personnel reach the site is one hour or less. Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is 8 hours or less. Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is 3 days or less. Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is 3 days or less. 	<p>As at 31 March 2016:</p> <ul style="list-style-type: none"> The median time for attending urgent call-outs was 1 hours 12 minutes <ul style="list-style-type: none"> Received 3 and attended to 2 within 1 hour or less. The median time for resolving urgent call-outs was 1 hours and 27 minutes <ul style="list-style-type: none"> Received 3 and resolved 2 within 8 hours or less. The median time for attending non-urgent call-outs was 1 hours 55 minutes <ul style="list-style-type: none"> Received 70 non-urgent call-outs and attended to 69 within 3 days or less. The median time for resolving non-urgent call-outs was 2 hours 45 minutes <ul style="list-style-type: none"> Received 70 and resolved 68 non-urgent call-outs in 3 days or less. <p><i>Year-to-date:</i></p> <ul style="list-style-type: none"> Received 71 and attended to 43 within 1 hour or less Received 71 and resolved 56 within 8 hours or less Received 496 non-urgent call-outs and attended to 476 within 3 days or less. Received 496 and resolved 474 non-urgent call-outs in 3 days or less 															
<p>Shutdowns:</p> <p>To ensure water supply is continual.</p>	<p>To ensure the total number of unplanned water shutdowns is less than 35 per year.</p>	<table border="1"> <thead> <tr> <th data-bbox="1279 1026 1794 1061">RESULTS</th> <th data-bbox="1794 1026 2002 1061">March</th> <th data-bbox="2002 1026 2157 1061">YTD</th> </tr> </thead> <tbody> <tr> <td data-bbox="1279 1061 1794 1096">Total shutdowns</td> <td data-bbox="1794 1061 2002 1096">6</td> <td data-bbox="2002 1061 2157 1096">34</td> </tr> <tr> <td data-bbox="1279 1096 1794 1137">Average shutdown length in hours</td> <td data-bbox="1794 1096 2002 1137">1.3</td> <td data-bbox="2002 1096 2157 1137">2.1</td> </tr> <tr> <td data-bbox="1279 1137 1794 1233">Reasons for shutdown (most of)</td> <td data-bbox="1794 1137 2002 1233">Damage caused by Higgins</td> <td data-bbox="2002 1137 2157 1233">Bursts</td> </tr> <tr> <td data-bbox="1279 1233 1794 1273">Average number of homes affected</td> <td data-bbox="1794 1233 2002 1273">34</td> <td data-bbox="2002 1233 2157 1273">20</td> </tr> </tbody> </table>	RESULTS	March	YTD	Total shutdowns	6	34	Average shutdown length in hours	1.3	2.1	Reasons for shutdown (most of)	Damage caused by Higgins	Bursts	Average number of homes affected	34	20
RESULTS	March	YTD															
Total shutdowns	6	34															
Average shutdown length in hours	1.3	2.1															
Reasons for shutdown (most of)	Damage caused by Higgins	Bursts															
Average number of homes affected	34	20															
<p>Fire Fighting:</p> <p>To ensure firefighting needs are met.</p>	<p>To ensure 74% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.</p>	<p>As at 31 March 2016, 97% of fire hydrants tested met the target. 3% are on rural 50mm mains and are mainly used for flushing purposes and for fire trucks during fire-fighting in the rural areas.</p>															

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance																		
<p>Supply Pressure: To ensure water supply has adequate flow and pressure.</p>	<p>To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.</p>	<p>As at 31 March 2016, 100% of all properties assessed exceeded 250kPa.</p>																		
<p>Water Take: To ensure consent conditions are met.</p>	<p>To ensure 100% compliance with water take limits of resource consents.</p>	<p>As at 31 March 2016, 100% of water takes complied with consent limits.</p>																		
<p>Demand Management: To ensure the water supply is sustainable.</p>	<p>To ensure the average consumption of drinking water per day per resident within the water supply areas is 300lt per day (target based on One Plan Section 6.4.3.1).</p>	<p>As at 31 March 2016, the average consumption per resident results in L/person/day are as below:</p> <table border="1" data-bbox="1312 683 2168 965"> <thead> <tr> <th data-bbox="1312 683 1644 754">SUPPLY</th> <th data-bbox="1644 683 1946 754">MARCH 2016</th> <th data-bbox="1946 683 2168 754">YTD</th> </tr> </thead> <tbody> <tr> <td data-bbox="1312 754 1644 794">FOXTON</td> <td data-bbox="1644 754 1946 794">634</td> <td data-bbox="1946 754 2168 794">528</td> </tr> <tr> <td data-bbox="1312 794 1644 834">FOXTON BEACH</td> <td data-bbox="1644 794 1946 834">354</td> <td data-bbox="1946 794 2168 834">288</td> </tr> <tr> <td data-bbox="1312 834 1644 874">LEVIN</td> <td data-bbox="1644 834 1946 874">602</td> <td data-bbox="1946 834 2168 874">577</td> </tr> <tr> <td data-bbox="1312 874 1644 914">SHANNON/MANGAORE</td> <td data-bbox="1644 874 1946 914">449</td> <td data-bbox="1946 874 2168 914">350</td> </tr> <tr> <td data-bbox="1312 914 1644 965">TOKOMARU</td> <td data-bbox="1644 914 1946 965">333</td> <td data-bbox="1946 914 2168 965">236</td> </tr> </tbody> </table> <p>Please note that these figures include both residential and commercial usage. Usage for Foxton is mainly commercial driven so the consumption per resident is significantly lower than the value reported here.</p>	SUPPLY	MARCH 2016	YTD	FOXTON	634	528	FOXTON BEACH	354	288	LEVIN	602	577	SHANNON/MANGAORE	449	350	TOKOMARU	333	236
SUPPLY	MARCH 2016	YTD																		
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FOXTON BEACH	354	288																		
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SHANNON/MANGAORE	449	350																		
TOKOMARU	333	236																		
<p>Water Loss: To ensure minimal water losses.</p>	<p>To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 20% or less.</p>	<p>No way to measure this target.</p>																		
<p>Water Conservation: To provide water conservation education to the public.</p>	<p>To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.</p>	<p>The Primary School Program is scheduled for this 2015/16 financial year.</p>																		

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Objective	Management Reporting Performance Targets	Actual Performance
<p>Water Supply: To provide a reliable supply of safe water.</p>	<p>The activity shall be provided within the funding policy target for 2015/16 of \$1,112,700. (20%-30% private good).</p>	<p>As at 31 March 2016, the revenue is \$985,754.</p>
<p>Risk Management Plans:</p>	<p>Compliance with the Health (DW) Amendment Act 2007. Number of water supplies with approved Public Health Risk Management Plans is to be five (5).</p>	<p>As at 31 March 2016, all five (5) water supplies are operating with approved Public Health Risk Management Plans.</p>

Wastewater Disposal

COST OF SERVICE STATEMENT

For the Nine Months Ended 31 March 2016

Percentage of year completed: 75.00%	Annual Plan		Year to date				% Actual to Annual Plan G = C/A	% Variance to total Annual Plan H = E/Tot A	Notes to accounts
	A	Last year B	Actual C	Budget D	Variance In \$ E = D - C	Variance In % F = E/D			
Income									
Significant activity revenue									
Levin Wastewater	575,687	291,438	313,204	431,772	(118,568)	27.46%	54.41%	14.96%	1
Shannon Wastewater	2,500	122,990	58,096	1,872	56,224	-3,003.41%	2323.83%	-7.09%	2
Foxton Wastewater	205,000	179,135	241,240	153,756	87,484	-56.90%	117.68%	-11.04%	3
Foxton Beach Wastewater	6,000	431	0	4,500	(4,500)	100.00%	0.00%	0.57%	
Tokomaru Wastewater	0	699	817	0	817	100.00%	100.00%	-0.10%	
Waitare Beach Wastewater	3,500	0	3,432	2,628	804	-30.57%	98.04%	-0.10%	
Total	792,687	594,693	\$616,788	594,528	22,260	-3.74%	77.81%	-2.81%	
Total income	792,687	594,693	616,788	594,528	22,260	-3.74%	77.81%	-2.81%	
Expenditure									
Significant activity expenditure									
Levin Wastewater	1,846,749	1,476,277	1,186,110	1,414,716	228,606	16.16%	64.23%	4.17%	4
Shannon Wastewater	358,370	244,090	309,052	276,389	(32,663)	-11.82%	86.24%	-0.60%	5
Foxton Wastewater	294,046	284,212	173,681	224,559	50,878	22.66%	59.07%	0.93%	
Tokomaru Wastewater	106,633	54,068	55,945	81,071	25,126	30.99%	52.47%	0.46%	
Foxton Beach Wastewater	230,498	168,813	201,497	177,575	(23,922)	-13.47%	87.42%	-0.44%	6
Waitare Beach Wastewater	216,556	119,322	123,340	165,386	42,046	25.42%	56.96%	0.77%	
Total	3,052,852	2,346,782	\$2,049,625	2,339,696	290,071	12.40%	67.14%	5.29%	
Other expenses									
Depreciation and amortisation	2,434,287	1,674,097	1,825,722	1,825,715	(7)	0.00%	75.00%	0.00%	
Total	2,434,287	1,674,097	\$1,825,722	1,825,715	(7)	0.00%	75.00%	0.00%	
Total expenditure	5,487,139	1,674,097	3,875,347	4,165,411	290,064	6.96%	70.63%	5.29%	
Non-operational costs									
Non operating income									
Development Contribution	0	41,250	0	0	0	100.00%	100.00%	100.00%	
Vested Assets	0	26,905	23,958	0	23,958	100.00%	100.00%	100.00%	
Revaluation gains	8,338	0	0	0	0	100.00%	0.00%	100.00%	
Total	8,338	68,155	\$23,958	0	23,958	100.00%	287.33%	100.00%	
Non operating expenditure									
Internal interest expense	934,980	558,946	568,337	701,232	132,895	18.95%	60.79%	100.00%	
Total	934,980	558,946	\$568,337	701,232	132,895	18.95%	60.79%	100.00%	
Total non-operational costs	926,642	558,946	544,380	701,232	156,852	22.37%	58.75%	100.00%	
Total surplus/(deficit)	5,621,094	1,570,195	3,802,939	4,272,115	469,176	10.98%	67.65%		

Notes

1. Trade waste charges outstanding – est \$166k
2. Budgeted amount appears incorrect
3. Increased revenue due to increased load
4. Overheads more than anticipated
5. Professional Services / Operations of Valvaleen Farm – offset against future income
6. Overheads / Heavy rain June - August

•

WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Wastewater: To provide a reliable system of wastewater collection and disposal.</p>	<p>To ensure the number of dry weather overflows from the wastewater system is less than two (2) per 1,000 connections.</p>	<p>Complied. There were two (2) dry weather sewer overflows reported in the month of March 2016 and equates to 0.16 overflows per 1,000 connections.</p> <p><i>Year-to-date – 12 dry weather sewer overflows at 0.98 per 1,000 connections</i></p>
<p>Fault Response: To ensure Council provides a good response to faults reported.</p>	<p>1. To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel reach the site in responding to an overflow or wastewater blockage is less than one (1) hour.</p>	<p>As at 31 March 2016, complied. (Information obtained from CRM and Downer Work Report Forms) The median response time = 0.26 hours</p> <p><i>Year-to-date – Complied</i></p>
	<p>2. To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel confirm resolution of the blockage or other fault within the wastewater system will be no more than twelve (12) hours.</p>	<p>As at 31 March 2016, complied. (Information obtained from CRM and Downer Work Report Forms) The median resolution time = 2.00 hours</p> <p><i>Year-to-date – Complied</i></p>
<p>Customer Satisfaction:</p>	<p>To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding:</p> <ul style="list-style-type: none"> • Wastewater odour: 10 or less • Wastewater systems faults: 8 or less • Wastewater system blockages: 10 or less • The Council's response to issues with its 	<p>As at 31 March 2016, there were:</p> <ul style="list-style-type: none"> • Zero (0) – equates to zero (0) per 1,000 connections <ul style="list-style-type: none"> 1. <i>Year-to-date – 3 equates to 0.27 per 1,000 connections (1 stagnant water, 1 open wastewater pipe & 1 Tokomaru WWTP Pond or Cattle-waste effluent)</i> • Zero (0) – equates to zero (0) per 1,000 connections (3 pump station and 3 sewer pipe repairs) <ul style="list-style-type: none"> 2. <i>Year-to-date – 24 equates to 1.97 per 1,000 connections (1 pumping main repair, 126 pump station & 11 sewer pipe repairs)</i> • Four (4) – equates to 0.33 per 1,000 connections <ul style="list-style-type: none"> 3. <i>Year-to-date – 69 equates to 5.65 per 1,000 connections</i> • Zero (0) – equates to zero (0) per 1,000 connections <ul style="list-style-type: none"> 4. <i>Year-to-date – 3 equates to 0.24 per 1,000 connections (2 MH)</i>

	wastewater system: 10 or less <ul style="list-style-type: none">Total number of complaints received about any of the above: 38 or less	<i>levels & 1 backflow)</i> <ul style="list-style-type: none">Four (4) – equates to 0.33 per 1,000 connections <i>Year-to-date – 103 equates to 8.44 per 1,000 connections</i>
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WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance																																				
<p>Customer Satisfaction:</p>	<p>To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 80%.</p>	<p>The results from the 2015 Customer Satisfaction Survey are shown below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total %</th> <th>Kere Kere %</th> <th>Levin %</th> <th>Miranui %</th> <th>Waiopahu %</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>6.91</td> <td>7.78</td> <td>7.95</td> <td>7.32</td> <td>4.79</td> </tr> <tr> <td>Satisfied</td> <td>29.14</td> <td>32.22</td> <td>33.64</td> <td>21.95</td> <td>22.75</td> </tr> <tr> <td>Neither Satisfied nor Dissatisfied</td> <td>27.90</td> <td>30.00</td> <td>28.13</td> <td>19.51</td> <td>28.14</td> </tr> <tr> <td>Dissatisfied</td> <td>15.33</td> <td>13.33</td> <td>15.29</td> <td>4.88</td> <td>14.97</td> </tr> <tr> <td>Very Dissatisfied</td> <td>7.87</td> <td>11.11</td> <td>8.87</td> <td>7.32</td> <td>7.19</td> </tr> </tbody> </table>		Total %	Kere Kere %	Levin %	Miranui %	Waiopahu %	Very Satisfied	6.91	7.78	7.95	7.32	4.79	Satisfied	29.14	32.22	33.64	21.95	22.75	Neither Satisfied nor Dissatisfied	27.90	30.00	28.13	19.51	28.14	Dissatisfied	15.33	13.33	15.29	4.88	14.97	Very Dissatisfied	7.87	11.11	8.87	7.32	7.19
	Total %	Kere Kere %	Levin %	Miranui %	Waiopahu %																																	
Very Satisfied	6.91	7.78	7.95	7.32	4.79																																	
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Neither Satisfied nor Dissatisfied	27.90	30.00	28.13	19.51	28.14																																	
Dissatisfied	15.33	13.33	15.29	4.88	14.97																																	
Very Dissatisfied	7.87	11.11	8.87	7.32	7.19																																	
<p>Discharge Compliance: To ensure safe disposal of wastewater.</p>	<p>To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below:</p> <ul style="list-style-type: none"> • Abatement notices; • Infringement notices; • Enforcement orders; and • Convictions 	<p>As at 31 March 2016, there was 100% compliance with Horizon's Regional Council's resource consents for discharge from its wastewater system.</p> <p><i>Year-to-date – 100 % Compliance</i></p>																																				
Objective	Management Reporting Performance Targets	Actual Performance																																				
<p>Wastewater: To provide a reliable system of wastewater disposal with minimal disruption to the environment.</p>	<p>1. The activity shall be provided within the funding policy target for 2015/16 of \$700,000. (10%-20% private good).</p>	<p>As at 31 March 2016, the revenue is \$497,436.</p>																																				
	<p>2. An Asset Management Plan will be adopted providing a 10-year planning horizon and reviewed every 3 years.</p>	<p>The Asset Management Plan review for Wastewater has been completed and the proposed programmes incorporated into the Horowhenua District Council Infrastructure Strategy 2015-2045.</p>																																				
	<p>3. An Infrastructure Strategy will be adopted providing a 30-year planning horizon and reviewed every 3 years.</p>	<p>The Infrastructure Strategy was adopted by Council on 18 February 2015.</p>																																				

	<p>4. To ensure 99.5% of connected properties will be protected from system-related overflows during the year.</p>	<p>Complied. In the month of March 2016 there were two (2) properties affected by sewer overflows. 12,204 properties are connected to the Council's wastewater system and 99.98% of these are protected from system-related overflows.</p> <p><i>Year-to-date – 30 properties affected by overflows – 99.75% are protected</i></p>
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WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Objective	Management Reporting Performance Targets	Actual Performance					
		Asset	Asset Location	Description	Consent #	Type	Comment
Wastewater: To provide a reliable system of wastewater disposal with minimal disruption to the environment.	5. Treated effluent will be in compliance with the effluent quality standards as defined in relevant Resource Consents.	Wastewater	Foxton WWTP	Matakarapa Island	103925 & 103926	Discharge to Water and discharge to Land	July 2015 – The effluent discharge limit was exceeded for 30 days. The WWTP was operating under Section 330 of the RMA, 1991, and not operating under Resource Consent Conditions. As applied to, and agreed with, Horizons following the heavy rainfall events in June,
		Wastewater	Tokomaru WWTP	30 Nikau Street	101227 & 101228	Discharge to Water and Land	July 2015 – The effluent discharge limit was exceeded for 16 days. The WWTP was operating under Section 330 of the RMA, 1991, and not operating under Resource Consent Conditions. As applied to, and agreed with, Horizons following the heavy rainfall events in June,
		Wastewater	Levin WWTP	The 'Pot' Hokio Sands Rd	6610	Discharge to Land	July 2015 – The effluent discharge irrigation limit was exceeded for 18 days. The WWTP was operating under Section 330 of the RMA, 1991, and not operating under Resource Consent Conditions. As applied to, and agreed with, Horizons following the heavy rainfall events in June.
		Wastewater	Foxton Beach WWTP	248 Palmer Road	102249	Discharge to Land	August 2015 – The effluent discharge limit was exceeded for 7 days due to a heavy rainfall event. Horizons were informed.
		Wastewater	Foxton WWTP	Matakarapa Island	103925 & 103926	Discharge to Water and discharge to Land	August 2015 – The effluent discharge limit was exceeded on 21 days. HDC agreed with Horizons to carry out additional weekly sampling for ammonia and E.coli from the Pond effluent and from the Foxton Loop upstream and

							downstream of the pond effluent discharge. Test results received up to 18 August 2015 show no adverse effect in the receiving environment.
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WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Objective	Management Reporting Performance Targets	Actual Performance					
<p>Wastewater: To provide a reliable system of wastewater disposal with minimal disruption to the environment.</p>	<p>5. Treated effluent will be in compliance with the effluent quality standards as defined in relevant Resource Consents.</p>	Wastewater	Waitarere Beach WWTP	Forest Road	102220	Discharge to Land	<p>August 2015 – Compliance Report received from Horizons on 22 July 2015. Assessed as Non-compliant due to HDC's failure to submit the Annual Consent Compliance Report and data for the period July 2013 – June 2014. However, HDC had emailed the Report and data on 29 August 2014 to Horizons and a copy of this email was forwarded to Horizons on 25 August 2015 – TRIM Ref D15/111730.</p>

Solid Waste Management

COST OF SERVICE STATEMENT

For the Nine Months Ended 31 March 2016

Percentage of year completed: 75.00%	Annual Plan	Last year	Actual	Year to date		Variance in \$ E = D - C	Variance in % F = E/D	% Actual to Annual Plan G = C/A	% Variance to total Annual Plan H = E/Tot A	Notes to accounts
	A	B	C	Budget	D					
Income										
Significant activity revenue										
Roadside Collection	243,600	191,593	179,638	182,700	(3,062)	1.68%	73.74%	0.18%		
Landfill	1,287,606	1,076,719	1,093,371	965,700	127,671	-13.22%	84.91% 	-7.33%	1	
Waste Transfer Stations	115,000	95,668	118,972	86,247	32,725	-37.94%	103.45%	-1.88%		
Recycling Centre	95,000	8,749	57,976	71,253	(13,277)	18.63%	61.03% 	0.76%	2	
Total	1,741,206	1,372,729	\$1,449,957	1,305,900	144,057	-11.03%	83.27%	-8.27%		
Total income	1,741,206	1,372,729	1,449,957	1,305,900	144,057	-11.03%	83.27%	-8.27%		
Expenditure										
Significant activity expenditure										
Waste Transfer Stations	251,747	131,713	180,740	189,983	9,243	4.86%	71.79%	0.47%		
Landfill	567,753	331,058	429,036	355,322	(73,714)	-20.75%	75.57% 	-3.74%	3	
Roadside Collection	195,900	119,224	130,501	146,925	16,424	11.18%	66.62%	0.83%		
Recycling Centre	666,782	466,343	412,033	500,110	88,077	17.61%	61.79% 	4.47%	4	
Total	1,682,182	1,048,338	\$1,152,310	1,192,340	40,030	3.36%	68.50%	2.03%		
Other expenses										
Depreciation and amortisation	288,920	308,878	216,693	216,690	(3)	0.00%	75.00%	0.00%		
Total	288,920	308,878	\$216,693	216,690	(3)	0.00%	75.00%	0.00%		
Total expenditure	1,971,102	1,357,216	1,369,003	1,409,030	40,027	2.84%	69.45%	2.03%		
Non-operational costs										
Non operating income										
Revaluation gains	3,072	0	0	0	0	100.00%	0.00%	100.00%		
Total	3,072	0	\$0	0	0	100.00%	0.00%	100.00%		
Non operating expenditure										
Internal interest expense	284,844	182,045	167,528	213,633	46,105	21.58%	58.81%	100.00%		
Total	284,844	182,045	\$167,528	213,633	46,105	21.58%	58.81%	100.00%		
Total non-operational costs	281,772	182,045	167,528	213,633	46,105	21.58%	59.46%	100.00%		
Total surplus/(deficit)	511,668	166,532	86,575	316,763	230,188	72.67%	16.92%			

Notes

1. Waste rebate
2. Lower than expected tipping fees
3. Consenting costs
4. No control

SOLID WASTE MANAGEMENT – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Waste Transfer Stations: To ensure Waste Transfer Stations are available at convenient times.</p>	<p>To ensure Waste Transfer stations are available on agreed days at agreed times.</p>	<p>The Waste Transfer Stations were open on agreed days.</p>
<p>Solid Waste: To ensure Solid Waste Activities are undertaken in a healthy and safe manner.</p>	<p>To ensure no reported incidences of injury or illness attributable to use of the Council's Waste Transfer or Recycling Station facilities.</p>	<p>As at 31 March 2016, achieved. This is Contractors care.</p>
<p>Waste Transfer and Recycling Stations: To ensure Waste Transfer and Recycling Stations have a minimal impact on the immediate and surrounding environment.</p>	<p>To ensure the number of odour complaints and reports of solid waste are minimal in or around:</p> <ul style="list-style-type: none"> • Waste Transfer Stations: Less than 3 per month • Recycling Stations: Less than 3 per month 	<p>As at 31 March 2016, there were no complaints regarding odour.</p>
<p>Response Times: To ensure response to service requests regarding Council's Solid Waste Activities is timely.</p>	<p>To ensure that all requests are responded to within three (3) days.</p>	<p>Not achievable. Contractors and other departments control outcomes of CRM's.</p>
<p>Levin Landfill:</p>	<p>The Levin Landfill will be fully compliant with the annual resource consent inspection report.</p>	<p>Horizons six (6) monthly compliance report was received in December 2015 giving a "Comply- Full assessment". Six (6) odour complaints were received in March. The Landfill Consent Review is underway. A prehearing meeting is planned for the 6th April 2016. The Review Hearing is scheduled for the 9th May 2016.</p>
<p>Kerbside Recycling: To ensure Kerbside recycling and refuse collection service is available.</p>	<p>Kerbside recycling shall be offered to 91% of all serviceable households.</p>	<p>As at 31 March 2016, kerbside recycling services are offered to 95.3% of serviceable households in the District.</p>
<p>Recycling: To ensure recycling and refuse is collected on time and in a sanitary manner.</p>	<p>To ensure the number of complaints about non-collection of:</p> <ul style="list-style-type: none"> • Kerbside Recycling: Less than 5 per month • Kerbside Refuse: Less than 5 per month 	<p>As at 31 March 2016:</p> <ul style="list-style-type: none"> • Three (3) this month, 25 year-to-date • Two (2) this month, 56 year-to-date
<p>Recycling Stations: To ensure recycling and refuse is collected on time and in a sanitary manner.</p>	<p>To ensure recycling stations are available at the agreed locations on the agreed days and times.</p>	<p>As at 31 March 2016, achieved. Note: The Shannon static recycling station has relocated from Ballance Street to Thompson Street.</p>

SOLID WASTE MANAGEMENT – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
Solid Waste Information: To ensure information on Council's recycling and refuse services is available from service centres and on the website.	Up-to-date brochures will be available at all offices and on the HDC website.	As at 31 March 2016, it is considered that with internet access brochures are no longer required. Collection area maps were updated in August 2015.
Affordability: To ensure an affordable recycling service is available.	No user charge is set.	As at 31 March 2016, achieved.
Customer Satisfaction: To ensure customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	To ensure the percentage of customers satisfied with their solid waste service, based on the Annual Customer Satisfaction Survey is at least 75%.	81% of customers were satisfied with recycling services. 83% of customers were satisfied with kerbside rubbish collection services.
Education: To ensure customers are educated on waste minimisation practices.	To ensure that education services are provided in local schools.	As at 31 March 2016, Waste Education is being successfully carried out in Schools throughout the District. Achieved.
Objective	Management Reporting Performance Targets	Actual Performance
Landfill: To ensure the landfill is operated in an environmentally friendly way.	The Landfill activity shall be provided within the funding policy target for 2015/16 of \$1,287,606. (60%-70% private good).	As at 31 March 2016, the revenue is \$1,065,884.
Recycling: To ensure recycling collection services are provided and recycling is actively promoted.	Council will collect at least 2,000 tonnes of recyclable material from the kerbside and static recycling schemes.	As at the year-to-date, 1,662 tonnes has been collected. On track.
Roadside Collection: To provide a reliable system of roadside	The Roadside Collection activity shall be provided within the funding policy target for 2015/16 of \$243,600. (60%-70% private good).	As at 31 March 2016, the revenue is \$179,634.

<p>collection of refuse bags and recycling.</p>	<p>The level of satisfaction with kerbside collection of recycling and refuse is measured by receiving less than 15 justified calls per month.</p>	<p>Council has over 13,000 recycling crates in service throughout the district and collects on average 6,700 rubbish bags per month. Achieved. For March 2016, there were five (5) justified complaints regarding non-collection of rubbish and recycling.</p>
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SOLID WASTE MANAGEMENT – Performance Measures – LTP/Annual Plan

Objective	Management Reporting Performance Targets	Actual Performance
<p>All Solid Waste: To measure all solid waste and undertake community education.</p>	<p>The Waste Transfer Stations activity shall be provided within the funding policy target for 2015/16 of \$115,000. (60%-70% private good).</p>	<p>As at 31 March 2016, the revenue is \$118,972.</p>
	<p>The Council will measure the amount of Recycling and Rubbish per Resident.</p>	<ul style="list-style-type: none"> • For the month of 31 March 2016, the average person diverted 7kg of recycling (YTD 52kg). • For the month of 31 March 2016, the average person diverted 3kg of green waste (YTD 22kg). • For the month of 31 March 2016, the average person disposed of 41kg of rubbish (YTD 345kg).

Treasury Report

File No.: 16/210

1. Purpose

To present to the Finance, Audit & Risk Subcommittee the Bancorp Treasury Report for the March 2016 quarter and discuss the LGFA covenant compliance.

2. Recommendation

- 2.1 That Report 16/210 Treasury Report be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Background/Previous Council Decisions

This Quarterly Treasury report is produced by our treasury advisors, Bancorp Treasury Services Limited, and is produced for the benefit of Senior Management and Council.

4. Issues for Consideration

The first 3 months of the calendar year has seen;

- 1) A turbulent Chinese stock market
- 2) Significant fall in global equity markets
- 3) Plunging oil and milk prices due to supply gluts in both
- 4) Falling interest rates
- 5) Virtually no global inflation and growth
- 6) A surprise \$0.25 cut in the Official Cash Rate (OCR) by the Reserve Bank, with likely further cuts to come.
- 7) A recovering Auckland real estate market.

The OCR cut did not achieve its objectives of lowering the exchange rates to aid struggling dairy returns. One might say that it is fuelling the recovery in the Auckland real estate market. Borrowing restrictions imposed on real estate investors in Auckland have seen those investors moving out of Auckland increasing real estate prices elsewhere, the so-called halo effect. There is now conjecture that restrictions in loan financing to real estate investors might be extended beyond Auckland and may even be strengthened requiring greater than the current 30% equity.

It is a feature that some trading banks did not pass on the full OCR cuts to borrowers using it instead to increase their margins/profits or mitigate their lower margins.

Migration increases continues as does the building boom in Auckland and Christchurch, although Christchurch is levelling off.

Although interest rates are coming down the "credit spreads" have increased. Credit spreads are the margins banks place on interest rates (like a mark-up for a product sold in a shop) to reflect poor global credit market sentiment and risk aversion.

Council has not needed to borrow this year as yet, our strategy is to borrow short term at the favourable rates (2.70% - 2.72% for a yearly term) when our cash flow requires a cash injection. We have a \$2m Floating Rate Note (FRN) at 3.90% due for repayment on 16th May which we will need to refinance. The need to borrow above the \$2m refinancing loan will depend on the level of capital expenditure in the next 3 months.

Council has two interest rate swaps. (Refer to item 3, page 8, of the attached report). These are contracts with a bank that effectively turn FRNs into fixed loans for the periods of the Swap contract. They give Council certainty and are very effective in a market where interest rates are rising,(the bank guarantees that we will not pay more than the rate specified in the contract). The swap contracts were taken out several years ago when it looked as though interest rates were about to rise. However, we have the reverse occurring. In a market where interest rates are below the swap contract interest rates, and falling, Council will have to account for a non-cash, 'book", loss on 30 June. We had this loss valued last week. The loss is at \$888k as at 7 April. This will get better if interest rates increase but worse if interest rates continue to fall before 30 June. Although we have two swaps we are less affected by this phenomenon than other local government entities elsewhere that have many more swap contracts than ourselves. Of note also, is that the book loss is not taken into account when working out the "Balance the Budget" prudential benchmark set by the Local Government Financial Reporting Regulations.

Council's weighted average interest rate over all our borrowing is 4.85%. This is calculated with the bank line fee and interest rate swaps included.

Council is compliant with its Borrowing Management and Financial Strategy covenants as explained in the report and the Monthly Financial Statements.

I draw the Committee's attention to the tables in Attachment B. This shows the compliance with all LGFA covenants by all participating Councils. Note that council's own covenant for "net debt/total revenue" is set at 175% (in our Financial strategy) but the LGFA covenant is 250% as we have accredit rating. This gives us considerable head room should we need to borrow for some unexpected event.

Also Council's Borrowing Management Policy sets the Net interest / Rates benchmark at a maximum of 25% whereas the LGFA covenant is at 30% for rated authorities.

HDC sit at 7th out of 20 for rated authorities and 8th out of 45 for all Councils on the main "net debt/total revenue" covenant.

Note that (in the second page of tables) HDC sits at 19 out of 20 in terms of total debt for rated authorities but 7 out of 20 for the "Net debt/total revenue" covenant. This again shows that our Council has lower than normal income than our peers. Also our Annual Plan forecast that we would have total borrowing of \$76m (\$16m increase) by year end. This is not going to occur with our present cash flow forecasts.

Attachments

No.	Title	Page
A	Bancorp Treasury Report QE March 2016	80
B	LGFA Council Covenant Compliance june 2015	91


Confirmation of statutory compliance


In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,

b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Doug Law Group Manager - Finance	
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Approved by	Doug Law Group Manager - Finance	
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CONFIDENTIAL

TREASURY REPORT

FOR



AS AT

31 MARCH 2016



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • CHRISTCHURCH

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1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (AS AT 31 MARCH 2016)

The start of the 2016 year was the worst on record for financial markets. Chinese stockmarket turbulence, coupled with plunging oil and commodity markets saw investor confidence evaporate, leading to significant falls on global equity markets. In the US, the sharemarket had its worst January since the 1920s. Oil prices traded below USD30 per barrel for the first time in twelve years. Global bond rates fell sharply as risk aversion trading saw a flight of capital out of equities and into the relative safety of the sovereign bond market. Global trade data also displayed warning signs, prompting the likes of the World Bank and IMF to cut global growth forecasts again. Market nervousness resulted in corporate credit spreads rising to levels not seen since 2013, something that will likely feed through to corporate borrowing margins.

The Bank of Japan ("BoJ") delivered the biggest central bank shock in January by finally succumbing to domestic and global growth and inflation pressures and cut its target cash rate to minus 0.10%. The yield on Japanese government bonds fell with those yields now negative out to ten years as fears increased of deflation in Japan.

After the extreme volatility over the first six weeks of 2016, global financial markets settled back to more normal 'risk on risk off' trading flows and much smaller day-to-day moves in mid-February. However, this did not stop a number of central banks from loosening the monetary policy reigns further. There was further easing by the European Central Bank ("ECB"), People's Bank of China ("PBC"), Norges Bank and RBNZ. Meanwhile, the Bank of Japan ("BoJ"), Bank of England ("BoE"), Swiss National Bank ("SNB") and the Reserve Bank of Australia ("RBA") stuck to their already easy monetary policy settings and the Federal Reserve ("Fed") scaled back its forecast for interest rate rises in 2016. The net effects were a confirmation that global growth remains weak and inflation low, with some threatening pockets of deflation.

In March, Chinese officials lowered their policy growth target for 2016 from 'about' 7.0% to between 6.5% and 7.0% and the PBC cut its Reserve Ratio Requirement for its banks by 0.50%, the aim being to increase the supply of renminbi in the economy and help boost investment, spending and economic growth. The PBC has implemented many measures to support economic growth to date without major success and these have had consequences for the value of the renminbi against China's major trading partners.

Global bond yields had a volatile quarter. The yield for the benchmark US 10 Year Treasury bond opened the March quarter at 2.37% and fell to a low of 1.53% by mid February but recovered as the extreme pessimism dissipated to end March at 1.77%. On the other hand, German bund yields finished March at 0.15%, just off the quarterly low of 0.11% and well down from the January opening yield of 0.63%. This performance highlights the weak state of the wider European economy which, despite considerable stimulus from the ECB still struggles to register any meaningful economic growth.

1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 31 MARCH 2016)

	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
31 Dec 15	2.50%	2.75%	2.84%	2.98%	3.28%	3.51%	3.75%
31 Mar 16	2.25%	2.34%	2.20%	2.27%	2.51%	2.73%	2.98%
Change	-0.25%	-0.41%	-0.64%	-0.71%	-0.77%	-0.78%	-0.77%

The focal point for the March quarter was the surprise cut of the Official Cash Rate ("OCR") by the RBNZ, from 2.50% to 2.25%. It was not the cut itself that was the surprise, rather the timing of the cut, with the majority of market participants expecting it to come towards the middle of the year. Further OCR cuts are still expected by the market as the RBNZ assured that monetary policy would remain accommodative for longer. The market has priced in a 34 basis point reduction to the OCR by the end of the year.

The RBNZ justified its March OCR cut by saying, *"The outlook for global growth has deteriorated since the December Monetary Policy Statement, due to weaker growth in China and other emerging markets, and slower growth in Europe."* It also noted that *"Financial market volatility has increased, reflected in higher credit spreads. Commodity prices remain low."*

The dairy sector was again a source of frustration for the RBNZ. Prices at the GlobalDairyTrade fell in five out of the six auctions during the March quarter, with the main index losing 14.0%. Whole Milk Powder which makes up the bulk of New Zealand's dairy exports fared even worse, shedding 14.5%. Those falls have been felt by farmers in their pockets with Fonterra reducing its forecast payout to \$3.90 per kgMS.

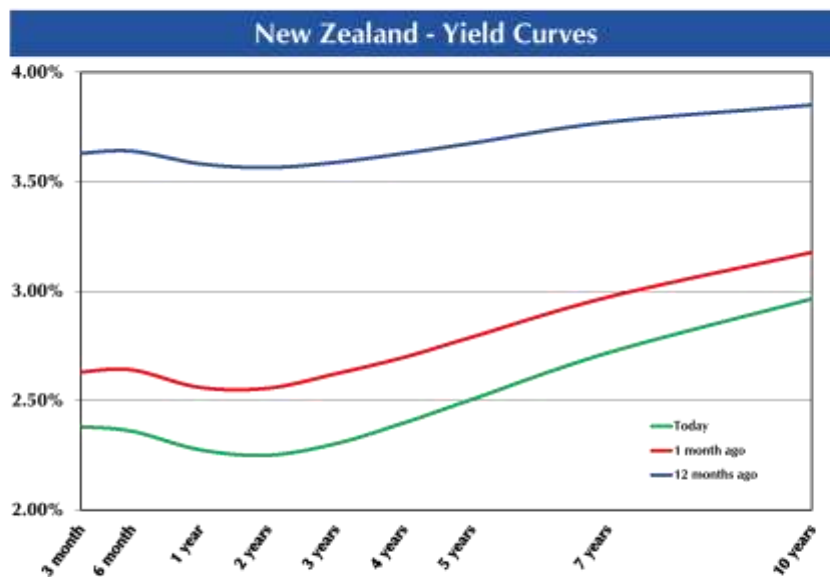
Despite the fall in dairy prices and the significant effect that it is having on farmers and producers alike, the RBNZ has ascertained that the banking system can withstand a reasonably severe downturn in dairy prices for a number of seasons without facing an erosion of capital.

The rest of the New Zealand economy has performed relatively well, underpinned by strong migration numbers, which hit another annual record in February with a net inward migration of 67,391. GDP growth maintained a relatively robust rate of 2.3% from a year earlier.

Inward migration is also supporting the housing market, although the Auckland region is showing signs of slowing slightly but the rest of New Zealand is beginning to catch up. Tourist numbers are now at record levels, with tourism now a bigger export earner than the dairy sector.

The New Zealand yield curve shifted considerably lower during the quarter, driven by the RBNZ rate cut, and the expectation of further cuts to come this year. By the end of the quarter, the 10 year swap rate was 2.98%, well down on the 3.75% level where it started the quarter. With the global economic outlook appearing bleaker in forthcoming months, the potential exists for further falls in swap rates.

The chart below shows the changing shape of the New Zealand yield curve over the past twelve months, especially the low outright rates now compared to March last year.



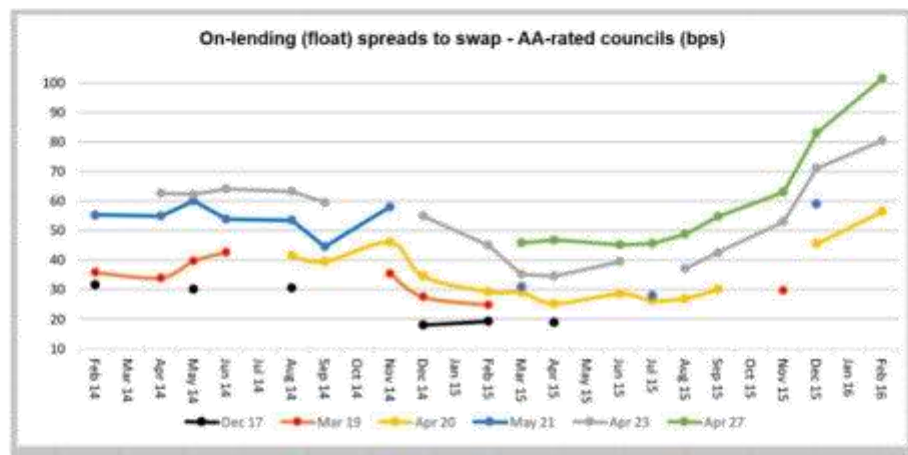
1.3 LOCAL AUTHORITY SECTOR

The Local Government Funding Agency ("LGFA") held its last tender for the quarter on 17 February. In total, \$120 million of bonds and Floating Rate Notes ("FRNs") were issued; details of the tender are as follows:-

- 15 April 2020 maturity - \$20 million issued at a margin of 57 basis points over swap (47 basis points in the August tender) for a 'A+' rated borrower.
- 5 April 2023 maturity - \$50 million issued at a margin of 80 basis points over swap (55 basis points over swap in the August tender) for a 'A+' rated borrower.
- 15 April 2027 maturity - \$50 million issued at a margin of 100 basis points over swap (68 basis points over swap in the August tender) for a 'A+' rated borrower.

These spreads over the swap rates have widened over recent months due to poor global credit market sentiment and accompanying risk aversion. The increase in LGFA spreads will have flowed through to local authority standalone bond issuance, although there has been very little activity in this segment of the market recently.

The graph below shows the movement in spreads for LGFA debt going back two years and highlights the increase in spreads over the last six months.



1.4 CREDIT SPREADS

The increase in credit spreads for the broader market is depicted in the chart below. It shows credit spreads for the New Zealand Corporate 'A' Grade Bond index (the grey shaded area) and the three year swap rate (red line) dating back to the start of 2008. The three year swap rate is used as it most closely replicates the duration of the Corporate 'A' Grade Bond index.



2. FUNDING PROFILE

As at 31 March 2016, Horowhenua District Council ("HDC") had \$60.0 million of external debt, comprising a combination of Fixed Rate Bonds and FRNs, some of which have been sourced from the LGFA. Details of the individual issues are as follows:

BONDS

- \$2.0 million issued in August 2010, maturing 16 August 2016, at a margin of 170 basis points over swap, equating to a rate of 6.275%.
- \$3.0 million issued in March 2012, maturing on 15 March 2017, at a margin of 135 basis points over swap, equating to a rate of 5.05%.
- \$4.0 million issued in May 2012, maturing on 23 May 2017, at a margin of 140 basis points over swap, equating to a rate of 4.39%.
- \$2.0 million issued in November 2011, maturing on 15 November 2018, at a margin of 150 basis points over swap, equating to a rate of 5.59%.

FRNs

- \$2.0 million issued in May 2011, maturing 16 May 2016 at a margin of 130 basis points.

LGFA

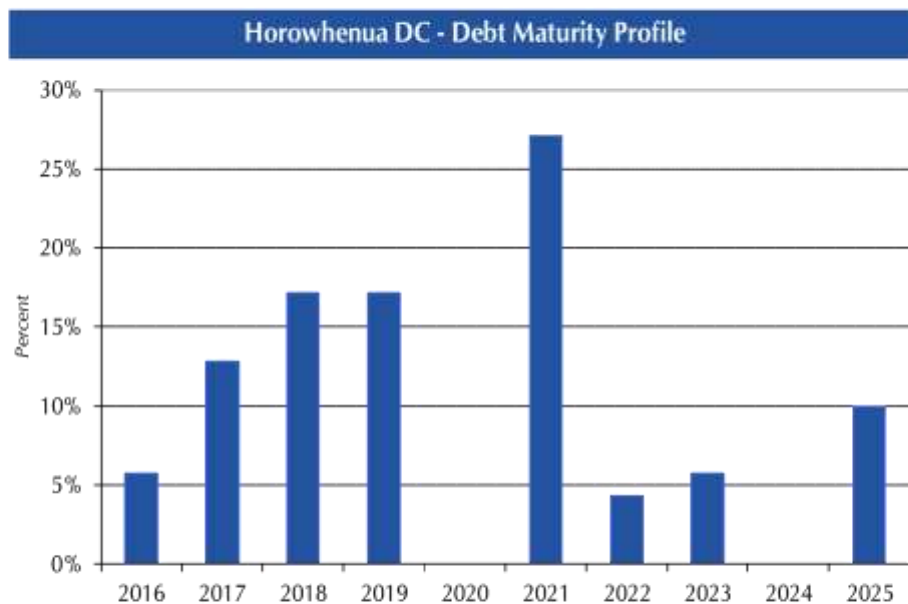
- \$2.0 million FRN issued in February 2013, maturing 15 December 2017, at a margin of 88 basis points.
- \$4.0 million fixed rate bond issued in December 2012, maturing 15 March 2019, at a margin of 113 basis points over swap, equating to a rate of 4.45%.
- \$3.0 million FRN issued in May 2013, maturing 15 March 2019, at a margin of 77 basis points.
- \$5.0 million fixed rate bond issued in February 2013, maturing 15 March 2019, at a margin of 92 basis points over swap, equating to a rate of 4.71%.
- \$4.0 million FRN issued in May 2013 maturing 15 May 2021, at a margin of 84 basis points.
- \$5.0 million fixed rate bond issued in May 2013 maturing 15 May 2021, at a margin of 79 basis points over swap, equating to a rate of 4.56%.
- \$5.0 million fixed rate bond issued in September 2013 maturing 15 May 2021, at a margin of 109 basis points over swap, equating to a rate of 5.99%.
- \$5.0 million fixed rate bond issued in December 2013 maturing 15 May 2021, at a margin of 87 basis points over swap, equating to a rate of 5.85%.

- \$3.0 million FRN issued in May 2015 maturing 18 May 2022, at a margin of 42.5 basis points.
- \$4.0 million fixed rate bond issued in November 2014 maturing 15 April 2023, at a margin of 81 basis points over swap, equating to a rate of 5.13%.
- \$7.0 million FRN issued in May 2015 maturing 19 May 2025, at a margin of 49 basis points.

As at 31 March 2016, HDC had no drawings under its BNZ facility. Additionally, there were no bond or FRN maturities and no new debt issued during the quarter.

HDC's current debt maturity profile is depicted in the graph below. It indicates a good spread of maturities between 2016 and 2025 and, as such, complies with Section 4.6 of the Liability Management Policy ("LMP") that governs HDC's funding risk management activities.

Included in the funding profile is the \$10.0 million Committed Cash Advance Facility with BNZ that matures in October 2018.



3. DEBT AND HEDGING PROFILE

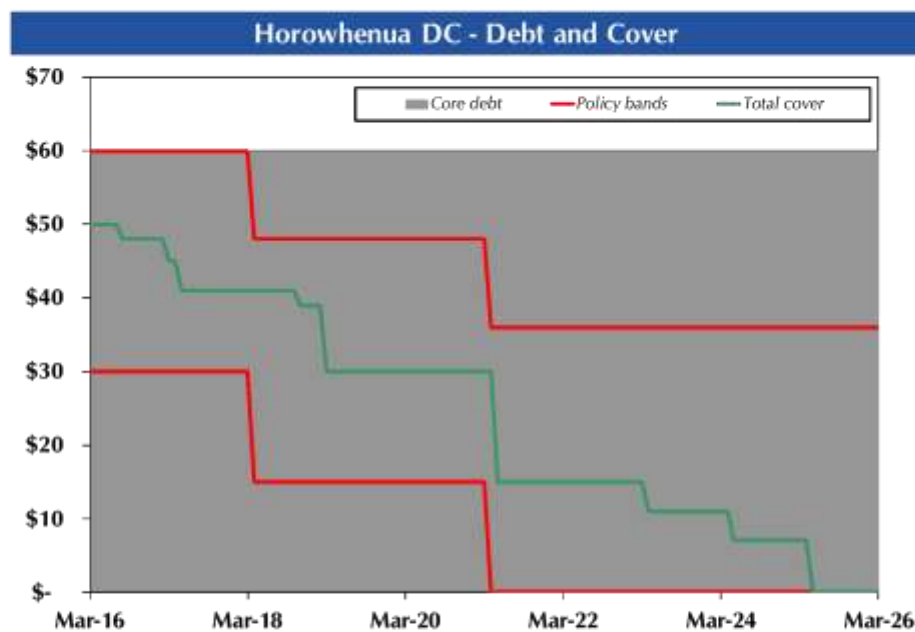
As at 31 March 2016, HDC had two interest rate swaps, as follows:

- \$4.0 million, commenced 18 February 2013, maturing 18 May 2024, at 4.015%.
- \$7.0 million, commenced 18 May 2015, maturing 18 May 2025, at 4.75%.

Section 4.3 of the LMP details the Fixed Rate Hedging Percentages as in the table below:

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0–2 years	50%	100%
2–5 years	25%	80%
5–10 years	0%	60%

The debt and hedging profile incorporating these parameters is depicted in the graph below. Included in the fixed rate hedging percentages are the fixed rate bonds and the interest rate swaps. As at 31 March 2016, HDC was policy compliant.



HDC's cost of funds (inclusive of the bank line fee) as at 31 March 2016 was 4.86%. We expect further declines in the cost of funds during 2016 as higher priced historical debt matures and new debt is raised at interest rates below the current weighted average.

4. POLICY COMPLIANCE (AS AT 31 MARCH 2016)

	Yes/No
<i>Have all transactions been entered into compliance with policy?</i>	√
<i>Are the fixed rate hedging percentages within policy control limits?</i>	√
<i>Is HDC maintaining liquidity within policy control limits?</i>	√
<i>Are all counterparty exposures within policy control limits?</i>	√
<i>Is HDC compliant with the financial covenants contained in the LMP</i>	√

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Financial Covenants - as at June 2015

Council	Credit Rating	Net Debt / Total Revenue <25%	Net Interest / Total Revenue <20%	Net Interest / Rates <30%	Liquidity >100%
Auckland Council	AA	217.4%	11.6%	16.2%	124.5%
Kapiti Coast District Council	A+	212.7%	11.8%	14.9%	116.8%
Western Bay of Plenty District Council	AA-	166.3%	10.8%	13.7%	131.0%
Hamilton City Council	AA-	164.1%	10.5%	15.1%	124.1%
Tauranga City Council	A+	162.1%	11.7%	16.1%	125.9%
Tasman District Council	AA	136.9%	7.3%	11.4%	131.0%
Horowhenua District Council	A+	122.2%	7.0%	9.4%	120.9%
Whangarei District Council	AA-	120.8%	6.8%	9.7%	129.4%
Christchurch City Council	A+	114.2%	5.7%	10.9%	145.0%
Whangarei District Council	AA-	95.3%	6.3%	8.1%	140.6%
Tairāpo District Council	AA-	85.5%	7.7%	10.2%	188.6%
Palmerston North City Council	AA	85.0%	6.1%	8.4%	165.6%
Waimakariri District Council	AA	81.8%	4.0%	7.1%	118.6%
Wellington City Council	AA	81.8%	4.4%	7.8%	143.3%
Nelson City Council	AA-	77.2%	3.9%	5.8%	138.3%
Hutt City Council	AA	69.9%	3.0%	4.5%	125.6%
Greater Wellington Regional Council	AA	55.8%	2.0%	3.5%	163.3%
Porirua City Council	AA	51.3%	3.5%	5.0%	130.0%
South Taranaki District Council	A+	-21.5%	-15.0%	-23.3%	229.6%
New Plymouth District Council	AA	-142.3%	2.7%	4.8%	396.3%
Average		113.4%	6.6%	9.4%	

Unrated Councils	Net Debt / Total Revenue <175%	Net Interest / Total Revenue <20%	Net Interest / Rates <25%	Liquidity >100%
Potterton District Council	159.5%	8.3%	12.2%	128.9%
Hauraki District Council	106.7%	6.2%	7.6%	122.4%
Manitōn District Council	95.7%	5.6%	8.1%	154.5%
Queenstown Lakes District Council	86.9%	5.6%	8.4%	128.9%
Manawatu District Council	81.1%	3.7%	5.9%	135.3%
Whakatane District Council	68.4%	3.9%	5.7%	148.6%
Otorohanga District Council	63.9%	3.8%	5.2%	127.4%
Ashburton District Council	63.5%	3.7%	6.7%	136.0%
Timaru District Council	56.8%	2.8%	4.7%	152.3%
Thames Coromandel District Council	55.5%	3.9%	5.0%	134.9%
Fair North District Council	54.8%	3.8%	5.4%	154.5%
Upper Hutt City Council	46.0%	2.5%	3.1%	149.5%
Hastings District Council	42.9%	2.7%	4.2%	258.8%
Hurunui District Council	42.3%	2.3%	5.3%	132.4%
Grey District Council	41.9%	3.1%	6.2%	176.4%
Waikato District Council	41.5%	2.5%	3.7%	144.5%
Gisborne District Council	34.9%	2.0%	3.9%	146.4%
Matamata-Piako District Council	29.1%	2.4%	3.2%	187.5%
Opotiki District Council	13.2%	1.3%	1.8%	164.3%
Marlborough District Council	13.0%	0.8%	1.4%	207.5%
Horizons Regional Council	12.4%	0.5%	0.7%	198.3%
Tairāpo District Council	1.3%	0.2%	0.4%	233.6%
Waipa District Council	0.6%	0.5%	0.7%	243.9%
Selwyn District Council	-21.3%	0.3%	0.8%	294.5%
Bay of Plenty Regional Council	-236.2%	-13.0%	-33.0%	n.a.
Average	36.70%	2.11%	2.99%	

Monitoring Reports to 27 April 2016

File No.: 16/206

1. Purpose

To present to the Finance, Audit & Risk Subcommittee Monitoring Reports covering:

- Requested actions from previous meetings of the Subcommittee;
- Issues identified during the 30 June 2015 Audit.

2. Recommendation

2.1 That Report 16/206 Monitoring Reports to 27 April 2016 be received.

2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

Attachments


No.	Title	Page
A	Finance Audit & Risk Subcommittee - Monitoring Report	94
B	Monitoring Report - issues identified during the 30 June 2015 Audit	97


Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Doug Law Group Manager - Finance	
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Approved by	Doug Law Group Manager - Finance	
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MONITORING REPORT
HOROWHENUA DISTRICT COUNCIL
Finance, Audit & Risk Subcommittee





Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
24 Feb 2016	16/63	Current Incomes Projections – check with managers to find out why income was being exceeded		D Law	March 2016	March 2016	Income projections have been updated in the February monthly report
		Explanation to be provided as to what 'Other' related to under Non-current liabilities (page 15)		D Law	March 2016	March 2016	Explanation has been provided in the February monthly report.
		Clarification re spending on the reservoir project (page 19) which had not gone to the Feb Council mtg		D Law	March 2016	March 2016	This comment has been removed in the February monthly report. This was inserted in error.
		Removal of graph on page 19 which had been included in error		D Law	March 2016	March 2016	This has been removed from the February monthly report.
		Corrections/amendments to be done prior to inclusion on next Council Agenda		D Law	March 2016		The January monthly report was updated for the Council agenda.




<p style="text-align: center;">MONITORING REPORT</p> <p style="text-align: center;">HOROWHENUA DISTRICT COUNCIL</p> <p style="text-align: center;">Finance, Audit & Risk Subcommittee</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
	16/23	Audit New Zealand – Final Management Report for the year ended 30 June 2016	<i>THAT a Monitoring Report model be prepared and be presented to the next Finance, Audit & Risk Subcommittee meeting that will be used to measure progress to achieve the recommendations of Audit New Zealand.</i>		March 2016		Will be presented to the March FARS meeting.
		Attendance by Audit Director and Audit Manager at March 2016 FARS meeting			March 2016		Seek clarification if the FARS wish Audit NZ to attend the April FARS meeting
30 March 2016	16/09	Inclusion of explanatory note with regard to receipt of capital subsidies		D Law	April 2016	15/4/2016	This is noted on the Income and Expenditure Statement notes.
		Getting a swap revaluation done was being considered		D Law	April 2016	15/4/2016	The swap has included the likely non-cash loss in the Executive Summary of the March







MONITORING REPORT
HOROWHENUA DISTRICT COUNCIL
Finance, Audit & Risk Subcommittee





Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
							2016 Report. This is also commented on in the Treasury Report.
		Further column to be added to the Rates Debtors statement showing the number of assessments with arrears for the previous year			April 2016	15/4/2016	This is added to the Monthly Report 31 March 2016
	16/128	Workshop to be held in conjunction with next FARS meeting showing the internal controls in place (delegation, authorities and examples of processes)					This workshop will follow the meeting. Staff are preparing a report which will be e-mailed to members of the committee as soon as it has been completed.

FINANCE, AUDIT & RISK SUBCOMMITTEE
Monitoring Report – Issues identified during the 30 June 2015 Audit

- Number Complete and or Complete and Ongoing [blue light] 
- Number complete or on track [green light]: 
- Number off track but mitigation in place [orange light] 
- Number off track [red light]: 

Ref	Recommendation	Urgent	Necessary	Beneficial	Status	Officer Comment
2.1.1	Systems for mandatory performance measures Implement appropriate systems in place as soon as possible to ensure Council can report against the mandatory performance measures in 2015/16	✓				Council has met with Audit to identify the issues with the reporting requirements. Council is working to ensure that we can capture the required information.
2.1.2	SPP – Completeness of supporting documentation held by Contractors All supporting information be held by the Council and reviewed for completeness. Perform spot checks to ensure that the supporting information provided by the contractor agrees to the CRM and other reports from the contractor	✓				Council has met with Audit to identify the issues with the reporting requirements. Council is working to ensure that we can capture the required information.
3.1.1	Independent review of creditor Masterfile Implement an independent review over the creditor Masterfile changes made to ensure that changes made to the creditor Masterfile are legitimate. Reinstate a monthly review of the creditor Masterfile, evidenced with a dated signature	✓				Creditors Masterfile will be signed off each month

3.1.2	<p>Independent review of payroll Masterfile</p> <p>Implement an independent review of the payroll Masterfile changes from the pay run ended 15/02/2015 to date to provide assurance to management that changes made to the payroll Masterfile are legitimate. Complete future independent reviews of the changes made to the payroll Masterfile in a timelier manner</p>	✓				There is an independent review of the payroll Masterfile is undertaken for each fortnightly payroll.
3.1.3	<p>Internal assurance over landfill revenue</p> <p>Obtain assurance that the landfill revenue information received in the last three quarters was appropriate. Complete quarterly audits in a timelier manner</p>		✓			The information received from the contractor will be audited against Council records.
3.1.4	<p>Reviews of users and their access levels within Authority (IS)</p> <p>Perform a review of Authority users and their access levels to ensure that they remain appropriate</p>			✓		Review complete. Decision made to implement role based security within Authority which will enable us to manage permissions and delegations by role and then allocate a person to that role. This will also streamline the process for people leaving and joining the organisation and ensuring appropriate access and delegations are inherited as per their role. (NB)
3.1.5	<p>Patching and Virus Management Improvements (IS)</p> <p>Review patch and virus management procedures to ensure that the systems are managing all of Council's current devices.</p> <p>Establish an after-hours outage window so that IT staff are able to take servers down to perform maintenance and configuration.</p> <p>Establish reporting on the status of patching and virus management to ensure Council's systems are protected</p>			✓		Security review completed March 2016. Pending report of findings and recommendations. (NB)
5.2.1	<p>Reporting of unplanned and deferred maintenance</p> <p>Report planned, unplanned and deferred maintenance to Council</p>		✓			Planned and Unplanned maintenance will be reported to Council on a monthly basis. We will co-ordinate with Asset Management to identify deferred maintenance.
6.1	<p>Maintenance of fixed asset register (FAR)</p>		✓			A review of both FAR and CVR will be undertaken in 2016.

	Perform a full review of the FAR to ensure valid data is contained in the module. Review accounting policies to ensure depreciation rates appropriate and detailed enough for assets which are commonly added to the schedule.					
6.2	Maintenance of fixed assets WIP schedule Monitor WIP balances on a regular basis to ensure that any WIP that should be capitalised is done so.		✓			We will work to improve the identification of WIP and capitalise assets when they are operational.
6.3	PPE additions – missing contract documentations Retain all contract information and ensure it is appropriately filed and archived to enable monitoring of key KPIs and contract conditions. All contracts should be appropriately approved and payments approved in line with delegated authority		✓			Contract register established and populated. A reporting system has been developed attached to this to identify a number of key elements relating to the contract. The register has been established within the Council corporate system (Authority) to enable all contract register entries to be linked to wider areas such as the accounts payable modules and associated delegated authorities. The register entries are also linked to our procurement register which enables us to see the connection between the original procurement plan and view the documentation which outlines the market process, evaluation criteria and panel attached to the procurement decision. With all information gathered into a central portal, Council will now look to establish how we can link to the contract conditions and their monitoring (NB)
6.4	Classification of “assets held for sale” Implement a review process at year end to identify any assets for sale which meet the criteria as held for sale in the financial accounts			✓		A review process will be put in place to identify any assets that are held for sale.
6.5	Appropriateness of procurement process Future significant procurement should follow a tender process		✓			Procurement Policy reviewed. Version 2.0 of the policy and guidelines adopted by the leadership team in March 2016. Procurement documentation under way to provide staff with guides for each stage of the procurement process and appropriate procedure documents for all stages including tenders. Contract register developed to record all existing contracts and a process developed for addition of any future contracts.

						Annual procurement plan currently under development to identify all planned procurement as per annual plan budgets. (NB)
6.6	<p>Enforcement of the delegated financial authority</p> <p>Remind staff of the need to comply with delegated financial authority and remind processing staff to be more diligent in making sure the delegated financial authority is appropriately followed.</p> <p>Encourage staff to use of the Online Requisition system to reduce the risk of payments being approved outside staff delegation</p>	✓			●	<p>Role base security implementation will deliver improvements within the system for the management of delegations by role.</p> <p>AP workflow has gone LIVE on 15 March 2016 that requires an OLR for goods and services supplied to Council..</p>
6.7	<p>Project management improvements</p> <p>Formalise the methodology for managing projects and ensure that there is a planned approach to post implementation review in place</p>		✓		●	<p>Council has in place a formal documented system for Project reporting to the Projects Committee which outlines how these projects are managed. These reports include progress costs (budgeted, actual and projected), resourcing, risks register, opportunities as well as any Health and Safety matters for each individual projects. Reports are submitted to the Projects Committee on a monthly basis.</p> <p>Following completion of projects, Council meets with the contractor to review the project. Key points are documented.</p>
6.8	<p>Keeping the interest register up to date</p> <p>Remind elected members and other key management personnel to update the interest register on a regular basis</p>		✓		●	The interest register will be updated.

Explanation of priority rating system

Audit's recommendations for improvement and their priority are based on Audit's assessment of how far short Horowhenua District Council is from a standard that is appropriate for the size, nature, and complexity of the business.

Audit has developed the following priority ratings for recommended improvements.

<p>Urgent Major improvements required</p>	<p>Needs to be addressed urgently</p> <p>These recommendations relate to a significant deficiency that exposes the District Council to significant risk. Risks could include a material error in the financial statements and the non-financial information; a breach of significant legislation; or the risk of reputational harm</p>
<p>Necessary Improvements are necessary</p>	<p>Address at the earliest reasonable opportunity, generally <i>within 6 months</i></p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine the system of internal control or create operational inefficiency</p>
<p>Beneficial Some improvement required</p>	<p>Address, generally <i>within 6 to 12 months</i></p> <p>These recommendations relate to deficiencies that result in the District Council falling short of best practice. These include weaknesses that do not result in internal controls being undermined or create a risk to operational effectiveness. However, in Audit's view, it is beneficial for management to address these.</p>