

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

Date: Wednesday 27 January 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	
Deputy Chairperson	Mayor B J Duffy	
Members	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	

Contact Telephone: 06 366 0999
Postal Address: Private Bag 4002, Levin 5540
Email: enquires@horowhenua.govt.nz
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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Financial Report for the six months to 31 December 2015

File No.: 16/3

1. Purpose

To present to the Finance, Audit & Risk Subcommittee the financial report for the six months to 31 December 2015.

2. Recommendation

- 2.1 That Report 16/3 Financial Report for the six months to 31 December 2015 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 - 31 December 2015	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	



Six Month Report

01 July 2015 to 31 December 2015

This report is for the six months ended 31 December 2015. Included in this report is an executive summary, organisation summary and financial statements.

Executive Summary

Operating deficit: \$806,000 less than budget of \$1,267,000.

Activity revenue: above budget by \$373,000 with no major variance to report.

Activity expenditure: below budget by \$817,000 with no major variance to report.

The Forecast budget for 30 June 2016 is forecasting a deficit of \$(503,000) at 30 June 2015 versus the Annual Budget of \$1,596,000.

Activity revenue: expected to be below budget by \$445K.

Activity expenditure: expected to be above budget by \$1,557.

Sundry debtors: The total Outstanding Debtors have decreased in the month by \$198K. The total Outstanding Debtors is \$726K and have reduced by 41% since June 2015.

Major variances

	30 Jun 2015	31 December 2015	Variance
On charges	\$138,788	\$105,415	(\$33,373)
Development Contribution	\$353,371	\$190,786	(\$162,585)
90 day outstanding	\$639,089	\$605,954	(\$33,135)

Treasury: Our weighted average interest rate decreased to 4.91% at December 2015, decreasing from 5.15% at June 15 and 5.32% at December 2014. The LTP interest rate assumption for 2015/16 was 5.5%.

Doug Law

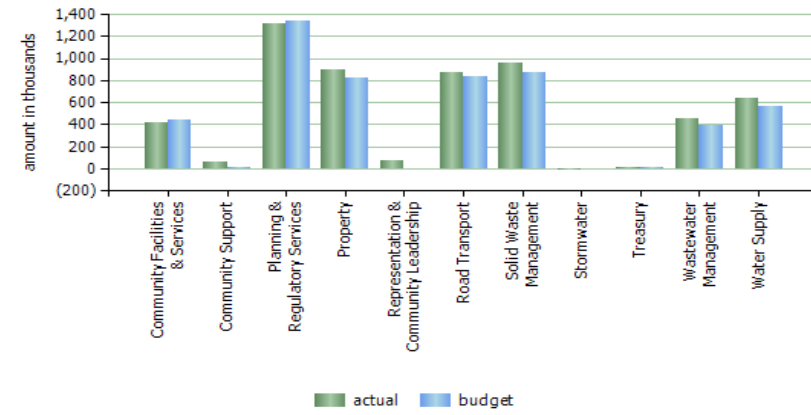
Group Manager Finance
27 January 2016

Organisation Summary

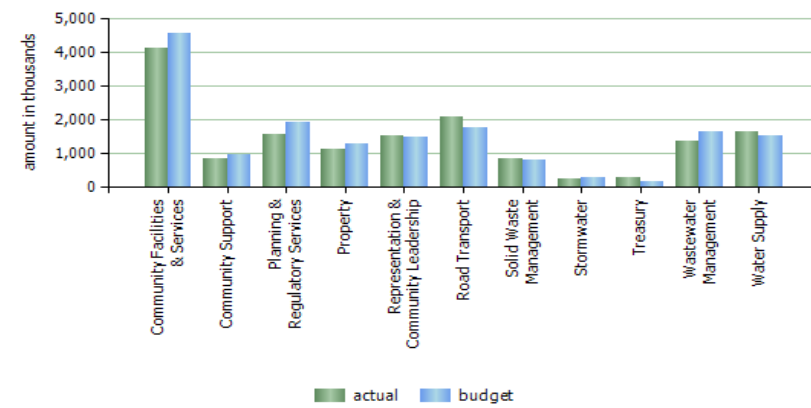
Financial operation

Operational revenue \$22.05 m 1% less than budget	Operational expenditure \$22.62 m 4% less than budget	Operational surplus/(deficit) (\$565) k 56% more than budget
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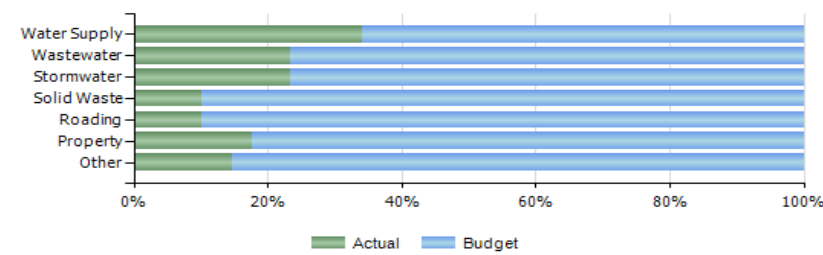
Operational revenue by activity



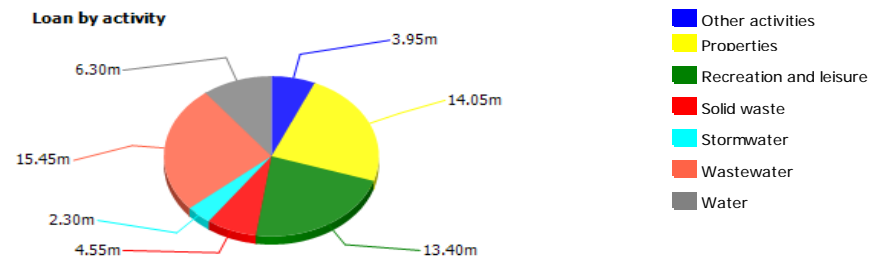
Operational expenditure by activity



Capital expenditure

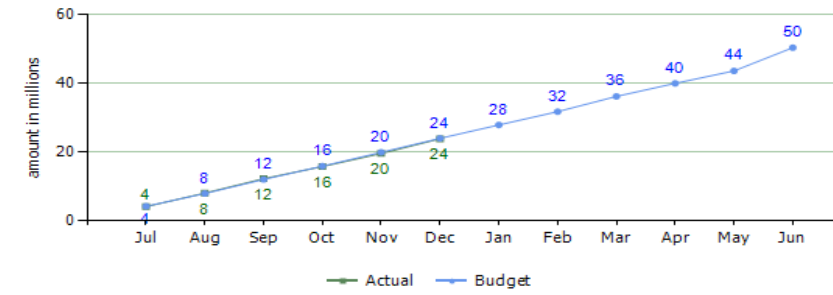


Loan by activity

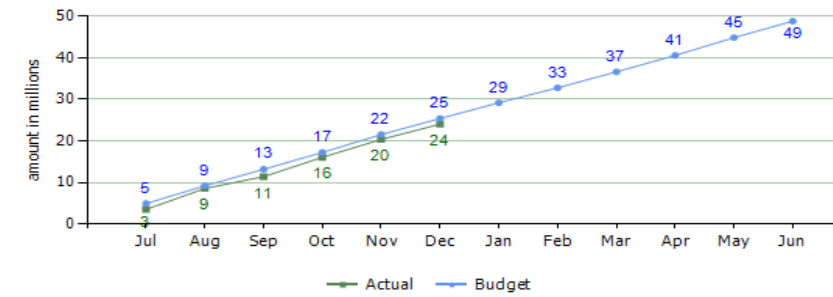


Financial trends

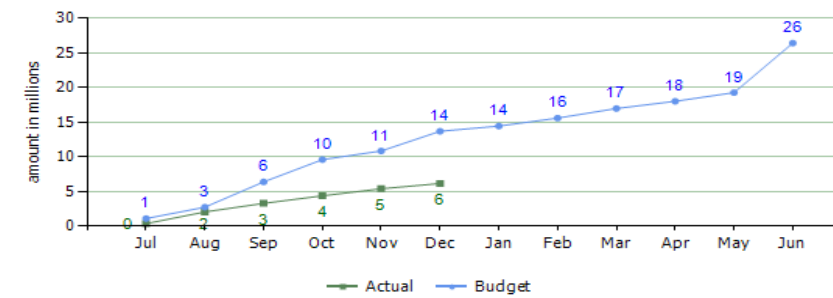
Revenue



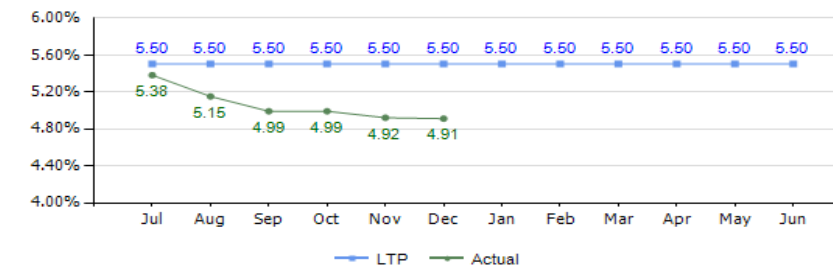
Expenditure



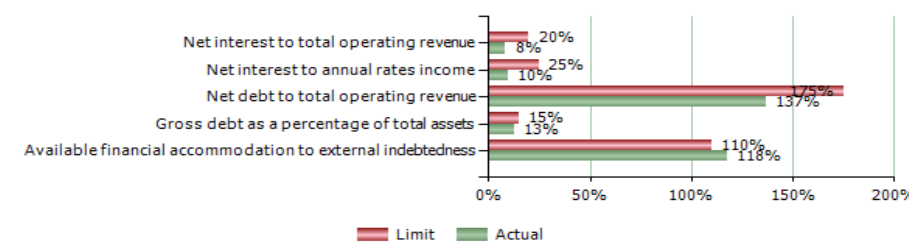
Capital expenditure



Interest rate movement



LGFA Covenant



Financial sustainability

Rates to operating revenue 72%

Rates revenue	\$15.82 m
Operating revenue	\$22.05 m

72% of operating revenue is derived from rates revenue

Fees and charges to operating revenue 27%

User fees and charges	\$5.87 m
Operating revenue	\$22.05 m

27% of operating revenue is derived from user fees and charges

Balance budget ratio 98%

Total revenue	\$23.66 m
Total expenditure	\$24.12 m

Revenue should be equal or more than expenditure. Year to date revenue is more than -2%

Debt affordability ratio 123%

Total borrowing	\$60.00 m
Total projected revenue	\$49.25 m

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

Essential services ratio 106%

Capital expenditure	\$6.13 m
Depreciation	\$5.81 m

Capital expenditure should be equal or more than depreciation, for year to date capex is 106% more than depreciation

Interest to rates revenue 10%

Interest paid	\$1.52 m
Rates revenue	\$15.82 m

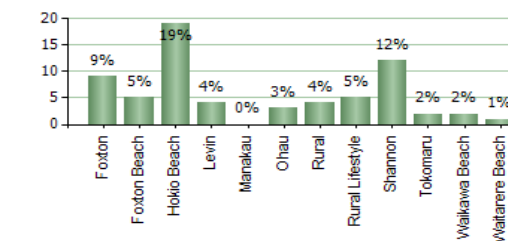
10% of rates revenue is paid in interest. Our set limit is 25% of of total rates revenue

Interest cover ratio 7%

Interest paid	\$1.52 m
Operating revenue	\$22.05 m

7% of operating revenue is paid in interest. Our set limit is 20% of operating revenue.

Rates debtors % with arrears



Statement of Income and Expenditure

	30 June 2016	Annual Plan	Last year	Actual	Year to date		Variance in % F = E/D	% Actual to Annual Plan G = C/A	% Variance to total Annual Plan H = E/Tot A	Notes to accounts
	Percentage of year completed: 50.00% Projection	A	B	C	Budget D	Variance in \$ E = D - C				
Income										
Rates revenue										
General rates	(8,223,698)	(8,223,698)	(3,894,944)	(4,123,083)	(4,111,850)	11,233	-0.27%	50.14%	-0.02%	
Targeted rates	(23,338,441)	(23,338,441)	(10,905,973)	(11,697,050)	(11,669,225)	27,825	-0.24%	50.12%	-0.06%	
Total	(31,562,139)	(31,562,139)	(14,800,918)	(15,820,133)	(15,781,075)	39,058	-0.25%	50.12%	-0.08%	
Treasury										
Rates penalties	(600,000)	(600,000)	(327,137)	(354,334)	(200,000)	154,334	-77.17%	59.06%	-0.33%	
External interest received	(150,000)	(150,000)	(72,330)	(79,991)	(75,000)	4,991	-6.66%	53.33%	-0.01%	
Total	(750,000)	(750,000)	(399,467)	(434,325)	(275,000)	159,325	-57.94%	57.91%	-0.34%	
Significant activity revenue										
Representation & Community	(73,500)	0	(1,226)	(73,475)	0	73,475	0.00%	0.00%	-0.16%	
Community Support	(41,546)	(39,500)	(127,395)	(55,342)	(16,002)	39,340	-245.84%	140.11%	-0.08%	
Community Facilities & Services	(808,941)	(888,876)	(361,208)	(416,108)	(444,450)	(28,342)	6.38%	46.81%	0.06%	
Planning & Regulatory Services	(2,038,996)	(2,261,490)	(1,203,817)	(1,314,583)	(1,344,700)	(30,117)	2.24%	58.13%	0.06%	
Property	(1,603,297)	(1,637,289)	(933,135)	(891,741)	(818,650)	73,091	-8.93%	54.46%	-0.16%	
Road Transport	(1,667,000)	(1,667,000)	(696,660)	(871,402)	(840,837)	30,565	-3.64%	52.27%	-0.07%	
Stormwater	(19,928)	0	0	0	0	(0)	0.00%	0.00%	0.00%	
Water Supply	(1,100,527)	(1,138,277)	(392,284)	(634,073)	(569,136)	64,937	-11.41%	55.70%	-0.14%	
Wastewater Management	(544,762)	(792,687)	(371,890)	(455,506)	(396,352)	59,154	-14.92%	57.46%	-0.13%	
Solid Waste Management	(1,822,500)	(1,741,206)	(932,651)	(961,081)	(870,600)	90,481	-10.39%	55.20%	-0.19%	
Treasury	(6,430)	(6,000)	0	(6,430)	(6,000)	430	-7.17%	107.17%	0.00%	
Total	(9,727,427)	(10,172,375)	(5,020,266)	(5,679,740)	(5,306,727)	373,013	-7.03%	55.83%	-0.80%	
Capital subsidies										
Capital subsidies and grants	(3,968,241)	(3,968,241)	(208,567)	(117,712)	(804,316)	(686,604)	85.36%	2.97%	1.48%	1
Total	(3,968,241)	(3,968,241)	(208,567)	(117,712)	(804,316)	(686,604)	85.36%	2.97%	1.48%	
Total operating income	(46,007,807)	(46,452,755)	(20,429,218)	(22,051,910)	(22,167,118)	(115,208)	0.52%	47.47%	0.25%	2

Notes

1. Capital Subsidies are under budget for Roading Transport as more operational work is being undertaken. This is forecasted to be in line with budget by 30 June 16 with work carried out in the summer months.
2. All activities are on track to current budget. It is Forecasted the by 30 June 16 most will be above or on budget. Levin Wastewater is expected to be \$313k under budget with decreased revenues for Trade waste.

Statement of Income and Expenditure (continued...)

Percentage of year completed: 50.00%	30 June 2016	Annual Plan	Last year	Actual	Year to date	Variance in \$	Variance in %	% Actual to	% Variance to	Notes to accounts
	Projection	A	B	C	Budget	E = D - C	F = E/D	Annual Plan	total Annual Plan	
								G = C/A	H = E/Tot A	
Expenditure										
Significant activity expenditure										
Representation & Community	2,943,996	2,804,429	1,404,806	1,498,162	1,478,388	(19,774)	-1.34%	53.42%	-0.04%	3
Community Support	1,761,042	1,844,331	1,876,587	825,915	941,178	115,263	12.25%	44.78%	0.26%	
Community Facilities & Services	8,785,387	8,895,839	2,637,124	4,122,068	4,547,336	425,268	9.35%	46.34%	0.94%	4
Planning & Regulatory Services	3,463,027	3,689,688	2,157,034	1,575,219	1,860,152	284,933	15.32%	42.69%	0.63%	5
Property	1,475,336	1,446,381	1,354,986	879,981	983,945	103,964	10.57%	60.84%	0.23%	6
Road Transport	3,658,586	3,499,830	1,681,756	2,060,969	1,768,466	(292,503)	-16.54%	58.89%	-0.65%	7
Stormwater	548,258	545,164	242,579	249,202	296,322	47,120	15.90%	45.71%	0.10%	
Water Supply	3,227,818	2,894,405	1,367,790	1,622,783	1,520,238	(102,545)	-6.75%	56.07%	-0.23%	8
Wastewater Management	3,172,579	3,052,852	1,650,985	1,355,309	1,626,464	271,155	16.67%	44.39%	0.60%	9
Solid Waste Management	1,731,236	1,682,182	643,599	819,313	797,930	(21,383)	-2.68%	48.71%	-0.05%	10
Treasury	373,065	204,276	104,873	276,122	156,640	(119,482)	-76.28%	135.17%	-0.26%	11
Total	31,140,330	30,367,225	15,285,042	15,285,042	15,977,059	1,267,000	7.93%	50.33%	2.80%	
Other expenses										
External interest	2,990,000	3,191,827	1,522,037	1,524,188	1,647,697	123,509	7.50%	47.75%	0.27%	
Depreciation and amortisation	11,618,741	11,618,746	6,296,026	5,807,220	5,809,366	2,146	0.04%	49.98%	0.00%	
Total	14,608,741	14,810,573	7,818,063	7,331,408	7,457,063	125,655	1.69%	49.50%	0.28%	
Total operating expenditure	45,749,071	45,177,798	23,103,105	22,616,450	23,434,122	1,392,655	5.94%	50.06%	3.08%	

Notes

- Representation & Community are slightly above budget with increased internal allocations on the Annual Plan. It is forecasted that at 30 June 16 it will remain above budget.
- 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.
- Planning & Regulatory Services are under current budget with careful management of expenditure.
- Property is under current budget with the new contractors. As a result of savings from the new contracts direct expenditure on this activity is forecasted to be \$146k below budget by 30 June 2016.
- Road Transport has had a slight increase on subsidised expenditure with unbudgeted emergency works for repairs to roads due to slips and seal washouts. This is forecasted to impact on the total at 30 June 2016.
- Water Supply is slightly above budget with increase costs on Consent Compliance and associated costs. This is forecasted to continue to 30 June 2016.
- Wastewater Management is below current budget. It is forecasted to be above budget by 30 June 2016 with increased costs for Foxton Beach Wastewater for utilities and maintenance.

10. Solid Waste Management is above current budget due to increased reporting costs on Landfill. This is forecasted to continue to 30 June 2016.
11. Treasury is above budget with increased rates remissions than anticipated.

Statement of Income and Expenditure (continued...)

Percentage of year completed: 50.00%	30 June 2016	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
	Projection	A			B	Budget					
Non-operational costs											
Non operating income											
Development Contribution	0	0	(109,786)	0	0	0	0	0.00%	0.00%	0.00%	
Internal interest income	(2,999,385)	(3,600,046)	(1,561,673)	(1,504,573)	(1,800,023)	(295,450)	(295,450)	16.41%	41.79%	0.00%	
Vested Assets	(26,278)	0	(117,186)	(24,707)	0	24,707	24,707	0.00%	0.00%	0.00%	
Revaluation gains	(218,037)	(321,664)	0	(79,288)	0	79,288	79,288	0.00%	24.65%	0.00%	
Total	(3,243,700)	(3,921,710)	(1,788,645)	(1,608,569)	(1,800,023)	(191,454)	(191,454)	10.64%	41.02%	0.00%	
Total non-operational costs	(3,243,700)	(3,921,710)	(1,788,645)	(1,608,569)	(1,800,023)	(191,454)	(191,454)	10.64%	41.02%	0.00%	
Non operating expenditure											
Internal interest expense	2,999,385	3,600,046	1,561,673	1,504,573	1,800,022	295,449	295,449	16.41%	41.79%	0.00%	
Total	2,999,385	3,600,046	1,561,673	1,504,573	1,800,022	295,449	295,449	16.41%	41.79%	0.00%	
Total (surplus)/deficit	(503,051)	(1,596,621)	2,446,915	460,544	1,267,003	806,459	806,459	63.65%	-28.84%	-50.51%	

Statement of Financial Position as at 31 December 2015

	Last year Actual \$000	YTD Actual \$000	Full year Budget \$000	Notes
Assets				
Current assets				
Cash and cash equivalents	7,856	5,831	6,358	
Debtors and other receivables	5,381	7,737	6,481	12
Other financial assets	470	470	10	
Assets held for sale	475	475	393	
Total current assets	14,182	14,513	13,242	
Non-current assets				
Operational assets	42,492	42,811	45,097	
Infrastructural assets	386,465	386,922	402,881	
Restricted assets	39,293	38,784	41,054	
intangible assets	1,680	1,622	1,672	
Forestry assets	911	911	680	
Investment property	5,706	5,706	3,946	
Investments in subsidiaries	988	988	1,099	
Other financial asset	803	782	1,059	
Total non-current assets	478,337	478,525	497,488	
Total assets	492,519	493,039	510,730	
Liabilities				
Current liabilities				
Creditors and other payables	8,070	6,293	8,439	
Borrowings	2,000	4,000	9,000	
Employee entitlements	1,003	1,522	585	
Provisions	997	997	1,003	
Total current liabilities	12,070	12,812	19,027	
Non-current liabilities				
Borrowings	58,000	56,000	67,000	
Employee entitlements	178	178	224	
Provisions	2,068	2,068	2,991	
Other	1,634	1,758	0	
Total non-current liabilities	61,880	60,004	70,215	
Total liabilities	73,950	72,816	89,242	
Net assets	418,570	420,222	421,488	
Equity				
Retained earnings	264,911	266,563	267,350	
Revaluation reserves	147,449	147,449	147,447	
Other reserves	6,210	6,210	6,691	
Total equity	418,570	420,222	421,488	

Notes

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

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

Reference	Description	LTP 2015/16	Project Cost YTD			Total estimated cost of Project to completion	Expected Start	Expected Completion	Comments
			Actual	YTD Budget	Variance				
Growth									
STW 27	Storm water - Development Planning North East Levin	150,000	27,733	7,500	-20,233	175,466	Oct-15	Jun-16	Initial planning is underway
WW 41	Waste water - Development Planning - North East Levin	260,980	0	260,980	260,980	260,980	Jul-15	Jun-16	
WW 44	Waste Water - Levin Tararua Industrial Development	125,000	0	0	0	125,000	TBA	Jun-16	
SW 17	Landfill Development	385,237	71,999	385,237	313,238	385,237	Nov-15	Nov-15	Initial planning with work starting Nov 15. Contract has been awarded.
	Total Growth	921,217	99,732	653,717	553,985	946,683			
Level of Service									
WS 32	Water Supply -Levin Clarifier Installation	2,000,000	41,528	0	-41,528	2,000,000	Oct-15	Jun-16	This is now underway. Contract has been awarded, this project will flow into 2016/17(subject to confirmation of funding)
WS 38	Water Supply - Telemetry - District Wide	95,000	8,224	90,353	82,129	95,000	Oct-15	on going	
STW 14	Storm Water -Telemetry	81,000	80,873	72,450	-8,423	84,393	Sep-15	Mar-16	This is underway.
STW 15	Storm Water -Levin Queen Street	250,000	11,379	0	-11,379	280,320	Oct-15	Jun-16	Survey has been undertaken
STW 16	Storm Water -Stormwater Strategy	80,000	6,470	0	-6,470	80,000	Mar-16	Mar-16	
STW 19	Storm Water -Foxton Beach Catchment Management Plan	83,000	0	0	0	83,000	Jun-16	Jun-16	
WW 11	Foxton Wastewater Treatment Plant - Strategic Upgrade	2,326,000	476,806	2,326,000	1,849,194	881,528	Sep-15	Mar-16	
WW 27	Waste Water - Telemetry System	95,000	116,936	90,637	-26,299	95,000	Jul-15	Mar-16	
WW 37	Levin Wastewater Treatment Plant - Strategic Upgrade	610,000	55,080	0	-55,080	782,840	Sep-15	Jun-16	
WW 45	Waste Water - Shannon Disposal System	3,065,921	807,156	2,986,753	2,179,597	5,615,751	Aug-15	Feb-16	
RD 14	New Footpath	100,000	0	0	0	100,000	TBA	Jun-16	
RD 16	Foxton Townscape Main Street Upgrade	750,000	61,420	375,000	187,500	750,000	Sep-15	May-16	Initial design has been undertaken
RD 18	Waitarere Beach Kent Gloucester Upgrade	260,000	33,566	130,001	96,435	260,000	Jul-15	Jun-16	
SW 16	Landfill Consent	107,000	21,727	0	-21,727	134,449	Mar-16	May-16	
SW 18	Leachate pre treatment	129,000	0	0	0	130,596	Nov-15	Mar-16	
SW 19	Levin Landfill Energy Recovery / Flare	200,000	0	0	0	399,248	TBA	Jun-16	
PR 11	Thompson House Interior refurbishment, including kitchen (with renewal contribution from Thompson House)	80,000	0	35,000	35,000	80,000	Oct-15	Mar-15	
PR 12	Thompson House Exterior Fire Escape, egress improvements and disability access including toilet provision	80,000	6,050	0	-6,050	80,000	Jan-16	Jan-16	
PR 17	Upgrade ablutions block Donnelly Park	60,000	0	60,000	60,000	60,000	Oct-16	TBA	

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

Reference	Description	LTP 2015/16	Project Cost YTD			Total estimated cost of Project to completion	Expected Start	Expected Completion	Comments
			Actual	YTD Budget	Variance				
PR 19	Shannon Memorial Hall - accesbile facility's upgrade (toilet block and entrance)	50,000	0	50,000	50,000	50,000	Dec-15	TBA	
PR 41	Public Toilets-Salisbury Street upgrade, Reroof, renew flooring, change doors	54,530	0	54,530	54,530	54,530	Nov-15	TBA	
BEAUT 1	Flag Trax	54,270	41,950	54,270	12,320	54,270	Nov-15	Feb-16	Start Nov 15
CA 12	General Network Modelling	100,000	43,970	66,666	22,696	100,000	Jul-15	Mar-16	
CA 16	Purchase of Urban Aerial Imagery	60,000	0	30,000	30,000	60,000	Dec-15	TBA	
Total Level of Service		10,770,721	1,813,136	6,421,660	4,482,445	12,310,925			
Renewal									
WS 11	Levin Reticulation- RENEWAL	1,061,000	385,222	333,748	-51,474	1,061,000	Jul-15	Jun-16	This is on track.
WS 15	Shannon - Mangaore Reticulation- RENEWAL	158,000	130,061	158,000	27,939	158,000	Jul-15	Jun-16	This is on track.
WS 19	Foxton Beach Edingburg Terrace Bore- RENEWAL	150,000	9,005	0	-9,005	150,000	Apr-16	Apr-16	
WS 28	Levin Treatment Plant - Renewals	50,000	8,473	0	-8,473	50,000	TBA	Jun-16	Initial planning has been undertaken
WS 39	Reactive renewals - District Wide	150,000	82,653	0	-82,653	150,000	Jul-15	Jun-16	On going through the year
WS 45	Shannon Reservoir structural work	100,000	0	0	0	100,000	Feb-16	Jun-16	This is on track.
STW 12	District Wide Reticulation - Unplanned Renewals	50,000	31,759	0	-31,759	50,000	TBA	Jun-16	
STW 13	District Wide Pump Station - Planned Renwals	79,350	2,300	0	-2,300	79,350	Feb-16	Feb-16	
WW 21	Tokomaru Wastewater Treatment Plant - Consent Renewal	100,000	0	0	0	100,000	TBA	Jun-16	
WW 29	Foxton Reticulation - Renewals	417,873	7,820	42,712	34,892	417,873	Oct-15	Jun-16	
WW 30	Levin Reticulation - Renewals	1,758,767	837,173	851,194	14,021	1,758,767	Jul-15	Jun-16	On Track
WW 35	Districtwide - Reticulation Unplanned Renewals	443,377	39,393	147,792	108,399	443,377	Oct-15	Jun-16	
WW 36	Levin Treatment Plant - Planned Renewals	1,044,242	101,462	544,242	442,780	1,044,242	Dec-15	May-16	Resource Consent costs to date
WW 38	Levin Treatment Plant - Unplanned Renewals	88,478	11,862	0	-11,862	88,478	Oct-15	Jun-16	
WW 50	Tokomaru WWTP Desludging	100,000	2,688	0	-2,688	100,000	Apr-16	Jun-16	
WW 51	Tokomaru WWTP Oxidation Pond Relining	61,500	0	0	0	61,500	TBA	Jun-16	
RD 13	Footpath Renewal	400,000	56,857	200,000	143,143	400,000	Jul-15	Jun-16	
SW 15	Solid Waste - Cap Shape Correction	68,580	0	0	0	68,580	Mar-16	Jun-16	
PR 13	Thompson House Exterior renew & Paint	54,530	0	0	0	54,530	Jan-16	Jan-16	

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

Reference	Description	LTP 2015/16	Project Cost YTD			Total estimated cost of Project to completion	Expected Start	Expected Completion	Comments
			Actual	YTD Budget	Variance				
PRES 13	Waitarere Dune management Dune management - flatten recour	102,900	0	0	0	102,900	TBA	Jun-16	
PRES 44	Levin Domain Pathways resurface	298,780	0	0	0	298,780	Dec-15	Jun-16	
PRES 62	Reserves - Foxton Beach	100,000	0	0	0	100,000	TBA	Jun-16	
CA 19A	IT Disaster Recovery brought forward from 2013/14	130,000	0	0	0	130,000	Jan-16	May-16	
CA 25	Rural Aerial Updates	50,000	10,018	25,000	14,983	50,000	Dec-15	Mar-16	
Total Renewals		7,017,377	1,716,746	2,302,688	585,942	7,017,377			
Growth/LOS/Renewal projects Mixed									
CS 11	Te Awahou Community Centre	2,683,500	424,425	697,710	273,285	2,683,500	Jul-15	Jun-16	
WS 46	Levin Bore exploration, new reservoir, treatment plant upgrade	3,010,665	1,671,883	2,610,032	938,149	3,365,280	Jul-15	Apr-16	Reservoir is targeted for completion Jan 16
Total Growth/LOS/Renewal projects Mixed		5,694,165	2,096,308	3,307,742	1,211,434	6,048,780			

Statement of Rates Debtors

Area	Total assessments	Assessments with arrears	% with arrears	Total arrears	Year to date arrears	Year to date penalties	Year to date receipts	Prior year arrears
F - Foxton	1274	112	9%	248,367	46,777	25,013	(110,985)	287,562
FB - Foxton Beach	1572	76	5%	115,367	32,975	10,366	(57,954)	129,980
HB - Hokio Beach	199	37	19%	664,894	7,778	61,920	(8,669)	603,864
L - Levin	7349	301	4%	533,747	142,090	66,232	(237,591)	563,016
MK - Manakau	86	0	0%	0	0	0	0	0
NR - Non Rateable	127	3	2%	7,344	574	720	(302)	6,352
OH - Ohau	150	4	3%	4,452	1,092	357	(1,917)	4,920
R - Rural	2614	106	4%	428,519	26,317	41,578	(25,912)	386,536
RL - Rural Lifestyle	2400	110	5%	173,733	34,122	20,004	(49,235)	168,842
S - Shannon	675	83	12%	155,295	29,579	15,897	(40,395)	151,832
TK - Tokomaru	164	4	2%	2,017	(232)	770	(4,650)	6,128
WB - Waitarere Beach	942	23	2%	34,716	9,861	2,062	(11,352)	34,146
WK - Waikawa Beach	231	3	1%	3,497	427	438	0	2,632
Total at 31 December 2015	17,783	875	5%	2,371,949	331,360	245,358	(548,961)	2,344,192
Total at 31 December 2014	17,782	1,462	8%	2,675,006	1,031,100	367,794		1,975,205

In the year to 31 December 2015

- 129 assessment are now receiving their invoices by email
- 1,853 rate assessments have applied for a rates rebate totalling \$1,014,939
- 52,474 payments for rates have been received totalling \$18,151,580
- 443 assessments totalling \$727,118 have been sent to DMC for collection

Statement of Sundry Debtors

Category	Total Outstanding	Current Outstanding	31 - 60 days Outstanding	61 - 90 days Outstanding	Over 90 days Outstanding	Notes
Aquatic Centre	5,451	4,146	1,305	0	0	
Building Consents	49,795	20,789	7,719	0	21,286	3
Building Fee - BWOF	1,170	455	520	0	195	
Cemeteries	9,366	3,940	5,426	0	0	
Dev Cont New Policy	125,531	0	0	0	125,531	1
Develop Cont Old Policy	65,255	0	0	0	65,255	
Dogs	772	0	0	0	772	
Dogs - Debt Collection	16,144	0	52	1,135	14,957	
Dogs Arrange to pay	6,830	650	1,386	908	3,886	
Dogs Pre Payments	77	0	64	0	13	
Fines	6,956	0	15	0	6,941	
Fire Hazard	631	0	0	0	631	
General	64,869	13,580	12,152	8,364	30,772	
Health Accreditation Renewals	1,632	0	827	95	710	
Hire	3,581	1,116	29	0	2,436	
On Charges	105,415	33,432	892	0	71,090	4
Pension Housing	4,105	3,443	0	0	661	
Rental Income Monthly	111,577	1,757	9,051	0	100,769	2
Resource Consent Fees	85,576	34,167	5,887	218	45,305	5
Rubbish Bags	13,800	12,600	800	400	0	
Staff Account	1,713	0	656	282	775	
Te Horowhenua Trust General	8,943	0	0	0	8,943	
Waste Transfer Station	3,469	2,292	192	86	899	
Water	32,296	10,402	15,821	0	6,073	
Water Septage - Septic Tank Disposal	1,312	0	0	78	1,234	
Total as at 31 December 2015	726,262	142,770	62,795	11,564	509,133	6
Total as at 31 December 2014	949,113	171,359	158,897	12,902	605,954	

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. Out of the \$509k owing +90 Days, \$180k is provided for in the Doubtful Debts Provision. As at 31 December 2015 there are 639 sundry debtors and 823 debtors made payments totalling \$568,401.

Statement of Loans by Parcel

Loan parcels	Maturity	Interest	Opening balance	Raised	Repaid	Closing balance
Due within a year						
Stock FRN	16 May 16	4.2000%	2,000,000			2,000,000
Stock	16 Aug 16	6.2750%	2,000,000			2,000,000
Total due within a year						4,000,000
Due within 2 - 5 years						
Stock	15 Mar 17	5.0550%	3,000,000			3,000,000
Stock	23 May 17	4.3900%	4,000,000			4,000,000
LGFA FRN	15 Dec 17	3.7325%	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	3.6225%	3,000,000			3,000,000
Total due within 2 - 5 years						23,000,000
Due after 5 years						
LGFA FRN	15 May 21	3.7438%	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 Bond	18 May 22	3.3205%	3,000,000			3,000,000
LGFA Bond	19 May 25	3.3855%	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	83,830
Water Shannon	1,350,000	1,400,000	35,564
Water Foxton	900,000	900,000	22,863
Water Foxton beach	350,000	300,000	7,621
Water Tokomaru	100,000	400,000	10,161
Total for water supply	5,250,000	6,300,000	160,040
Wastewater			
Wastewater Levin	6,050,000	7,000,000	177,822
Wastewater Shannon	6,150,000	6,650,000	168,931
Wastewater Foxton	1,150,000	1,400,000	35,564
Wastewater Foxton Beach	350,000	300,000	7,621
Wastewater Tokomaru	0	50,000	1,270
Wastewater Waitare	0	50,000	1,270
Total for wastewater	13,700,000	15,450,000	392,478
Stormwater	2,300,000	2,300,000	58,427
Waste management Landfill	4,500,000	4,550,000	115,584
Recreation and leisure			
Libraries	6,900,000	7,900,000	200,685
Pools	2,850,000	2,700,000	68,588
Reserves	1,300,000	1,350,000	34,294
Sports grounds	1,500,000	1,450,000	36,835
Total for recreation and leisure	12,550,000	13,400,000	340,402
Properties			
Residential housing	5,000,000	5,000,000	127,016
Halls	250,000	250,000	6,351
Commercial properties	1,200,000	1,150,000	29,214
Toilets	300,000	300,000	7,621
General properties	800,000	750,000	19,052
Cemeteries	0	100,000	2,540
Council building	6,800,000	6,500,000	165,120
Total for properties	14,350,000	14,050,000	356,914
Other activities			
Information technology	1,500,000	1,500,000	38,105
District plan	2,600,000	2,450,000	62,238
Total for other	4,100,000	3,950,000	100,342
Total	56,750,000	60,000,000	1,524,188

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	1,088
Water Shannon	41,366	47,234	1,160
Water Foxton	5,172	49,717	1,221
Water Foxton beach	4,237	40,130	985
Water Tokomaru	7,997	14,491	356
Total for water supply	97,095	195,910	4,810
Wastewater			
Wastewater Levin	26,056	14,425	354
Wastewater Shannon	5,628	7,066	173
Wastewater Foxton	97,038	31,782	780
Wastewater Foxton Beach	(1,729)	3,732	92
Wastewater Tokomaru	81,678	28,411	697
Wastewater Waitarere	81,962	26,458	650
Total for wastewater	290,633	111,874	2,747
Stormwater	1,996	72,917	1,790
Waste management Landfill	56,659	37,161	912
Recreation and leisure			
Libraries	277,057	25,929	637
Pools	(3,821)	10,561	259
Reserves	17,034	49,463	1,214
Sports grounds	48,853	42,503	1,043
Beautification	24,038	23,076	567
Total for recreation and leisure	363,161	151,532	3,720
Properties			
Residential housing	10,207	35,866	881
Halls	34,405	29,101	714
Commercial properties	22,987	24,068	591
Toilets	18,546	9,187	226
General properties	4,824	49,906	1,225
Cemeteries	121,930	17,294	425
Council building	25,856	14,478	355
Total for properties	238,755	179,900	4,417
Other activities			
Information technology	109,024	44,663	1,096
District plan	451	23,452	576
Total for other	109,475	68,115	1,672
Total	1,157,774	817,409	20,067

Planning and Resource Management

COST OF SERVICE STATEMENT

For the Six Months Ended 31 December 2015

Percentage of year completed: 50.00%	Annual Plan	Year to date		Budget	% Actual to Annual Plan E = C/A	Year to date		% of Total actual H
	A	Last year B	Actual C			Variance in \$ F = D - C	Variance in % G = F/D	
Income								
Significant activity revenue								
Health Applications	(54,290)	(23,081)	(65,800)	(52,872)	121.20%	12,928	-24.45%	5.01%
Liquor Applications	(72,200)	(38,894)	(60,049)	(36,090)	83.17%	23,959	-66.39%	4.57%
Dog Control	(473,600)	(442,679)	(466,665)	(424,298)	98.54%	42,367	-9.99%	35.50%
Animal Control	1,000	(60)	(1,346)	498	-134.63%	1,844	370.35%	0.10%
Resource Management Application	(304,175)	(110,878)	(179,624)	(152,088)	59.05%	27,536	-18.11%	13.67%
Resource Management Enforcement	0	0	(2,648)	0	0.00%	2,648	0.00%	0.20%
Safety Licencing	(2,750)	315	(4,748)	(1,374)	172.64%	3,374	-245.53%	0.36%
Building Applications	(616,975)	(333,730)	(355,262)	(309,224)	57.58%	46,038	-14.89%	27.03%
Parking Enforcement	(738,500)	(201,803)	(178,291)	(369,252)	24.14%	(190,961)	51.72%	13.56%
Total	(2,261,490)	(1,150,810)	(1,314,433)	(1,344,700)	58.12%	(30,267)	2.25%	100.00%
Total income	(2,261,490)	(1,150,810)	(1,314,433)	(1,344,700)	58.12%	(30,267)	2.25%	
Expenditure								
Significant activity expenditure								
Liquor Applications	196,906	143,035	85,813	98,454	43.58%	12,641	12.84%	5.32%
Parking Enforcement	444,242	297,143	152,442	220,824	34.32%	68,382	30.97%	9.44%
Safety Licencing	355,134	112,735	107,537	177,566	30.28%	70,029	39.44%	6.66%
Building Applications	705,636	394,477	293,158	351,822	41.55%	58,664	16.67%	18.16%
Dog Control	563,148	303,316	248,655	284,070	44.15%	35,415	12.47%	15.41%
Health Applications	188,320	37,457	84,525	94,264	44.88%	9,739	10.33%	5.24%
Resource Management Application	512,642	326,494	257,490	256,326	50.23%	(1,164)	-0.45%	15.95%
Resource Management Enforcement	404,676	297,294	152,181	217,338	37.61%	65,157	29.98%	9.43%
Animal Control	222,864	73,115	94,968	111,428	42.61%	16,460	14.77%	5.88%
Environmental Health Policy	41,352	16,613	18,369	20,676	44.42%	2,307	11.16%	1.14%
Liquor Policy	14,820	654	6,430	7,410	43.39%	980	13.22%	0.40%
Building Policy	179,928	45,564	73,651	89,964	40.93%	16,313	18.13%	4.56%
Total	3,829,668	2,047,897	1,575,219	1,930,142	41.13%	354,923	18.39%	97.59%
Other expenses								
Depreciation and amortisation	77,712	29,436	38,862	38,850	50.01%	(12)	-0.03%	2.41%
Total	77,712	29,436	38,862	38,850	50.01%	(12)	-0.03%	2.41%
Total expenditure	3,907,380	2,077,333	1,614,081	1,968,992	41.31%	354,911	18.02%	
Non operating expenditure								
Internal interest expense	149,836	69,813	61,191	74,920	40.84%	13,729	18.32%	100.00%
Total	149,836	69,813	61,191	74,920	40.84%	13,729	18.32%	100.00%
Total (surplus)/deficit	1,795,726	996,336	360,839	699,212	20.09%	338,373	48.39%	

REGULATORY SERVICES – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
District Planning – Resource Consenting: Processing of applications under the Resource Management Act. Monitoring of the District Plan requirements, resource consent compliance and complaints.	1. Applications under the Resource Management Act will be processed within statutory timeframes. Target 100%	As at 31 December 2015, seventy two (72) applications have been processed all within statutory timeframes (100% compliance).
	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.	As at 31 December 2015, twenty nine (29) complaints have been received, all responded to within 2 working days (100% compliance).
	3. Resource consents will be monitored for compliance with conditions. (Target 100%*) * Interpreted to mean those that required monitoring.	As at 31 December 2015, seventy six (76) resource consents were monitored for compliance, fifty four (54) complied, twenty two (22) required enforcement action (21 warnings, 1 abatement notice issued). (100% compliance).
Objective	LTP Performance Targets	Actual Performance
District Planning – Policy: The District Plan provides for a balanced regulatory framework that protects important Community and environmental values.	1. Percent of non-complying resource consents approved as a proportion of all approved consents is less than 10%.	As at 31 December 2015, one (1) non-complying resource consent has been approved out of a total of sixty two (62) approved consents (1.6%).
Building Control: Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	1. The percent of building consent applications granted within 20 working days or less is 100% of applications.	As at 31 December 2015, there have been two hundred and thirty-five (235) consents granted, and all (100%) have been processed in less than 20 working days (average time being 8.72 days). Two hundred and thirty-six (236) consents have been issued YTD for a combined value of \$29,347,966.
	2. The percent of consent applications for new residential dwellings are processed in 18 days or less is 90% of applications.	As at 31 December 2015, sixty-eight (68) consents (being 57 new dwellings and 11 relocatable dwellings), have been granted in < 18 days (100%).
	3. That 100% of reported cases of illegal building work will be responded to within 3 working days.	As at 31 December 2015, there has been one (1) reported incident that has been responded to within 3 working days (100%).
	4. The percent of private swimming pools on the register inspected annually for compliance is 33% of private swimming pools are inspected.	There are two hundred and forty-one (241) pools on the register. One third of swimming pools = 80. Twenty four (24) have been inspected as at 31 December 2015. All inspections will be completed by 30 June 2016.

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 December 2015, four (4) premises have applied for an exemption which represents 4% of those premises that fit the scope of the voluntary implementation plan. Four (4) premises have also received training.</p>
	<p>2. The percent of registered premises that are inspected/audited and graded will be 100%.</p>	<p>As at 31 December 2015, one hundred and fifty-seven (157) premises are registered, of which seventy five (75) have been inspected (48%) 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></p> <p>Current grading's are as follows: A Grade = 143 B Grade = 5 Ungraded = 1 New = 8</p> <p>Twelve (12) premises have opened and eight (8) 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 licence). Ten (10) inspections (13%) 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 December 2015, one hundred and seven (107) applications have been received and all licence applications ((32)that were required to be forwarded to Police and Public Health for comment were (100%).</p>

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 December 2015 there have been seven hundred and one (701) complaints made (with priority given to those reported as dog attacks), comprising: Barking = 233 Wandering = 357 Reported as attacks = 45 Aggressive behaviour = 63 Stock worrying = 3</p> <p>(100%) of complaints have been responded to.</p> <p>211 dogs have been impounded of which 19 have been rehoused, 89 claimed by their owner and 36 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 December 2015, of the known 6,130 dogs currently on the dog database, 5,940 (97%) are registered and the 150 that show as unregistered have been accounted for by way of an infringement notice issued.</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. As at 31 December 2015, 1,864 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 December 2015 there have been 1,161 complaints and all (100%) have been responded to within 60 minutes of receipt resulting in 155 verbal directions being given and 134 abatement notices have been issued. Three (3) equipment seizures have occurred, and police assistance has been required on ten (10) 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 twenty five (25) smoke complaints and twenty two (22) 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 Six Months Ended 31 December 2015

Percentage of year completed: 50.00%	Annual Plan	Year to date		Budget	% Actual to Annual Plan E = C/A	Year to date		% of Total actual H
	A	Last year B	Actual C			Variance in \$ F = D - C	Variance in % G = F/D	
Income								
Significant activity revenue								
Halls	(12,447)	(15,102)	(8,483)	(6,222)	68.16%	2,261	-36.35%	2.04%
Sportsgrounds	(16,504)	(2,715)	(6,631)	(8,250)	40.18%	(1,619)	19.62%	1.59%
Reserves	(81,595)	(35,405)	(39,969)	(40,798)	48.98%	(829)	2.03%	9.61%
Cemetery	(198,630)	(96,492)	(90,631)	(99,326)	45.63%	(8,695)	8.75%	21.78%
Swimming Pool(s)	(457,700)	(225,503)	(203,752)	(228,852)	44.52%	(25,100)	10.97%	48.97%
Libraries	(120,000)	(92,429)	(66,642)	(60,000)	55.54%	6,642	-11.07%	16.02%
Beautification	(2,000)	(1,093)	0	(1,002)	0.00%	(1,002)	100.00%	0.00%
Total	(888,876)	(468,739)	(416,108)	(444,450)	46.81%	(28,342)	6.38%	100.00%
Capital subsidies								
Capital subsidies and grants	(2,270,241)	(2,741)	0	0	0.00%	0	0.00%	0.00%
Total	(2,270,241)	(2,741)	0	0	0.00%	0	0.00%	0.00%
Total income	(3,159,117)	(471,480)	(416,108)	(444,450)	13.17%	(28,342)	6.38%	
Expenditure								
Significant activity expenditure								
Swimming Pool(s)	2,246,882	1,117,341	968,145	1,122,323	43.09%	154,178	13.74%	21.07%
Urban Cleansing	237,411	0	164,379	118,702	69.24%	(45,677)	-38.48%	3.58%
Public Toilets	290,677	115,603	131,125	146,870	45.11%	15,745	10.72%	2.85%
Sportsgrounds	821,714	415,956	518,939	416,550	63.15%	(102,389)	-24.58%	11.29%
Reserves	1,576,406	713,956	613,850	841,418	38.94%	227,568	27.05%	13.36%
Cemetery	295,595	162,401	108,732	149,792	36.78%	41,060	27.41%	2.37%
Beautification	585,412	227,472	321,048	292,702	54.84%	(28,346)	-9.68%	6.99%
Halls	228,806	123,877	79,988	127,703	34.96%	47,715	37.36%	1.74%
Libraries	2,612,936	1,286,932	1,215,863	1,331,276	46.53%	115,413	8.67%	26.46%
Total	8,895,839	4,163,538	4,122,068	4,547,336	46.34%	425,268	9.35%	89.70%
Other expenses								
Depreciation and amortisation	946,652	418,264	473,328	473,324	50.00%	(4)	0.00%	10.30%
Total	946,652	418,264	473,328	473,324	50.00%	(4)	0.00%	10.30%
Total expenditure	9,842,491	4,581,802	4,595,396	5,020,660	46.69%	425,264	8.47%	
Non-operational costs								
Non operating income								
Revaluation gains	(3,218)	0	(23,409)	0	727.43%	23,409	0.00%	100.00%
Total	(3,218)	0	(23,409)	0	727.43%	23,409	0.00%	100.00%
Total non-operational costs	(3,218)	0	(23,409)	0	727.43%	23,409	0.00%	
Non operating expenditure								
Internal interest expense	820,718	366,132	352,709	410,366	42.98%	57,657	14.05%	100.00%
Total	820,718	366,132	352,709	410,366	42.98%	57,657	14.05%	100.00%
Total (surplus)/deficit	7,500,874	366,132	4,508,589	4,986,576	60.11%	477,987	9.59%	

Note: As a result of savings from the new contracts, expenditure on this activity is expected to be below budget by the end of the June 2016

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 December 2015, 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 December 2015, the Levin Memorial Hall was used 147 times, the Shannon Memorial Hall was used 100 times, and the Foxton Memorial Hall was used 32 times. A total of 279 times (an average of 21.46 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 December 2015, sportsgrounds were open for a minimum of 95% of the scheduled opening times. However, Levin Domain was closed 17 days in December for renovation.
Playgrounds: To ensure playgrounds are safe for users.	To ensure playground facilities comply with relevant standards 100% of the time.	As at 31 December 2015, 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 December 2015, 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 December 2015, all interment arrangements were completed satisfactorily.

(Aquatic Centres and Recreation)

Objective	LTP Performance Targets	Actual Performance
Aquatics: 1. To ensure safe aquatic facilities are operating in the District.	To ensure 100% compliance with relevant standards including Pool Safe Accreditation.	As at 31 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. Water testing results as at 31 December 2015 were 100% compliant.
2. To ensure the Aquatics Centres meet customer needs.	To ensure the Annual Customer Satisfaction Survey for the Aquatic Centres show at least 90% of customers to be 'satisfied' or 'very satisfied'.	The Annual Customer Satisfaction Survey provided by CERM, resulted in a 99.1% Customer Satisfaction report. The most recent Annual Resident Satisfaction Survey conducted in May 2015 showed 91.94% Customer Satisfaction. In-house Learn to Swim and Fitness surveys were completed.

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

Objective	LTP Performance Targets	Actual Performance
Aquatics: 3. To ensure a high quality Swim School operates at the Levin and Foxton Aquatic Centres.	1. The number of participants in Learn-to-Swim classes per school term will exceed 400.	As at 31 December 2015, there were 431 participants in the Term 3 Learn-to Swim classes, therefore exceeding the target by 31 participants.
4. To ensure that local clubs are supported to deliver their own events.	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.	Council’s Community Development and Recreation Advisor and Parks Officer is working with local clubs to build capacity and capability so that clubs take growing ownership of the Aquatics facility and run their own events. Three (3) events have been delivered YTD.
5. To grow existing events and developing new ones for the following areas; children, general public and retirees.	The number of events per year for children, general public and retirees are to be at least two (2) events per group each year.	This does not include the regular swim and aqua classes. Events run year-to-date are as follows Children – 1 General Public – 1 (Aquatics 25th Birthday celebrations) Retirees – 1 (Splash and Dash)

(Community Centres and Libraries)

Objective	LTP Performance Targets	Actual Performance
1. Council provides Community facilities for residents, ratepayers, and visitors to access community services including library services.	1. To ensure Levin, Foxton and Shannon Communities are provided with library and community facilities providing an integrated and District wider service.	Library Services are provided by Te Horowhenua Trust in Levin, Shannon and Foxton.
	2. To ensure greater than 85% of residents and non-residents are satisfied with library and community services.	The most recent Annual Resident Satisfaction Survey conducted in May 2015 showed Customer Satisfaction of these facilities at 89.85%.
	3. To ensure at least 380 of booking counts for community facilities.	Te Horowhenua Trust report to Council on a quarterly basis (see below).
	4. To ensure at least 650,000 people across Te Takere, Foxton Library & Service Centre and the Shannon Library visit annually.	Te Horowhenua Trust report to Council on a quarterly basis (see below).

1.

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

Objective	LTP Performance Targets	Actual Performance
2. To ensure customers have access to a range of current information in both print and digital format.	1. To ensure at least 370,000 items are loaned from the Library across the District, including books, magazines, etc.	Te Horowhenua Trust report to Council on a quarterly basis (see below).
	2. To ensure an increase of +>1% in the use of the website.	Te Horowhenua Trust report to Council on a quarterly basis (see below).
3. To ensure customers have access to programmes and initiatives that enhance the wellbeing of the District.	To ensure at least 100 programmes are delivered.	Te Horowhenua Trust report to Council on a quarterly basis (see below).

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.	Time Period	Actual Value	Target Value	Current Trend
		Number of new relationships developed	Q1 2016	33	4	↗ 2
		Number of collaborative projects delivered.	Q1 2016	8	6	↘ 1
R	HDC	Library - Access to information, ideas and works of the imagination.	Time Period	Actual Value	Target Value	Current Trend
		New Library materials distributed to Foxton Library	Q1 2016	14%	15%	→ 1
		New Library materials distributed to Shannon Library	Q1 2016	100%	10%	→ 2
		Library materials refreshed at Foxton Library	Q1 2016	2,920	1,000	↗ 2
		Library materials refreshed at Shannon Library	Q1 2016	1,129	700	↗ 2
		Investment per capita in new Library materials	Q1 2016	\$2.73	\$2.00	↘ 1
R	HDC	Community - Opportunities to participate in community life.	Time Period	Actual Value	Target Value	Current Trend
		Community activities delivered across the District - programmes	Q1 2016	18	15	↗ 2
		Community activities delivered across the District - sessions	Q1 2016	265	—	↗ 2
		Community activities delivered at Foxton Library - programmes	Q1 2016	3	3	↗ 1
		Community activities delivered at Foxton Library - sessions.	Q1 2016	66	—	↗ 1
		Community activities delivered at Shannon Library - programmes	Q1 2016	11	3	↗ 2
		Community activities delivered at Shannon Library - sessions	Q1 2016	68	—	↗ 2
		Average visitor door counts per month over all sites	Q1 2016	52,400	57,000	↗ 2
		Average visitor doorcounts per month at Te Takere	Q1 2016	42,954	45,000	↗ 2
R	HDC	Lifelong Learning and Digital - Independent learners have educational and training opportunities.	Time Period	Actual Value	Target Value	Current Trend
		Learning activities delivered across the District - programmes	Q1 2016	31	5	↗ 3
		Learning activities delivered across the District - sessions	Q1 2016	236	—	↗ 3
R	HDC	Sustainability - Facilities, technology, resources and services that deliver social, cultural and economic benefits.	Time Period	Actual Value	Target Value	Current Trend
		% of funding from sources other than the Annual Grant.	Q1 2016	30%	25%	↗ 1
		# of different organisations who use the meeting spaces at Te Takere.	Q1 2016	87	74	↗ 2

Property

COST OF SERVICE STATEMENT

For the Six Months Ended 31 December 2015

Percentage of year completed: 50.00%	Annual Plan	Year to date		Budget	% Actual to Annual Plan E = C/A	Year to date		% of Total actual H
	A	Last year B	Actual C			Variance in \$ F = D - C	Variance in % G = F/D	
Income								
Significant activity revenue								
Residential Housing	(856,349)	(436,252)	(467,224)	(428,172)	54.56%	39,052	-9.12%	41.25%
General Property	(88,738)	(56,261)	(30,138)	(44,376)	33.96%	(14,238)	32.09%	2.66%
Commercial Property	(536,236)	(277,236)	(275,974)	(268,114)	51.46%	7,860	-2.93%	24.36%
Council Building	(7,000)	(547)	(211)	(3,504)	3.02%	(3,293)	93.98%	0.02%
Endowment Property	(125,328)	(134,315)	(106,375)	(62,664)	84.88%	43,711	-69.76%	9.39%
Camping Grounds	(23,638)	(11,819)	(11,819)	(11,820)	50.00%	(1)	0.01%	1.04%
Total	(1,637,289)	(916,430)	(891,741)	(818,650)	54.46%	73,091	-8.93%	100.00%
Total income	(1,637,289)	(916,430)	(891,741)	(818,650)	54.46%	73,091	-8.93%	
Expenditure								
Significant activity expenditure								
Council Building	385,978	(81,797)	190,021	218,777	49.23%	28,756	13.14%	17.91%
General Property	505,660	350,498	274,303	295,180	54.25%	20,877	7.07%	25.85%
Residential Housing	626,989	419,412	354,112	440,348	56.48%	86,236	19.58%	33.37%
Camping Grounds	8,200	18,864	2,307	5,604	28.14%	3,297	58.83%	0.22%
Endowment Property	231,551	236,560	165,247	168,698	71.37%	3,451	2.05%	15.57%
Commercial Property	243,603	158,181	134,971	133,138	55.41%	(1,833)	-1.38%	12.72%
Total	2,001,981	1,101,718	1,120,962	1,261,745	55.99%	140,783	11.16%	82.93%
Other expenses								
Depreciation and amortisation	362,228	179,344	181,116	181,112	50.00%	(4)	0.00%	17.07%
Total	362,228	179,344	181,116	181,112	50.00%	(4)	0.00%	17.07%
Total expenditure	2,364,209	1,281,062	1,302,078	1,442,857	55.07%	140,779	9.76%	
Non-operational costs								
Non operating income								
Revaluation gains	(307,036)	0	(55,880)	0	18.20%	55,880	0.00%	100.00%
Total	(307,036)	0	(55,880)	0	18.20%	55,880	0.00%	100.00%
Total non-operational costs	(307,036)	0	(55,880)	0	18.20%	55,880	0.00%	
Non operating expenditure								
Internal interest expense	820,804	372,194	334,581	410,398	40.76%	75,817	18.47%	100.00%
Total	820,804	372,194	334,581	410,398	40.76%	75,817	18.47%	100.00%
Total (surplus)/deficit	685,088	736,826	448,057	756,805	65.40%	308,748	40.80%	

Note: As a result of savings from the new contracts, expenditure on this activity is expected to be \$146k below budget by the end of the June 2016.

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 December 2015 there has been 95.71% occupancy. We are currently working through applications.</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 December 2015 there are currently 29 sections available for sale as part of the Forbes Road Subdivision.</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>No reviews/renewals were undertaken in December 2015.</p>

Representation and Community Leadership

COST OF SERVICE STATEMENT

For the Six Months Ended 31 December 2015

Percentage of year completed: 41.67%	Annual Plan	Last year	Year to date		% Actual to Annual Plan E = C/A	Year to date	
	A		B	Actual		Budget	Variance in \$ F = D - C
			C	D			
Income							
Significant activity revenue							
General Governance Other	0	(1,226)	(65,874)	0	0.00%	65,874	0.00%
Total	0	(1,226)	(65,874)	0	0.00%	65,874	0.00%
Total income	0	(1,226)	(65,874)	0	#VALUE!	65,874	0.00%
Expenditure							
Significant activity expenditure							
General Governance Other	1,593,451	705,434	863,844	648,120	54.21%	(215,724)	-33.28%
Community Board	150,238	51,781	62,889	62,473	41.86%	(416)	-0.67%
LTP/Annual Plan/Annual Report	1,043,116	443,152	307,542	497,755	29.48%	190,213	38.21%
Elections	17,624	5,545	2,113	12,300	11.99%	10,187	82.82%
Total	2,804,429	1,205,912	1,236,387	1,220,648	44.09%	(15,739)	-1.29%
Other expenses							
Depreciation and amortisation	240	100	100	100	41.67%	0	0.00%
Total	240	100	100	100	41.67%	0	0.00%
Total expenditure	2,804,669	1,206,012	1,236,487	1,220,748	44.09%	(15,739)	-1.29%
Total (surplus)/deficit	2,804,669	1,204,786	1,170,613	1,220,748	41.74%	50,135	4.11%

Note: General Governance paid a donation of \$15k to Relief Fund Trust. Also funding has been received for Levin Town Strategy which has offset the expenditure.

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 Council's 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 and unqualified audit opinion 28 October 2015.
Objective	Management Reporting Performance Targets	Actual Performance
To provide open, accessible Local Government.	The Representation Review is to be completed within statutory timeframes and requirements	There is no legal requirement to undertake a Representation Review this triennium. Our next review is legally required to be completed in 2018 in time for the 2019 election.

Community Support

COST OF SERVICE STATEMENT

For the Six Months Ended 31 December 2015

Percentage of year completed: 50.00%	Annual Plan	Last year	Year to date		% Actual to Annual Plan E = C/A	Year to date		% of Total actual
	A		B	Actual		Budget	Variance in \$ F = D - C	
Income								
Significant activity revenue								
Community Grants	(27,000)	(14,224)	(16,008)	(13,500)	59.29%	2,508	-18.58%	28.93%
Community Development	(5,000)	(19,753)	(33,911)	(2,502)	678.21%	31,409	-1,255.34%	61.28%
Economic Development	(7,500)	(989)	(1,343)	0	17.91%	1,343	0.00%	2.43%
Emergency Management	0	(23,081)	(4,079)	0	0.00%	4,079	0.00%	7.37%
Total	(39,500)	(58,047)	(55,342)	(16,002)	140.11%	39,340	-245.84%	100.00%
Total income	(39,500)	(58,047)	(55,342)	(16,002)	140.11%	39,340	-245.84%	
Expenditure								
Significant activity expenditure								
Emergency Management	286,420	110,392	149,951	144,314	52.35%	(5,637)	-3.91%	17.80%
Rural Fire	222,232	18,631	98,962	111,116	44.53%	12,154	10.94%	11.75%
Economic Development	539,499	202,852	188,774	262,394	34.99%	73,620	28.06%	22.41%
District Marketing	177,064	95,422	64,510	88,536	36.43%	24,026	27.14%	7.66%
Community Development	280,252	116,364	136,405	145,134	48.67%	8,729	6.01%	16.20%
Community Grants	338,864	172,837	187,312	189,684	55.28%	2,372	1.25%	22.24%
Total	1,844,331	716,498	825,915	941,178	44.78%	115,263	12.25%	98.06%
Other expenses								
Depreciation and amortisation	32,616	19,887	16,308	16,308	50.00%	0	0.00%	1.94%
Total	32,616	19,887	16,308	16,308	50.00%	0	0.00%	1.94%
Total expenditure	1,876,947	736,385	842,223	957,486	44.87%	115,263	12.04%	
Total (surplus)/deficit	1,837,447	678,338	786,881	941,484	42.82%	154,603	16.42%	

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:</p> <p>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) • Plus other various advertising opportunities as they arise.
<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 has 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. • An EMIS focused EOC exercise was held in the EOC on 24 September where members of each EOC function received a briefing on new aspects of the system and an opportunity to develop processes and systems within their EOC cell. Further EOC development training will be held in the New Year along with further EMIS and ITF training. <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>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>Rural Fire Activity to date:</p> <p>11 – July, 2015 (plus 2 x false alarms) 11 – Aug 2015 7 – Sept 2015 8 – Oct 2015 (plus 2 x false alarms) 6 – Nov 2015</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 twice since the beginning of the financial year. There is one more meeting in 2015.</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 five (5) meetings have been held.</p>
	<p>2. There are to be four (4) programmes or projects implemented by Youth Voice.</p>	<p>Youth Voice is presently working on: 1) Listen to the Music; 2) The Lower North Island Youth Councils Conference; and is currently working towards: 3) The Reverse Colour Run event with HALT; and 4) The Youth Action Plan Review.</p>
	<p>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).</p>	<p>The Youth Network continues to meet every six (6) weeks. Four (4) meetings have occurred since the beginning of the LTP.</p>
<p>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 five (5) meetings have been held.</p>
	<p>2. There are to be four (4) issues of the Elderberries Magazine publications annually.</p>	<p>The Spring edition of Elderberries was printed and distributed. The Summer edition is currently being collated and will be made available to the public in January 2015.</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>On track. The Creative Communities Funding allocation committee met in September to allocate funds and these are now being uplifted by successful applicants. The next funding round will open in January (closing the end of February) where the remainder of the contestable funds will be allocated.</p>

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Community Engagement:</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. Four (4) meetings have been held year-to-date. They have also had many sub-group meetings on projects in-between to draft the Education Action Plan 2016-2019.</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. Two (2) meetings have been held year-to-date.</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 Community Grants and Funding Committee met in September 2015 to allocate funds, and these are now being uplifted. The next funding round will open in January 2016, where the remainder of the contestable funds will be allocated.</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>Ten (10) have already been held year-to-date. On track for a new target of eighteen (18) workshops this financial year.</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 early/mid 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. We expect that we have already reached this benchmark. Full measurement to be included in the next report.</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 November 2015 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, fifty-two (52) 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>

COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance
<p>Visitor Information: 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. 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. All centres provided quarterly reports for the year-to-date. 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. 85% of performance measures have been achieved.</p>
<p>Economic Development: 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>Council's 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, and will be reassembling in February 2016.</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 facilitated an Electra Business After 5 event with the Hon Bill English and Hon Nathan Guy. This was very well attended. A Horticultural Summit was also hosted in partnership with Massey University.</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>

Roading Transport

COST OF SERVICE STATEMENT

For the Six Months Ended 31 December 2015

Percentage of year completed: 50.00%	Annual Plan	Year to date		Budget	% Actual to Annual Plan E = C/A	Year to date		% of Total actual
	A	Last year B	Actual C			Variance in \$ F = D - C	Variance in % G = F/D	
Income								
Significant activity revenue								
Unsubsidised Roothing	0	(23,317)	(10,150)	0	0.00%	10,150	0.00%	1.03%
Subsidised Roothing	(1,667,000)	(557,617)	(861,253)	(840,837)	51.66%	20,416	-2.43%	87.07%
Total	(1,667,000)	(580,934)	(871,402)	(840,837)	52.27%	30,565	-3.64%	88.10%
Capital subsidies								
Capital subsidies and grants	(1,698,000)	(196,364)	(117,712)	(804,316)	6.93%	(686,604)	85.36%	11.90%
Total	(1,698,000)	(196,364)	(117,712)	(804,316)	6.93%	(686,604)	85.36%	11.90%
Total income	(3,365,000)	(777,298)	(989,114)	(1,645,153)	29.39%	(656,039)	39.88%	
Expenditure								
Significant activity expenditure								
Unsubsidised Roothing	251,640	278,661	108,010	126,870	42.92%	18,860	14.87%	2.46%
Footpaths	79,256	23,858	43,552	39,630	54.95%	(3,922)	-9.90%	0.99%
Subsidised Roothing - Emergency Works	0	0	185,168	0	0.00%	(185,168)	0.00%	4.22%
Subsidised Roothing - CAPEX	0	0	63,837	0	0.00%	(63,837)	0.00%	1.45%
Subsidised Roothing	3,168,934	1,049,729	1,660,401	1,601,966	52.40%	(58,435)	-3.65%	37.83%
Total	3,499,830	1,352,248	2,060,969	1,768,466	58.89%	(292,503)	-16.54%	46.95%
Other expenses								
Depreciation and amortisation	4,657,314	2,397,279	2,328,660	2,328,654	50.00%	(6)	0.00%	53.05%
Total	4,657,314	2,397,279	2,328,660	2,328,654	50.00%	(6)	0.00%	53.05%
Total expenditure	8,157,144	3,749,527	4,389,629	4,097,120	53.81%	(292,509)	-7.14%	
Total (surplus)/deficit	4,792,144	2,972,229	3,400,515	2,451,967	70.96%	(948,548)	-38.69%	

Note: Subsidised capex is expected to be more in line with budget as the majority of works are carried out in December – February

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 210,453 m² which is 6% of the total 3,427,641 m² total sealed local road network.</p>
<p>To make sure footpaths are in an acceptable condition.</p>	<p>Target footpath condition rating (% compliant with Council’s 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%. 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 Six Months Ended 31 December 2015

Percentage of year completed: 50.00%	Annual Plan	Last year	Year to date		% Actual to Annual Plan E = C/A	Year to date		% of Total actual H
	A	B	Actual C	Budget D		Variance in \$ F = D - C	Variance in % G = F/D	
Income								
Significant activity revenue								
Stormwater Drainage	0	(10,000)	0	0	0.00%	(0)	0.00%	100.00%
Total	0	(10,000)	0	0	0.00%	(0)	0.00%	100.00%
Total income	0	(10,000)	0	0	#VALUE!	(0)	0.00%	
Expenditure								
Significant activity expenditure								
Stormwater Drainage	545,164	(242,579.00)	249,202	296,322	45.71%	47,120	15.90%	50.00%
Total	545,164		249,202	296,322	45.71%	47,120	15.90%	50.00%
Other expenses								
Depreciation and amortisation	498,417	(280,944.00)	249,210	249,207	50.00%	(3)	0.00%	50.00%
Total	498,417	(280,944.00)	249,210	249,207	50.00%	(3)	0.00%	50.00%
Total expenditure	1,043,581	(280,944.00)	498,412	545,529	47.76%	47,117	8.64%	
Non operating expenditure								
Internal interest expense	163,314	(61,800.00)	58,704	81,654	35.95%	22,950	28.11%	100.00%
Total	163,314	(61,800.00)	58,704	81,654	35.95%	22,950	28.11%	100.00%
Total (surplus)/deficit	1,206,895	332,744	557,116	627,183	46.16%	70,067	11.17%	

2. 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.	In the month of 31 December 2015, there were no reported flooding events (flooding of habitable floors from the Stormwater Drainage System) in the Horowhenua District. Complied. <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.	In the month of 31 December 2015, there were no reported flooding events (flooding of habitable floors during a flooding event) in the Horowhenua District. This equates to 0.00 of a habitable floor flooded per 1,000 connections. Complied. <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 December 2015, 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 December 2015, there was three (3) complaint received regarding the performance of Council Stormwater systems. This equates to 0.24complaints per 1,000 connections. Complied. <i>Year-to-date – 32 complaints received which equates to 2.62per 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 858 2085 1161"> <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>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 %	Waiopahu %	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
	Total %	Kere Kere %	Levin %	Miranui %	Waiopahu %																																
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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 December 2015, there was 100% compliance with the Regional Council's resource consents for discharge from its Stormwater system. <i>Year-to-date – 100% Compliance</i>																																			

3. 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 December 2015:</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 December 2015, 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 December 2015, there is 100% compliance with the Regional Council's resource consents.</p> <p><i>Year-to-date – 100% Compliance</i></p>

Water Supply

COST OF SERVICE STATEMENT

For the Six Months Ended 31 December 2015

Percentage of year completed: 50.00%	Annual Plan	Year to date		Budget	% Actual to Annual Plan E = C/A	Year to date		% of Total actual H
	A	Last year B	Actual C			Variance in \$ F = D - C	Variance in % G = F/D	
Income								
Significant activity revenue								
Shannon Water	(19,000)	(65,450)	(9,301)	(9,500)	48.95%	(199)	2.10%	1.47%
Levin Water	(774,000)	(232,678)	(414,753)	(387,000)	53.59%	27,753	-7.17%	65.41%
Foxton Beach Water	(105,000)	(42,817)	(44,021)	(52,500)	41.92%	(8,479)	16.15%	6.94%
Foxton Water	(236,577)	103,071	(164,014)	(118,286)	69.33%	45,728	-38.66%	25.87%
Tokomaru Water	(3,700)	(3,935)	(1,984)	(1,850)	53.63%	134	-7.25%	0.31%
Total	(1,138,277)	(241,809)	(634,073)	(569,136)	55.70%	64,937	-11.41%	100.00%
Total income	(1,138,277)	(241,809)	(634,073)	(569,136)	55.70%	64,937	-11.41%	
Expenditure								
Significant activity expenditure								
Levin Water	1,533,411	696,677	809,293	807,698	52.78%	(1,595)	-0.20%	31.30%
Foxton Water	395,772	266,043	311,892	209,038	78.81%	(102,854)	-49.20%	12.06%
Water Races Water	0	27,210	0	0	0.00%	0	0.00%	0.00%
Shannon Water	373,609	157,567	201,655	197,950	53.97%	(3,705)	-1.87%	7.80%
Tokomaru Water	197,914	66,300	71,514	100,576	36.13%	29,062	28.90%	2.77%
Foxton Beach Water	393,699	153,993	228,429	204,976	58.02%	(23,453)	-11.44%	8.83%
Total	2,894,405	1,367,790	1,622,783	1,520,238	56.07%	(102,545)	-6.75%	62.76%
Other expenses								
Depreciation and amortisation	1,925,924	1,116,065	962,970	962,959	50.00%	(11)	0.00%	37.24%
Total	1,925,924	1,116,065	962,970	962,959	50.00%	(11)	0.00%	37.24%
Total expenditure	4,820,329	2,483,855	2,585,753	2,483,197	53.64%	(102,556)	-4.13%	
Non-operational costs								
Non operating income								
Development Contribution	0	(24,216)	0	0	0.00%	0	0.00%	0.00%
Vested Assets	0	(53,698)	(17,450)	0	0.00%	17,450	0.00%	100.00%
Total	0	(77,914)	(17,450)	0	0.00%	17,450	0.00%	100.00%
Total non-operational costs	0	(77,914)	(17,450)	0	#VALUE!	17,450	0.00%	
Non operating expenditure								
Internal interest expense	332,870	375,598	160,704	166,436	48.28%	5,732	3.44%	100.00%
Total	332,870	375,598	160,704	166,436	48.28%	5,732	3.44%	100.00%
Total (surplus)/deficit	4,014,922	2,539,730	2,094,933	2,080,497	52.18%	(14,436)	-0.69%	

Note: A spare pump of \$12k is included in expenditure which will be transferred to capital.

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>The target of 99% has been achieved regarding compliance with the 2005 Drinking Water Standards for New Zealand (revised 2008) for Levin, Foxton Beach, Shannon and Tokomaru supply.</p> <p>There was 100% compliance as at 31 December 2015.</p> <p>Two positive e.coli results from Foxton Beach Palmer Road and Shannon Fire Station early last month were both cleared after 3 consecutive days of sampling all had negative results.</p>
	<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 Beach, Shannon and Tokomaru supply.</p> <p>All targets were achieved as at 31 December 2015.</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 December 2015, the total number of connections recorded is 10,838, and there were:</p> <ul style="list-style-type: none"> • 6 complaints were received for targets 1 and 2, with 27 for year to date (<i>2.5 per 1000 connections YTD</i>). • 3 complaints were received for targets 3 and 4, with 18 for year to date (<i>1.7 per 1000 connections YTD</i>). • Target 5, not measured.

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 December 2015:</p> <ul style="list-style-type: none"> The median time for attending urgent callouts was 0 hours 13 minutes <ul style="list-style-type: none"> Received 5 and attended to 5 within 1 hour or less. The median time for resolving urgent callouts was 2 hours and 13 minutes <ul style="list-style-type: none"> Received 5 and resolved 5 within 8 hours or less. The median time for attending non urgent callouts was 1 hours 01 minute <ul style="list-style-type: none"> Received 66 non urgent call outs and attended to 66 within 3 days or less. The median time for resolving non urgent callouts was 2 hours 24 minutes <ul style="list-style-type: none"> Received 66 and resolved 66 non urgent call outs in 3 days or less. <p><i>Year-to-date:</i></p> <ul style="list-style-type: none"> Received 53 and attended to 33 within 1 hour or less Received 53 and resolved 45 within 8 hours or less Received 300 non urgent call outs and attended to 282 within 3 days or less. Received 300 and resolved 281 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="1312 978 1827 1015">RESULTS</th> <th data-bbox="1827 978 2002 1015">December</th> <th data-bbox="2002 978 2136 1015">YTD</th> </tr> </thead> <tbody> <tr> <td data-bbox="1312 1015 1827 1054">Total shutdowns</td> <td data-bbox="1827 1015 2002 1054">0</td> <td data-bbox="2002 1015 2136 1054">23</td> </tr> <tr> <td data-bbox="1312 1054 1827 1094">Average shutdown length in hours</td> <td data-bbox="1827 1054 2002 1094">0</td> <td data-bbox="2002 1054 2136 1094">2.3</td> </tr> <tr> <td data-bbox="1312 1094 1827 1134">Reasons for shutdown - most of</td> <td data-bbox="1827 1094 2002 1134">-</td> <td data-bbox="2002 1094 2136 1134">Bursts</td> </tr> <tr> <td data-bbox="1312 1134 1827 1174">Average # of homes affected</td> <td data-bbox="1827 1134 2002 1174">0</td> <td data-bbox="2002 1134 2136 1174">17</td> </tr> </tbody> </table>	RESULTS	December	YTD	Total shutdowns	0	23	Average shutdown length in hours	0	2.3	Reasons for shutdown - most of	-	Bursts	Average # of homes affected	0	17
RESULTS	December	YTD															
Total shutdowns	0	23															
Average shutdown length in hours	0	2.3															
Reasons for shutdown - most of	-	Bursts															
Average # of homes affected	0	17															
<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 December 2015, 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>	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.	As at 31 December 2015, 100% of all properties assessed exceeded 250kPa.																		
<p>Water Take: To ensure consent conditions are met.</p>	To ensure 100% compliance with water take limits of resource consents.	As at 31 December 2015, 100% of water takes complied with consent limits.																		
<p>Demand Management: To ensure the water supply is sustainable.</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).	As at 31 December 2015, the average consumption per resident results in L/person/day are as below:																		
		<table border="1"> <thead> <tr> <th>SUPPLY</th> <th>December 2015</th> <th>YTD</th> </tr> </thead> <tbody> <tr> <td>FOXTON</td> <td>653</td> <td>464</td> </tr> <tr> <td>FOXTON BEACH</td> <td>390</td> <td>245</td> </tr> <tr> <td>LEVIN</td> <td>586</td> <td>548</td> </tr> <tr> <td>SHANNON/MANGAORE</td> <td>393</td> <td>304</td> </tr> <tr> <td>TOKOMARU</td> <td>266</td> <td>182</td> </tr> </tbody> </table>	SUPPLY	December 2015	YTD	FOXTON	653	464	FOXTON BEACH	390	245	LEVIN	586	548	SHANNON/MANGAORE	393	304	TOKOMARU	266	182
		SUPPLY	December 2015	YTD																
		FOXTON	653	464																
		FOXTON BEACH	390	245																
		LEVIN	586	548																
SHANNON/MANGAORE	393	304																		
TOKOMARU	266	182																		
<p>Water Loss: To ensure minimal water losses.</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.	No way to measure this target.																		
<p>Water Conservation: To provide water conservation education to the public.</p>	To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.	The Primary School Programme is scheduled for early 2016.																		
Objective	Management Reporting Performance Targets	Actual Performance																		
<p>Water Supply: To provide a reliable supply of safe water.</p>	The activity shall be provided within the funding policy target for 2015/16 of \$1,112,700. (20%-30% private good).	As at 31 December 2015, the revenue is \$633,762.																		

WATER SUPPLY – Performance Measures – LTP/Annual Plan

Objective	Management Reporting Performance Targets	Actual Performance
Risk Management Plans:	Compliance with the Health (DW) Amendment Act 2007. Number of water supplies with approved Public Health Risk Management Plans is to be five (5).	As at 31 December 2015, all five (5) water supplies are operating with approved Public Health Risk Management Plans. Both Tokomaru and Shannon WSPs have been approved..

Wastewater Disposal

COST OF SERVICE STATEMENT

For the Six Months Ended 31 December 2015

Percentage of year completed: 50.00%	A	Last year B	Actual C	Budget D	Annual Plan E = C/A	Variance in \$ F = D - C	Variance in % G = F/D	actual H
Income								
Significant activity revenue								
Levin Wastewater	(575,687)	(176,443)	(213,195)	(287,848)	37.03%	(74,653)	25.93%	46.80%
Shannon Wastewater	(2,500)	(66,780)	(55,582)	(1,248)	2223.28%	54,334	-4,353.68%	12.20%
Foxton Wastewater	(205,000)	(128,967)	(183,593)	(102,504)	89.56%	81,089	-79.11%	40.31%
Foxton Beach Wastewater	(6,000)	0	0	(3,000)	0.00%	(3,000)	100.00%	0.00%
Tokomaru Wastewater	0	(699)	(817)	0	0.00%	817	0.00%	0.18%
Waitarere Beach Wastewater	(3,500)	0	(2,319)	(1,752)	66.27%	567	-32.39%	0.51%
Total	(792,687)	(372,889)	(455,506)	(396,352)	57.46%	59,154	-14.92%	100.00%
Total income	(792,687)	(372,889)	(455,506)	(396,352)	57.46%	59,154	-14.92%	
Expenditure								
Significant activity expenditure								
Levin Wastewater	1,846,749	1,051,233	804,351	982,644	43.55%	178,293	18.14%	31.27%
Shannon Wastewater	358,370	174,520	167,482	194,426	46.73%	26,944	13.86%	6.51%
Foxton Wastewater	294,046	182,018	118,303	155,106	40.23%	36,803	23.73%	4.60%
Waitarere Beach Wastewater	216,556	85,334	86,675	114,224	40.02%	27,549	24.12%	3.37%
Tokomaru Wastewater	106,633	38,732	32,797	55,514	30.76%	22,717	40.92%	1.27%
Foxton Beach Wastewater	230,498	119,148	145,701	124,550	63.21%	(21,151)	-16.98%	5.66%
Total	3,052,852	1,650,985	1,355,309	1,626,464	44.39%	271,155	16.67%	52.69%
Other expenses								
Depreciation and amortisation	2,434,287	1,116,065	1,217,148	1,217,144	50.00%	(4)	0.00%	47.31%
Total	2,434,287	0	1,217,148	1,217,144	50.00%	(4)	0.00%	47.31%
Total expenditure	5,487,139	1,650,985	2,572,457	2,843,608	46.88%	271,151	9.54%	
Non-operational costs								
Non operating income								
Development Contribution	0	(20,636)	0	0	0.00%	0	0.00%	0.00%
Vested Assets	0	(63,488)	(7,257)	0	0.00%	7,257	0.00%	100.00%
Revaluation gains	(8,338)	0	0	0	0.00%	0	0.00%	0.00%
Total	(8,338)	(84,124)	(7,257)	0	87.03%	7,257	0.00%	100.00%
Total non-operational costs	(8,338)	(84,124)	(7,257)	0	87.03%	7,257	0.00%	
Non operating expenditure								
Internal interest expense	934,980	375,598	384,988	467,484	41.18%	82,496	17.65%	100.00%
Total	934,980	375,598	384,988	467,484	41.18%	82,496	17.65%	100.00%
Total (surplus)/deficit	5,621,094	1,569,570	2,494,682	2,914,740	44.38%	420,058	14.41%	

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>As at 31 December 2015, there was one (1) dry weather sewer overflow reported. This equates to 0.08 overflows per 1,000 connections. Complied. <i>Year-to-date there were three (3) dry weather sewer overflows equating to 0.24 overflows 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 December 2015, there were no overflows or wastewater blockages reported for the month. Complied. (Information obtained from CRM and Downer Work Report Forms) The median response time = 0.20 hours <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 December 2015, complied. (Information obtained from CRM and Downer Work Report Forms) The median resolution time = 1.05 hours <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 wastewater system: 10 or less • Total number of complaints received about any of the above: 38 or less 	<p>As at 31 December 2015, there were:</p> <ul style="list-style-type: none"> • 2 odour complaints – equates to 0.16 per 1,000 connections <i>Year-to-date = 2 (1 stagnant water and 1 open wastewater pipe)</i> • 3 faults – equates to 0.24 per 1,000 connections (2 pump station and 1 sewer pipe repair) <i>Year-to-date = 6 which equates to 0.48 per 1,000 connections (3 pump station & 3 sewer pipe repairs)</i> • 15 system blockages – equates to 1.23 per 1,000 connections <i>Year-to-date = 32 which equates to 2.62 per 1,000 connections</i> • Zero (0) response – equates to 0.00 per 1,000 connections <i>Year-to-date = 3 which equates to 0.24 per 1,000 connections (2 MH levels and 1 backflow)</i> • 20 complaints – equates to 1.64 per 1,000 connections <i>Year-to-date = 43 which equates</i>

WASTEWATER DISPOSAL – Performance Measures – LTP/Annual Plan

Objective	LTP Performance Targets	Actual Performance																																				
Customer Satisfaction:	To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 80%.	The results from the 2015 Customer Satisfaction Survey are shown below: <table border="1" data-bbox="1211 325 2101 608"> <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>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 %	Waiopehu %	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 %	Waiopehu %																																	
Very Satisfied	6.91	7.78	7.95	7.32	4.79																																	
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Dissatisfied	15.33	13.33	15.29	4.88	14.97																																	
Very Dissatisfied	7.87	11.11	8.87	7.32	7.19																																	
Discharge Compliance: To ensure safe disposal of wastewater.	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: <ul style="list-style-type: none"> Abatement notices; Infringement notices; Enforcement orders; and Convictions 	As at 31 December 2015, there was 100% compliance with Horizon’s Regional Council’s resource consents for discharge from its wastewater system. <i>Year-to-date – 100 % Compliance</i>																																				
Objective	Management Reporting Performance Targets	Actual Performance																																				
Wastewater: To provide a reliable system of wastewater disposal with minimal disruption to the environment.	1. The activity shall be provided within the funding policy target for 2014/15 of \$700,000. (10%-20% private good).	As at 31 December 2015, the revenue is \$415,485.																																				
	2. An Asset Management Plan will be adopted providing a 10-year planning horizon and reviewed every 3 years.	The Asset Management Plan review for Wastewater has been completed and the proposed programmes incorporated into the Horowhenua District Council Infrastructure Strategy 2015-2045.																																				
	3. An Infrastructure Strategy will be adopted providing a 30-year planning horizon and reviewed every 3 years.	The Infrastructure Strategy was adopted by Council on 18 February 2015.																																				

	<p>4. To ensure 99.5% of connected properties will be protected from system-related overflows during the year.</p>	<p>In the month of 31 December 2015, there was one (1) property affected by sewer overflows. 12,204 properties are connected to the Council's wastewater network. This gives a percentage of 99.99% connected properties which are protected from system-related overflows</p> <p><i>Year-to-date – 11 properties affected by overflows which equates to 99.91% properties being protected.</i></p>
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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>	<u>Asset</u>	<u>Asset Location</u>	<u>Description</u>	<u>Consent #</u>	<u>Type</u>	<u>Comment</u>
		Wastewater	Shannon	Johnston Street	PAC 325/51	Discharge to Water	The Compliance Report was received in September 2014. Complied.
		Wastewater	Waitare	Forest Road	102220	Discharge to Land	The Compliance Report was 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.
		Wastewater	Tokomaru	30 Nikau Street	101227 & 101228	Discharge to Water and Land	During 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	Foxton Beach	248 Palmer Road	102249	Discharge to Land	During August 2015 the effluent discharge limit was exceeded for 7 days due to a heavy rainfall event. Horizons were informed.
		Wastewater	Foxton Beach	248 Palmer Road	105844	Discharge to Land	The Compliance Report was received in September 2014. Complied.
		Wastewater	Foxton	Matakarapa Island	103925 & 103926	Discharge to Water and discharge to Land	During 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.	
		Wastewater	Levin	Mako Mako Rd STP	107154	Discharge to Air	The Compliance Report was received on 19 May 2015. Complied.
		Wastewater	Levin	Mako Mako Rd STP	107153	Discharge to Land	The Compliance Report was received on 19 May 2015. Complied.

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	Levin	The 'Pot' Hokio Sands Rd	6610	Discharge to Land	During 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	Levin	The 'Pot' Hokio Sands Rd	6921	Discharge to Air	The Compliance Report was received on 19 May 2015. Complied.
		Wastewater	Levin	Mako Mako Rd STP	103285	Discharge to Air	The Compliance Report was received on 19 May 2015. Complied.

Solid Waste Management

COST OF SERVICE STATEMENT

For the Six Months Ended 31 December 2015

Percentage of year completed: 50.00%	Annual Plan	Last year	Year to date Actual	Budget	% Actual to Annual Plan E = C/A	Year to date Variance in \$ F = D - C	Variance in % G = F/D	% of Total actual H
	A	B	C	D				
Income								
Significant activity revenue								
Roadside Collection	(243,600)	(123,286)	(96,681)	(121,800)	39.69%	(25,119)	20.62%	10.06%
Waste Transfer Stations	(115,000)	(55,573)	(70,787)	(57,498)	61.55%	13,289	-23.11%	7.37%
Landfill	(1,287,606)	(745,988)	(735,890)	(643,800)	57.15%	92,090	-14.30%	76.57%
Recycling Centre	(95,000)	(7,803)	(57,723)	(47,502)	60.76%	10,221	-21.52%	6.01%
Total	(1,741,206)	(932,650)	(961,081)	(870,600)	55.20%	90,481	-10.39%	100.00%
Total income	(1,741,206)	(932,650)	(961,081)	(870,600)	55.20%	90,481	-10.39%	
Expenditure								
Significant activity expenditure								
Waste Transfer Stations	251,747	92784	131,908	128,222	52.40%	(3,686)	-2.87%	13.69%
Landfill	567,753	164404	304,521	238,298	53.64%	(66,223)	-27.79%	31.60%
Recycling Centre	666,782	292956	295,523	333,460	44.32%	37,937	11.38%	30.66%
Roadside Collection	195,900	93455	87,360	97,950	44.59%	10,590	10.81%	9.06%
Total	1,682,182	643599	819,313	797,930	48.71%	(21,383)	-2.68%	85.01%
Other expenses								
Depreciation and amortisation	288,920	205919	144,462	144,460	50.00%	(2)	0.00%	14.99%
Total	288,920	205,919	144,462	144,460	50.00%	(2)	0.00%	14.99%
Total expenditure	1,971,102	849,518	963,775	942,390	48.90%	(21,385)	-2.27%	
Non-operational costs								
Non operating income								
Revaluation gains	(3,072)	0	0	0	0.00%	0	0.00%	#VALUE!
Total	(3,072)	0	0	0	0.00%	0	0.00%	#VALUE!
Total non-operational costs	(3,072)	0	0	0	0.00%	0	0.00%	
Non operating expenditure								
Internal interest expense	284,844	122330	113,483	142,422	39.84%	28,939	20.32%	100.00%
Total	284,844	122,330	113,483	142,422	39.84%	28,939	20.32%	100.00%
Total (surplus)/deficit	511,668	39,198	116,176	214,212	22.71%	98,036	45.77%	

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>Shannon was closed for part of one Sunday due to the bins being full. Rest were open as agreed over the holiday period.</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 December 2015, 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 December 2015, 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>The 2014/2015 Compliance Report was received on the 31st August 2015 and complied with the resource consent. Some exceedance was noted against some of the measured standards, but these are considered outside the environment impact from the operating landfill. Odour complaints continue to be an issue. A review is in process.</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 fullDecember 2015, 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 December 2015:</p> <ul style="list-style-type: none"> • 2 this month, 15 year-to-date • 8 this month, 55 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 December 2015, achieved.</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 December 2015, the brochures were last updated in 2009. 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 December 2015, 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%.	An average of 19% of residents were dissatisfied with recycling services. An average of 17% of residents were dissatisfied 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 December 2015, Waste Education is being successfully carried out in Schools throughout the District. Achieved. Higher participation is expected in 2016.
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 December 2015, the revenue is \$735,890.
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 31 December 2015 year to date 957 tonnes, achieved.
Roadside Collection: To provide a reliable system of roadside collection of refuse bags and recycling.	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 December 2015, the revenue is \$96,681.
	The level of satisfaction with kerbside collection of recycling and refuse is measured by receiving less than 15 justified calls per month.	Council has over 13,000 recycling crates in service throughout the district and collects on average 6,700 rubbish bags per month. Achieved.

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 December 2015, the revenue is \$70,787.</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 December 2015, the average person diverted 6kg of recycling (YTD 23kg). • For the month of 31 December 2015, the average person diverted 4kg of green waste (YTD 12kg). • For the month of 31 December 2015, the average person disposed of 48kg of rubbish (YTD 230kg).

Treasury Report

File No.: 16/22

1. Purpose

To present to the Finance, Audit & Risk Subcommittee the Bancorp Treasury Report for the December 2015 quarter.

2. Recommendation

- 2.1 That Report 16/22 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 USA "Federal Reserve" increased its interest rates (the equivalent to New Zealand's OCR). It was anticipated that the "Fed" may raise rates in December; this occurred with a 0.25% increase. On the other hand the European Central Bank (ECB, the Reserve Bank equivalent for the European Union) reduced the deposit rate to now be minus 0.30%. The oil glut is reducing oil prices and lowering inflation world-wide and the Chinese economy continues to weaken with flow on effects to its trading partners.

The NZ economy is facing uncertainties. Dairy prices are falling and production may decrease with the El Nino weather conditions.

The NZ Reserve Bank reduced the Official Cash Rate (OCR) from 2.75% on September 2015 to 2.50% by December. This low OCR is predicted to last for two years, "lower for longer" although the present uncertain world economy may and low inflation may result in the Reserve bank needing to reduce the OCR further.

Council is compliant with its Borrowing Management Policy. We finished the quarter with a weighted average interest rate of 4.91%. This is due to falls in the floating interest rates and a renegotiation of our 2 swaps, reducing their interest rate but increasing their terms. This trend will translate to a lower interest rate assumption for the upcoming Annual Plan. The assumption for year 2 of the LTP was 5.75% is now recommended to be 5.25%.

Attachments

No.	Title	Page
A	Bancorp treasury Report December 2015	65


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 DECEMBER 2015



AUCKLAND • WELLINGTON • CHRISTCHURCH

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1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (AS AT 31 DECEMBER 2015)

During the latter part of the quarter, especially December, the main market focus was on the actions of various central banks, specifically those of the major global economies - Federal Reserve ("Fed"), European Central Bank ("ECB"), People's Bank of China and Bank of Japan. Also in the spotlight during the quarter were oil prices, which by the end of December had fallen around 28% from the early October highs, as well as concerns about global growth and worries about China's economic health.

After months of hints and speculation, the Fed delivered a rise of the benchmark Federal Funds rate in December. The Federal Funds target rate range was raised by 25 basis points from a target range between 0.00% and 0.25% to a target range between 0.25% and 0.50%. Significantly, the decision by the Fed's Open Market Committee ("FOMC"), was unanimous and consistent with market expectations.

Coming into the FOMC meeting, there was a virtual unanimity of opinion within the financial markets that the Fed would raise the Fed Funds rate, and markets had positioned themselves appropriately for the actual Fed decision and the accompanying forward guidance. Consequently, US bond yields were little changed after the announcement. However intra quarter volatility in the US bond market was high as the markets grappled with the opposing influences of an impending US rate hike against a slowing Chinese economy and the consequent effect on global growth. The benchmark US 10 year Treasury bond fell to a low of 1.91% in early October, climbed to 2.37% by mid November and closed the quarter at 2.27%.

The ECB delivered a further easing in monetary policy in December, lowering its deposit rate to minus 0.30% and both extending its asset purchase programme by six months and expanding it to include municipal debt. The ECB also lowered its inflation forecasts for 2016 to 1.0% (from 1.1%) and for 2017 to 1.6% (from 1.7%), while growth forecasts were slightly stronger.

In China weak offshore demand is stymying manufacturing activity, on the other hand the services sector will be encouraging Chinese officials who have conducted a series of stimulus measures, including six interest rate cuts since November 2014, to transition to a more consumption led growth model, away from the traditional exports and investment sectors. In the background though, the cooling Chinese property market has weighed on Chinese growth prospects because the large oversupply needs to be absorbed to reduce broader downside risks to the economy.

1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 31 DECEMBER 2015)

	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
30 Sep 15	2.75%	2.84%	2.71%	2.78%	3.04%	3.26%	3.50%
31 Dec 15	2.50%	2.75%	2.84%	2.98%	3.28%	3.51%	3.75%
Change	-0.25%	-0.09%	+0.13%	+0.20%	+0.24%	+0.25%	+0.25%

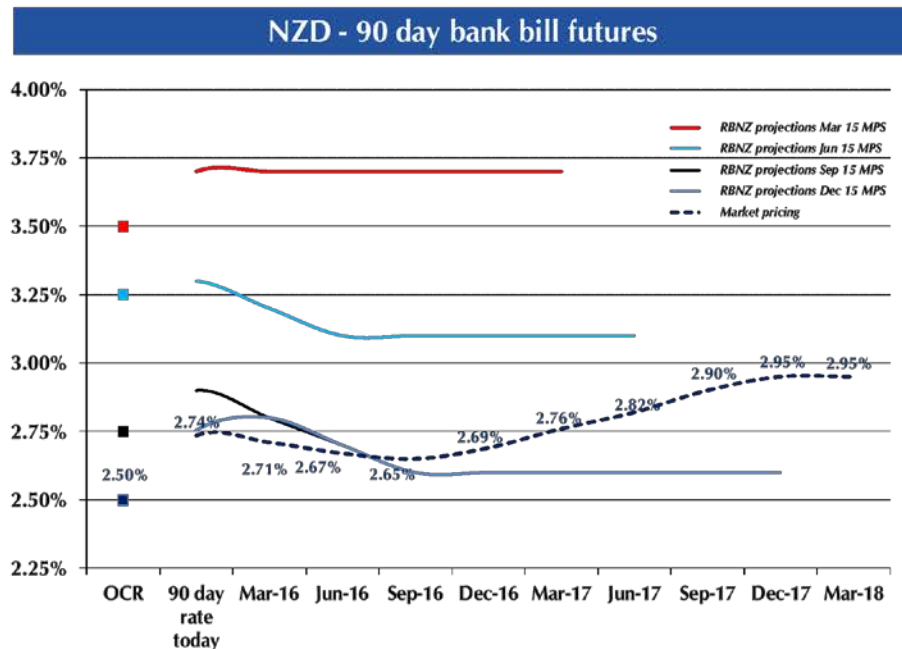
After leaving the Official Cash Rate (“OCR”) unchanged at 2.75% in October, the Reserve Bank of New Zealand (“RBNZ”) delivered another 25 basis point cut in December taking the total number of cuts in 2015 to four and the OCR from 3.50% at the start of the year to 2.50% by the end of December. In the lead up to the announcement markets were reasonably evenly divided as to whether a cut would occur, with pricing indicating a 60% chance of a 25 basis point cut.

The driver for the RBNZ cutting the OCR was, as it should be, inflationary expectations. The RBNZ also noted that uncertainties facing the economy are more numerous than they have been in years, namely dairy price declines, the extent of the forecast El Niño weather cycle, net migration remaining high and household spending picking up. Even though the RBNZ's core scenario is for the OCR to remain at 2.50% through to 2017, it has room for further policy easing in the event of an unexpected major global ruction.

Market reaction to the OCR announcement would have come as a frustration to the RBNZ, with the NZD/USD and longer term swap rates rising immediately after the RBNZ announced the OCR cut. The reaction makes sense when taking into account the outlook, with the RBNZ appearing very reluctant to cut the OCR again this cycle and still expecting inflation to move back into the 1.0% to 3.0% target band early in 2016. The RBNZ have been overestimating the extent of future inflation for some time now, and with oil prices continuing to fall, those who remain sceptical about the RBNZ's projections may well be proven to be right again.

In the six GlobalDairyTrade (“GDT”) auctions held during the quarter, three recorded rises in price and three recorded falls, but overall prices fell during the quarter. The GDT index reached a high of 837 on 6 October but following the last auction in December the index had fallen to 730, a decline of 13%. However Whole Milk Powder prices which make up the bulk of New Zealand's dairy exports fell by 18%. If the downward trend continues Fonterra may be forced to lower its projected payout for the 2015/2016 season which currently sits at \$4.60 per kgMS.

The chart below depicts the RBNZ’s projections for the 90 day bank bill rate from the last four Monetary Policy Statements, together with pricing from the 90 day bank bill futures market (the dotted blue line).



1.3 LOCAL AUTHORITY SECTOR

The Local Government Funding Agency (“LGFA”) held its last tender for the quarter on 9 December. In total, \$105 million of bonds and Floating Rate Notes (“FRN”) were issued, with \$461 million of bids received. Details of the tender were as follows:

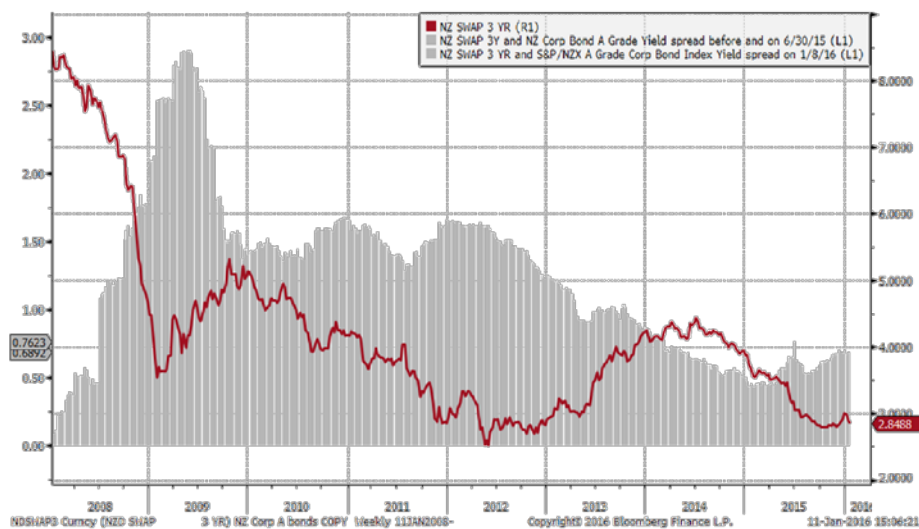
- 15 April 2020 maturity - \$15 million issued at a margin of 56 basis points over swap for an ‘A+’ rated borrower, compared to 39 basis points in the tender held in late September.
- 15 May 2021 maturity - \$50 million issued at a margin of 64 basis points over swap for an ‘A+’ rated borrower (not issued in the September quarter).
- 15 April 2023 maturity - \$15 million issued at a margin of 77 basis points over swap for a ‘A+’ rated borrower, compared to 52 basis points in the tender held in late September.
- 15 April 2027 maturity - \$25 million issued at a margin of 92 basis points over swap for a ‘A+’ rated borrower, compared to 65 basis points in the tender held in late September.

As can be seen credit spreads for LGFA debt increased during the quarter. The increase can be attributed to a decline in credit market sentiment overall with spreads to swap widening for all non sovereign debt during the quarter, however the increase in LGFA spreads was

greater than spreads in the broader market.. The increase in LGFA spreads was replicated in local authority standalone bond issuance spreads, however the total amount issued by this method was relatively minor.

1.4 CREDIT SPREADS

The increase in credit spreads mentioned previously 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 December 2015, 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%.

FLOATING RATE NOTES

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

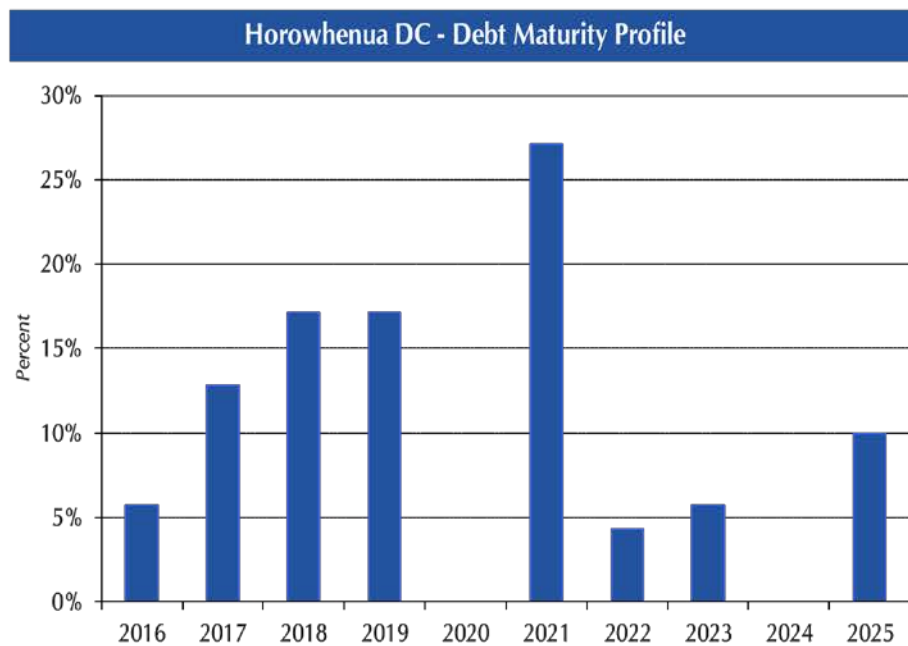
LOCAL GOVERNMENT FUNDING AGENCY

- \$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 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 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 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 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 December 2015, HDC had no drawings under its BNZ facility. Additionally there were no bond or FRN maturities and no new debt was 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") which 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

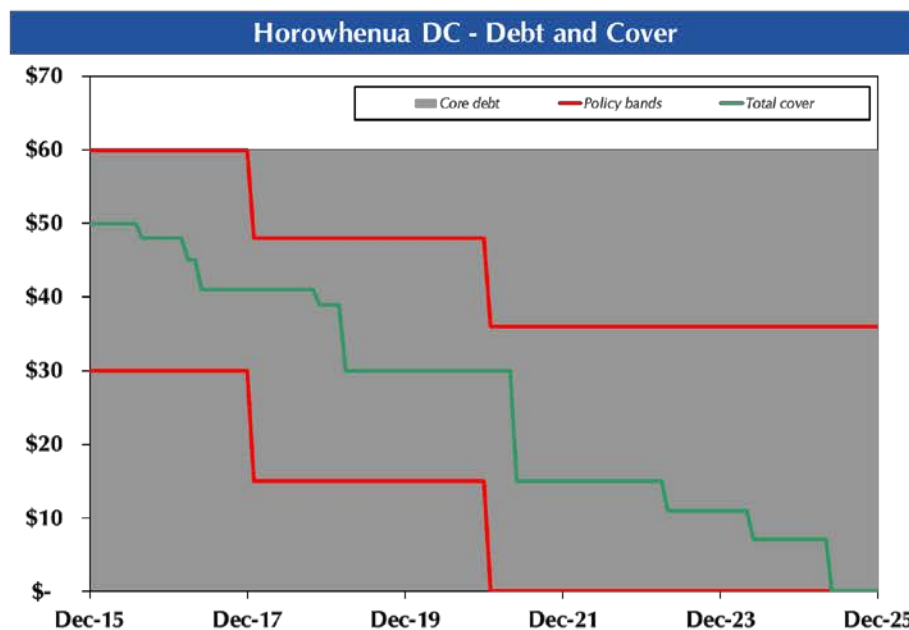
As at 31 December 2015, HDC had \$60 million of debt with two interest rate swaps, details as follows:

- \$4.0 million commencing 18 February 2013, maturing on 18 May 2024, at 4.015%.
- \$7.0 million commencing 18 May 2015, maturing on 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 December 2015, HDC was policy compliant.



HDC's cost of funds (inclusive of the bank line fee) as at 31 December 2015 was 4.91%. We expect further declines in the cost of funds during 2016 as higher priced historical debt matures and new debt is raised at rates below the current weighted average.

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