



Ordinary Meeting of Council

AGENDA

10.00am Tuesday 28 June 2016

**Council Chamber, Wairoa District Council, Coronation
Square, Wairoa.**

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz



Agenda

Chairman: His Worship the Mayor Mr C Little

Councillors: D. Eaglesome-Karekare (Deputy Mayor), M Bird, B Cairns, H Flood, J Harker, M Johansen.

	Pages
Procedural Items	
1. Karakia	
2. Apologies for Absence	
3. Declarations of Conflict of Interest	
4. Chairman's Announcements	
5. Items of Urgent Business not on the Agenda	
6. Public Participation	
A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 3 minutes per person is allowed.	
7. Minutes of the Previous Meeting	4-11
General Items	
8. 2016 Communitrak Survey	12-13
A Morton – Chief Financial Officer <i>Appendix 1 under separate cover</i>	
9. Wairoa Wastewater – Reconsenting Update	14-17
J Cox – Engineering Manager	
10. Delegations – Warrant to Act	18-22
J Baty – Corporate Services Manager	
11. Early Payment of Rates	23-27
A Morton – Chief Financial Officer	
12. Plan Change 1B	28-66

H Montgomery – Chief Operating Officer

- | | | |
|------------|--|----------------|
| 13. | FAR Committee Recommendation – Finance Report February 2016
A Morton – Chief Financial Officer | 67-103 |
| 14. | FAR Committee Recommendation – Finance Report March 2016
A Morton – Chief Financial Officer | 104-141 |

Receipt of Minutes from Committees/Action Sheets

- | | | |
|------------|---|----------------|
| 15. | Council Action Sheet
No updates from previous meeting | |
| 16. | Maori Standing Committee | 142-144 |

Public-Excluded Items

- | | | |
|------------|---|----------------|
| 17. | Resolution to exclude the public
This contains information on the general subject matter of confidential items and why they are being conducted without the public present. | 145-146 |
| 18. | Confidential Minutes | 147-148 |
| 19. | Confidential Action Sheet
No updates from previous meeting | |
| 20. | QRS Director Appointments
F Power – Chief Executive Officer | 149-150 |
| 21. | FAR Committee Recommendation – Finance Report February 2016 – Other Debtors
A Morton – Chief Financial Officer | 151-156 |
| 22. | FAR Committee Recommendation – Finance Report March 2016 – Other Debtors
A Morton – Chief Financial Officer | 157-163 |



Minutes of an Ordinary Meeting of Council

10.00am Tuesday 24 May 2016 held in the Council Chamber, Wairoa District Council, Coronation Square, Wairoa.

Present: His Worship the Mayor Mr C Little (Chairman)

Councillors: M Bird, B Cairns, D Eaglesome-Karekare, H Flood, M Johansen.

P Kelly (Māori Standing Committee Representative)

F Power (Chief Executive Officer)

H Montgomery (Chief Operating Officer)

J Cox (Engineering Manager)

J Baty (Corporate Services Manager)

C McGimpsey (Governance Advisor & Policy Strategist)

A Morton (Chief Financial Officer)

K Tipuna (Communications Strategist)

Procedural Items

1. Karakia

The karakia was given by Mr P Kelly (Māori Standing Committee Representative).

2. Apologies for absence

Councillor Cairns (for lateness), Maori Standing Committee Representative Mr Kelly (for lateness), Councillor Harker, and Maori Standing Committee Chairman Mr Symes.

3. Declarations of Conflict of Interest

Councillor Johansen – Late item: Sale of Powdrell Park

4. Chairman's Announcements

None.

5. Items of Urgent Business not on the Agenda

Late item – Sale of Powdrell Park

6. Public Participation

Mr G Preston spoke on the FAR Committee recommendation: Shortlisting of applicants for interview for the QRS Director vacancies.

7. Confirmation of Minutes of the Previous Meeting

Resolved: *That the minutes of the Ordinary Meeting of Council held on 26 April 2016 be confirmed as a correct record of the proceedings.*

Flood/Eaglesome-Karekare

8. CEO Monthly Report – May

The Chief Executive Officer presented his report.

Councillor Cairns entered the meeting at 10.07am

Councillors discussed the following:

- Process for receiving the financial reports

Resolved: *That the report be received.*

Little/Eaglesome-Karekare

General items

9. Future Direction resulting from Rating Review

The Chief Financial Officer presented the report.

Maori Standing Committee Representative Mr Kelly entered the meeting at 10.20am

Councillors discussed:

- Financial impact of delaying the review

Resolved: *That Council accept recommendation D from Councils external Consultant “That no changes are made to the Rating Policy for the 2016/17 year as further work is required to minimise the impacts of moving from its current approach to a capital value based approach.”*

As included within the external consultant’s report “Future direction resulting from the Rating review” attached as Appendix 1.

Johansen/Bird

10. Policy on Elected Members’ Allowances and Recovery of Expenses

The Governance Advisor & Policy Strategist presented the report.

Councillors discussed:

- Travel time allowance

Resolved: *That Council adopt the proposed Policy on Elected Members' Allowances and Recovery of Expenses attached as Appendix 1.*

Eaglesome-Karekare /Flood

11. FAR Committee recommendation: Health & Safety Manual

The Corporate Services Manager presented the report.

Points of clarity sought on:

- Requirement for contractors to abide by the Council's Health & Safety Manual
- Timeframe
- Inclusion of elected members role in the manual
- Reporting framework
- Financial implications

Resolved: *That Council receives this report and adopts the new Council Health and Safety Manual and endorses the regional approach (including Wairoa District Council) to implementing SiteWise.*

Eaglesome-Karekare /Flood

12. Maori Standing Committee recommendation: Maori Wards

The Corporate Services Manager presented the report.

Points of clarity were sought on:

- How the information will be distributed to the community
- Necessity to have it during the current elections

Councillors discussed:

- Cost of a separate poll
- Significance of the decision and whether to have it as a separate poll

Resolved: *That Council:*

- 1. Receive the report;*
- 2. Hold a poll of electors to determine whether the district should be divided into one or more Māori wards and that this poll be conducted as part of the elections of members of Wairoa District Council to be held on 8 October 2016 and binding on the following two triennial elections (2019 and 2022) of the Wairoa District Council.*

*Little/Eaglesome-Karekare
Against: Cairns, Flood, & Bird*

Casting vote in favour of the motion as per Standing Order 2.5.1 (2) b
MOTION CARRIED

ADJOURNED: 11.17am

RECONVENED: 11.24am

13. Local Authority Protection Programme

The Chief Financial Officer presented the report.

Maori Standing Committee Representative Mr Kelly left the meeting at 11.25am

Councillors discussed:

- Potential cost-savings
- Ability to look for cheaper options

Resolved: *That Council instruct Officers to give notice to the Local Authority Protection Programme of its intention to leave the Protection Programme.*
Johansen/Flood

LATE ITEM: Sale of Powdrell Park

Councillor Johansen declared an interest and left the meeting at 11.39am.

Resolved: *That in accordance with Section 46A (7) of the Local Government Official Information and Meetings Act 1987 the item **Sale of Powdrell Park** be considered given the item had not come to hand at the time of Agenda compilation and consideration of this matter is required now in order to respond within the timeframe allowed.*
Eaglesome-Karekare/Flood

The Chief Executive Officer presented the report.

Councillors discussed:

- Cultural audit of the land

Resolved: *That Council confirms that the 4.7730ha property known as Powdrell Park, with the legal description of Lot 2 Deposited Plan 417566, is still surplus to requirements and the Chief Executive Officer dispose of the property by way of public tender.*
Eaglesome-Karekare/Little

Receipt of Minutes from Committees/Action Sheets

14. Council Action Sheet

Councillor Johansen entered the meeting at 11.54am

15. Maori Standing Committee

Councillors discussed the 2 reports mentioned in the minutes.

Resolved: *That Council receive the Maori Standing Committee minutes from their meeting on the 13 May 2016.*

Flood/Eaglesome-Karekare

16. Finance, Audit & Risk Committee

Resolved: *That Council receive the Finance, Audit & Risk Committee minutes from their meeting on the 11 May 2016.*

Eaglesome-Karekare/Flood

Public-excluded items

17. Resolution to exclude the public

Resolved: That the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Confidential Minutes of Previous Council Meeting
2. Confidential Action Sheet
3. Confidential Minutes Finance, Audit & Risk Committee 11 May 2016
4. FAR Committee recommendation: Shortlisting of applicants for interview for the QRS Director vacancies
5. Statute barred rates arrears

The general subject of each matter to be considered while the public is excluded; the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) to the passing of this resolution
Confidential Minutes of	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:
	Section 7 (2) (a) protect the privacy of	(i) where the local authority is named or

	Previous Council Meeting	<p>natural persons, including that of deceased natural persons</p> <p>(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]</p>
	Confidential Action Sheet	<p>Section 7 (2)</p> <p>(a) protect the privacy of natural persons, including that of deceased natural persons</p> <p>(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]</p>
	Confidential Minutes Finance, Audit & Risk Committee 11 May	<p>Section 7 (2)</p> <p>(a) protect the privacy of natural persons, including that of deceased natural persons;</p> <p>(b) protect information where the making available of the information – (ii) would be likely unreasonably to</p>	<p>(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]</p>

		<p>prejudice the commercial position of the person who supplied or who is the subject of the information;</p> <p>(c) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—</p> <p>(i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied;</p> <p>or</p> <p>(ii) would be likely otherwise to damage the public interest; or</p> <p>(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities;</p> <p>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	
	<p>FAR Committee recommendation: Shortlisting of applicants for interview for the QRS Director</p>	<p>Section 7 (2)</p> <p>(a) protect the privacy of natural persons, including that of deceased natural persons;</p>	<p>(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section</p>

	vacancies		7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]
	Statute barred rates arrears	Section 7 (2) (a) protect the privacy of natural persons, including that of deceased natural persons;	(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]

Flood/Little

PUBLIC EXCLUDED: 12.16pm

RE-ADMITTED: 12.38pm

There being no further General Business His Worship the Mayor declared the meeting closed.

CLOSED: The meeting closed at **12.38pm.**

.....
Chair

Council

28 June 2016

**2016 Communitrak Survey**

Department	Finance
Author	A Morton – Chief Financial Officer
1. Purpose	1.1 This report provides information for Council on the results of the recent Wairoa District Council Communitrak™ Survey March 2016 (Communitrak™ survey).
Recommendation	<i>The Chief Financial Officer RECOMMENDS that Council receive the report.</i>
2. Background	<p>2.1 Council has engaged a variety of approaches both to seeking public opinion and to communicating its decisions and programmes to residents and ratepayers. The Communitrak™ survey summarises the opinions and attitudes of Wairoa District Council residents and ratepayers to the services and facilities provided for them by their Council and their elected representatives.</p> <p>2.2 The Communitrak™ survey was conducted with 202 residents of the Wairoa District. All interviews were conducted via a phone call from Friday 11th March to Sunday 20th March 2016.</p>
3. Summary of findings	<p>3.1 Section C of Appendix 1 (pages 5-24) is the Executive Summary of the document and gives a good overview of the contents of the entire report.</p> <p>3.2 On page 6 there is a snapshot with some of the key feedback areas - reserves, roads, safety, community engagement and civil defence.</p> <p>3.3 Page 7 of the report provides a comparison with the previous 2 reports to identify trends across the various areas. Notably this year satisfaction with dog control in the district has increased to 71% despite the tougher stance that animal control officers are taking in relation to the bylaw.</p> <p>3.4 Page 11 gives an overview of what Council services the respondents use and the frequency of usage. Not surprisingly, the landfill comes in at the highest usage of the respondents.</p> <p>3.5 Page 12 outlines who respondents contact at the Council and the communication method used. Page 13 looks at representation – only 14 % of respondents could name five or more elected members a decrease from 31% in 2015. In terms of approachability Wairoa District Council residents are above Peer Group Residents and residents nationwide (58% feel elected members are approachable).</p>

Appendices**Background
Papers****Signatories**

3.6 Page 14 outlines when, how often and the type of consultation residents would like to see from Council.
Appendix 1 - Wairoa District Council Communitrak™ Survey
March 2016
None.

Author: A Morton



Approved by: F Power





Council

28 June 2016

Wairoa Wastewater – Reconsenting Update

Department	Engineering
Author	J Cox – Engineering Manager
1. Purpose	<p>1.1 To provide Council a progress update on this project; and</p> <p>1.2 To seek Council approval to engage with the Maori Standing Committee on the appointment of appropriate Iwi representation on the Project Management Team.</p>
Recommendation	<p><i>The Engineering Manager RECOMMENDS that:</i></p> <p>a) <i>The report be received;</i></p> <p>b) <i>Approval be given for the Engineering Manager to request the Maori Standing Committee's assistance in determining appropriate Iwi representation on the Project Management Team.</i></p>
2. Background	<p>2.1 The Wairoa municipal wastewater discharge will be due for re-consenting in 2018. The processing of the resource consents involved will be undertaken jointly by Hawke's Bay regional Council and the minister of conservation, because the discharge is into the coastal marine area.</p> <p>2.2 The Wairoa wastewater re-consenting project is under the coordination and overall technical direction of the author and I am currently in the initial broad stages of setting up the project plan, assembling the project team and defining the initial project scopes.</p> <p>2.3 As well as a number of technical investigations that will be required, there will also be a requirement for a robust consultative process with Iwi and with the wider community, in order to show that the selected discharge option is the best practicable option.</p> <p>2.4 It is the author's intention to ensure that communications with Council are maintained at a high level throughout this project and that Council participates fully at all key decision making stages.</p>
3. Progress to Date	<p>3.1 Consultant support has been engaged to provide advice on scopes for investigations that will be needed to support consent renewal applications in 2018. Draft scopes have been prepared for the initial tasks required, with 12 initial task reports due to be with the Engineering Manager by the end of 2016.</p> <p>3.2 One of the most significant issues needing to be addressed has been leakage of stormwater during rainstorms and times of high river level into the urban sewer network. This has led to overloading of the sewer network, resulting in overflows of sewage and stormwater. This has had an overall investigation, and a report has been received recommending a series of site-</p>

specific tests to determine what actual remedial works need to be done to reduce this leakage to an acceptable level. These site specific tests are currently under way.

4. Assistance of Maori Standing Committee

3.3 Consultation with Iwi and with the wider community will be essential for re-consenting the wastewater discharge. The regional coastal environmental plan is the document against which the re-consenting package will be assessed by HBRC and the Minister of Conservation, and it specifies the requirement for such consultation.

3.4 A consultation strategy has been developed to guide the management of communications amongst those involved.

4.1 There are two levels at which the involvement of Tangata Whenua in the Wairoa Wastewater Re-Consenting project will be essential.

4.2 First, there is the high level overview of the project as a whole, that is considered to warrant the appointment of an Iwi representative onto the project management team. This proactive role is to assist with the project overview, to provide a high level of assurance that Iwi perspectives are fully taken into account throughout the project's duration.

4.3 The second level is the normal environmental advocacy role, where Iwi (among others) should be expected to have views on the environmental effects of wastewater discharge options. These views will be able to be presented as submissions on consent applications, and it will assist this to be a mutually useful exercise if Iwi have been consulted on the proposals well ahead of due time.

4.4 It is proposed that the Maori standing committee of Council be invited to advise the engineering manager of its preferences for the conduct these two levels of consultation with Iwi, with priority at this time for the high level participation in the project management team. Options for such representation could include a nominated committee member, or a nominated person or persons from outside the committee. The preference would be for the committee to be invited to advise the engineering manager how it considers this consultation would best be handled.

5. Options

5.1 The first part of this paper is for informative purposes and options do not need to be considered.

5.2 Regarding the second, being Iwi engagement, Council's two options are to invite the Maori standing committee's advice, or to seek another means of Iwi engagement.

5.3 The Committee's options are similarly to provide the advice sought or to advise another means of engagement. The Committee has wide discretion to decide what it considers to be the most appropriate means of Iwi consultation on this key infrastructural project, and it is not considered either appropriate or necessary to limit the Committee's choice of options. The objective of the consultation is a municipal wastewater discharge

	<p>system that best meets the social, cultural, environmental and financial requirements of the community involved, and the Committee's advice to help to achieve this will be of great value.</p>
6. Conclusion	<p>6.1 The need to start consultation early, to ensure that there is time to resolve issues that may arise during consultation;</p> <p>6.2 The value to the whole community of ensuring that consultation on this project is undertaken thoroughly and soundly; and</p> <p>6.3 The need to avoid an unsuccessful or protracted re-consenting outcome if such consultation is not undertaken.</p>
7. Corporate Considerations Compliance with legislation and Council Policy	<p>7.1 Annual Plan – consistent and work has been planned for.</p> <p>7.2 Long Term Plan 2015-2025 – as above</p> <p>7.3 District Plan – NA</p> <p>7.4 Economic Development Strategy – NA</p> <p>7.5 Other Council Policies – NA</p> <p>7.6 Relevant legislation – There is a statutory requirement to procure resource consents.</p> <p>7.7 Further, the proposal to invite the MSC to advise on the preferred means of Iwi consultation on the Wairoa Wastewater Discharge Re-Consenting project aligns with the provisions of the Local Government Act, the Resource Management Act, professional Best Practice under both those Acts, and aligns with Council's own reasons for having facilitated the establishment of the Committee.</p>
What are the key benefits?	<p>7.8 The consenting process will assist with development of a long term wastewater discharge for the Wairoa community,</p>
What is the cost?	<p>7.9 Costs have been provided for in the Long term plan for the re-consenting project.</p> <p>7.10 The cost of the MSC's consideration and advice is expected to be within the funding facility already provided to enable the Committee to function. The cost of the consultation as a result of the Committee's advice will not be able to be estimated until that advice has been received.</p>
Who has been consulted?	<p>7.11 Consultation is about to start.</p> <p>7.12 A consultation strategy has been developed.</p> <p>7.13 Community engagement and views will be a key requirement to informing decisions to be made with this project.</p> <p>7.14 Consultation will be ongoing over the duration of this project.</p> <p>7.15 Tangata whenua engagement is a critical element of this project. While already provided for, direction and assistance will be sought from the MSC.</p>
Service delivery review	<p>7.16 [When was the last s17a service delivery review undertaken] N/A</p> <p>7.17 [When is the next s17a review scheduled] N/A</p>

**Maori Standing
Committee
8. Significance**

7.18 It is proposed that an update will be provided to the MSC, with them nominating a contact for further consultation.

8.1 The significance of utilising the Committee's advice on the preferred means of Iwi Consultation on the Wairoa Wastewater Discharge Re-Consenting project is that it will provide essential inputs to the future management of a key infrastructural asset, with potentially significant cost implications for Council and ratepayers.

**9. Risk
Management**

9.1 At an early stage of this project (7 July) a risk workshop involving the project team will be undertaken. This will highlight processes and opportunities, as well as work stream requirements, that need to be considered to ensure the successful outcome of the project.

9.2 There is not considered to be any risk arising from seeking the Committee's advice. The receipt of that advice is itself considered an item of prudent risk management.

**Further
Information**

The Engineering Manager will make available the project consultation strategy to Councillors if requested.

**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: J Cox



Approved by: F Power



Council
28 June 2016



Delegations - Warrant To Act

Department	Corporate Services						
Author & contact officer	James Baty - Corporate Services Manager						
1. Purpose	1.1 The purpose of this report is to present delegations and appointments relating to Council staff for Council consideration and adoption.						
Recommendation	<p><i>The Corporate Services Manager RECOMMENDS that:</i></p> <ol style="list-style-type: none"> 1. <i>The report be received.</i> 2. <i>The delegations and appointments as scheduled in the Schedule of Delegations be approved with immediate effect:</i> <table border="0"> <thead> <tr> <th style="text-align: left;">NAME</th> <th style="text-align: left;">DELEGATION/AUTHORITY</th> </tr> </thead> <tbody> <tr> <td>Riaz</td> <td>1. "Enforcement Officer" Under Section 38 of the Resource Management Act to carry out Noise Enforcement under Section 327</td> </tr> <tr> <td>Unwala</td> <td>2. An "enforcement officer" appointed under Section 177 of the Local Government Act 2002 for the enforcement of bylaws and regulations.</td> </tr> </tbody> </table>	NAME	DELEGATION/AUTHORITY	Riaz	1. "Enforcement Officer" Under Section 38 of the Resource Management Act to carry out Noise Enforcement under Section 327	Unwala	2. An "enforcement officer" appointed under Section 177 of the Local Government Act 2002 for the enforcement of bylaws and regulations.
NAME	DELEGATION/AUTHORITY						
Riaz	1. "Enforcement Officer" Under Section 38 of the Resource Management Act to carry out Noise Enforcement under Section 327						
Unwala	2. An "enforcement officer" appointed under Section 177 of the Local Government Act 2002 for the enforcement of bylaws and regulations.						
2. Background	<p>2.1 The issuing of warrants must be done by Council and not delegated to a staff member or committee.</p> <p>2.2 Warrants only expire if the staff member's appointment is terminated or the authority is revoked by Council except in the case of Rural Fire Officers which have a ten year life.</p> <p>2.3 It is a criminal offence to hold oneself out as having a warrant when you don't or your warrant doesn't cover the matter at hand (Section 236 of the LGA 2002).</p> <p>2.4 The Council may appoint enforcement officers for enforcement roles relating to offences against bylaws made under the Local Government Act 2002 (the Act) and infringement offences specified in regulations made under the Act. Under Section 177(1) of the Act an enforcement officer is:</p> <p><i>A person appointed by a local authority to exercise the powers of an enforcement officer in relation to offences against, and infringement offences under, this Act, including enforcement of the bylaws of the local authority.</i></p> <p>Riaz Unwala has been appointed by 360 Degrees Security and Investigationsto carry out delegated duties as an Enforcement Officer on behalf of the Wairoa District</p>						

	<p>Council. In order to carry out this function he requires to be warranted as indicated in the schedule of delegations.</p>
3. Options	<p>3.1 The options identified are:</p> <ol style="list-style-type: none"> a. Do nothing. b. Approved delegation as stipulated in this report. <p>3.2 Option A – while an option this is not feasible it is ultra vires for a Council Officer to conduct certain functions without the appropriate warrant.</p> <p>3.3 The preferred option is Option B. This option ensures that Council Officers are operating within the law and the appropriate delegated authority. This option meets the purpose of local government as it will help meet the current and future needs of communities for local public services in a way that is most cost-effective for households and businesses.</p>
4. Corporate Considerations Compliance with legislation and Council Policy	<p>4.1 The matters and options discussed above comply with legislation, relevant regulations and best practice.</p> <p>4.2 Relevant legislation – Local Government Act 2002 http://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html</p>
What are the key benefits?	<p>4.3 Adoption of the recommendations will ensure that Council Officers are properly delegated as enforcement officers with the appropriate responsibilities and powers conferred on them under legislation.</p>
What is the cost?	<p>4.4 There are no significant costs associated specifically with this delegation process.</p>
Who has been consulted? (please refer to significance and engagement policy)	<p>4.5 This matter does not require wider consultation.</p> <p>4.6 Adoption of any of the options does not trigger a requirement to consult under the Significance & Engagement Policy.</p>
Maori Standing Committee	<p>4.7 This matter has not been referred to the committee.</p>
5. Significance	<p>5.1 This has a low impact as there is no significant deviation from current practices or policy direction.</p> <p>5.2 The financial impact is already resourced in current plans.</p> <p>5.3 There is no alteration of service levels of any council significant activities.</p> <p>5.4 There is no impact on any council strategic assets.</p> <p>5.5 This decision does not change the way any significant</p>

6. Risk Management

activities are delivered.

6.1 No strategic risks have been identified in the recommendations contained in this report.

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

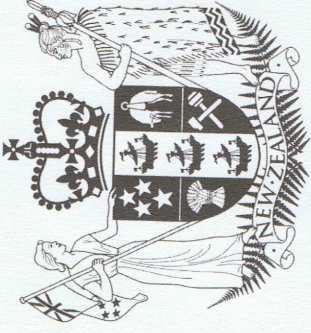
Author: J Baty



Approved by: F Power



Private Security Personnel Licensing Authority Certificate of Approval



First Name: Riaz

Middle Names: Kaizar

Last Names: Unwala



Number: 15-019520

Version Number: 747

Expiry Date: 25-11-2020

Creation Date: 25-11-2015

Class & Conditions (if any):

Crowd Controller
Training/Education

Property Guard
Training/Education

Confidential Document Destruction Agent

Personal Guard
Training/Education



This certifies that

Riaz Muwala

Has achieved the PSPLA mandatory training requirements

Unit Standards 27360, 27361, 27364

Signed *Kathy Wright* **Managing Director** **Date** *8th May 2015*

C4 Group is a registered Private Training Establishment under the Education Act 1989

Council28th June 2016**Early Payment of Rates Policy**

Department	Finance
Author	A Morton – Chief Financial Officer
1. Purpose	1.1 To propose that Council adopt an Early Payment of Rates Policy in respect of the Mahia and Opoutama Wastewater Schemes.
Recommendation	<i>The Chief Financial Officer RECOMMENDS that Council adopt the attached Early Payment of Rates Policy in respect of the Mahia and Opoutama Wastewater Schemes (Attached as Appendix 1) for consultation under the Special Consultation Process.</i>
2. Background	<p>2.1 The Capital Funding Plans are very prescriptive and complex as required by the Local Government (Rating) Act 2002.</p> <p>2.2 Under the Capital Funding Plans, those ratepayers who selected to repay by lump sum contribution (Option 1) but did not pay the full lump sum contribution payable under the Plan(s), default to Option 5 (i.e. 20 years) for the amount owing. Similarly, in some instances ratepayers have not made an election and defaulted to Option 5 as set out in the Capital Funding Plans, but then effectively made a lump sum contribution.</p> <p>2.3 Where early payments had been made, the Capital Funding Plan(s) do not contemplate those amounts will be taken into account in re-calculating the interest liability for year 1 or that payments of the connection in full (and in excess of the targeted rate owing due to the Option elected or defaulted to) will be immediately attributed to the property and clear the targeted rates due.</p> <p>2.4 Council had previously adopted an Early Payment of Rates Policy in respect of the Mahia and Opoutama Wastewater Schemes in February 2015 believing that such a policy did not require a Special Consultative Process.</p> <p>2.5 Current advice is that Section 56 (Para 4) of the Local Government (Rating) Act 2002 will apply to such a policy and as such Council's current policy requires to be reviewed and readopted under a Special Consultative Process.</p> <p>2.6 As the current policy requires to be renewed, the opportunity has been taken to also update the policy to reflect current circumstances.</p> <p>2.7 The purpose of the revised policy remains the same as the original policy in that it is provided to allow those</p>

properties/participants of the Mahia and Opoutama Wastewater Schemes under Options 2 to 6 of the Capital Funding Plans the ability to clear capital amounts payable in full.

2.8 The policy will recognise those payments received by Council before 1st September 2014 in the calculation of interest accrued in year one of the scheme.

3. Options

3.1 The options identified are:

- a. Council adopts the attached Early Payment of Rates Policy in respect of the Mahia and Opoutama Wastewater Schemes (Attached as Appendix 1) for consultation under the Special Consultation Process.
- b. Council does not adopt the attached Early Payment of Rates Policy in respect of the Mahia and Opoutama Wastewater Schemes (Attached as Appendix 1) for consultation under the Special Consultation Process.
- c. Council adopts the attached Early Payment of Rates Policy in respect of the Mahia and Opoutama Wastewater Schemes (Attached as Appendix 1) for consultation under the Special Consultation Process subject to any changes it recommends.

3.2 Option A would encourage and allow those properties/participants of the Mahia and Opoutama Wastewater Schemes to repay any Capital costs outstanding in full without incurring interest on those future Capital costs. Any part payments made would be held as a Rates in advance payment and no reduction in future Interest payments would be made.

3.3 Option B would prevent Council accepting any form of payment in advance against the Mahia and Opoutama Wastewater Schemes. Full or part payments to repay future Capital Costs early would not be allowed.

3.4 Option C would encourage and allow those properties/participants of the Mahia and Opoutama Wastewater Schemes to repay any Capital costs outstanding in full. Council may wish to consider alternate arrangements around full or part remission of future Interest charges. Any part payments made would be held as a Rates in advance payment and no reduction in future Interest payments would be made.

3.5 The preferred option is a, this meets the purpose of local government as it will help meet the current and future needs of communities for good-quality infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

4. Corporate

Considerations What is the change?	<p>4.1 Properties/participants of the Mahia and Opoutama Wastewater Schemes will have the ability to repay any Capital costs outstanding in full without incurring interest on those future Capital costs. Any part payments made would be held as a Rates in advance payment and no reduction in future Interest payments would be made.</p> <p>4.2 This will not trigger a s17a review.</p>
Compliance with legislation and Council Policy	<p>4.3 This policy must be adopted using the Special Consultative Process to comply with the Local Government (Rating) Act 2002 (Section 56 – Para 4).</p>
What are the key benefits?	<p>4.4 Properties/participants of the Mahia and Opoutama Wastewater Schemes will have the ability to repay any Capital costs outstanding in full without incurring interest on those future Capital costs. Any part payments made would be held as a rates in advance payment and no reduction in future Interest payments would be made.</p>
What is the cost?	<p>4.5 Anticipated Interest recoveries over many years as part of a targeted rate will be replaced by improved cash flow and investment opportunity resulting from cash settlements of Capital outstanding.</p>
Who has been consulted?	<p>4.6 This Policy will require consultation under a Special Consultation Process prior to adoption by Council.</p>
5. Significance	<p>5.1 There are currently 230 properties repaying the costs of the Mahia and Opoutama Wastewater Schemes by means of a targeted rate.</p> <p>5.2 There has been much public interest in the areas of Mahia and Opoutama in respect of the Mahia and Opoutama Wastewater Schemes.</p> <p>5.3 Council would have limited ability to reverse any decision in the future.</p>
6. Risk Management	<p>6.1 There may be a reputational risk in not allowing scheme participants the ability to repay in full any Capital costs outstanding.</p>
Further Information Appendices	<p>None.</p> <p>Early Payment of Rates Policy in respect of the Mahia and Opoutama Wastewater Schemes – Appendix 1</p>
Background Papers References (to or from other Committees)	<p>None</p> <p>Council February 2015 – Early payment of rates</p>

**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: A Morton

Approved by: F Power



POLICY – EARLY PAYMENT OF MAHIA AND OPOUTAMA WASTEWATER SCHEME TARGETED RATES

INTRODUCTION

A local authority may adopt a policy for the early payment of some or all rates in the current financial year and subsequent financial years. This policy is for early payment of the targeted rates owing under the Mahia and Opoutama Wastewater Schemes.

Background

The Mahia and Opoutama Wastewater Schemes required ratepayers to repay the connection costs of each property owing by lump sum contribution or targeted rates.

Five options (Options 2 – 6) provided varied timeframes for payment by targeted rates (with interest charged over the chosen time period). If ratepayers did not choose an option by the specified date or underpaid the lump sum contribution option (Option 1) selected and owing, the ratepayer defaulted to a targeted rate option with a timeframe of 20 years (Option 5).

The Council wants to provide ratepayers who are subject to a targeted rate, the benefit of any payment made to clear the capital costs in full. For completeness, consistent with the Capital Project Funding Plan for the Mahia and Opoutama Wastewater Schemes, ratepayers who selected to repay by lump sum contribution (Option 1) but did not pay the full lump sum contribution owing as set out in the invoice, have defaulted to Option 5 for the remainder of the amount owing.

Objective of the Policy

To enable ratepayers who owe a targeted rate under the Mahia and Opoutama Wastewater Schemes to benefit from all payments made to clear the remaining capital costs owing in full.

Condition and Criteria

Any payments received by the Council on or before 1 September 2014 will be credited to the amount owing for a ratepayer's connection to the Mahia or Opoutama Wastewater Scheme and will be taken into account for the calculation of interest accrued in years 1 and 2 of the Schemes.

The recalculation of the capital costs of the Scheme for each property will occur before year 3 and will establish the final costs for the connection of each property.

Ratepayers may clear the capital costs owing in full at any time before 31 March of each financial year. The targeted rates for the financial year in which the payment is made will remain payable and only future capital payments will be cleared without interest charge. (Unless the Council resolves to apply a different date in accordance with an Early Payment Discount).

Any payments made above the targeted rate owing during a financial year (that do not clear the capital amount owing in full) will be treated as rates paid in advance with no discount or other benefit applied.

The Council may apply its sole discretion to whether or not it charges to the ratepayer any minimal residual amounts owing by targeted rate after the final recalculation i.e should \$10.00 be owing, the Council may discount \$10.00 from the account leaving the ratepayer with no amount owing by the applicable targeted rate option.

Council
28 June 2016



Title: Making Plan Change 1B Operative

Department	Operations
Author	H Viriaere – Policy Planner
Contact Officer	H Montgomery – Chief Operating Officer
Purpose	For Council to resolve to make proposed Plan Change 1B to the Wairoa District Plan operative.
Recommendation	<i>The Chief Operating Officer RECOMMENDS that Council accept this report and resolve to approve plan change 1B to the Wairoa District Plan pursuant to Schedule 1, subclause 17(1) of the Resource Management Act 1991.</i>

2. Background

2.1

Making Plan Change 1B Operative

Part of the current review of the Wairoa District Plan is to analyse district plan change provisions, their continued relevance to land use issues in the district and their need for further review. The only plan change to the Wairoa District Plan since it became operative in 2005 was Plan Change 1 (notified on 13.6.07) that was superseded by Plan Change 1B.

Plan Change 1 introduced new subdivision and coastal protection objectives, policies, rules and associated amendments to the Wairoa District Plan for the settlements of Mahia beach, Waikokopu, Opoutama, Mahanga and Oraka. However, Plan Change 1 was withdrawn and superseded by Plan Change 1B to include the settlement of Te Mahia and the 'Coastal' zone (500m inland from the high tide mark) around the entire Mahia Peninsula. As this falls outside of the limits of the plan change previously notified it was re-notified in its entirety as Plan Change 1B.

Decisions on all submissions on proposed Plan Change 1B – Coastal Protection to the Wairoa District Plan were publically notified on 16.8.07. A total of 6 appeals were referred to the Environment Court with 15 individual points of reference. A series of memorandums and consent orders in relation to the Plan Change 1B Appeals were issued over the period 2008-2015. For more information see Appendix 1: Wairoa District Plan *Plan Change 1B report*.

Current situation

Making proposed Plan Change 1B operative is the final step in the plan change process. There is no opportunity to make further

amendment to Plan Change 1B at this time.

After the resolution of council to approve plan change 1B which is required to make the plan operative the following will occur:

1. A public notice will be put in the Wairoa Star stating the operative date of Plan Change 1B. Pursuant to section 20 (1) (Sch 1) of the RMA the operative date must be at least 5 working days after the public notice is published.
2. Councils seal will be added to make the final version of the amended plan operative pursuant to section 17(3) (Sch 1) of the RMA. The amended plan will include Plan Change 1B provisions as notified in 2007 and as amended by decisions on submissions and though appeals resolved at the Environment Court, this will be integrated with the existing operative district plan.

2.2 Previous resolutions by Council on this matter

20/07/07 Resolved: That Council accept Schedule of Recommendation & Appendices for Plan Change 1B.

2.3 Contribution to Council Vision and Outcomes

Plan Change 1B sets out rules for how people can use and develop coastal land and how to best manage and protect the district's coastal land and community from coastal hazards. As such Plan Change 1B contributes to the Wairoa District Council Vision that includes Connected Communities, Desirable Lifestyles and Treasured Environments.

3. Options

3.1 Council has statutory obligations to make proposed Plan Change 1B operative pursuant to Schedule 1 of the RMA. Making plan change 1B fully operative is a necessary part of the District Plan Review, enabling the review to be approached from a clean slate. The Council has already committed to conducting the District Plan Review in accordance with section 79 of the RMA.

4. Conclusion

There are a number of steps that must be taken to ensure Plan Change 1B is made fully operative in accordance with the RMA schedule 1 requirements. To ensure that the procedure for making plan change 1B is carried out in the correct manner, Council must now resolve to approve plan change 1B which is required to make the plan operative. Staff will then ensure an operative date is published in the Wairoa Star. Finally, Councils official seal will be affixed to the integrated document. This step makes operative the amended version of the Wairoa District Plan that integrates Plan Change 1B provisions and District Planning Maps as amended by Appeal resolutions i.e. Environment Court consent orders.

5. Corporate Considerations

5.1 Making Plan Change 1B operative is linked to various areas of council such as GIS and website services and will require input from numerous staff members, and is a necessary step in conducting the district plan review.

6. What is the change?

N/A

7. Compliance

7.1 Resource Management Act 1991

with legislation and Council Policy	<p>Council has a statutory obligation to make Plan Change 1B operative now that all the appeals to Plan Change 1B have been resolved.</p> <p>Pursuant to section 83 of the <i>Resource Management Act 1991</i> (RMA), a plan change that is operative is regarded as prepared and approved in accordance with Schedule 1 of the RMA. Additionally, section 84 (1) of the RMA requires Council and other Consent Authorities to enforce district plan change provisions that are operative.</p>
8. What are the key benefits?	<p>8.1 When Plan Change 1B is made operative Council will be fulfilling its statutory obligations pursuant to the RMA. Having an amended and integrated District Plan will mean Councils resource planners and plan users will now only have to refer to one set of plan provisions. Currently both the Wairoa District Plan made operative in 2005 and proposed plan change 1B provisions in relation to the coastal environment have to be considered as they both have legal effect with the most restrictive rulings taking precedence. With the amended plan there will only be one set of provisions that need to be considered. Furthermore, making plan change 1B operative means the District Plan Review can be approached from a clean slate.</p>
9. What is the cost?	<p>Costs covered by existing budgets, mainly made up of staff time i.e. public notice, staff time (Policy Planner will need to ensure the district plan and maps are integrated correctly, GIS coordinator: to integrate consent order directed amendments to map no.59 (with support of Policy Planner), Website manager: to upload correct version of plan and maps onto site (with support of Policy Planner).</p>
10. What is the saving?	<p>N/A</p>
11. Who has been consulted? (please refer to significance and engagement policy)	<p>11.1 A full community consultation has occurred though the plan change process, the public notice is the final consultation step in making plan change 1B operative.</p>
12. Service delivery review	<p>N/A</p>
13. Maori Standing Committee	<p>All members of the community were consulted through the public consultation process.</p>
14. Significance (please refer to significance and engagement policy)	<p>N/A</p>
15. Risk Management	<p>In accordance with schedule 1 of the RMA the correct process regarding the stages that must be followed when making a plan change operative i.e. operative date and affixing Council's official seal need to be followed to ensure the process is legitimate. Therefore correct processes and procedures will be followed to ensure the risk is managed.</p>
16. Further Information	<p>Relevant RMA information: http://www.legislation.govt.nz/act/public/1991/0069/latest/DLM23382</p>

[9.html](#)

Making plan changes operative:

<http://www.qualityplanning.org.nz/index.php/plan-steps/making-plan-operative>

17. Appendices

Appendix 1: Wairoa District Plan *Plan Change 1B*

18. References (to or from other Committees)

N/A

19. Confirmation of statutory compliance

20.1 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.

20. Signatories

Author: H Viriaere

Approved by: H Montgomery

H. Viriaere



Wairoa District Plan: *Plan Change 1B Report*

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1. Introduction

Part of the current review of the Wairoa District Plan is to analyse district plan change provisions, their continued relevance to land use issues in the district and their need for further review. The only plan change to the Wairoa District Plan since it became operative in 2005 was Plan Change 1 that was superseded by Plan Change 1B.

Pursuant to section 83 of the *Resource Management Act 1991* (RMA), a plan change that is operative is regarded as prepared and approved in accordance with Schedule 1 of the RMA. Additionally, section 84 (1) of the RMA requires Council and other Consent Authorities to enforce district plan change provisions that are operative.

Although decisions on submissions to proposed Plan Change 1B were notified in 2007 there has been a delay in making Plan Change 1B formally operative, principally because of a long standing appeal that has only recently been resolved through a consent order issued by the Environment Court in 2015. Furthermore, issues such as a high turnover of planning staff, conflicting information in planning documents, inefficient filing and absent critical documents in Councils hardcopy and electronic files, have also led to a lack of clarity around whether plan change 1B is operative in part or not and delayed progressing the plan change from the proposed to the operative stage.

1.1 Purpose

The purpose of this report is to outline what is required to make Plan Change 1B of the Wairoa District Plan fully operative. In an attempt to further understand the link between Plan Change 1B of the Wairoa District Plan and plan change statutory requirements the objectives of this report are to examine the following:

- ☐ What is the history of Plan Change 1B?
- ☐ What are Councils legislative requirements under the RMA in relation to Plan Change 1B?
- ☐ How must Council proceed in making Plan Change 1B of the Wairoa District Plan fully operative?

1.2 Report Outline

Chapter 2 of this report provides an overview of the history of proposed Plan Change 1B to the Wairoa District Plan. Chapter 2 also outlines the methodology used for gathering this information. Chapter 3 reviews the documentation surrounding the topic, themes include the district plan change process, Plan Change 1B and consent order integration. Chapter 4 discusses the key ideas raised by this research and links are made between preceding chapters. Chapter 5 concludes this report and provides recommended future actions.

Key Terms

District Plan

Under section 73(1) of the *Resource Management Act 1991* (RMA) there must be one district plan for each district prepared by the territorial authority in the manner set out in Schedule 1 of the RMA. A district plan is a legal document that contains guidance and rules about how you can use and develop your land. The District Plan states the significant resource management issues of the district, the objectives to be achieved, the policies for addressing the issues and objectives, and the methods to be used to implement these policies to manage the effects of the use, development or protection of land and associated natural and physical resources in the district. Furthermore, the District Plan defines the way in which the district's natural and physical resources will be managed to achieve the purpose and principles of the RMA. The purpose of the RMA is the sustainable management of natural and physical resources while avoiding, remedying or mitigating adverse environmental effects and providing for the wellbeing of communities.

Plan Change

The District Plan can be amended through a plan change. Plan changes are amendments and modifications to an Operative District Plan. Section 73(1A) requires that a district plan be changed by a territory authority in the manner set out in Schedule 1 of the RMA. All plan changes are publicly notified and any person can lodge a submission in relation to a plan change. Plan changes may be required because of new information, research, or to respond to the changing needs and values of the community. Plan changes can be initiated by private individuals or by the council itself, unlike variations which only the council can initiate.

District Plan Review

A District Plan Review is similar to a plan change, except that the RMA requires Council to begin the process of reviewing a District Plan after a 10 year period and involves a comprehensive review of all District Plan provisions. The District Plan review is required to follow the process set out in Schedule 1 of the RMA, which identifies the relevant timeframes, public submission rights and decision making processes.

Public input into the review is essential to ensure that the District Plan meets the needs and expectations of those who will be living and working here in the future, and ensures the Council has engaged in a wide range of consultation in developing the plan. This submission process is a further opportunity for public involvement. In August 2015 the WDC began reviewing the Wairoa District Plan that was made operative in 2005.

Operative Plan

District Plans are made operative under section 83 of the RMA on the basis that they have been prepared and approved in accordance with schedule 1 of the RMA. Once operative territorial authorities are required to observe and enforce the provisions of any plan that applies to them. Clause 17(2) of Schedule 1 of the RMA allows a council to approve part of a plan when it is beyond challenge by submission or appeal. There is legal opinion that decisions made on submissions to a plan change that have been notified can be deemed operative in part through their sheer use over a long period of time if the relevant appeal has been resolved. However, pursuant to Clause 17(3) of Schedule 1 of the RMA approval for making a plan operative is effected by affixing the seal of council to a proposed plan. There is evidence of Councils' formally affixing their seal of approval to make their district plan operative in part such as Thames-Coromandel District Council. There is no evidence of any part of proposed Plan Change 1B being made operative in part according to the WDC current (seals from 2010) or seals register (1996-2010) sourced from councils archive department.

2. Background

This chapter provides a chronology of the Wairoa District Plan. First the key stages of the first generation Wairoa District Plan from proposal to operative stage are outlined. Second, the series of events that have occurred in regard to Plan Change 1 and 1B of the Wairoa District Plan are explained. Next, a brief outline about the Wairoa District Plan Review as it relates to Plan Change 1B is provided. Lastly, research methods used for this report are summarised.

2.1 Wairoa District Plan Timeline 1999-2016

To help clarify the operative status of Plan Change 1B of the Wairoa District Plan a time line of the Wairoa District Plan was compiled as shown below. Retracing Wairoa District Plan history has helped to provide a clearer picture of the sequence of events of the Plan from inception to the present. In particular, helping to identify whether key RMA procedural steps in regards to district plan processes i.e. Plan Change 1B have occurred which are explored in greater depth in Chapter 4: Discussion.

2.2 Proposed District Plan-1999

The Wairoa District Plan (first generation) was publically notified on 12 August, 1999 when submissions were called for. There were 54 submissions received raising over 1600 individual submission points. A further 24 people lodged further submissions in support or opposition to these submissions.

2.2.1 Decision Version; Proposed District Plan – 2001

Hearings on the submissions ran from September through to November 2000. Decisions on submissions were released on 14 February 2001, and Council released the ‘Decision Version’ of the Proposed District Plan on 27 March 2001. Some of these decisions were then referred to the Environment Court. A total of 10 appeals (references) were referred to the Environment Court with a total of 109 individual points of reference.

2.2.2 Operative Plan – 2005

The Wairoa District Plan became operative on 25 June 2005 and incorporates all of the Council's decisions, and all changes resulting from consent orders approved by the Environment Court, in respect of the Proposed District Plan.

2.3 Plan Change 1B - 2007

Plan Change 1 to the Wairoa District Plan was notified on 13 June 2007. This proposed change introduced new subdivision and coastal protection objectives, policies, rules and associated amendments to the Wairoa District Plan for the settlements of Mahia beach, Waikokopu, Opoutama, Mahanga and Oraka. However, Plan Change 1 was withdrawn and superseded by Plan Change 1B to include the settlement of Te Mahia and the ‘Coastal’ zone (500m inland from the high tide mark) around the entire Mahia Peninsula. As this falls outside of the limits of the plan change previously notified it was re-notified in its entirety as Plan Change 1B. All submitters to Plan Change 1 were advised of this and all submissions to the earlier notification were accepted by Council as submissions to the second notification.

2.3.1 Decision Version; Proposed Plan Change 1B - 2007

A special meeting of council to hear submissions and further submissions for Plan Change 1B was held on the 19th and 20th of June. On 20th of June Council resolved to accept the schedule of recommendations and appendices for Plan Change 1B. On 16th August 2007 decisions on all submissions on proposed Plan Change 1B – Coastal Protection to the Wairoa District Plan were publically notified. The notification public notice shown in Appendix 1 included information on where to find a full copy of the decisions on Plan Change 1B submissions, annotated text and associated Section 32 Report and Maps. Some of these decisions were then referred to the Environment Court. A total of 6 appeals shown in Table 1 were referred to the Environment Court with a total of 15 individual points of reference.

Table 1: Appeals to Plan Change 1B

Lodgment Date	Appellant	Reason/s for Appeal – Relief Sought
26.9.7	Mark Mahoney	<ol style="list-style-type: none"> 1. Coastal Mahanga Policy Area (CMPA) to be shown on Planning Map No.59 2. Subdivision within the Coastal (Mahia) Zone to be a 'controlled activity' provided it meets the appropriate performance standards 3. Further to 2. above, exclude CMPA from being a discretionary activity if lot partially within CERZ (rule 27A.1.4(c)(i)) 4. 15m side yard to be reduced to 5m for CMPA 5. Minimum lot size for CMPA to be reduced to 1,800m² 6. Coastal Hazard Lines be more accurately defined
3.9.7	Steel	<ol style="list-style-type: none"> 1. Residential (Mahia) Zone boundary in relation to Lot 5 DP 349802 at Mahanga to be shifted closer to the wetland (to be within 40m of wetland)
26.9.7	Wine Country Properties Ltd	<ol style="list-style-type: none"> 1. Coastal Mahanga Policy Area (CMPA) minimum lot size to be reduced to 1,400m²/1,800m² (performance standard 27.10.1) 2. Allowable building coverage to be increased from 10% to 15% within CMPA (performance standard 15A.8.1B) 3. Minimum front, side and rear yard to be reduced to 5m for land abutting land zoned rural or land used for public access to coast
24.9.7	Osyris Group (Eastland) Ltd	<ol style="list-style-type: none"> 1. Minimum lot size in Coastal (Mahia) zone to be reduced or allowance made for clusters of intensive residential development where such use is consistent with the Mahia Landscape Assessment recommendations 2. Minimum lot size in Residential (Mahia) Zones to be reduced to 500m²
3.9.7	Mexted and Williams	<ol style="list-style-type: none"> 1. Hazard lines affecting Lots 1 and 2 DP 28759 at northern end of Judges parade, Mahanga be changed to those proposed by Coastal Management Consultancy Ltd (as presented at hearing) 2. That rule 27A.1.6(a) be deleted – 'Prohibited Activities'
18.9.7	Penny Ann Fishing	<ol style="list-style-type: none"> 1. Minimum lot size in Residential (Mahia) Zones to be reduced to 600m²

2.4 Environmental Court Mediation for Plan Change 1B Appeals- 2008

Environment Court mediation for the Plan Change 1B Appeals was held on 17th July 2008 at the War Memorial Hall, Wairoa. The purpose of the mediation was to resolve outstanding appeals rather than proceeding to an Environment Court Hearing. All appellants were represented by legal counsel with the exception of Osyris Group. The Plan Change 1B Mediation Report by Council Planner written on 12/8/8 states that most appeals were resolved in principle as shown in Table 2.

The report by the Councils Planner outlined required actions, to progress some of the appeals agreed in principle to the consent order stage. According to the meeting minutes held by the council and email records the following actions were carried out:

- In relation to the Steel Appeal, Councils Planner (Cook) to arrange site meeting with WDC/Steel/DoC. *An email to Councils legal counsel Matthew Lawson from Cook dated 18.8.8 confirms that DoC did give written consent for the shifting of the Residential (Mahia) boundary next to the wetland at Mahanga.*
- In relation to the Wine Country Properties Appeal, WDC to consider 15% building coverage. *In the Councils Minutes of Ordinary Meeting of Council 12 August 2008 it was resolved by the Councillors that the minimum upper limit of building coverage remain at 10% (Performance Standard 15A.8.1B).* This appeal was later withdrawn.

Table 2: Outcomes of Plan Change 1B Appeal Environmental Court Mediation

Appellant	Resolutions Made in Principle	Outcome	Action point
Mark Mahoney	<ul style="list-style-type: none"> • CMPA be accurately identified on Planning Map 59 • Subdivision within the CMPA would be a 'Controlled activity' provided it meets all the requirements of Performance Standards 27.10 and 15A (including minimum lot size of 5,000m²) • In reflection of this, CMPA to be excluded from Rule 27A.1.4(c)(i) • Minimum front, side and rear yard to be reduced to 5m for CMPA for that part of the lot outside the CERZ • Coastal hazard lines to be removed from WDC planning map 59 and reference to be made to HBRC coastal hazard lines • Minimum lot size for CMPA to remain at 5,000m² 	WDC and appellant agreed in principle to these resolutions	NA
Steel	<ul style="list-style-type: none"> • Residential (Mahia) Zone boundary to be moved as requested provided acceptance gained from DoC 	WDC and appellant agreed in principle	L Cook to arrange site meeting WDC/Steel/DoC
Wine Country Properties Ltd	<ul style="list-style-type: none"> • Minimum front, side and rear yard to be reduced to 5m for CMPA for that part of the lot outside the CERZ 	WDC and appellant agreed on yard issue only	WDC to consider 15% building coverage
Mexted/Williams	<ul style="list-style-type: none"> • Coastal hazard lines to be removed from WDC planning map 59 and reference to be made to HBRC coastal hazard lines • Rule 27A.1.6(a) will not be deleted 	Although WDC and appellant agreed in principle to these resolutions, Coastal hazard lines on Map 59 were only moved to align with HBRC coastal hazard lines (see consent order in table 3).	NA
Penny Ann Fishing	<ul style="list-style-type: none"> • Minimum lot size for a 'controlled activity' would not be reduced to 600m² • 'Method' and 'Explanation' of Objectives and Policies (Clauses 18A.4 and 18A.5) would be expanded to specifically address larger scale development 	WDC and appellant agreed in principle to these resolutions	NA

2.4.1 Plan Change 1B of the Wairoa District Plan - Resolution of Appeals 2008-2015

A series of memorandums and consent orders in relation to the Plan Change 1B Appeals were issued over the period 2008-2015 as shown in Table 3. The Osyris Group did not continue with their appeal. In 2008 Wine Country Properties Limited withdrew their appeal and 2 consent orders were issued for the appellants A J and L A Steel and Penny Ann Fishing Company. In 2009 a consent order was issued for the appellant Mark Mahoney. The Murray Mexted and Paul Williams appeal did not proceed to consent order until 2015. The consent order was delayed due to a long standing appeal against an application Mexted and Williams had to subdivide their land at the end of Judges Parade, Mahanga. The Mahanga property was the same land that the proposed plan change 1B provisions would affect, including the right to develop and build on the property, discussed in greater detail in section 3.4.3 (Consent Order Appeals) of this report.

2.5 District Plan Review Commence 2015

As the Wairoa District Plan was made operative on 25 June 2005, Council is required by Section 79 of the RMA to commence the review of any provision of the District Plan, if it has not been subject to a review or change during the previous 10 years. As many of the provisions of the District Plan have not been reviewed or changed in the previous 10 years, Council was required to commence the review of the majority of the District Plans provisions in 2015. Although Proposed Plan Change 1B has already amended sections of the District Plan, these provisions will still need to be analysed and may be amended to ensure they provide for legislative and statutory updates since the district plan

became operative. Furthermore, an updated plan can address the issues forecast for the Wairoa Community over the next decade, in relation to land use and development in the district in accordance with the RMA.

Table 3: Plan Change 1B Appeal Environment Court Memorandums and Consent Orders

Date	Environment Court Ruling
17.9.8	Memorandum of the parties of A J and L A Steel (appellant) and WDC (respondent)
24.9.8	Memorandum of the parties of Penny Ann Fishing Company (appellant) and WDC (respondent)
1.10.8	Memorandum of Counsel – For withdrawal of appeal of appellants Wine Country Properties Limited and WDC (respondent)
5.11.8	Consent Order of the A J and L A Steel (appellant) and WDC (respondent) No: ENV-2007-WLG-000135 <i>The Court orders, by consent that map No.59 (as amended by Plan Change 1B is further amended by adjusting the boundary of the Residential (Mahia) and Coastal (Mahia) Zones in the vicinity of Katrin Place as shown on the attached Map (Shown in Appendix 4).</i>
6.11.8	Consent Order of Penny Ann Fishing Company (appellant) and WDC (respondent) No: ENV-2007-WLG-000124 The Court orders, by consent that Plan Change 1B to the Wairoa District Plan is amended as set out in the attached schedule (Shown in section 3.4.2 <i>Consent Order Appeals</i> of this report).
8.12.7 and 17.3.9	Joint Memorandum of the Parties between Mark Mahoney (appellant) and WDC (respondent) No: ENV-2007-WLG-131 To amend Rule 27.9.1 to ensure subdivision within the Coastal (Mahia) Zone and Coastal Mahanga Policy Area as a controlled activity subject to meeting the appropriate corresponding performance standards of the Plan is within the jurisdiction as it lies on the continuum between what was notified in the plan change and what was sought by submissions. The 5,000m ² minimum lot size controlled activity for the area now known as the Coastal Mahanga Policy Area is how the plan as notified dealt with the land which is in the Coastal Mahanga Policy Area. The appeal by Mr Mahoney simply sought to clarify that situation.
31.3.9	Appeal Consent Order (Between Mark Mahoney (appellant) and WDC (respondent) No: ENV-2007-WLG-000131 - <i>The Court orders by consent that Proposed Plan Change 1B is amended as set out in the attached schedule</i> (Shown in section 3.4.2 <i>Consent Order Appeals</i> of this report).
27.7.15	<i>Consent Memorandum (ENV-2007-WLG-118)</i> The Appeal by Mexted and Williams relates to the inclusion of Coastal Hazard Lines in Plan Change 1B to the Wairoa District Plan. The Wairoa District Plan as proposed by Plan Change 1B would include Coastal Hazard Lines for 2100, 2060 and a current Erosion Zone Line. At the same time, the proposed Regional Coastal Environment Plan includes Coastal Hazard Lines representing the 2100 Coastal Erosion Zone and the current Erosion Zone Lines. The lines are in different locations to those proposed in Plan Change 1B. Attached to this memorandum is a copy of the relevant Planning Map from the Hawkes Bay Regional Coastal Environment Plan. This matter has been the subject of considerable discussion and at a mediation held in 2008 before Environment Court Commissioner John Mills it was agreed that, as far as practicable, the Coastal Hazards Lines in each of the Regional Council and District Planning Maps should coincide. It also noted that section 75(4) of the RMA provides that District lands may not be inconsistent with Regional Plans, at least for matters covered in Section 30(1)(c)(iv) as they both seek to avoid or mitigate natural hazards and the effects thereof. The parties are thereof agreed that this matter can be resolved by: <ul style="list-style-type: none"> a) Amending the 2100 Coastal Erosion Line as it affects the Appellants property on Map 59 of the proposed Plan Change 1B to the Wairoa District Plan to be the same as the Coastal Hazard Zone 2 (Landward Boundary) line in the Proposed Regional Coastal Environment Plan. b) Amending the Current Erosion Risk Line as it affects the Appellants property on Map 59 of the proposed Plan Change 1B to the Wairoa District Plan to be the same as the Coastal Hazard Zone 1 (Landward Boundary) line in the Proposed Regional Coastal Environment Plan. A draft copy of the amended Planning Map in the Wairoa District Plan. <i>A draft copy of the amended Planning Map in the Wairoa District Plan is attached (Shown in Appendix 6).</i>
31.8.15	Appeal Consent Order of M Mexted and P Williams (appellant) and WDC (respondent) No: ENV-2007-WLG-000135 - <i>The Court orders, by consent that the appeal is allowed to the extent that the 2100 Coastal Hazard Line as shown in proposed Plan Change 1B to the Wairoa District Plan and as shown in the proposed Wairoa District Planning Map be amended in so far as it applies to the Apellant's property (Lots 1 and 2 DP 28759 so that the line coincides with the 2100 Coastal Hazard Lines as shown in the Hawkes Bay Regional Coastal Environmental Plan (Shown in Appendix 6).</i>

2.6 Method

The prime method of research used for this report for data collection was document analysis. Documents analysed included council meeting reports, emails, resource consents, statement of evidence records to the Environment Court, Environment Court consent orders and Memorandums of Understanding, notification newspaper adverts, submission reports, *Resource Management Act 1991*, plan change 1 and 1B archives and other reports related to the research area. To assist with accessing this written information record, personal communication occurred with members of Wairoa District Council (WDC) staff including the Chief Operating Officer, District Planner, a former Council policy analyst still working at Council, Records and Archival Department members and external planning consultants who were involved with Plan Change 1B and the lawyer associated with Environment Court Appeals.

2.7 Conclusion

This chapter has given a brief overview of the history of the Wairoa District Plan and the evolution of Plan Change 1B. A timeline was given to show the important steps involved with the Wairoa District Plan that relate to Plan Change 1B. Lastly, the Research Method was outlined. The next chapter will review the documentation relevant to this report.

3. Document Review

This chapter presents the rationale for conducting research on Plan Change 1B of the Wairoa District Plan. Therefore, the following review will explore the documentation pertinent to this research study. The chapter is organised into three sections:

- 1) Plan Change Process
- 3) Plan Change 1B
- 4) Consent Order Integration

3.1 Plan Change Process

Schedule 1 of the RMA (1991) sets out the process councils must follow when making a plan change to a district plan. It involves Council first of all deciding whether to adopt and proceed with a proposal and then publicly notifying the proposed change. Anyone can make a submission to the proposal, either in support or opposition. People have 20 working days to make a submission, people are then invited to make submissions on the submissions. Submitters then have the opportunity to present their submissions in person to Council during the hearing process. The decision of the Hearing Committee is publicly notified. A further period is allowed for appeals. Appeals to the decisions must be lodged with the Environment Court within 30 working days.

The final stage of a plan change is the setting of the date for making the plan change part of the Operative District Plan under clause 17 and setting the operative date under clause 20 of Schedule 1 of the RMA. If no one appeals against the council's decision, the plan change becomes operative in line with the council's decision. If appeals are lodged with the Environment Court, they have to be resolved before the plan change can become fully operative.

3.2 Plan Change 1B

Plan Change 1 was notified on 13/7/6 but was re-notified as Plan Change 1B on 15/2/7. Notice of decision on submissions and further submissions for Plan Change 1B was publicly notified on 16/8/7. Hearing of submissions were held on 19 and 20 June 2007. Six appeals were received on Plan Change 1B in 2007, those that progressed to the consent order stage are detailed in section 3.4.2: *Consent Order Appeals* of this report.

Many council reports, minute documents and other material were analysed to help ascertain what steps were carried out in relation to taking Plan Change 1B from the proposal stage to the operative stage, Table 4: Plan Change 1B timeline is the result of this inquiry. It is evident in the timeline shown below that there are information gaps that still need to be filled and that are addressed in chapter 4: Discussion chapter.

Table 4: Plan Change 1B Timeline

Actions/References to Plan Change 1B	Date
Proposed Plan Change 1 was notified on	13/7/6
Plan Change 1B - Coastal Protection Section 32 Assessment Report	12/6
Plan Change 1B was notified on	15/2/7
Submissions closing on	15/3/7
Summary of submissions was made and notice for further submissions was advertised on	17/4/7
Further submission period closing on	16/5/7
Wairoa Plan Change 1B hearing report (Beca)	23/5/7
Special meeting of council (Hearing) to hear submissions and further submissions for Plan Change 1B : All decisions of Plan Change 1B will be drafted by Ms N Poutasi and the Committee will be notified	19 and 20 /6/7
Resolved: That Council accept Schedule of Recommendation and Appendices for Plan Change 1B	20/7/7
Memo stating that Environment Court mediation scheduled for Report to council stating that: Late item-Plan Change 1B. Reports for notification stating: Current Situation: Councillors recently received a memo enclosing a copy of amended Plan Change 1B reports for notification. Recommendations: The Plan Change 1B reports: - Final annotated text, - Reasons for Decisions, - Subdivision Section 32, - Coastal Protection Section 32, be confirmed as correct and adopted.	14/8/7
Notice of decision on submissions and further submissions for Plan Change 1B notified on. Note: WDC website states that the WDC gives public notice on 16.8.7 that it has made decisions on all submissions on proposed Plan Change 1B – Coastal Protection to the WDP. Anybody or person who made a submission on Proposed Plan Change 1B may appeal the Council's decision to the Environment Court on a matter or provision referred to in their submission. Notices of appeal must be lodged, within 30 working days of notification of Council's decision	16/8/7
Notice of decision - Wairoa District Council (Council) gives public notice as of 23 August 2007 that it has made a decision to reject submission points 34.2 and 51.2 which sought to reduce the minimum lot size of the Residential (Mahia) zone from 800m ² to 600m ² on proposed Plan Change Number 1B – Coastal Protection to the Wairoa District Plan.	23/8/7
WDC Annual Report 06-07 p.2 states Plan Change 1B (Coastal Protection) has been notified and appeals are currently being processed.	11/12/7
WDC Annual Report 07-08 p.3 states Planning Mediation on Plan Change 1B is complete with Consent Orders being drafted for the Environment Court. Dependent on Court sitting dates, the Plan Change should be operative by the end of 2008.	30/6/8
Council report states that Environment Court mediation will take place on Thursday 17th and Friday 18th July 2008 at the Memorial Hall, Wairoa. Council has previously been advised of the content of appeals and some of the mediation already undertaken. Recommendations: That Council authorise the Chief Executive Officer to act on its behalf in conjunction with Council's Solicitor to undertake mediation with appellants to District Plan Change 1B.	8/7/8
Plan Change 1B Report states that a Hearing for Plan Change 1B was held on 19th and 20th June 2007 where submissions and further submissions were considered. The Notice of Decision was then notified on 16th August 2007. 6 appeals to the decisions were then submitted to the Environment Court, all of which are still outstanding. Overall, it is felt that the mediation meeting went well with most appeals resolved in principle. All appellants were represented other than Osyris (Eastland) Group.	12/8/8
Resolutions not yet agreed in principle as detailed in table 2 have been addressed according to an email to a lawyer from District Planner (WDC).	18/8/8
Plan Change 1B Appeals by Penny Ann Fishing Company and Steel Environment Court Consent Orders issued	10/11/8
Resource consent (no.RM070004) states that the Council has issued decisions in respect to the proposed Plan Change, and although there are some unresolved appeals, none of the provisions that affect the current proposal are under appeal. As such, for the purposes of this application, proposed Plan Change 1B is operative in accordance with section 19 (now repealed) of the RMA. (by MWH NZ LTD – planning report)	9/12/8
Plan Change 1B Appeal by Mahoney Environment Court Consent Order issued	3/4/9
WDC Annual Report 08-09 p.3 states "Plan Change 1B still not operative but the expectation is that it should be by 31 December 2009"	30/10/09
Email from Planner (WDC) to Consultant Planner (Opus) - Thank you for meeting with me recently and for your Offer of Service of 23rd August 2010 regards integration of Plan Change 1B into the Operative District Plan document. We accept that Offer of Service and enclose a signed copy of your Short Form Agreement. I will organise electronic copies of the text and updated planning maps and get these to you by the end of next week. I will also forward copies of the Court Orders relating to appeals on the Plan Change decision. There is one appeal that is outstanding and that relates to the Mexted/Williams property at the northern end of Judges Parade in Mahanga and relates to the hazard lines shown on map 59. I will also send through documentation on this for your information. As discussed, we can hopefully address this appeal through a further plan change to 'improve' the current Plan. We look forward to working with you on this and will contact you next week regards supply of information.	1/9/10
Wairoa District Council Mahia East Coast Road Coastal Protection Resource Consent Application report prepared for WDC p.10 by Environment Management Services Ltd states that "Decisions on Plan Change 1B – Coastal Protection were released on 16 August 2007. This Plan Change introduced amendments to the objective and policies for Natural Hazards (Section 8) as well as Coastal Hazard rules (Section 27A) of the District Plan. While the plan change is not fully operational, there are no outstanding appeals that would affect this proposal and hence it is considered operative for the purposes of this application"	5/13
Letter to CEO WDC from Matthew Lawson Director of Lawson Robinson barristers and solicitors states that "Plan Change 1B is not yet operative due to unresolved appeal".	14/8/14
Resource consent application states' The Council notified Plan Change 1 (superseded by Plan Change 1B) on 13 July 2007. The majority of Plan Change 1B is now operative; it is only the provisions relating to the proposed coastal hazard lines that are outstanding. Until these provisions are made operative, the application is required to be assessed under both the Operative District Plan and Plan Change 1B". (Resource consent for Rocket Lab Ltd)	28/8/15
Plan Change 1B Appeal Mexted and Williams, Environment Court Consent Order issued	31/8/15

3.3 Resolved Plan Change 1B Appeals via Consent Order

None of the consent orders relating to Plan Change 1B appeals have been incorporated into the Wairoa District Plan yet. The WDC website provides viewers with access to the current operative District Plan and the annotated text and maps of Plan Change 1B, however the provisions of the four consent orders by Steel, Penny Ann Fishing Company, Mahoney and Williams and Mexted have not been incorporated into these documents. Details of these consent orders and what's required in regards to amending the District Plan are detailed below.

3.3.1 Appeal by Appellant A J and L A Steel

Reasons for Appeal-Relief Sought: Residential (Mahia) Zone boundary in relation to Lot 5 DP 349802 at Mahanga to be shifted closer to the wetland (to be within 40m of wetland).

Resolution Made in Principle: Residential (Mahia) Zone boundary to be moved as requested provided acceptance gained from DoC. Acceptance gained 18. 8. 8.

Note: Original map No. 59 shown in Appendix 2 and the plan change 1B map no.59 as notified at 2007 is shown in Appendix 3.

Consent Order 5.11.8: Map No.59 (as amended by Plan Change 1B is further amended by adjusting the boundary of the Residential (Mahia) and Coastal (Mahia) Zones in the vicinity of Katrin Place as shown on the attached Map (Shown in Appendix 4).

Current Plan Change 1B Provision:

See Map 59 as shown in Appendix 3.

Required Amendment as per Steel consent order: Integrate map (plan change 1B map no.59) shown in Appendix 3 with map from Steel consent order shown in Appendix 4.

3.3.2 Appeal by Appellant Penny Ann Fishing Company

Reasons for Appeal- Relief Sought: Minimum lot size in Residential (Mahia Zone) to be reduced to 600m²

Resolution Made in Principle: ‘Method’ and ‘Explanation’ of Objectives and Policies (Clauses 18A.4 and 18A.5) would be expanded to specifically address larger scale development.

Consent Order 6.11.8: Plan Change 1B to the Wairoa District Plan is amended as set out in the attached schedule shown below:

Amend Clause 18A.5.1 of the Wairoa District Plan as follows:

- 18A.5.1 The Residential (Mahia) Zone generally relates to Mahia including Mahia Beach, Waikokopu, Opoutama, Mahanga, Te Mahia and Oraka. The objectives and policies for the Residential (Mahia) Zone seek to provide flexibility in the types of activities and the intensity of residential activities whilst maintaining and enhancing the predominant residential amenity of these areas. As a new method to 18A.4 as follows:
- 18A.4.6 Where larger scale residential developments are proposed, Council will consider the use of structure plans to indicate a range of serviced section sizes and intensities while maintaining and enhancing the residential amenity of the area.

Current Plan Change 1B Provision:

18A.5.1 The Residential (Mahia) Zone generally relates to Mahia including Mahia Beach, Waikokopu, Opoutama, Mahanga, Te Mahia and Oraka. The objectives and policies for the Residential (Mahia) Zone seek to provide flexibility in the types of activities whilst maintaining and enhancing the predominant residential amenity in these areas.

Required Amendment as per Penny Ann Fishing Company consent order:

Add “and the intensity of residential activities” to 18A.5.1

And 18A.4.6. Where larger scale residential developments are proposed, Council will consider the use of structure plans to indicate a range of serviced section sizes and intensities while maintaining and enhancing the residential amenity of the area.

3.3.3 Appeal by Appellant Mark Mahoney

Background

Following a request by the Environment Court to clarify how the Mahoney appeal came about and what provisions came as a result of the appeal, a memorandum was prepared pointing out how the particular provisions appealed came about and how the Coastal Mahanga Policy Area (CMPA) had been developed as a sub-zone within the Coastal (Mahia) Zone.

The Joint Memorandum of the parties ENV-2007-WLG-131 (Mark Mahoney and Wairoa District Council, March 2009) addressed these queries and stated the following: *The amending text proposed by the plan change is double underlined. Deletions are struck through and text added through decision should be underlined with a broken line. There is an exception to this as it would appear that the amendment to Rule 27.10.1 introducing the CMPA does not reflect the fact that the CMPA arose out of recommendations on submissions.*

The plan change as originally notified provided for subdivision within the Residential (Mahia) and Coastal (Mahia) Zones as a controlled activity provided that it complied with Rules 18A.8 and 27.10 which were the performance standards relevant to that activity.

Performance standard 27.10 in the Plan as notified provided for subdivision within the CMPA Residential (Mahia) zone as a controlled activity with a minimum lot size for the Coastal (Mahia) Zone of 5000m². Submissions were made which challenged the 5000m² minimum lot size for the whole of the Coastal (Mahia) Zone. The submissions suggested that a 4 hectare minimum lot size would be appropriate for that zone.

When council considered the matter, it was in agreement that a 5000m² minimum lot size as a controlled activity could give rise to substantial ribbon development along the Coast at Mahia and that this was undesirable. The hearings decision therefore allowed the submission in part because it was considered that the area in Pukenui Drive, Mahanga Beach required special consideration. This was an area that was immediately adjacent to the already developed area of Mahanga Beach and it had always been anticipated that there would be some form of development on this land. It was therefore considered as a sub-group within the rest of the Coastal (Mahia) Zone and as a result the minimum lot size for the area that was identified as the CMPA remained at 5,000m² as notified and not the larger 4ha size that applies to the rest of the Coastal (Mahia) Zone.

Reason for Appeal: Relief Sought

Coastal Mahanga Policy Area (CMPA) to be shown in planning map no. 59 (Shown in Appendix 5). Subdivision within the Coastal (Mahia) Zone to be a 'controlled activity' provided it meets the appropriate performance standards. Further 2. Above excluded CMPA from being a discretionary activity if a lot is partially within CERZ (rule 27A.1.4(c)(i) 15m side yard to be reduced to 5m for CMPA minimum lot size for CMPA to be reduced to 1,800 m² coastal hazard lines be more accurately defined.

Resolution made in Principle related to consent order 12.8.8.

	Coastal Mahanga Policy Area
Minimum Front Yard	5m
Minimum Side Yard	5m
Minimum Rear Yard	5m
Maximum Building Height	5m

- CMPA be accurately identified on Planning Map 59
- Subdivision within the CMPA would be a controlled activity provided it meets all the requirements of Performance Standards 27.10 and 15A (including minimum lot size of 5,000m²) In reflection of this CMPA to be excluded from Rule 27A.1.4c(i). Minimum front, side and rear yard to be reduced for CMPA for that part of the lot outside the CERZ.
- Coastal Hazard lines to be removed from WDC planning map 59 and reference to be made to HBRC coastal hazard lines. Minimum lot sizes to remain at 5000m²

Consent Order 3.4.9 Amend Clause 15A.8.8A of the Wairoa District Plan as follows:

15A.8.8A All buildings shall meet the following bulk and location requirements:

	Coastal (Mahia) Zone	Coastal Mahanga Policy Area
Minimum Front Yard	15.0m	5.0m
Minimum Side Yard	15.0m	5.0m
Minimum Rear Yard	15.0m	5.0m
Maximum Building Height	8.0m	8.0m

Amend Rule 27.9 as follows:

27.9.1 All subdivision within the Residential (Mahia) Zone provided it complies with 18A.8 and 27.10 General Performance Standards for Residential (Mahia) Zone.

27.9.2 All subdivision within the Coastal Mahanga Policy Area that complies with 15A.8 and 27.10. Rule 27A.1.4(c)(i) shall not apply to any such subdivision where every lot created has an area outside of the CERZ that meets the performance standards in 15A.8 and 27.10

27.9.3 Subdivision around land use activities subject to resource consent from the Wairoa District Council.

27.9.4 Subdivision for boundary adjustment purposes.

Operative District Plan 2005

No reference to 27.9.

Plan Change 1B Provision:

15A.8.8A All buildings shall meet the following bulk and location requirements:

Minimum Front Yard	15.0m
Minimum Side Yard	15.0m
Minimum Rear Yard	15.0m
Maximum Building Height	8.0m

NOTE: Front, side and rear yards in the Coastal (Mahia) Zone may be reduced to not less than 5m with the written approval of the affected neighbour (land owner and occupier including Council where it is the affected neighbour) endorsed on the Plans submitted for building consent.

Note: section below has the heading 27.9 RULES – RESIDENTIAL (MAHIA) AND COASTAL (MAHIA).

Controlled Activities

27.9.1 All subdivision within the Residential (Mahia) Zone provided it complies with 18A.8 and 27.10 General Performance Standards for Residential (Mahia) and & Coastal (Mahia) Zones.

27.9.2 Subdivision around land use activities subject to resource consent from the Wairoa District Council.

27.9.3 Subdivision for boundary adjustment purposes.

Discretionary Activities

27.9.4 All subdivision within the Coastal (Mahia) Zone provided it complies with 15A.8 and 27.10

General Performance Standards for Residential (Mahia) & Coastal (Mahia) Zones.

27.9.5 Subdivisions listed in 27A.1.4.

Required Amendment as per Mahoney Consent Order:

15A.8.8 Change table to one shown in Mahoney consent order.

Controlled Activities

27.9.1 All subdivision within the Residential (Mahia) Zone provided it complies with 18A.8 and 27.10 General Performance Standards for Residential (Mahia).

Change 27.9.2 from Plan Change 1B provision to a new provision that is: 27.9.2 All subdivision within the Coastal Mahanga Policy Area that complies with 15A.8 and 27.10. Rule 27A.1.4(c)(i) shall not apply to any such subdivision where every lot created has an area outside of the CERZ that meets the performance standards in 15A.8 and 27.10

Change 27.9.3 from plan change 1B notified in 2007 plan, to: 27.9.3 Subdivision around land use activities subject to resource consent from the Wairoa District Council.

Change 27.9.3 from plan change 1B notified in 2007 plan to: 27.9.4 Subdivision for boundary adjustment purposes.

Note: the numbering changes above will affect the numbering of other provisions as noted below.

Discretionary Activities

Change 27.9.4 from plan change 1B notified in 2007 plan to: 27.9.5 All subdivision within the Coastal (Mahia) Zone provided it complies with 15A.8 and 27.10 General Performance Standards for Residential (Mahia) & Coastal (Mahia) Zones. To 27.9.4 Subdivision for boundary adjustment purposes.

Change 27.9.5 from plan change 1B notified in 2007 to 27.9.6 Subdivisions listed in 27A.1.4.

3.3.4 Appeal by Appellant Murray Mexted and Paul Williams

Background to Appeal

This section explains why there was a long-standing delay in resolving the Mexted and Williams Appeal to proposed plan change 1B. In 2007 when WDC notified Plan Change 1B an appeal was lodged by Murray Mexted and Paul Williams against the provisions of the proposed Plan Change. At that time Mr Mexted and others had an application before Council for the Subdivision of land at 45 Judges Parade, Mahanga and the proposed plan provisions affected the right to subdivide the property.

In 2006 the Hawkes Bay Regional Council (HBRC) notified the Regional Coastal Environment Plan (RCEP). The plan introduced coastal hazard zones in to the RCEP which were different from those proposed by the WDC in the District Plan. They were subsequently reviewed by Tonkin and Taylor to give advice to the HBRC regarding the matter in April 2008. In the report Tonkin and Taylor advised that the RCEP could be amended by the hazard zones identified in the site specific assessment provided by Dr Gibb to Murray Mexted and Paul Williams. This position subsequently changed such that Tonkin and Taylor no longer accepted the lines proposed by Dr Gibb and this was part of the issue before the Environment Court in the appeals lodged by Mahange E Tu Incorporated.

In the course of the hearings of the resource consent appeals, there were three coastal experts who all put forward new alternative locations for the various coastal hazard lines. All of that is not particularly helpful for the inclusion of lines in either the RCEP or in the Wairoa District Plan. Ultimately that issue was not resolved by the Environment Court. The result of all of this is that there are still different lines in the Wairoa Operative District Plan from those in the RCEP and it has been agreed previously at the mediation of the District Plan appeals by the Environment Court Commissioner John Mills that this inconsistency should be remedied.

Proposed plan change 1 introduced a 3 stage approach to the management of coastal hazards with effectively 3 zones known as the *Current Erosion Risk Zone (CERZ)*, *2060 Erosion Risk* and *2100 Erosion Risk* lines being introduced. These are recorded on Plan Change 1B Planning Map no. 59 which shows the 3 hazard lines terminating part way in to the Judges Parade Property. Under proposed Plan Change 1B, land which is within the CERZ, *2060 Erosion Risk Line* and *2100 Erosion Risk Line* all fall in to the Coastal Hazard Erosion Policy Area (CHEPA). Within that general area, subdivision is a discretionary activity. However, subdivision of land beyond (seaward) of the CERZ is prohibited.

In accordance with the plan change 1B provisions i.e. map no.59 created in 2007 (shown in Appendix 3) the line would breach rule 27A.1.6 (a) which would prohibit subdivision of the property that pertains to this appeal. However, the appellant's property would not breach this rule if the lines were the same as those in the HBRC RCEP Map (shown in Appendix 7) and would then be allowed as a discretionary activity.

On the HBRC RCEP Map for Mahanga the land seaward of the heavy black line is known as the Coastal Hazard Zone 1 (CHZ1). The area between the solid black line and the dotted black line is Coastal Hazard Zone 2 (CHZ2) and the area shaded blue is Coastal Hazard Zone 3 (CHZ3). It's apparent that the lines differ from those in the District Plan with less of the Appellant's site being affected by CHZ1 but with the majority of the site being affected by CHZ2 and a small amount being affected by CHZ3.

The RCEP does not provide any control on subdivision (which is the sole prerogative of a District Council). Instead the RCEP controls land use within the 3 Coastal Hazard Zones. Pursuant to Rule 81 of the RCEP, Building Work in Coastal Hazard Zone 1 is a non-complying activity (Rule 87). As a result the two plans are regulating different things. Subdivision in the case of the District Plan and building development within the RCEP. However, it has been agreed that the Coastal Hazard Zones should be the same. In each case, CHZ1 in the RCEP and the CERZ is the land that is subject to storm

erosion and the immediate effects of coastal hazards. Coastal Hazard Zone 2 is then the land between the CERZ and the 2100 Erosion Risk Line zone. There does not appear to be any equivalent in the RCEP to the 2060 Erosion Risk line proposed in the District Plan.

Pursuant to Section 75(4)(b) a District Plan must not be inconsistent with a Regional Plan for any matter specified in section 30(1). As section 30(1)(c) provides that it is one of the functions of a Regional Council to control the use of land for the purpose of inter alia the avoidance or mitigation of natural hazards. It is difficult to see how there could be one Coastal Hazard Zone for the current Erosion Risk Zone and for the 2100 Erosion Risk Zone in the District Plan and a different one (in each case) in the Regional Plan.

The situation is slightly different for the 2060 Coastal Hazard line in the District Plan. There is no line equivalent to this in the Regional Plan and it therefore cannot be said to be inconsistent with the Regional Plan. Further, the 2060 line does not have any further rules or restrictions relating to it. Both the 2060 and 2100 year Erosion Risk Zones require subdivision as a discretionary activity. The only apparent relevance of the line would be in the exercise of that discretion when considering a resource consent application.

As a result there is an inconsistency between the District Plan Coastal Hazard lines and those in the RCEP and that inconsistency has been recognised as requiring a remedy. Such inconsistency has been addressed by way of the Mexted and Williams consent order. There is no inconsistency between the 2060 line and no apparent basis on which that could be moved at this stage.

Reasons for appeal- Relief Sought

Hazard lines affecting Lots 1 and 2 DP 28759 at northern end of Judges Parade, Mahanga be changed to those proposed by Coastal Management Consultancy Ltd (as presented at hearing). That rule 27A.1.6 (a) be deleted – ‘Prohibited Activities’

Resolution made in Principle

Coastal hazard lines to be removed from WDC planning map no. 59 and reference to be made to HBRC coastal hazard lines. Rule 27A.1.6 (a) will not be deleted. (However this resolution was changed as shown in consent order below).

Consent Order 31.8.15

The 2100 Coastal Hazard Line as shown in proposed Plan Change 1B to the Wairoa District Plan and as shown in the proposed Wairoa District Planning Map be amended in so far as it applies to the Apellant’s property (Lots 1 and 2 DP 28759 so that the line coincides with the 2100 Coastal Hazard Lines as shown in the Hawkes Bay Regional Coastal Environmental Plan map (Shown in Appendix 7).

Current Plan Change 1B Provision: Plan Change 1B Map no. 59 shown in Appendix 3

Required Amendment to Map no.59: As Per Amended Map no. 59 shown in Appendix 6

Note: The final consent order appeal Mexted and Williams was located through staff email history records and the consent order memorandum with amended map was sourced from lawyers of Lawson Robinson and received on 19th of May 2016. The lawyer was contacted for this information as he was the lawyer involved in the consent orders for the plan change 1B appeals. Due to a marking (of the letter C on the consent order map) a clean copy of the consent memorandum map needs to be sourced from the Councils GIS co-ordinator.

3.4 Changes to the Proposed Plan Change 1B Maps

Proposed Plan Change 1B 2007 maps and Operative Wairoa District Plan 2005 maps currently have legal effect with the more restrictive zoning provisions taking precedence. However, when proposed Plan Change 1B is made operative all maps relevant to Plan Change 1B (shown in section 4.5.1 of this report below) will replace the operative 2005 district plan maps. Furthermore, the maps from the consent orders will be integrated with the relevant Plan Change 1B maps.

3.4.1 Plan Change 1B 2007 Map additions to 2005 plan

Map changes: 28 (Mahia), 29 (Mahia and Portland Island), 58 (Opoutama/Waikokopu) (Historic Buildings, sites and notable trees) adding the current erosion risk line, 2060 erosion risk line and 2100 erosion risk line and CST (M). 58 also includes the addition of RES (M).

Map changes: 59 (Mahanga), Map 60 (Kaiwatau), Map 61 (Mahia Beach), Map 62 (Mahia Beach 2), Map 63 (Kaiuku/Oraka), Map 64 (Te Mahia/Whangawehi) (Historic Buildings, sites and notable trees). Adding the current erosion risk line, 2060 erosion risk line and 2100 erosion risk line and new zoning replacing STL (settlement) zoning with RES (M) (*Mahia*) and or CST (coastal) zoning with Coastal (M) (*Mahia*) Zone. Furthermore, map 59 changes from the consent order include:

- Map 59 as amended by Plan Change 1B is further amended by adjusting the boundary of the Residential (Mahia) and Coastal (Mahia) Zones in the vicinity of Katrin Place Map (shown in Appendix 4).
- The 2100 Coastal Hazard Line as shown in proposed Plan Change 1B to the Wairoa District Plan and as shown in the proposed Wairoa District Planning Map be amended in so far as it applies to the Appellant's (Mexted and Williams) property (Lot 1 and 2 DP 28759) so that the line coincides with the 2100 Regional Coastal Environment Plan (shown in Appendix 7).
- The resolution made in principle on 17.7.8 was that the Coastal Mahanga Policy Area (CMPA) be accurately identified on Planning Map 59. This resolution preceded the Mahoney consent order on 3.4.9 does not mention any map. However, there is reference to the CMPA in the text of the plan change notified in 2007 as well as in the consent order. In chapter 6 (subdivision, use and development impacts on the coastal environment) a method 6.6.10 states: *Identify a Coastal Mahanga Policy Area to the east of Pukenui Road, Mahanga (as developed at 19 June 2007) to the adjoining Coastal (Mahia Zone) to provide a transition between the Residential (Mahia) Zone and the coast.* However, there are no maps that show the CMPA.
- Map 60 (Kaiwatau), 61 and 62 (Mahia Beach), (Historic buildings, sites and notable trees), adding the current erosion risk line, 2060 erosion risk line and 2100 erosion risk line and new zoning replacing RES zoning with RES (M) and CST zoning with Coastal (M) Zone.
- Designation (D) and Reserve (R) no. labels that are on 2005 maps in some cases are not shown on the 2007 maps such as *Opoutama* 58-,R23,R24,R25,R26,R27,R28; *Mahia Beach* 61-R30, R32, *Mahia Beach* 62-R31,R32,R33,R34, *Kaiuku/Oraka* 63-R36,R69,R70, *Te Mahia/Whangawehi* 64-D16), however the designation and reserve numbers not listed above, from the 2005 maps have been transferred. The Wairoa District Plan list of reserves has remained the same and did not change with the plan change. All designation and reserves aside from 58 R23 and 61 R32 are shown on Councils mapping system intramaps.
- The 2007 maps which currently have no dates will be labelled July 2016 the date which they have been made operative.

3.5 Legal Effect of District Plan Provisions

The rules in Plan Changes do not have any legal effect until a decision is released – however, policies and objectives have effect from when the plan change is notified. New sections 86A to 86G of the RMA – the *Resource Management (Simplifying and Streamlining) Amendment Act 2009*, specify when a rule in a proposed plan or change has legal effect. Previously, all rules had legal effect from the date of notification of the proposed plan or change. This has changed with the amendments. The new “default” will be that rules have legal effect when decisions on submissions are made and notified.

The Environment Court has considered that the term "legal effect" is a reference to when a rule must be complied with. This distinction means that if a rule having legal effect under a Proposed Plan change requires a resource consent to be obtained, where no resource consent is required under the Operative Plan, an applicant must comply with the requirement of the Proposed Plan. However, if the position is reversed, and resource consent is required under the Operative rather than Proposed Plan, the Operative rule must still be observed. Where both the Operative District Plan and rules with legal effect in the Proposed District Plan require a resource consent but with a different status i.e. one requires a non-complying activity and the other a controlled activity, the most restrictive status applies i.e. a non-complying application in this example.

As shown in Table 5 below Plan Change 1B changes to current operative chapters of the plan include chapters 6,8,18. With new additional chapters including 15A, 18A, 27A and 28. In terms of issues around the legal effect between the operative district plan and proposed Plan Change 1B the only relevant rule alterations and additions are those in chapter 15A, 18A, 27, 27A and 28. Where these rules apply both the operative and proposed Plan Change 1B must be considered in any application for resource consent. Where both provisions apply the stronger restrictions in the respective provisions takes precedence.

In general, the Plan Change 1B provisions are more restrictive than the operative rules for example chapter 27 under proposed Plan Change 1B added more restrictive activity categories such as the addition of certain subdivision activity as being a non-complying activity (27.9.6 Subdivisions not listed as Controlled, Discretionary or Prohibited or that do not meet 27.10 General Performance Standards for Residential Mahia and Coastal (Mahia) Zones) and added a prohibited activity (27.9.7) Subdivisions listed in Section 27A.1.6 (in the CERZ): Subdivision of land that is not provided for as a discretionary activity listed in Rule 27A.1.4(c)(i).

Table 5: Plan Change 1B Chapter Additions

Chapter	Proposed rules coincide with legal rules	Stronger rule restriction to operative plan	Additional chapter to proposed plan	Issues	Objectives	Policies	Methods	Explanations and Reasons	Anticipated Environmental Results	Rules	Performance Standards
6: Subdivision , Use and Development Impacts on the Coastal Environment	X	N/A	X	X	X	√	√				
8: Managing the Effects of Natural Hazards	X	N/A	X	√	√	√	√	√	√		
15A: Coastal (Mahia Zone) Zone			√	√	√	√	√	√	√	√	√
18: Residential Zone				√		√	√	√			
18A: Residential (Mahia) Zone			√	√	√	√	√	√	√	√	√
27: Subdivision											√
27A: Coastal Hazards			√							√	√
28: Additional Rules			√							√	

3.6 Consent Order Integration

Two copies of the Wairoa District Plan have been found which show amendments added that include consent order provisions of Plan Change 1B appeals including:

- One hardcopy that was completed in 2010, of which no online copy can be found.
- There is also a different (online copy) found in the shared regulatory drive in the folder named Plan Change 1B folder that was completed in 2011.

Note: not all changes that are in the 2010 plan are in the 2011 plan.

In an email shown in Table 4 from Planner (WDC) to Consultant Planner (Opus) accepting an offer of service in relation to integrating consent order provisions into the district plan says updated planning maps “which must account for the Steel consent order map” will be provided to the council. However there is no hardcopy or electronic evidence of this.

In an email from Opus saying “*I am assuming that the planning consultant has spoken to you about providing some input into updating our District Plan to integrate Plan Change 1B. As part of that, there are some amended planning maps, which I have in pdf format. Beca did the original maps, I thought maybe in Auto CAD but they replied saying that they were done in GIS I therefore requested the appropriate layers. But have now had a message saying that they believe the maps were done in Mapinfo with Mapinfo tab files. Are you able to use that format?*” However, there was no response email to this found.

Another email from a Council Planner to Consultant Planner (Opus) was found from 2011 saying “*We have all the plans in Auto CAD and the only change to those plans notified has already been made so I suggest that draughting that input would be minimal*”.

3.6.1 Evidence of Integration

The 2010 and 2011 Opus District Plan versions found in the Council files integrate into the 2005 operative district plan, plan change 1B provisions and maps as notified in 2007 and as amended by consent orders issued in 2008 and 2009. These versions contain text additions, deletions, replacement of words and other changes to the operative plan. No maps have been found with these versions of the plan despite emails stating that amended maps would be sent to the council. A review of both Opus versions has shown where integration is evident as shown below:

- **A J and A L Steel:** No evidence of this map as no maps with hard copies or copies online or in Councils digital database.
- **Penny Ann Fishing Company:** Consent Order provisions added with minor change to numbering i.e. 18A.5.1 is 18.2.5.1 and 18A.4.6 is 18.2.4.6
- **Mark Mahoney:** Consent Order provisions added but minor change to numbering i.e. 15A.8.8A is 15.2.8.8. 2010 Opus version does not add 27.9.2 (which refers to subdivision in the CMPA as a controlled activity) however the 2011 version does add it. Although consent order omits mention of the Coastal (Mahia) Zone in 27.9.1. The Opus 2011 version does mention it.
- **Mexted and Williams:** No changes added as this appeal was not resolved until 2015.

3.6.2 Keeping Record of Integrated Operative Plan

Copies of the final version of the integrated plan change 1B provisions and maps notified in 2007 and as amended by appeals with the operative District Plan (2005) must be accessible to the public in accord with Section 35(5) of the RMA that requires councils to keep copies of both operative and proposed plans. In the case of Plan Change 1B, this means: a copy of the proposed plan change as notified, the proposed plan change as amended by submissions, the proposed plan change as amended by decisions and appeals including an operative version of the plan, full copies of all submissions and further submissions, and the summary of submissions, full copies of all hearing and decision reports, full copies of all appeals and related documents, such as consent orders and decisions, resolutions, relevant council reports and full copies of any changes incorporated into the proposed plan.

The council must pursuant to Schedule 1 section 35(1)(b) of the RMA make these documents available for purchase at the offices of the local authority and must give public notice stating that the material is incorporated in the plan or proposed plan; and the material is available for inspection and purchase during working hours free of charge and the place at which it can be inspected. Furthermore, in accord with section Schedule 1 35(1)(c) of the RMA the Council may make copies of the material available in any other way that the chief executive of the local authority considers appropriate in the circumstances (for example, on an Internet website maintained by or on behalf of the local authority). If this is the case then details of how and where it may be obtained or accessed should be made clear in the appropriate manner as currently done by WDC on their website.

A challenge to integrating all the maps will be that as referred to in chapter 4 there is a lack of clarity about which map programmes were used to create the 2005, 2007 and consent order maps. According to a past planning consultant who worked on the district plan before it became operative, the 2005 version of the District Plan was done in Auto

CAD. There are emails between Council and Consultant Planners saying that the Plan Change 1B maps as notified in 2007 were created in Auto CAD format also, by BECA. However, other information states the 2007 maps were done in Geographical Information Systems (GIS) and Map Info. It is clear from viewing the maps that they were done in different programmes. The GIS coordinator put together a version of the Mexted map. Yet it is not clear who created the Steel consent order map.

3.7 Conclusion

Now that all appeals for proposed Plan Change 1B have been resolved, the Council must now follow the statutory procedure outlined in schedule 1 of the RMA and make plan change 1B operative. An examination of all relevant documentation some of which is shown in Table 4 of this chapter has revealed that there is conflicting information around whether plan change 1B was made operative in part or not. However, a comprehensive search of Councils records has shown no evidence of a formal seal being affixed. According to the RMA a plan can be made operative in part by affixing this official seal. Therefore, to clarify any uncertainty the Council is required to make all of proposed Plan Change 1B operative. Part of this statutory process requires the integration of all the Plan Change 1B proposed changes as notified in 2007 and as amended by consent order shown in this chapter with the Wairoa District Plan that was made operative in 2005. The next chapter will examine all the chapters of this report and address whether the objectives of this report have been achieved.

4. Discussion

This chapter will first explain the main conclusions that have been drawn from the report findings. These conclusions have helped to answer the following primary objectives of this research:

- ☐ What is the history of Plan Change 1B?
- ☐ What are Councils legislative requirements under the RMA in relation to Plan Change 1B?
- ☐ How must Council proceed in making Plan Change 1B of the Wairoa District Plan fully operative?

These answers are addressed in the summary of the findings. Finally, the next steps that need to be taken are outlined.

4.1 Summary of Findings

An analysis of the history of proposed Plan Change 1B, a comprehensive review of all Plan Change 1 and Plan Change 1B council documents and taking into account statutory requirements as addressed in preceding chapters has affirmed how the council should approach making Plan Change 1B operative. Therefore, all of the primary research questions listed above have been answered. This approach is guided by Councils statutory obligations pursuant to the RMA including the Council having its seal affixed making proposed Plan Change 1B operative. Furthermore, to proceed with making the whole plan change operative will require the integration of the Plan Change 1B provisions as notified in 2007 and as amended by consent order with the Wairoa District Plan that was made operative in 2005. The integration of these amendments will be required for both the Wairoa District Plan and the Wairoa District Plan Planning Maps.

4.2 History of Plan Change 1B

A comprehensive review of the documentation from when the Plan Change was first introduced to the most recent material, has illustrated the rationale for proposed Plan Change 1B and how the Council must continue to regulate subdivision and coastal protection in the Wairoa District. It is evident from an analysis of all the documents that there is conflicting documentation as to whether Plan Change 1B was made operative in part. However, the documentation sourced has helped to inform which Plan Change 1B amendments must be integrated with the operative Wairoa District Plan. On the WDC website on the “Wairoa District Plan” page the plan is available to view both the 2005 operative version and as a separate document the Plan Change 1B (as annotated by decisions) document that was notified in 2007.

4.3 Statutory Framework

District plans are made operative pursuant to section 83 of the RMA on the basis that they have been prepared and approved in accordance with Schedule 1 of the RMA. Once operative, territorial authorities are required to observe and enforce the provisions of any plan that applies to them.

Documentation referred to in Table 2 (Plan Change 1B Timeline) such as correspondence between a lawyer and Council Planner, In a Statement of Evidence from a Consultant Planner and correspondence between former Council Planner and a Consultant Planner that all refer to the plan as operative in part. However, other documentation contradicts this with the most recent documentation regarding the Mexted and Williams Appeal in a Letter dated 14/8/14 to CEO WDC from a lawyer states that “Plan Change 1B is not yet operative due to an unresolved appeal”. Furthermore, as shown in Table 2 there is a trail of other documentation that refers to Plan Change 1B not yet being operative.

As addressed in early chapters Clause 17(2) of Schedule 1 of the RMA allows a council to approve part of a plan when it is beyond challenge by submission or appeal. However, there are legal views that a plan can become part operative through use over a significant period of time and in this case would apply to the consent orders issued in 2008 and 2009. However, pursuant to Clause 17(3) of Schedule 1 of the RMA making a plan operative in part is effected by affixing the councils seal. There is no evidence of any part of proposed Plan Change 1B being made operative in part according to a review of the seals register.

Moreover, although there has been documentation stating that Plan Change 1B is operative in part, the most recent and authoritative documentation from the Environmental Court i.e. Mexted and Williams consent order refers to

“proposed” Plan Change 1B and to the proposed Wairoa District Planning Map which signals that the plan change is not yet operative. Therefore, now that all consent orders for the appeals relating to Plan Change 1B have been issued proposed Plan Change 1B should now be made operative. Furthermore, there is no evidence that the Council has at any time resolved under section 20 of the RMA that any rule in Plan Change 1B should not have effect until the plan became operative.

4.4 Next steps

An objective of this research was to investigate: *What actions are required by the council now that all appeals to the plan change have been resolved?* Now that proposed Plan Change 1B is free of challenge and no further amendments to it can be made now that all appeals are resolved, a date for making the plan change operative needs to be set in accordance with section 20(1) of the RMA as shown in Figure 1. Steps to be taken once this is decided include first reviewing and preparing the operative version of Plan Change 1B provisions that will integrate all required amendments with the already operative version of the plan (including the web version).

The Opus 2010 and 2011 versions of the Wairoa District Plan will not be used to integrate plan change 1B provisions as notified in 2007 and as amended by consent orders. The Opus versions suggested changes that are deemed more than minor and therefore are not permitted to be made when making the plan change operative. When making a proposed plan change operative only minor amendments including numbering and cross referencing can be made pursuant to section 16 of the RMA.

Part of making proposed plan change 1B operative will be integrating the Steel and Mexted consent order appeal Maps into the district plan planning maps and the new provisions from the Penny Ann Fishing and Mahoney consent orders to the operative district plan text as shown in chapter 3. The error in the Mahoney consent order that omits mention of the Coastal (Mahia) zone in rule 27.9.1 (mentioned in chapter 3) will be corrected by ensuring both the Residential (Mahia) and Coastal (Mahia) zones are referred to in this district plan rule. During the full District Plan Review all maps will have to be accurately integrated with the GIS intramaps database.

The resolution made in principle at Environment Court directed mediation on 17.7.8 (shown in Table 2) for the Mahoney Plan Change 1B appeal was that the Coastal Mahanga Policy Area (CMPA) be accurately identified on Planning Map 59. This resolution preceded the Mahoney consent order on 3.4.9 which does not make any reference to a map. However, there is reference to the CMPA in the text of the plan as notified in 2007 such as rule 27.9.2. Additionally, there is no explanation for this omission in the joint memorandum of the parties or in the reasons for the appeal (shown in Table 2). As noted in chapter 3, there is no CMPA identified in map no.59 in either the operative plan (2005) or in the plan change 1B maps notified in 2007 or in the consent order maps. Although a map has been located in the Councils electronic records of a version of map 59 that does show the CMPA area that will be used for internal reference. The Mahoney map 59 agreed to in principle was not addressed in the consent order so cannot be made operative. Whether this is changed in the future can be addressed the full district plan review.

When integrating the Plan Change 1B 2007 with the 2005 maps staff will ensure that all the reserve and designation no. references are transferred correctly. When Intramaps is updated during the District Plan Review then R23 and R32 should be identified. Furthermore dates need to be transferred correctly.

Designation (D) and Reserve (R) no. labels that are on 2005 maps in some cases are not shown on the 2007 maps such as *Opoutama* 58-,R23,R24,R25,R26,R27,R28; *Mahia Beach* 61-R30, R32, *Mahia Beach* 62-31,R32,R33,R34, *Kaiuku/Oraka* 63-R36,R69,R70, *Te Mahia/Whangawehi* 64-D16), however the designation and reserve numbers not listed above, from the 2005 maps have been transferred. The Wairoa District Plan list of reserves has remained the same and did not change with the plan change. All designation and reserves aside from 58 R23 and 61 R32 are shown on intramaps. It's important that the map issues are remedied as part of the integration process. One programme will be used to unify all of the relevant maps and undertake the require changes to Map 59 of the Wairoa District Plan including the Steel, and Mexted consent order maps. These issues must be addressed so that a new map no. 59 that integrates all of the changes becomes part of the operative plan.

The process as detailed in Table 6 and summarised in what order steps need to be taken in Figure 1 below will be followed and used as a guide for making Plan Change 1B of the Wairoa District Plan operative. These steps are based on statutory obligations of the RMA referred to in preceding.

Table 6: Key Steps in Making Plan Change 1B Operative

Activity	Timeframe (no. of working days)	RMA
Prepare committee report to Council meeting requesting plan change 1B be made operative	10-30 (depends on agenda closing date for next Council meeting)	(Sch 1)
The Council resolves to make the plan change operative	1	17 (Sch 1)
Prepare public notice for appropriate newspapers advising that the plan change is operative on a particular date	1	20(1) (Sch 1)
Notice in appropriate newspapers stating the operative date of plan change	Notify operative date at least 5 working days before operative date	20 (1) (Sch 1)
Final version of the plan sealed	1	17(1) and 17(3) (Sch 1)
Council website updated and hardcopy version of amended plan and maps lodged with appropriate agencies	5	35
Paper copies of replacement pages and operative plan change distributed to all appropriate parties i.e., the records team, District Planner who processes resource consents. Furthermore, the Council shall provide 1 copy of its operative plan without charge to the Minister for the Environment; HBRC, and adjacent territorial authorities i.e. Hastings District Council, Napier City Council, Gisborne District Council, and the tangata whenua of the area, through iwi authorities and the public library	5-10	20 (Sch 1)

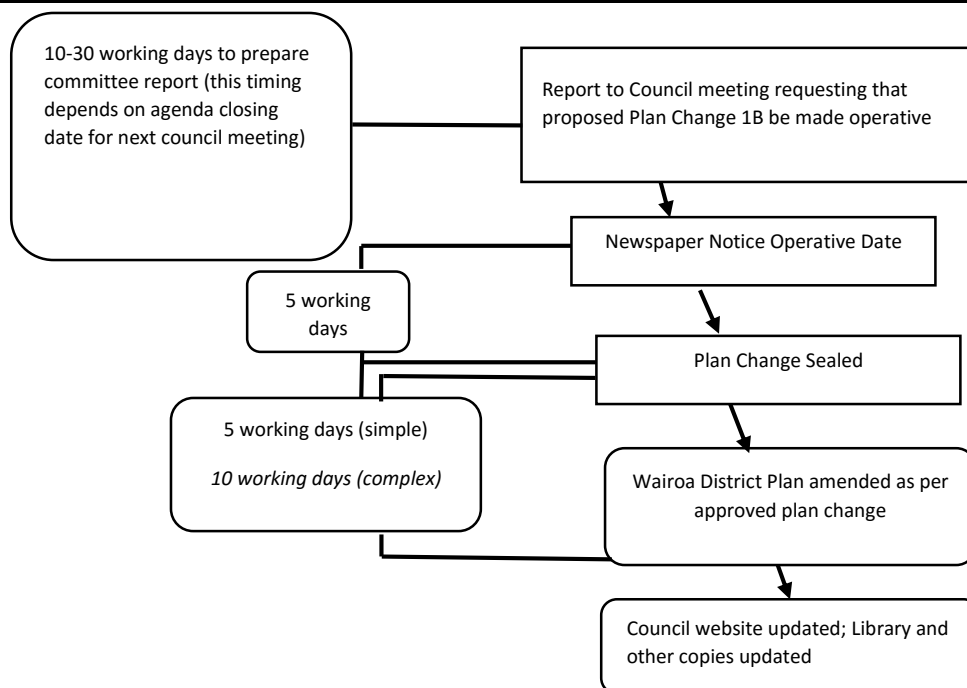


Figure 1: Steps in Making Plan Change Operative

4.5 Conclusion

The overall findings of this report indicate that Plan Change 1B is still in its proposed form and is therefore not operative. Now that all of the appeals have been resolved Plan Change 1B should be made operative so that the whole District Plan will be operative. The statutory process set out in the RMA must be followed when making proposed Plan Change 1B operative. The next chapter will provide an overview of the main issues addressed in this report and make recommendations based on the findings of this report.

5. Conclusion and Recommendations

An examination of all the Council records and archives both hardcopy and electronic copies, legislation, planning guidelines, Environment Court documentation and communication with parties in relation to plan change 1B has been undertaken. This research has illuminated that proposed Plan Change 1B as notified in 2007 and as amended by appeals resolved through consent order, needs to be made operative and integrated with the Wairoa District Plan and District Planning Maps. There are a number of steps that now must be taken to ensure proposed Plan Change 1B is made fully operative in accord with RMA schedule 1 requirements. To ensure that the procedure for making plan change 1B is carried out in the correct manner, the following actions are recommended:

- Council report to be prepared for next council meeting requesting that proposed Plan Change 1B be made operative. This report should be an appendage to the council report to update and inform councillors about proposed Plan Change 1B where necessary.
- While updating the plan with plan change 1B consent order changes, correct any minor grammatical and cross reference errors in accord with section 16(1) of schedule 1 of the RMA. A copy of changes of the amended plan in annotated form should be made and kept for Council records. However, the final version of the plan that is released on the council website will have no annotations or deletions and will therefore be a clean copy of the amended plan.
- District Planning Map no.59 to be updated with Mexted and Williams and Steel Appeal Maps. Ensure adjustment of the boundary of the Residential (Mahia) and Coastal (Mahia) Zones in the vicinity of Katrin Place has been made as required by the Steel consent order as well as the Mexted and Williams consent order map amendment.
- A clean copy of the Mexted and Williams Consent Memorandum map needs to be sourced.
- The Coastal Mahanga Policy Area be added to amended map no.59 that will also include Plan Change 1B map as notified at 2007 and Steel and Mexted and Williams consent order maps following final approval by the Chief Operating Officer.
- Following approval to integrate the x4 versions of district planning map no. 59, Policy Planner to work with GIS co-ordinator to create a final version of map no.59 to be released on the council website when the plan is made operative.
- A time should be arranged with the appropriate person to upload the new district plan version chapters and maps onto the Wairoa District Council website.
- Incorporating changes for new hardcopies of the amended Wairoa District Plan and updating Intramaps should not be carried out as part of making proposed Plan Change 1B operative. Changes to all of the hardcopies and Intramaps needs to occur following a full district plan review. Only at this time can further changes be made to the subdivision and coastal protection provisions of the Wairoa District Plan. Apart from amendments made when plan change 1B was notified in 2007 and those made through resolved appeals can be made alongside minor corrections in accord with section 16(1) of schedule 1 of the RMA. However, a copy will have to be made for the library and any other party i.e. tangata whenua groups in the district who request a hardcopy of the new integrated district plan in accord with schedule 1, section 20.
- Ensure that there are hard copies and electronic copies on the Councils shared drive for important Plan Change 1B documentation. Documents must be filed clearly.
- Copies of the amended plan to be sent to all appropriate parties identified in Table 6.
- Council meeting dates and Wairoa Star newspaper publishing dates to be confirmed. This will help ascertain what date to publish the operative date of plan change 1B in the newspaper. The date must be at least 5 working days before the operative date. Public notice for newspaper to be prepared to make public aware of what date plan change 1B will be made operative and inform the public about how they can access the amended plan.
- The Council resolving to approve plan change 1B have its seal affixed making plan change 1B operative. The seal should be recorded in the Councils seal register.

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7. Appendices

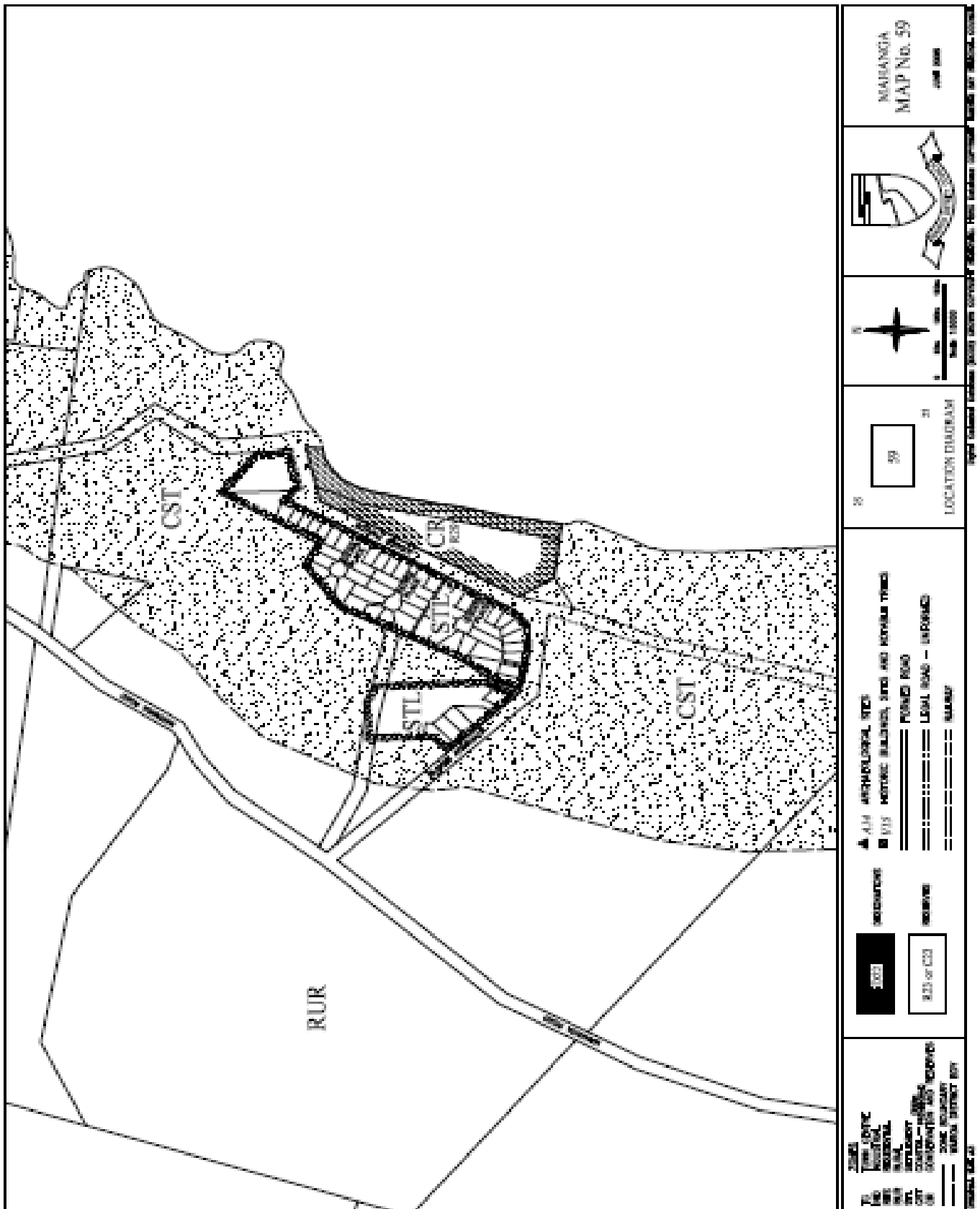
7.1 Appendix 1: Notification of decisions on all Plan Change 1B submissions

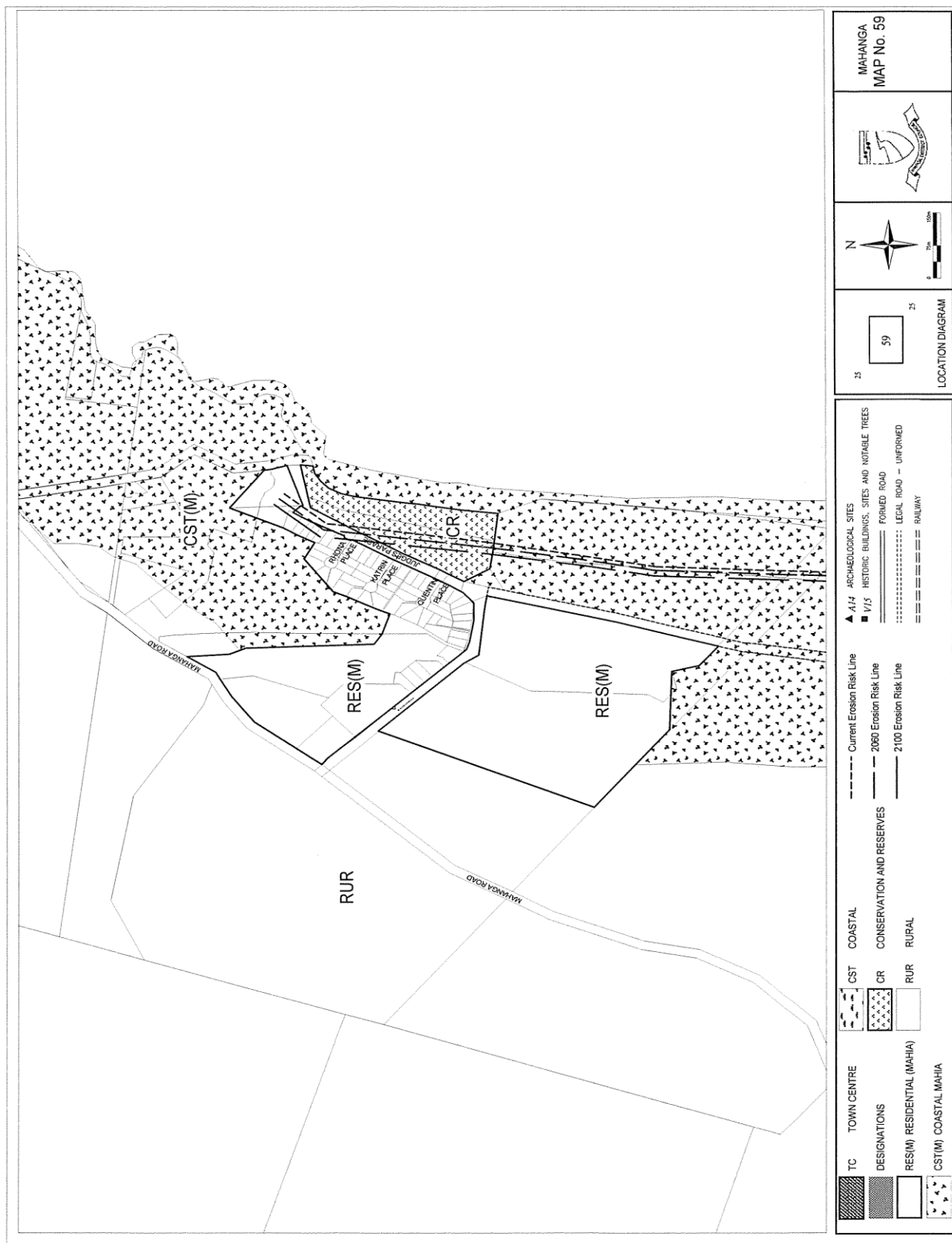
<p>RESOURCE MANAGEMENT ACT 1991</p> <p>PUBLIC NOTICE OF PLAN CHANGE TO THE WAIROA OPERATIVE DISTRICT PLAN</p>	
<p>Pursuant to Clause 11 of the First Schedule to the Resource Management Act 1991 the Wairoa District Council (Council) gives public notice as of 16 August 2007 that it has made decisions on all submissions on proposed Plan Change 1B – Coastal Protection to the Wairoa District Plan.</p>	
<p>A full copy of decisions on Plan Change 1B submissions, annotated text and associated</p>	
<p>The Registrar Environment Court Rev</p>	<p>Chief Executive Wairoa District</p>
<p>For further information regarding this plan change, please</p>	
<p>contact Mr Peter Freeman at Wairoa District Council on (06) 838 7309 or Namouta Poutasi at</p>	

Please place the above advertisement **DOUBLE COLUMN** in the following papers:

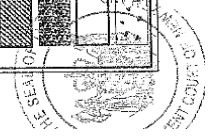
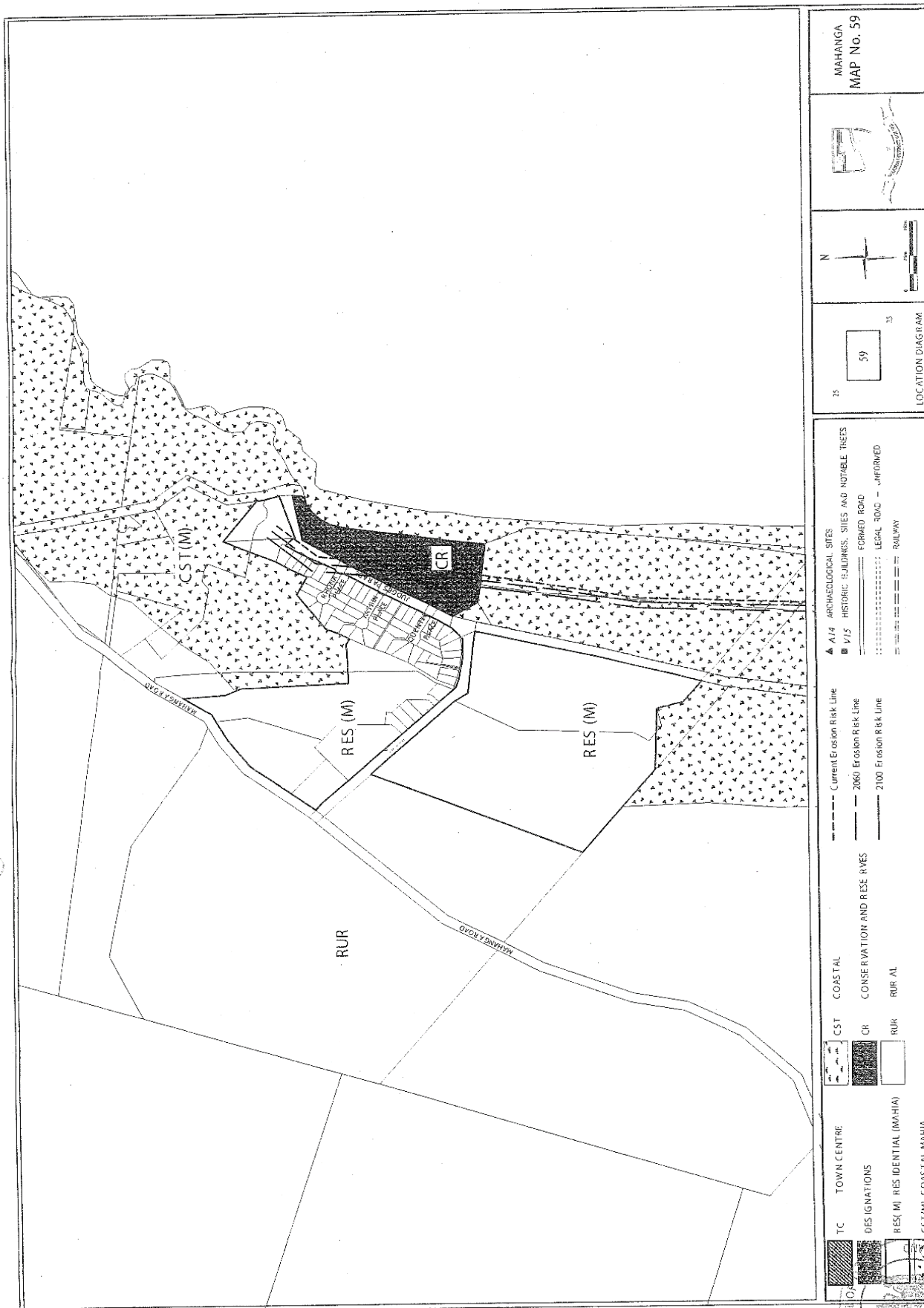
Wairoa Star

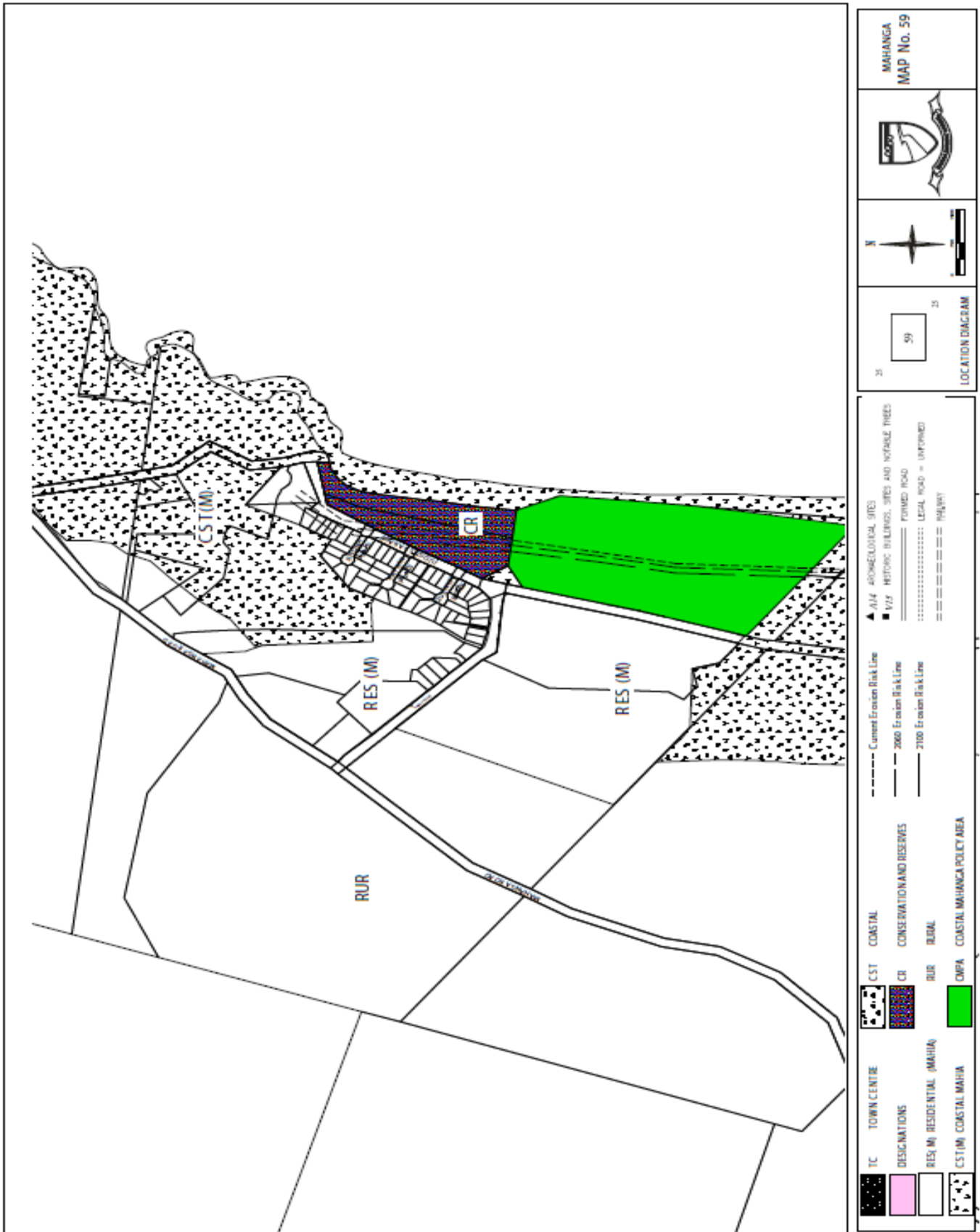
Thursday 16 August 2007

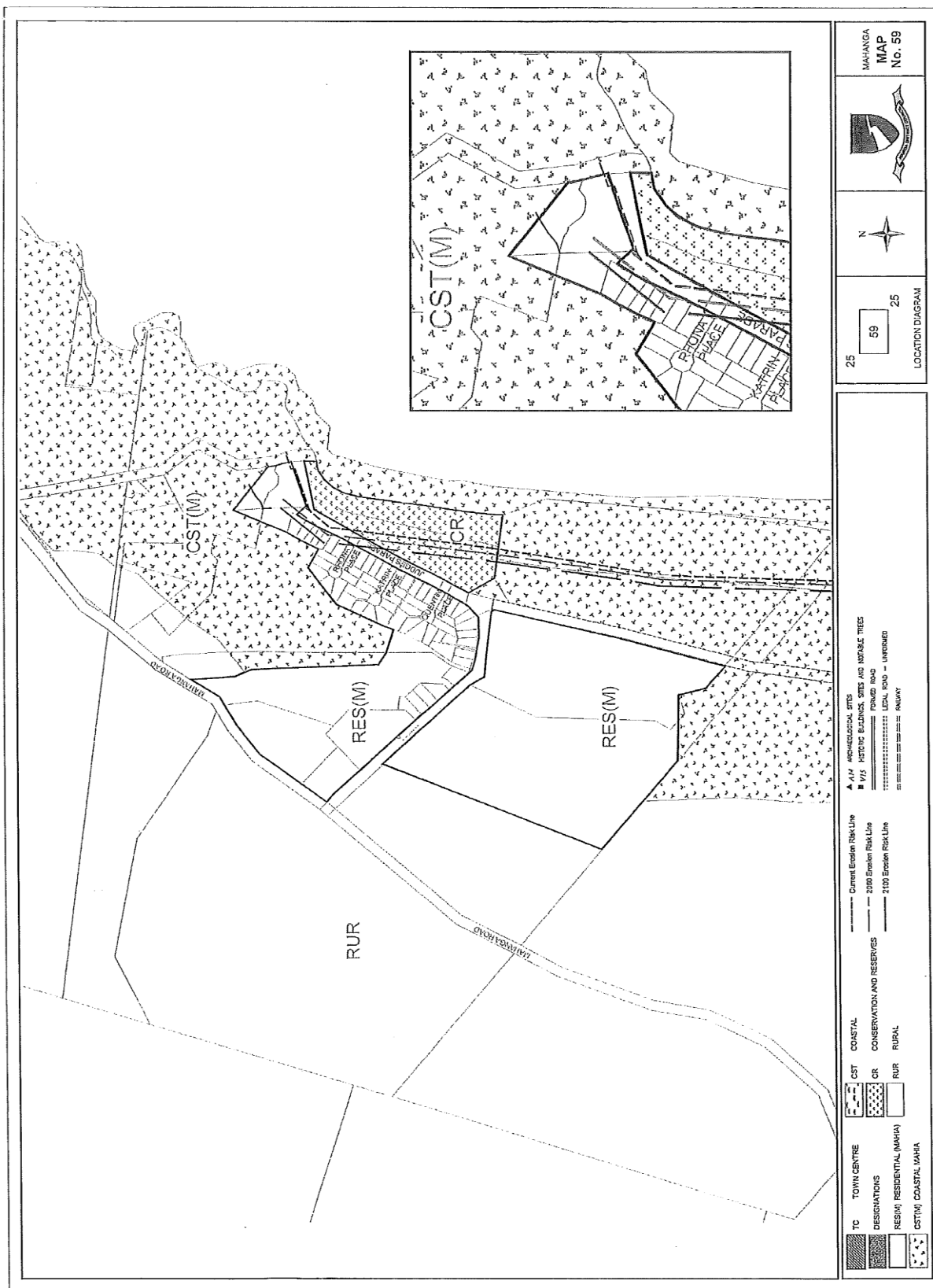




Path: P:\2102109913\Plan Change\GIS\PlanChangeRev2.mxd Created Date: 3/08/07 Printed Date: 03/08/07 Author: BAP







7.7 Appendix 7: Hawkes Bay Regional Council Regional Coastal Environmental Plan (Map from Regional Coastal Plan version 3 published -1 October 2012)



Legend

- Coastal Environment Inland Boundary
- Historic Heritage Feature
- Coastal Hazard Zone 1 (landward boundary)
- Coastal Hazard Zone 2 (landward boundary)
- Coastal Hazard Zone 3
- Transition Hazard Zone (CHZ1 landward boundary)
- Transition Hazard Zone (CHZ2 landward boundary)
- Rivermouth CMA boundary
- Rivermouth
- Pilotage Limit (Gazetted Harbour Area)
- Historic Heritage Area
- Class CR (HB) Water
- Fairway and Swinging Basin
- Maintenance Dredging Site
- Dredge Disposal Area
- Hovercraft Restricted Area
- Awatoto Gravel Extraction Area
- Parade Gravel Extraction Area
- Westshore Renourishment Area
- Vegetation Clearance Management Area
- Aquaculture Management Area
- Harbour Management Area
- Port Management Area
- Significant Conservation Area
- Territorial Local Authority boundary
- Properties (White)
- 1:5000 Map frame
- 1:50000 Map frame
- 123456
654321 New Zealand Transverse Mercator (NZTM) coordinate label
- Road Name label
- 01 or 100 Map Frame label
- SCA01 Significant Conservation Area reference number



Council

Date 28 June 2016

Monthly Financial Reports to 29 February 2016

Department	Finance
Author	Chief Financial Officer
1. Purpose	1.1 To present the February 2016 monthly Financial Report to Council
Recommendation	The Finance Audit and Risk Committee RECOMMENDS that Council: <ol style="list-style-type: none"> 1. receive and adopt the financial reports ending 29 February 2016
2. Summary	<ol style="list-style-type: none"> 2.1 Council has requested that monthly results be prepared for review, in addition to the requirement to present quarterly financial reports to Council 2.2 The Finance, Audit and Risk Committee received and endorsed the report for forwarding to Council in open session.
3. Discussion	<ol style="list-style-type: none"> 3.1 The Finance and Risk Committee received the tabled monthly financial report for the 8 months of the 2015/16 Financial Year. 3.2 Discussion was held on the contents of the report. 3.3 A breach of the Rating Income policy had been recorded. This was not considered to be an issue as this was a timing problem resulting from NZTA Subsidy income not being included in the report. 3.4 Committee noted the following developments made from the last report: <ol style="list-style-type: none"> a. Addition of a simplified front summary sheet b. Phasing of the year to date budgets c. A forecast of the projected annual results be included d. Greater analysis of the results be included 3.5 Comment was invited and received from Ernst & Young Auditor Stuart Mutch, who advised that the information supplied is comprehensive and effective in advising understanding of the Council's financial results and position so far this year. He also commented that the quantity and quality of the information is on par with other NZ councils of a similar size. 3.6 CFO advised that more development work was continuing
4. Conclusion	<ol style="list-style-type: none"> 4.1 Council is in a strong financial position. 4.2 Council is tracking on budget for the year 4.3 External Debt is within limits set within the Long-Term Plan measures
Appendices	Appendix 1 – February 2016 Financial Report
Confirmation of	In accordance with section 76 of the Local Government Act

**statutory
compliance**

2002, this report is approved as:

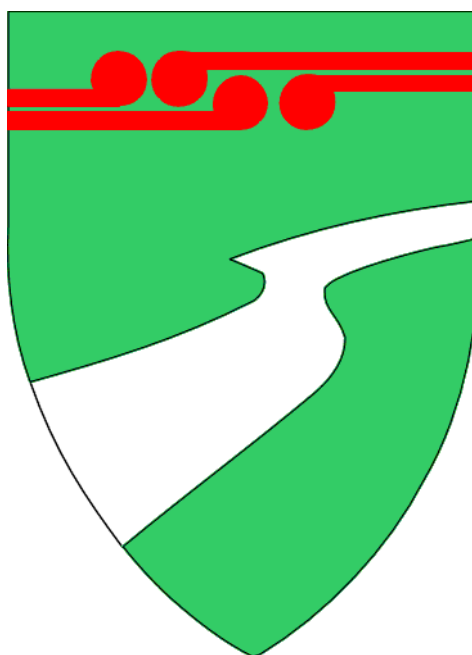
- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance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

Signatories

Author: A Morton

A handwritten signature in blue ink, appearing to read 'A Morton', is located below the author's name.

WAIROA DISTRICT COUNCIL



MONTHLY FINANCIAL REPORT

29 February 2016

(2015/16 PERIOD 8)



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EXECUTIVE SUMMARY

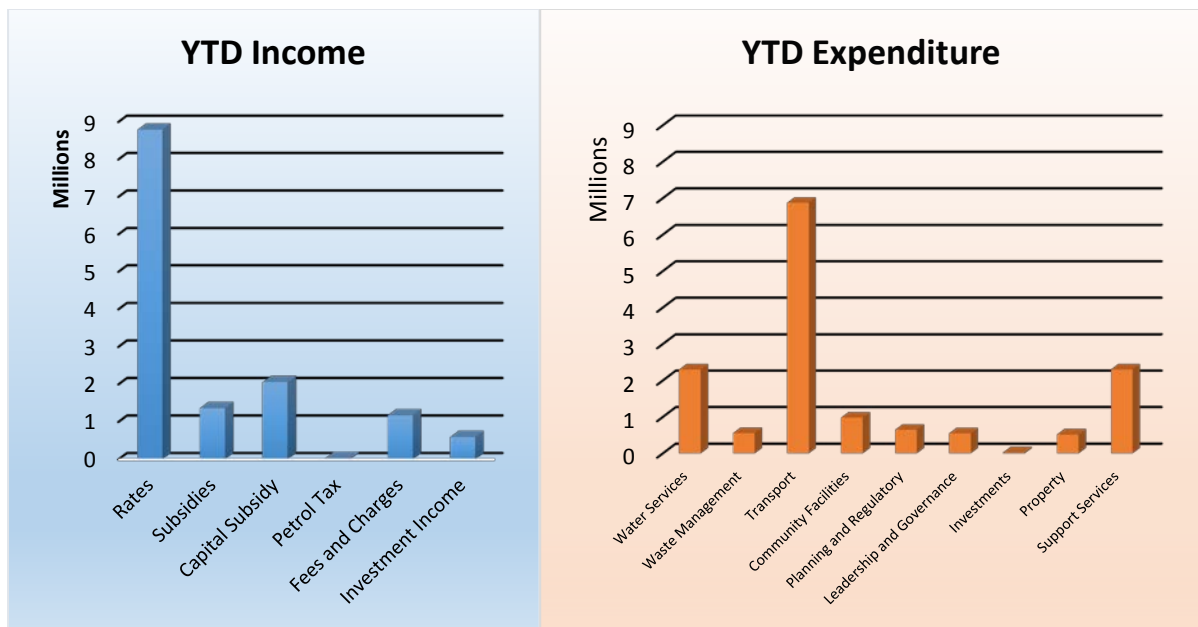
Overall Financial Health Assessment:  Altham Z-Score: **36.39/2.6⁽¹⁾**

Council is currently worth: **\$261.9M** with Cash & Term Deposits on Hand: **\$10.9M**

Council has total assets of **\$270.7M** Council owes a total of **\$8.8M** to other parties








Capital spending YTD is **\$3.6M**

Year to date net deficit of **\$(0.73)M**, forecasting a net surplus of **\$0.31M** for the year



(Comparisons to budget for these items start on page 13 of this report). Capital costs of up to a potential \$1.6M have been included in the Transport Operational spending. Engineering are reviewing this.

Assessments of:

Rates as a Percentage of Income	Cash on Hand	Working Capital	Liquidity	Investment Maturity Policy Measures	Creditor Payment Days	Debt Policy Measures
						

¹ Anything over a score of 2.6 is considered a safe and healthy organisation



ANALYSIS

This report is for the 2015/16 Financial Year (FY) representing the periods from 1 July 2015 to 29 February 2016, or period 8 of this Financial Year.

Year to date Council records a net deficit of \$(0.73)M (Budgeted net surplus of \$2.57M), and is currently forecasting a Full Year net surplus of \$0.31M. All Service Areas of Council are within their current Annual budgets, except Subsidised Roding, where \$0.8M of capital has been recorded as Operational Costs. Subsequent to the close off of the accounts for the end of the month, it was noted that \$1.1M of Jan NZTA Capital Subsidy was not re-accrued and \$0.77M is to be charged to NZTA for February Roding Subsidies. Net of these adjustments a net surplus of \$1.94M for the month would be recorded.

Cash & Term Deposits on Hand: \$10.9M vs: Trade and Employee Creditors Payable: \$3.0M

Council has total assets of \$270.7M⁽²⁾ Capital spending YTD is \$3.6M

External long-term debt is \$5.0M. Expectation is that NO new borrowings will be required this financial year (Budget \$0.55M).

Council is currently worth \$261.9M

Financial Risks are detailed on page 26 of this report and total: \$2.69M. This is split between Operational and Capital Risks as per the following tables. Of this \$1.3M is a permanent under-recovery of income for this financial year (\$0.72M Subsidised Roding, \$0.6M Pool Grants). The summary of assessed risk levels for all items at this time is:

Summary of Operational Risks			Summary of Capital Risks		
Crystallised	1,361,000	44%	Crystallised	-970,000	231%
Low	1,500,000	48%	Low	550,000	-131%
Medium	250,000	8%	Medium	0	0%
High	0	0%	High	0	0%
Total	3,111,000		Total	-420,000	

Financial Health

As at the end of the month WDC's cash, liquidity and Working Capital positions were:

Measure	Actual	Annual Budget or Target
Other Debtors Collection Period ⁽³⁾	62 Days	
Rates Debtors Collection Period	138 Days	
Working Capital	\$10,057,405	\$7,668,992
Working Capital Ratio ⁽⁴⁾	4.2:1	1.25:1
Liquid Ratio ⁽⁵⁾	4.9:1	1:1

Rates Collection days are significantly influenced by the level of multiple owner Maori Land non-collectable arrears for rates, and the raising of the instalment in the accounts in the month prior to the instalment being due. For Other debtors this is significantly affected by a large disputed account, which has been in negotiation for some time. The debt is still considered collectable at this time.

² Roding and Water Infrastructure is revalued every three years. The last Roding revaluation was for the 2013/14 Financial Year, Water 2014/15

³ The average number of days that it takes a Debtor to pay his/her account

⁴ Represents the total current assets available to meet each dollar of total current liabilities

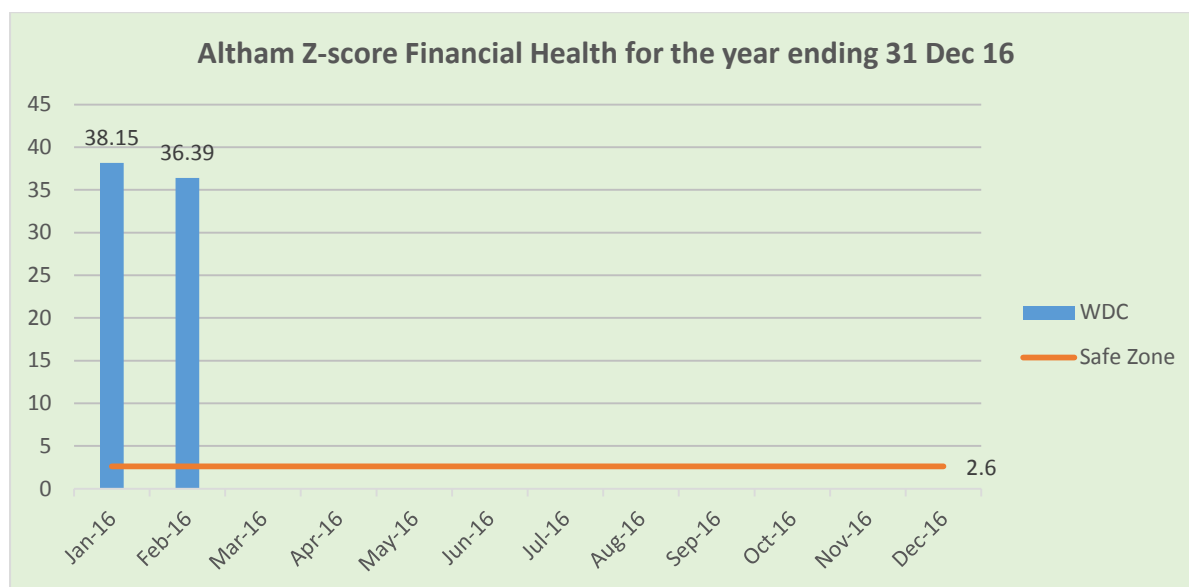
⁵ Represents the cash available to pay each dollar of trade creditors as at the end of the period



Altham Z-score Calculation

This calculation is a measure of financial health that was developed in 1968. It is a system that has multiple calculations based on the type of organisation that is being reviewed. As a review process, it has been proven to be up to 90% accurate in assessing the likelihood of the risk of an entity becoming bankrupt within the next two financial years. This is where an entity receives a net score that is classed as being in the “in distress” Zone of Discrimination.

WDC’s results for the selected calculation by month, Non-Manufacturing Business, are:



No historical comparison can be made at this time due to the lack of actionable information. After 31 Dec 2016 this will be shown as a rolling 12 month report.

This process has “Zones of Discriminations”, which provide guidance to reviewers of the accounts as to the strength of the business under review. For the selected calculation the zones are:

- Z > 2.6 -“Safe” Zone
- 1.1 < Z < 2.6 -“Grey” Zone
- Z < 1.1 -“Distress” Zone

Accordingly, the Wairoa District Council, on the basis of this calculation has a strong, safe and stable outlook. This score is significantly influenced by the low level of long-term external debt currently employed by the Council, and as there are no expectations of this changing in the near future, it is expected that this result will continue as the year progresses. Two factors have resulted in the slight reduction from the January result, these being the net deficit for the year to date (January: surplus and excludes adjustments of \$2.67M that would result in a net surplus for the month) and the additional \$0.4M trade creditors for the month.

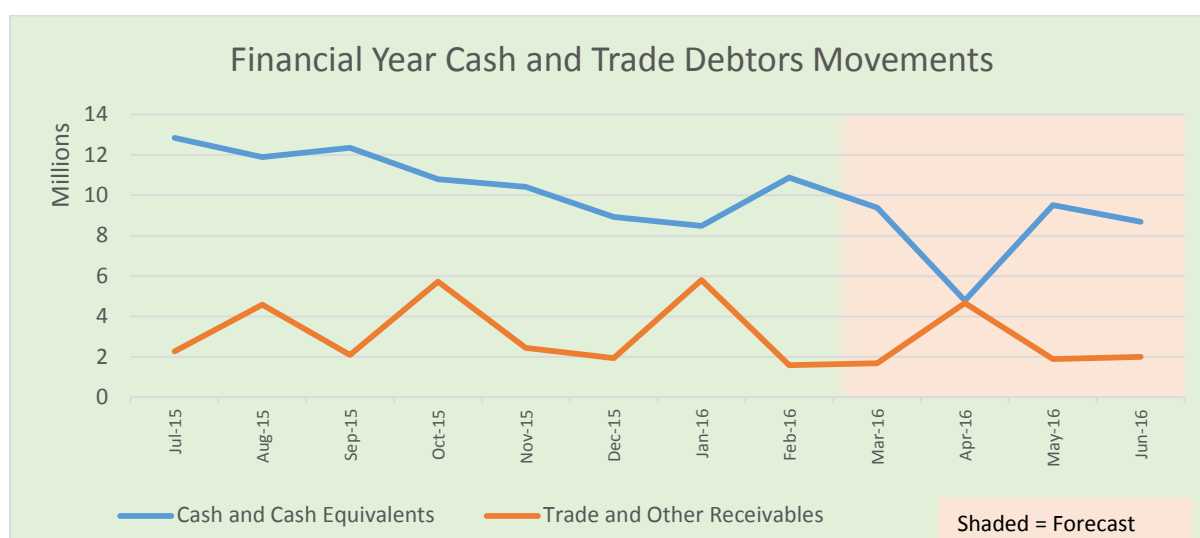


Financial Position Indicators

Current Assets

The Council continues to hold sufficient cash reserves to meet operational requirements. Current balances are:

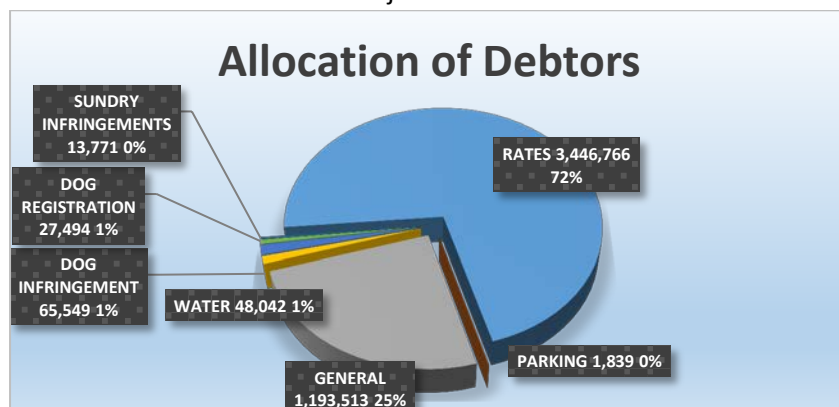
Measure	Actual	Annual Plan Position	Forecast 30 June 2016
Non-Interest Bearing Cash & Equivalents	\$121,331	\$140,775	\$121,331
Interest Bearing Cash on Hand, Term Deposits & Investments	\$11,534,853	\$6,362,019	\$9,338,357
Receivables	\$1,589,408	\$5,573,432	\$2,000,844
Total Current Assets	\$13,249,513	\$12,114,517	\$11,464,453



This graph shows the movements in the Cash and Cash Equivalents balance as noted in the Statement of Financial Performance on page 31 of this report for each month completed, and the forecast of cash based on the current budgeted movements. Peaks in Trade debtors is the charging of rate instalments. This normally occurs in the month prior to the instalment being due for payment by the ratepayers.

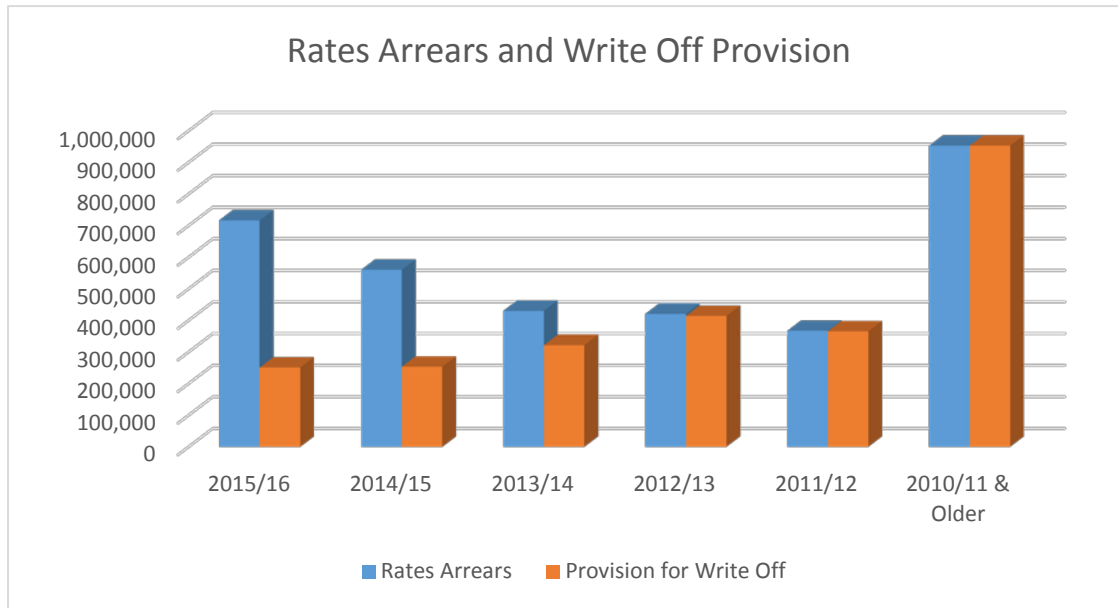
Accounts Receivable

Currently WDC has recorded debtors of \$1.6M. Gross receivables are \$4.8M, before the provisions for doubtful debts and other adjustments. This is allocated:





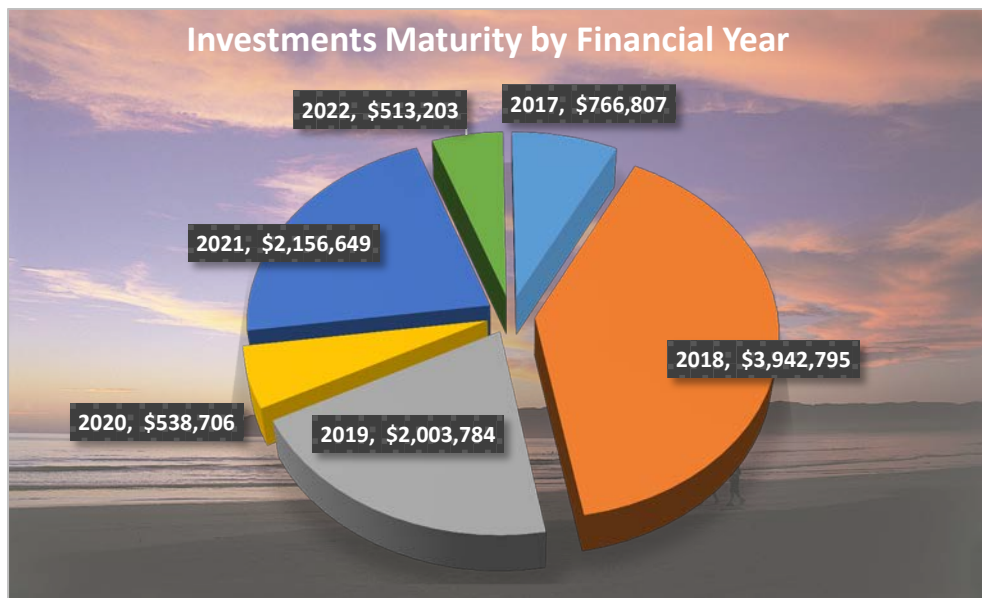
Analysis of rates arrears by financial year is:



Rates arrears are primarily the uncollectable amounts on Maori freehold land (unoccupied, unused land, or land subject to a fragmented ownership structure). Current policy has rates arrears more than 7 years old written off as statute barred rates, however anything younger than this is retained in the debtors database. We allow for debt older than 3 years to be uncollectable and create the Provision for Write Off that is held until the arrears become statute barred. What we have allowed as a provision compared to each year is shown in the graph above and currently stands at a total of \$2.6M. Included in the current year balance are penalties and court collection costs from prior years. Court costs are no longer included in the rates assessed following legal advice from Simpson Grierson (July 2015).

Investments

Current maturity value of all investments in the upcoming Financial Years is:





WDC long term cash investments hold a current market value of \$9,921,944, of which \$766,807 is due to mature within 12 months. The weighted average investment maturity term is 2.98 years or 35.8 months, with a weighted average coupon interest rate of 5.18%. The reduction in valuation from last month is the result of an interest payment (\$22k) having been received during February.

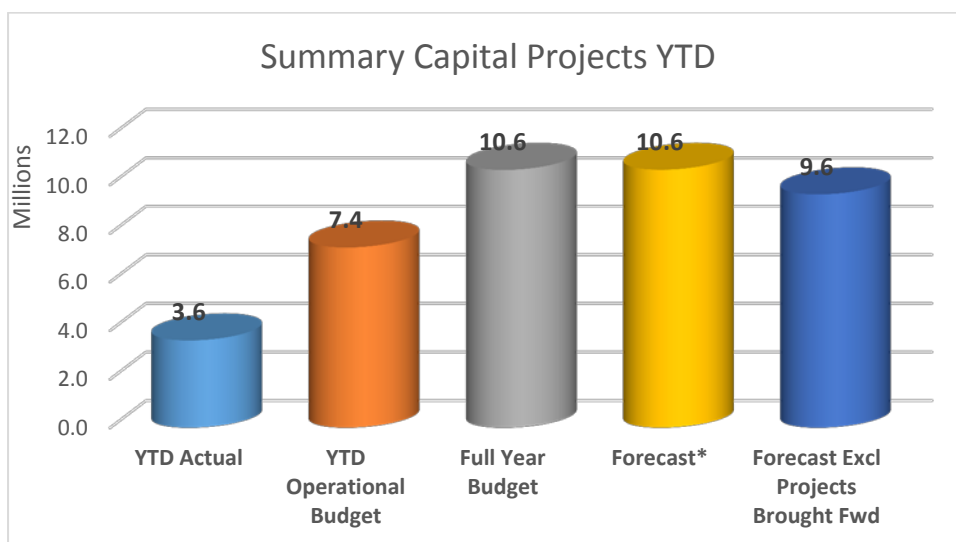
Subsequent to the end of February, the following investments have been made:

- \$0.25M (application of \$0.5M) Meridian Energy Ltd Bonds maturing March 2023 at a coupon rate of 4.53%, this was with the indicated rate range.
- \$0.21M (application of \$0.5M) Genesis Energy Ltd Bonds maturing March 2022 at a coupon rate of 4.14%, this is below the indicative rate range of 4.28-4.43%pa.
- \$1.5M has been added to a Term Deposit with Westpac for 120 days at 3.2%pa.

The lower than expected coupon rate for the Genesis Energy Ltd Bonds results from the 9 March 2016 OCR reduction by the RBNZ. This suggests that long term bonds issued in the future will likely have coupon rates in the 4.0-4.25% range and will be returning lower benefits to Council. Our high average coupon rate and portfolio strength is the result of a large number of investments having been made in the period where higher levels of interest rates were available. This will change as our investments mature over the coming years, especially in the 2017/18 year. This presents a risk of reduced future income against potential if the OCR were to increase. In addition, with a low Coupon rate, any potential investment sales pre-maturity would be at a heavily discounted value to provide a future yield to maturity return that an investor would expect. This is less likely to occur as our intent with any investment is to hold these until maturity, except in the event of a major emergency, where access to cash would be critical. Finance will continue to monitor this situation and also consider alternative investment possibilities over the upcoming months.

Capital Programs

To the end of February capital programs report as being behind target, however it is noted, and expanded on underneath, that this has been a result of emergency flooding work being undertaken in January and February costs of \$0.8M having been coded to operational expenditure, where it had been planned that Pavement and Sealed Road working would be undertaken. This work has been reprogrammed for and undertaken by the contractors in March (~\$1.3M YTD), but no adjustment to the timing of the budgets was possible for these costs. Year to date total expenditure of \$3.6M has been incurred with \$2.06M in capital subsidies having been invoiced.

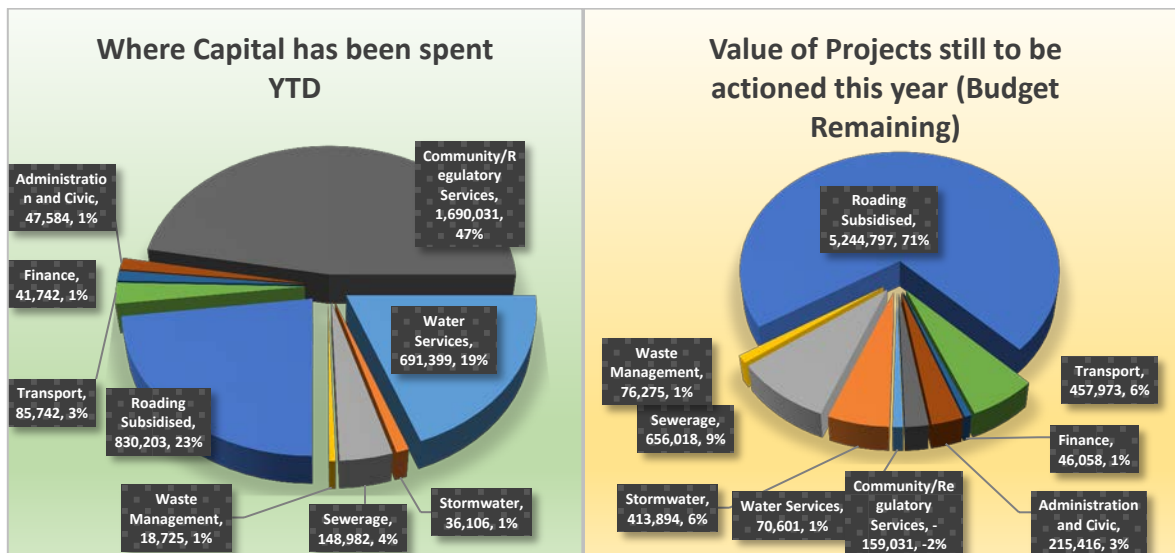




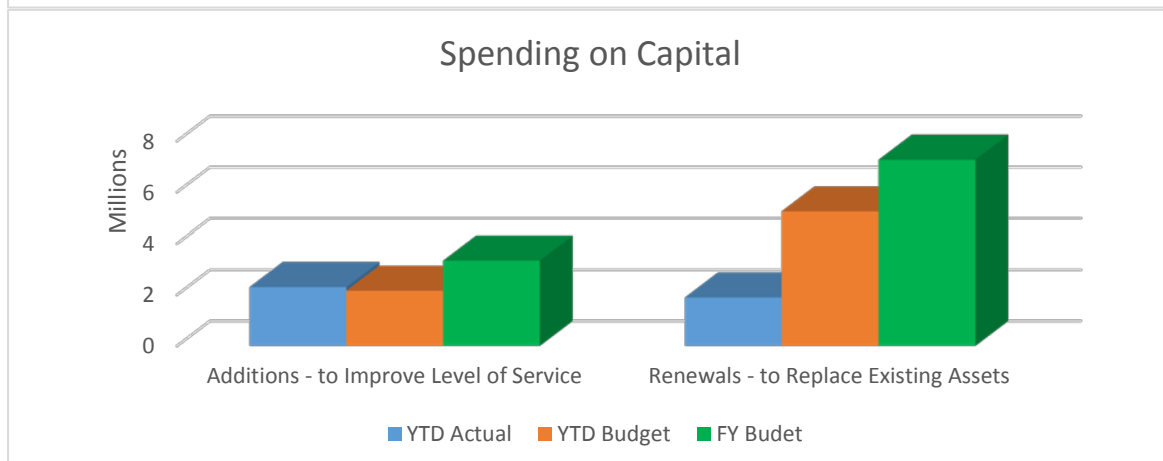
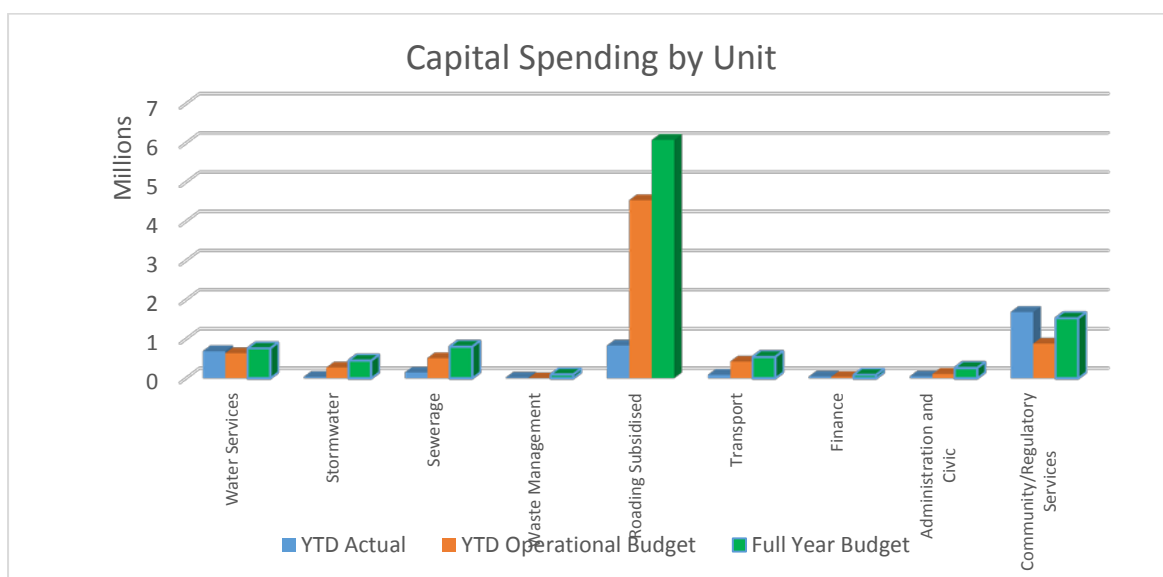
* Forecasted expenditure is actual year to date plus:

1. Budgets for the remainder of the year, with an assumption that all future planned project costs will be incurred (as phased)
2. Expected catch-up of Subsidised Roding work not completed YTD, based on contracts having been let this month \$2.6M, and
3. An estimate of capital miscoded to operational budgets \$1.6M. (Overstated as the exact adjustment was confirmed 15/4/16)

Costs from projects brought forward from 2014/15 year are included in this forecasted estimate. NOTE: No 2014/15 project budgets have been brought forward. Some projects had 2015/16 budgets included in the LTP.



The colour coding of these two graphs is the same for each unit.





Subsidised Roothing is currently \$3.8M underspent year to date (FY: \$5.2M). This underspend is predominantly a delay on the Sealed Roothing and Pavement upgrade projects planned for the year against budget (YTD \$1.3M) resulting from the emergency Flooding Repair work (YTD ~\$2M) which was undertaken over this period. This flooding repair cost has been coded to operational expenditure, however \$0.8M of this is capital work which have been transfer to the Capital Project codes in March. Also influencing the underspend are SP38 projects that were planned as part of the LTP, but have not been funded by NZTA (Savings: YTD \$0.48M, FY \$0.72M). This work will not occur, however as this work was 100% funded by NZTA, it has been factored into the forecasts and the expectation is that both Capital Expenditure and Subsidy Revenue will be under-recovered by the same \$0.72M for this year.

Community and Regulatory services overspend is the community pool project that is \$0.8M overspent for the year to date. This was in part a carried forward project from the 2014/15 FY. Funding for this project could not be included in the annual plan due to the timing of the carry forward of the project.

While overall capital expenditure is underspent, 21 capital projects are in excess of the year to date or full year budget by more than \$10,000. These are analysed:

Overrun Type	YTD					Explanation
	YTD Actual	Operational Budget	YTD Budget Remaining	Full Year Budget	FY Budget Remaining	
Unplanned Projects	65,450	0	(65,450)	0	(65,450)	5 Projects
Projects with cost overruns	92,865	16,664	(76,201)	25,000	(67,865)	Learn to Swim Pool Remediation
Projects in Advance of Plan (Multi Year projects)	563,670	150,000	(413,670)	150,000	(413,670)	New Reservoir
Brought Forward from 2014/15 by Resolution	2,014,885	666,664	(1,348,221)	1,000,000	(1,014,885)	No Budget can be loaded for these
Budget Timing or Coding Errors	120,217	0	(120,217)	86,000	(34,217)	Vehicle Purchases x3, Traffic Renewals
Totals	2,857,087	833,328	(2,023,759)	1,261,000	(1,596,087)	

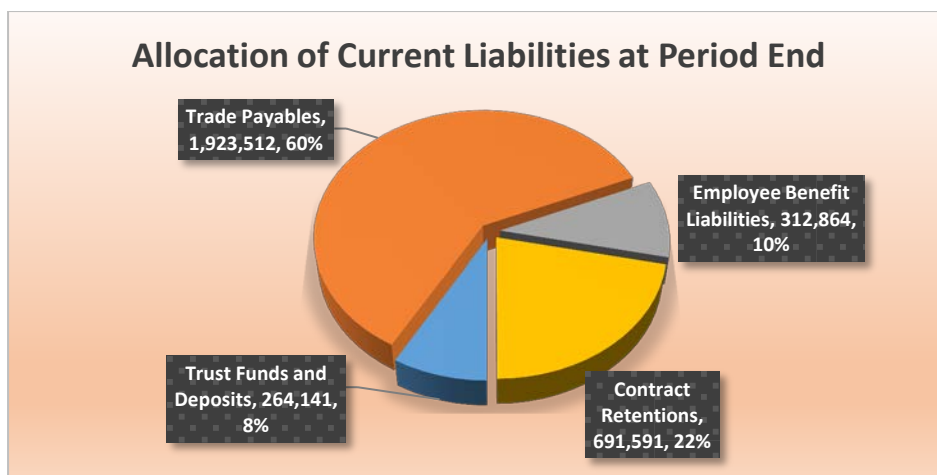
Unplanned projects are predominantly emergency replacements or flood damage repairs, as well as surveyor equipment and some wilding pine clearance (funding applied for in the current year). This may include some coding error issues and may also be recoverable costs. Council’s Engineering Department manages this function.

For the new Tawhara Reservoir, costs are in advance of plan by \$0.4M, with up to an estimated \$1M of costs expected to be incurred over the rest of this Financial Year. Land acquisition, project design and procurement is completed, giving certainty that total project expenditure will remain unchanged. However the project timing and progress does differs from what originally anticipated, i.e. into the 2017/18 Financial Year. At this time the project is expected to be completed ahead of time and on budget. The project budget will be brought forward in future planning requirements.

Projects brought forward from 2014/15 are as per the Council Resolution approved at the special meeting held 18 December 2015. No budget can be brought forward as the annual plan had been set at that time, however some of these projects were multi-year projects that had funding allocated to them in the 2016 Annual Plan (2015/25 LTP Year 1). Finance is looking into an option to create an “Operational Budget” that will provide a methodology of showing budgetary movements approved by Council for internal reporting purposes only, independent of the annual plan which must be reported in the Annual Financial Statements.

Current Liabilities

As at the end of the period, the following debts were due and payable within the next 12 months:

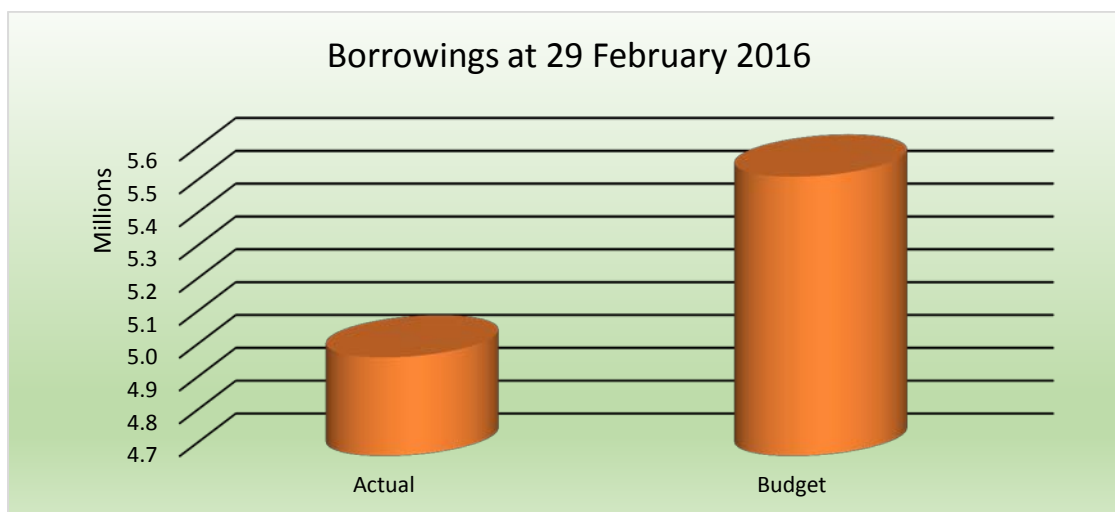


Measure	Actual	Budget or Target
Trade and Employee Liabilities	\$2,236,376	\$4,445,525
Contract Retentions	\$691,591	\$NIL
Total Current Liabilities	\$3,192,108	\$4,445,525
Creditor Payment Days ⁽¹⁾	46 Days	43 Days

(1) The average number of days that it takes a Creditor's invoice to be paid

All measures in this area show that the Council remains within its normal terms of trade with creditors, in that suppliers continue to be paid within the required timeframes. Employee Liabilities are the normal Holiday and Sick pay accrued by staff. Contract Retentions under the new Construction Contract Act need to be held "in trust" for the Contractor. WDC is currently compliant with this requirement in holding the cash and equivalent balance of \$10.9M.

Term Debt



External Borrowing remains unchanged at \$5.0M, against a budgeted debt level of \$5.55M for the year. New borrowing was budgeted in order to fund increased service capacity for new capital project spending in this year. At this time expectations are that there will be no additional external borrowings required for the financial year and that all new capital projects will be funded from internal cash reserves.

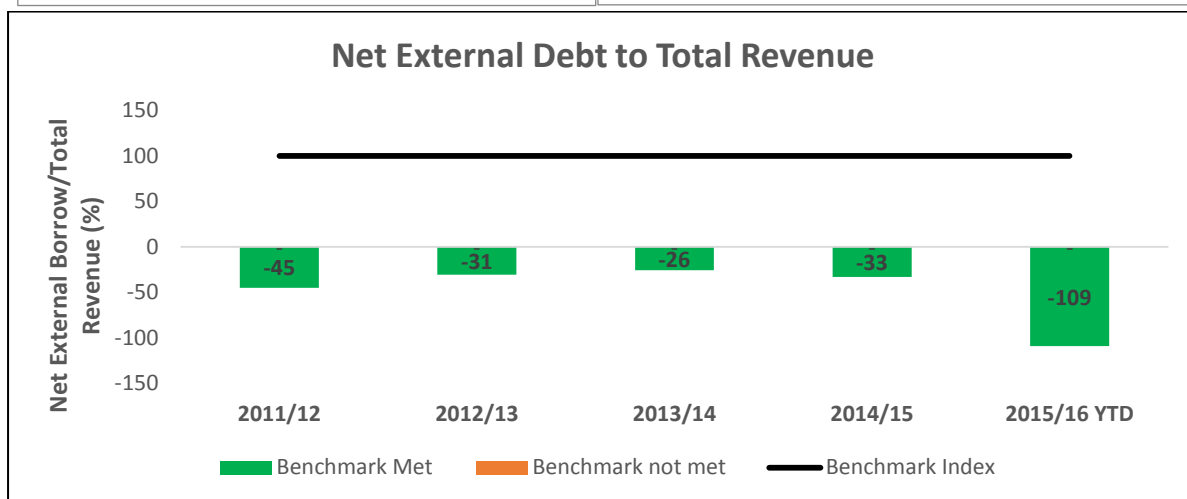
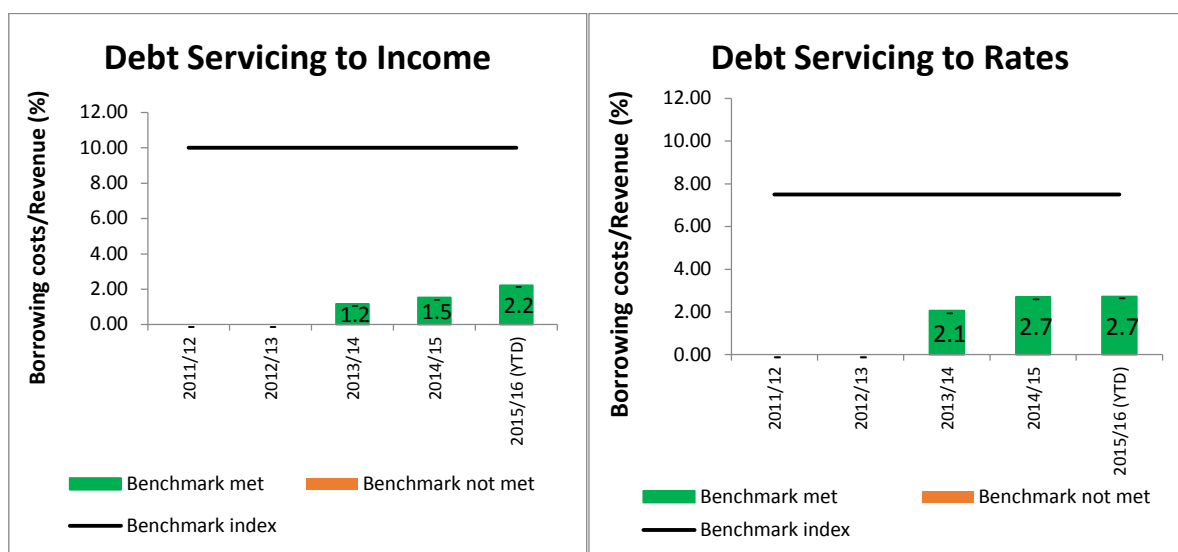
In addition, Council holds \$0.48M (Budget \$0.86M) liability for the Landfill Aftercare requirements.



Subsequent to the end of this month a Finance Lease of \$45,000 including interest and charges is being considered to fund the purchase of CCTV equipment. We understand that this is a capital debt, and accountable through the Statement of Financial Position, but await the contract to confirm this assessment.

Debt Policy Measures

The analysis of the achievements of debt against the limitations as per the Investment and Liability Policy, for the management of Debt are shown below. Council is well within all control measurements for debt with no expectations that any will be breached in the foreseeable future. The results for the year to date, comparing this to the past five financial years.



Measure	Not to Exceed	of	2011/12	2012/13	2013/14	2014/15	2015/16 (YTD)
Debt Servicing	10%	Operating Revenue	0.00	0.00	1.16	1.52	2.22
Debt Servicing	7.50%	Rates	0.00	0.00	2.06	2.71	2.72
Net External Debt ⁽¹⁾	100%	Total Revenue	-44.92	-30.62	-25.62	-33	-109.17

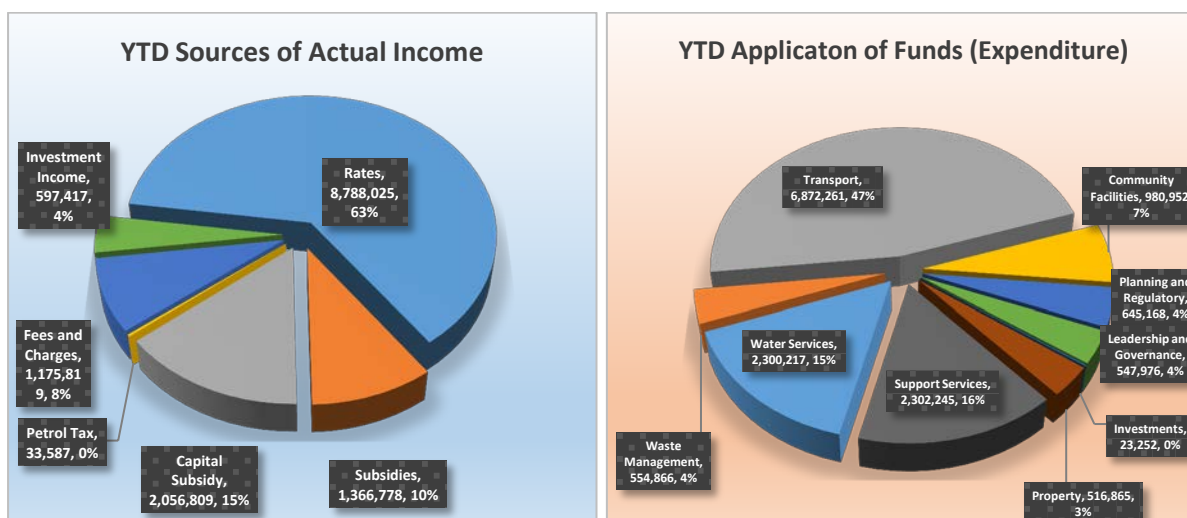
1 Net External Debt is calculated as Term Borrowings plus Current Liabilities; less Cash, Term Deposits and Financial Assets at fair Value. As at 29 February 2016 Net Debt is \$(13.9M), indicating that we have greater cash reserves than external debt.



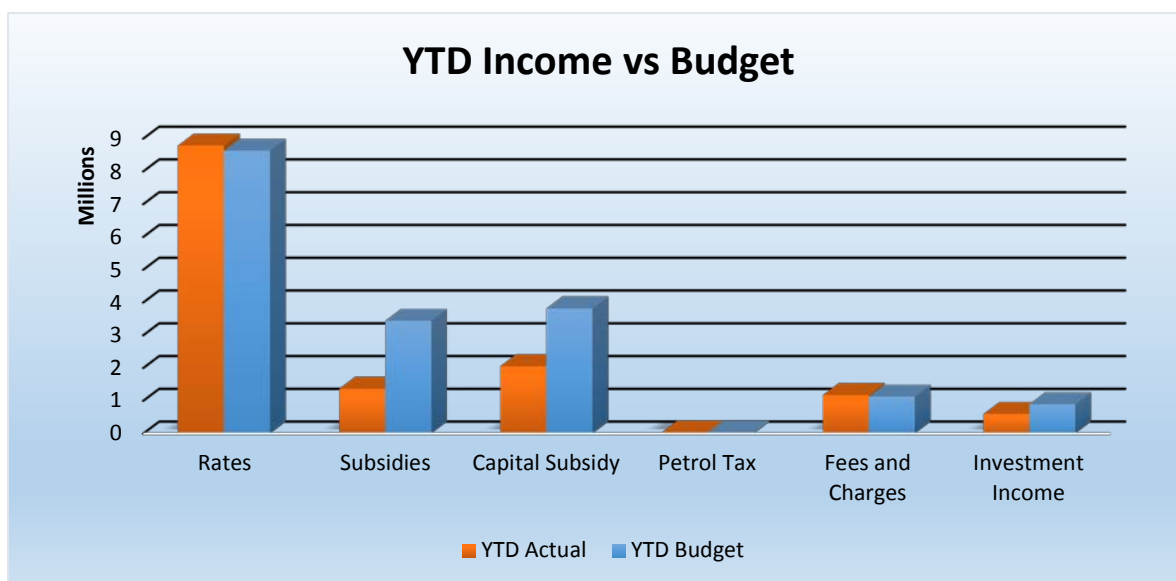
Calculation of these measures shows that Council currently holds more than \$2 of cash and cash equivalent investments for every dollar of debt owed to external parties. The existing term loan is a 5 year fixed term loan at 6%. Accordingly Council would not be able to break this loan and repay this from current cash reserves.

Sources of Income and Application of Funds

For the year to date Council has a net deficit of \$(0.73)M (Budget: net surplus of \$2.57M). Engineering has advised that there are capital costs of \$0.8M included in this outcome, and \$1.1M Jan and \$0.77M Feb NZTA Claims are not included in Roothing Subsidies. Adjusting for these the surplus would be \$1.94M. Total income year to date was \$14M (\$15.8M with adjustments) and application of funds for the year to date has been \$14.7M, (\$13.9M excluding the coding errors). Income and expenditure are analysed for the year to date as:



Rates were budgeted to reflect 48% of total income over the year and as per our Financial Strategy must not exceed 60% of our total revenue, however this is higher due to Operational and Capital Subsidies not including the advises subsidies. This comes from the variances detailed below. A permanent under-recovery of subsidies of \$1.3M for the year has been noted.





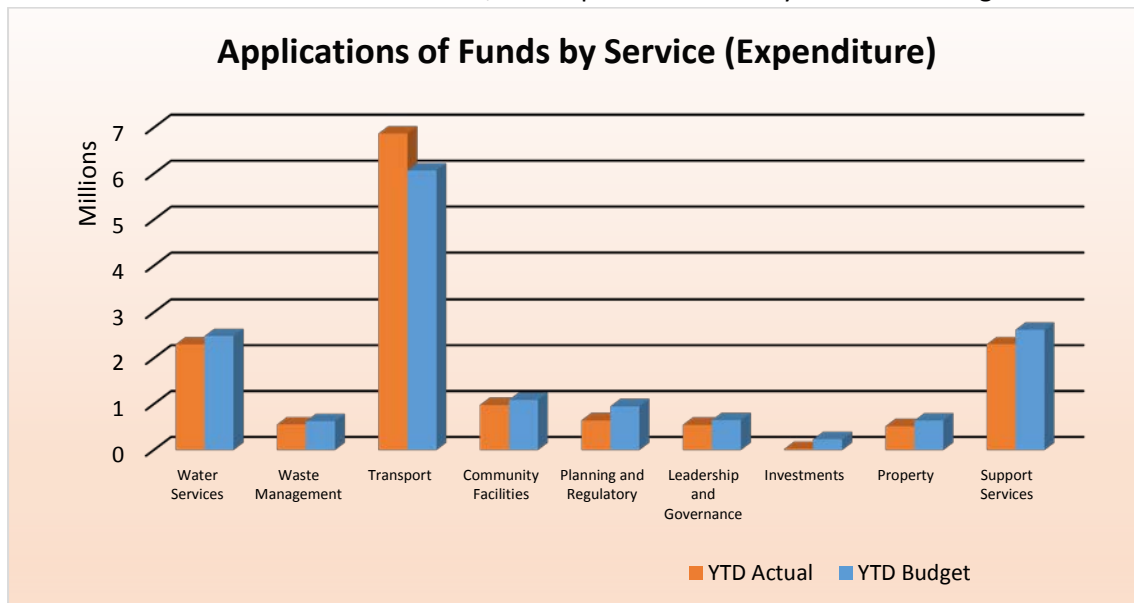
The under-recovery of both operating and capital subsidies is primarily due to NZTA funded work not yet completed for the year to date, for which a subsidy is expected to be recovered or plans of work that have not been approved by the NZTA. Contracts have been let in February that may result in some catch-up of revenue, however the extent of this is not measured at this time and forecasted results do not include any adjustment for this potential catch-up of income.

Subsequent to the end of the month Claims of \$0.77M for Feb 16 and \$1.1M Jan 2016 Capital and Operational Subsidies were advised and discovered as being required. These have not been included in the Full Year forecast.

Capital Subsidy Budgets include \$1M for the Community Pool development, \$0.5M of this was received in the prior Financial Year, and only \$0.4M of the remainder budgeted \$0.5M has been allocated by the Lotteries Commission. This represents a permanent under-recovery of \$0.6M for this year.

Also included in capital subsidies is the NZTA expected project funding of \$0.5M YTD (FY: \$0.7M) for planned road SP38 work, which has been rejected by NZTA. There is some mitigation with this in that the capital project that this funding was allocated to will not proceed, however it remains as a permanent negative variance for income.

The Council has used the funds received, in comparison with the year to date budget thus:



For this report the budgets have been restated so Support Services costs are shown separately. The core services budgets have been reduced accordingly.

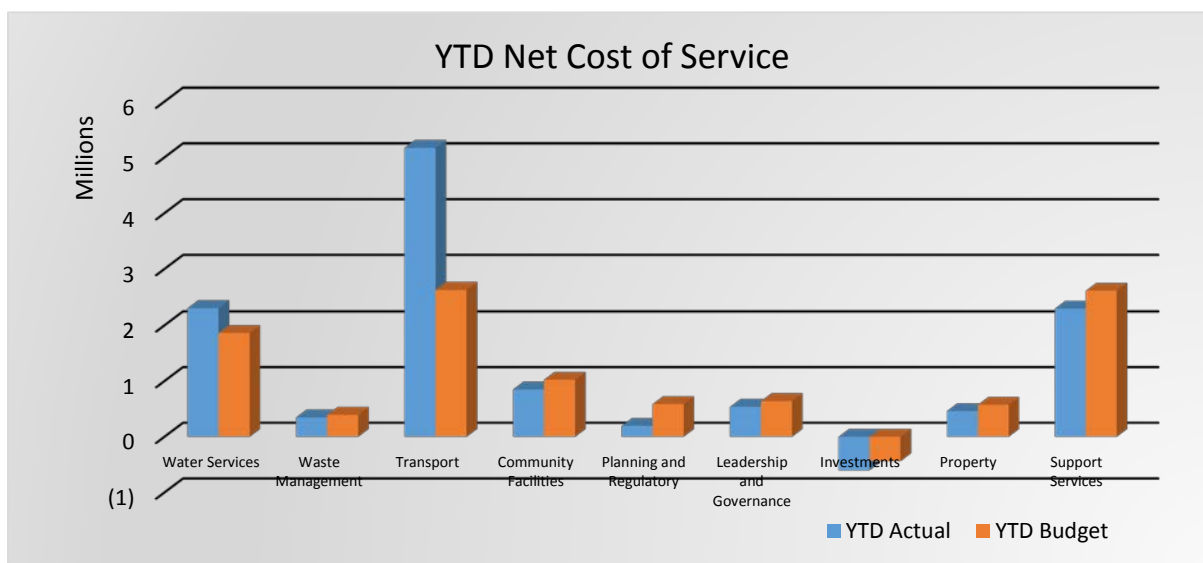
The Transport overspend includes the miscoding of \$0.8M capital costs to the maintenance budget. The specific GL account in question currently records an overspend of \$1.6M. The additional \$0.8M overspend is removal of Slips caused by the September 2015 Floods. Costs continue to be expended within expectations for the year and all units are on-target to remain within the expected full year expenditure levels.

Council Net Cost of Services

The net cost of service represents the operating costs for the service, less the income generated from the service, excluding Rating income, for the areas of service provision provided by Council to



the community. These are summarised as shown below.



The Transport overspend is the combination of the delay in planned work for emergency repairs, the \$1.6M in coding errors of the emergency repairs to operational costs and Slip Repair work, and the under-recovery of NZTA subsidies as mentioned above. Engineering staff are reviewing operational transactions to transfer the costs to the appropriate capital project, which occurred in March. All other units are tracking on target for the full year outlook. Individual section reports are included below for further comment.

2016/17 Annual Plan Preparation

The 15 March 2016 has passed for the return of the completed cost centre reports to Finance. Work continues on the consolidation of these reports and the salary and staffing expectations for the upcoming year. Planning continues on an assumption that no public consultation should be needed.

Should Council be required or wish to go to public consultation, the timetable will be reviewed for changes. This may require the use of a special meeting to adopt a consultation document which would then allow Council to meet the statutory deadline for the adoption for its 2016/17 Annual Plan of 30 June 2016.



ACTIVITY ANALYSIS

Comprehensive Income and Expenditure

These tables contrast the year to date expenditure and a full year forecast to full year budgets. Support Services budget has been restated from the Annual Plan, where these are factored into the core service area's budgets as internal overhead allocations, both for the FY Budget and proportionally for the YTD budget.

Income has been received from:

Income Type:	YTD Actual (\$ 000)	YTD Budget (\$ 000)	(Under) / Over Recovery	FY Forecast (\$ 000)	FY Budget (\$ 000)	(Under) / Over Recovery
Rates	8,788	8,631	157	11,665	11,507	157
Subsidies	1,367	3,439	-2,072	3,086	5,158	-2,072
Capital Subsidy	2,057	3,819	-1,762	3,726	5,728	-2,002
Petrol Tax	34	33	1	66	65	1
Fees and Charges	1,176	1,126	50	1,321	1,689	-368
Investment Income	597	893	-296	971	1,267	-296
Total Income	14,018	17,940	-3,921	20,835	25,414	-4,580

Budgeted Capital Subsidies includes of \$1M of Grants for the building of the Pool. Of this \$0.5M was received last financial year (2014/15) but was brought forward into the current year as the funding had not been received at the time the LTP was prepared. The balance \$0.5M budget is a Grant from the Lotteries Commission of which \$0.39M has been received, with only \$10,000 remaining to be received within the balance of this financial year. Income forecasts for General and Capital Subsidies have not been adjusted to reflect any potential NZTA subsidies to be invoiced from the expected catch-up capital or operational works projects at this time, and \$1.9M of additional Revenue should have been included in the report for NZTA claims discovered as required after the close off of the accounts for this report.

Expenditure has been incurred in the following service areas:

Service Area	YTD Actual (\$ 000)	YTD Budget (\$ 000)	Under / (Overspend)	FY Forecast (\$ 000)	FY Budget (\$ 000)	Under / (Overspend)
Water Services	2,300	2,482	182	3,551	3,741	190
Waste Management	555	627	72	868	940	72
Transport	6,872	6,068	-804	7,950	9,168	1,218
Community Facilities	981	1,092	111	1,551	1,662	111
Planning and Regulatory	645	952	307	1,121	1,429	307
Leadership and Governance	548	651	103	870	974	103
Investments	23	235	211	197	408	211
Property	517	640	124	804	928	124
Support Services	2,302	2,620	318	3,612	3,930	318
Total Expenses	14,744	15,367	623	20,526	23,180	2,654

All units expect to be within full year budgets at this time, except Subsidised Roding as detailed above. Support services actual costs are allocated to the core service areas as internal overheads at the end of the year.



Water Services

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,876,980)	(1,843,361)	(2,457,814)	(1,935,853)	(2,519,548)
Fees charges and targeted rates for water supply	(734,460)	(707,280)	(1,060,920)	(715,735)	(1,136,040)
Interest and Dividends from Investments	-	(243,800)	(365,700)	-	-
Total Source of Operating Funding	(2,611,440)	(2,794,441)	(3,884,434)	(2,651,587)	(3,655,588)
Application of Operating Funding					
Payments to staff and suppliers	1,778,475	1,438,888	2,176,953	2,966,956	4,315,981
Finance costs	189,370	236,520	354,780	182,137	302,500
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	1,967,845	1,675,408	2,531,733	3,149,093	4,618,481
Surplus (Deficit) of Operating Funding	643,595	1,119,033	1,352,701	(497,506)	(962,893)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(1,055,000)	(66,664)	(99,996)	(1,000,000)	(1,034,301)
Lump sum contributions	-	-	-	(0)	(0)
Total Source of Capital Funding	(1,055,000)	(66,664)	(99,996)	(1,000,000)	(1,034,301)
Total Sources of capital funding	(1,055,000)	(66,664)	(99,996)	(1,000,000)	(1,034,301)
Application of Capital Funding					
Capital expenditure - to improve the level of service	87,896	260,000	320,000	229,386	515,907
Capital expenditure - to replace existing assets	868,996	1,159,999	1,666,999	53,508	108,902
Increase (Decrease) in Reserves	741,703	(234,302)	(534,302)	219,600	(553,401)
Total Application of Capital Funding	1,698,595	1,185,697	1,452,697	502,495	71,408
Total application of capital funding	1,698,595	1,185,697	1,452,697	502,495	71,408
Surplus (Deficit) of Capital Funding	(643,595)	(1,119,033)	(1,352,701)	497,506	962,893
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	665,337	863,120	1,294,680	665,337	998,005

This report has been adjusted for Internal Charges recoveries.



Waste Management

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(442,934)	(435,000)	(580,000)	(425,372)	(553,629)
Fees charges and targeted rates for water supply	(207,383)	(233,336)	(350,000)	(197,063)	(359,009)
Total Source of Operating Funding	(650,317)	(668,336)	(930,000)	(622,435)	(912,638)
Application of Operating Funding					
Payments to staff and suppliers	492,013	556,648	835,000	471,251	817,764
Finance costs	-	37,824	56,727	5,862	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	492,013	594,472	891,727	477,113	817,764
Surplus (Deficit) of Operating Funding	158,304	73,864	38,273	145,322	94,874
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	18,725	-	95,000	-	48,877
Increase (Decrease) in Reserves	139,578	73,864	(56,727)	145,322	45,997
Total Application of Capital Funding	158,304	73,864	38,273	145,322	94,874
Total application of capital funding	158,304	73,864	38,273	145,322	94,874
Surplus (Deficit) of Capital Funding	(158,304)	(73,864)	(38,273)	(145,322)	(94,874)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	62,853	63,336	95,000	62,853	94,279

This report has been adjusted for Internal Charges recoveries.



Transport

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,841,113)	(1,808,136)	(2,410,848)	(1,844,500)	(2,400,650)
Subsidies and grants for operating purposes	(1,183,887)	(3,406,304)	(5,109,456)	(777,898)	(3,347,338)
Fees charges and targeted rates for water supply	(528,101)	(36,040)	(54,060)	(538,475)	(844,159)
Total Source of Operating Funding	(3,553,101)	(5,250,480)	(7,574,364)	(3,160,873)	(6,592,147)
Application of Operating Funding					
Payments to staff and suppliers	5,480,702	4,251,002	6,442,633	3,364,985	7,695,596
Finance costs	-	3,112	4,668	-	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	5,480,702	4,254,114	6,447,301	3,364,985	7,695,596
Surplus (Deficit) of Operating Funding	(1,927,601)	996,366	1,127,063	(204,113)	(1,103,449)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(611,809)	(3,085,336)	(4,628,004)	(1,587,565)	(4,873,277)
Total Source of Capital Funding	(611,809)	(3,085,336)	(4,628,004)	(1,587,565)	(4,873,277)
Total Sources of capital funding	(611,809)	(3,085,336)	(4,628,004)	(1,587,565)	(4,873,277)
Application of Capital Funding					
Capital expenditure - to improve the level of service	328,516	1,099,180	1,443,016	1,159,319	1,501,087
Capital expenditure - to replace existing assets	701,896	3,868,215	5,160,715	1,916,729	4,739,666
Increase (Decrease) in Reserves	(2,346,203)	(885,693)	(848,664)	(1,692,596)	(2,470,925)
Total Application of Capital Funding	(1,315,792)	4,081,702	5,755,067	1,383,452	3,769,828
Total application of capital funding	(1,315,792)	4,081,702	5,755,067	1,383,452	3,769,828
Surplus (Deficit) of Capital Funding	1,927,601	(996,366)	(1,127,063)	204,113	1,103,449
Funding Balance	-	-	-	0	-
Depreciation and Amortisation	1,698,210	1,816,376	2,724,564	1,698,210	2,547,315

This report has been adjusted for Internal Charges recoveries.



Community Facilities

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,126,301)	(1,106,127)	(1,474,836)	(1,233,331)	(1,605,203)
Subsidies and grants for operating purposes	(100,624)	(32,312)	(48,462)	(115,179)	(74,591)
Fees charges and targeted rates for water supply	(30,531)	(36,240)	(54,364)	(32,813)	(47,077)
Total Source of Operating Funding	(1,257,456)	(1,174,679)	(1,577,662)	(1,381,323)	(1,726,871)
Application of Operating Funding					
Payments to staff and suppliers	878,511	932,612	1,423,329	832,034	1,474,051
Finance costs	-	61,696	92,540	125	-
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	(6,654)	-	-	(18,119)	(24,864)
Total Application of Operating Funding	871,857	994,308	1,515,869	814,041	1,449,187
Surplus (Deficit) of Operating Funding	385,599	180,371	61,793	567,282	277,684
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	86,668	116,664	295,000	98,337	154,023
Capital expenditure - to replace existing assets	107,541	75,000	95,000	95,820	101,423
Increase (Decrease) in Reserves	191,389	(11,293)	(328,207)	373,126	22,238
Total Application of Capital Funding	385,599	180,371	61,793	567,282	277,684
Total application of capital funding	385,599	180,371	61,793	567,282	277,684
Surplus (Deficit) of Capital Funding	(385,599)	(180,371)	(61,793)	(567,282)	(277,684)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	109,095	100,880	151,310	109,095	163,642

This report has been adjusted for Internal Charges recoveries.



Planning and Regulatory

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(397,195)	(390,080)	(520,107)	(310,622)	(404,280)
Subsidies and grants for operating purposes	(92,867)	-	-	(111,417)	(1,795)
Fees charges and targeted rates for water supply	(356,904)	(366,456)	(549,686)	(411,533)	(567,503)
Total Source of Operating Funding	(846,966)	(756,536)	(1,069,793)	(833,572)	(973,578)
Application of Operating Funding					
Payments to staff and suppliers	608,740	939,928	1,409,858	668,871	1,022,324
Finance costs	3,404	16,304	24,456	10,719	13,330
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	612,144	956,232	1,434,314	679,590	1,035,653
Surplus (Deficit) of Operating Funding	234,822	(199,696)	(364,521)	153,982	(62,075)
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	72,695	-	100,000	9,728	42,152
Capital expenditure - to replace existing assets	98,897	50,000	131,000	55,639	55,639
Increase (Decrease) in Reserves	63,229	(249,696)	(595,521)	88,616	(159,866)
Total Application of Capital Funding	234,822	(199,696)	(364,521)	153,982	(62,075)
Total application of capital funding	234,822	(199,696)	(364,521)	153,982	(62,075)
Surplus (Deficit) of Capital Funding	(234,822)	199,696	364,521	(153,982)	62,075
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	33,023	36,440	54,659	33,023	49,535

This report has been adjusted for Internal Charges recoveries.



Leadership and Governance

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(637,928)	(626,502)	(835,336)	(559,766)	(728,546)
Subsidies and grants for operating purposes	(2,000)	-	-	-	-
Fees charges and targeted rates for water supply	(8,937)	(10,688)	(16,050)	(484)	(12,724)
Total Source of Operating Funding	(648,866)	(637,190)	(851,386)	(560,250)	(741,270)
Application of Operating Funding					
Payments to staff and suppliers	543,956	659,984	986,488	465,466	847,906
Finance costs	303	8,288	12,420	287	447
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	544,259	668,272	998,908	465,753	848,353
Surplus (Deficit) of Operating Funding	104,607	(31,082)	(147,522)	94,497	(107,083)
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	6,129	-	-	36,878	36,878
Capital expenditure - to replace existing assets	1,250	-	-	-	-
Increase (Decrease) in Reserves	97,228	(31,082)	(147,522)	57,619	(143,961)
Total Application of Capital Funding	104,607	(31,082)	(147,522)	94,497	(107,083)
Total application of capital funding	104,607	(31,082)	(147,522)	94,497	(107,083)
Surplus (Deficit) of Capital Funding	(104,607)	31,082	147,522	(94,497)	107,083
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	3,718	4,800	7,200	3,718	5,577

This report has been adjusted for Internal Charges recoveries.



Investments

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	135,075	132,656	176,874	556,719	724,580
Fees charges and targeted rates for water supply	(1,423)	-	(800)	(301)	(533)
Interest and Dividends from Investments	(590,400)	(396,168)	(519,244)	(1,050,288)	(1,216,512)
Local authorities fuel tax fines infringement fees and other receipts	(33,587)	(32,500)	(65,000)	(39,141)	(77,283)
Total Source of Operating Funding	(490,335)	(296,012)	(408,170)	(533,010)	(569,748)
Application of Operating Funding					
Payments to staff and suppliers	19,634	55,000	55,000	74,770	(221,738)
Finance costs	3,618	179,584	353,168	7,871	153,575
Total Application of Operating Funding	23,252	234,584	408,168	82,641	(68,163)
Surplus (Deficit) of Operating Funding	467,083	61,428	2	450,370	637,911
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Increase (Decrease) in Reserves	467,083	61,428	2	450,370	637,911
Total application of capital funding	467,083	61,428	2	450,370	637,911
Surplus (Deficit) of Capital Funding	(467,083)	(61,428)	(2)	(450,370)	(637,911)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	-	-	-	-	-

This report has been adjusted for Internal Charges.



Property

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(199,373)	(195,802)	(261,069)	(303,685)	(395,251)
Fees charges and targeted rates for water supply	(56,679)	(67,372)	(101,924)	(60,371)	(95,688)
Total Source of Operating Funding	(256,052)	(263,174)	(362,993)	(364,055)	(490,938)
Application of Operating Funding					
Payments to staff and suppliers	226,457	101,549	119,446	120,883	143,312
Finance costs	-	93,392	140,078	53	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	226,457	194,941	259,524	120,936	143,312
Surplus (Deficit) of Operating Funding	29,595	68,233	103,469	243,119	347,626
Source of Capital Funding					
Subsidies and grants for capital expenditure	(390,000)	(666,672)	(1,000,000)	-	(500,000)
Total Source of Capital Funding	(390,000)	(666,672)	(1,000,000)	-	(500,000)
Total Sources of capital funding	(390,000)	(666,672)	(1,000,000)	-	(500,000)
Application of Capital Funding					
Capital expenditure - to improve the level of service	1,795,564	676,664	1,015,000	331,932	484,551
Capital expenditure - to replace existing assets	93,549	74,328	103,000	93,576	141,883
Increase (Decrease) in Reserves	(1,469,518)	(16,087)	(14,531)	(182,388)	221,193
Total Application of Capital Funding	419,595	734,905	1,103,469	243,119	847,626
Total application of capital funding	419,595	734,905	1,103,469	243,119	847,626
Surplus (Deficit) of Capital Funding	(29,595)	(68,233)	(103,469)	(243,119)	(347,626)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	290,408	330,543	495,808	290,408	435,612

This report has been adjusted for Internal Charges recoveries.



Support Services

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(2,401,276)	(2,358,266)	(3,144,354)	(2,519,324)	(3,278,946)
Fees charges and targeted rates for water supply	(1,015)	(10,072)	(15,100)	(826)	(2,560)
Total Source of Operating Funding	(2,402,291)	(2,368,338)	(3,159,454)	(2,520,150)	(3,281,506)
Application of Operating Funding					
Payments to staff and suppliers	2,260,058	2,534,968	3,802,439	2,375,046	3,588,363
Finance costs	42,457	38,584	57,875	32,456	111,221
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	(100,606)	-	-	(60,125)	(109,509)
Total Application of Operating Funding	2,201,909	2,573,552	3,860,314	2,347,377	3,590,075
Surplus (Deficit) of Operating Funding	200,382	(205,214)	(700,860)	172,773	(308,569)
Total Sources of capital funding					
Application of Capital Funding					
Capital expenditure - to improve the level of service	23,257	14,664	39,000	107,393	184,171
Capital expenditure - to replace existing assets	26,077	21,800	138,800	12,514	14,515
Increase (Decrease) in Reserves	151,048	(241,678)	(878,660)	52,866	(507,255)
Total Application of Capital Funding	200,382	(205,214)	(700,860)	172,773	(308,569)
Total application of capital funding	200,382	(205,214)	(700,860)	172,773	(308,569)
Surplus (Deficit) of Capital Funding	(200,382)	205,214	700,860	(172,773)	308,569
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	100,336	93,976	140,967	100,336	150,504

This statement has been restated to include budgeted and actual rates applicable to the Unit's charges (including the prior year) that are cost recovered to other Units as Overhead Charges.

FINANCIAL RISKS

The following Operational Financial Risks have been assessed as the end of the Period:

Area	Risk	Amount	Type	Description	Risk Level
CEO	Forestry Slash Clean-up	\$41,000	Cost	Funds expended on clean-up of HBRC controlled beaches	Crystallised
Subsidised Roothing	NZTA Funding	\$720,000	Income Under-Recovery	NZTA non-approved work expected in the Annual Plan	Crystallised
Roothing	Loss on Disposal of Assets	\$1,500,000	Cost	Losses on Disposals of Renewed assets is not Budgeted or Funded. Value based on Prior Year impact. Recovered every 3rd year on revaluation	Low
Water Treatment	Opoutama & Mahia Waste Water Scheme	\$250,000	Cost	Scheme assessed as an Operational Cost by Auditors. Budgeted as Capital in LTP. Value is as per costs to date for this year	Medium
Water Treatment	Waihi Dam Silt	TBA	Cost	Additional Flocculent Purchased to mitigate the additional silt discharged into the Wairoa water supply. Net effect TBC, expected recovery from Dam Operator	Low
Community Centre	HBRC Pool Grant	\$500,000	Income Under-Recovery	Grant Funding was received in 2014/15, budget was brought forward as at time of LTP development funds had not been received	Crystallised
Community Centre	Lotteries Commission Grant	\$100,000	Income Under-Recovery	Grant received was \$110k less than budgeted. It is expected that \$10k will be received over the balance of this financial Year	Crystallised

The following Capital Risks have been assessed as the end of the Period:

Area	Risk	Amount	Type	Description	Risk Level
Corporate	Loan Advances	\$550,000	Use of Cash Reserves	Expectation that No loan funds are advanced to meet new increased service capital projects. Funds to be taken from Cash Reserves	Low
Subsidised Roothing	NZTA Funded Activity	\$(720,000)	Capital Work Savings	Budgets expected work on road SP38 in the order of \$0.74M for this financial year, 100% funded by NZTA. NZTA have only approved \$18,000 of this plan	Crystallised
Water Treatment	Opoutama & Mahia Waste Water Scheme	\$(250,000)	Capital Work Savings	Scheme assessed as an Operational Cost by Auditors. Budgeted as Capital in LTP. Value is as per costs to date for this year	Crystallised

Assessment Key:

Crystallised	Event has Happened
Low	Expected Event is not expected to be significant or Material
Medium	Expected Event will impact on Council Operations, PR or Budget (+/- \$100k-\$1M)
High	Expected Event is Significant, Material (+/- \$1M) and/or has a negative non-financial impact on Council Operations

Assessing levels of risk is based on the following matrix. It is noted that this matrix is a work in progress and has not yet been approved for formal use by the Finance Audit and Risk Committee, or Council.

Value	Change in Service Levels			Impact
	None or Small	Some	Large	
>\$100,000	Low	Low	Medium	Less than 25% of People
\$100,000 - \$1M	Medium	Medium	High	Between 25% - 75% of People
<\$1M	High	High	High	More than 75% of People
PR	No Interest	Some - e.g. Letter to Paper	High Public Interest - Council in Bad light in Media etc.	



FINANCIAL ACCOUNTS

Whole of Council Funding Impact Statement

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
General Rates uniform annual charges rates penalties	(8,788,025)	(8,630,618)	(11,507,490)	(8,575,733)	(11,161,472)
Subsidies and grants for operating purposes	(1,366,778)	(3,438,616)	(5,157,918)	(1,004,494)	(3,423,725)
Fees charges and targeted rates for water supply	(1,925,433)	(1,467,484)	(2,202,904)	(4,403,700)	(5,511,393)
Interest and Dividends from Investments	(590,400)	(639,968)	(884,944)	(1,050,288)	(1,216,512)
Local authorities fuel tax fines infringement fees and other receipts	(33,587)	(32,500)	(65,000)	(39,141)	(77,283)
Total Source of Operating Funding	(12,704,223)	(14,209,186)	(19,818,256)	(15,073,356)	(21,390,385)
Application of Operating Funding					
Payments to staff and suppliers	12,288,546	11,470,579	17,251,146	13,786,363	22,129,665
Finance costs	239,152	675,304	1,096,712	239,511	581,073
Internal Charges and Overheads applied	0	0	0	0	0
Other operating funding applications	(107,259)	0	0	(78,245)	(134,373)
Total Application of Operating Funding	12,420,438	12,145,883	18,347,858	13,947,629	22,576,366
Surplus (Deficit) of Operating Funding	283,785	2,063,303	1,470,398	1,125,727	(1,185,981)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(2,056,809)	(3,818,672)	(5,728,000)	(2,587,565)	(6,407,577)
(Increase) decrease in debt	0	0	(550,000)	0	0
Lump sum contributions	0	0	0	(0)	(0)
Total Source of Capital Funding	(2,056,809)	(3,818,672)	(6,278,000)	(2,587,565)	(6,407,578)
Total Sources of capital funding	(2,056,809)	(3,818,672)	(6,278,000)	(2,587,565)	(6,407,578)
Application of Capital Funding					
Capital expenditure - to improve the level of service	2,419,451	2,167,172	3,307,016	1,972,972	6,022,079
Capital expenditure - to replace existing assets	1,898,206	5,249,342	7,295,514	2,227,786	1,830,488
Increase / (Decrease) in Reserves	(1,977,062)	(1,534,539)	(2,854,132)	(487,467)	(2,630,970)
Total Application of Capital Funding	2,340,594	5,881,975	7,748,398	3,713,292	5,221,597
Total application of capital funding	2,340,594	5,881,975	7,748,398	3,713,292	5,221,597
Surplus (Deficit) of Capital Funding	(283,785)	(2,063,303)	(1,470,398)	(1,125,727)	1,185,981
Funding Balance (General Rates)	0	0	0	0	0
Depreciation					
Depreciation and Amortisation	2,962,979	3,309,471	4,964,188	2,962,979	4,444,469

No depreciation charges were journalled in the financial statements on a monthly basis in the prior year, the figure entered here is an even split allocation of depreciation for the prior year to date.

Whole of Council Activity Statement

	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget	ACTUAL 2014/15 (to date)
Net Operating Cost of Service						
Net Expenditure/(Revenue)						
Water Services	2,308,354	1,862,716	445,638	2,812,695	504,341	(86,094)
Waste Management	347,483	393,405	(45,922)	590,122	242,639	(179,053)
Transport	5,172,873	2,625,507	2,547,365	4,004,382	(1,168,491)	2,215,311
Community Facilities	849,797	1,023,440	(173,643)	1,559,553	709,756	(311,031)
Planning and Regulatory	195,396	585,943	(390,547)	878,869	683,473	(670,396)
Leadership and Governance	537,039	640,722	(103,683)	957,556	420,517	(872,441)
Investments	(602,158)	(437,879)	(164,279)	(542,568)	59,590	(408,074)
Property	460,186	573,053	(112,867)	825,851	365,665	(13,590)
Support Services	2,301,230	2,609,879	(308,649)	3,914,820	1,613,590	2,031,382
Net Operating (Surplus) / Deficit	11,570,200	9,876,786	1,693,414	15,001,280	3,431,080	1,706,014
Rates						
Investments	(8,788,025)	(8,630,618)	(157,407)	(11,507,490)	(2,719,465)	(157,407)
Capital Subsidies						
Water Reticulation System	0	(66,664)	66,664	(99,996)	(99,996)	66,664
Water Treatment Plant	0	0	0	0	0	0
Sewerage	(1,055,000)	0	(1,055,000)	0	1,055,000	(1,055,000)
Roading Subsidised	(611,809)	(3,085,336)	2,473,527	(4,628,004)	(4,016,195)	2,473,527
Community Centre	(390,000)	(666,672)	276,672	(1,000,000)	(610,000)	276,672
Total Net Cost of Service	725,365	(2,572,504)	3,310,469	(2,234,210)	(2,959,575)	3,310,469

Support Services budgets are allocated to the Core Services as internal overhead charges. For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget costs are comparable.



Statement of Comprehensive Income and Expenditure

	Council 2015/2016 Actual (YTD)	Council 2015/2016 Operational Plan (YTD)	Council 2015/2016 Full Year Forecast	Council 2015/2016 Operational Plan (Full Year)	Council 2014/15 Actual (YTD)	Council 2014/15 Actual (Full Year)
Income						
Rates	(8,788,025)	(8,630,618)	(11,664,897)	(11,507,490)	(8,575,733)	(11,161,472)
Subsidies	(1,366,778)	(3,438,616)	(3,086,080)	(5,157,918)	(1,004,494)	(3,423,725)
Capital Subsidy	(2,056,809)	(3,818,672)	(3,726,137)	(5,728,000)	(2,587,565)	(6,407,577)
Petrol Tax	(33,587)	(32,500)	(66,087)	(65,000)	(39,141)	(77,283)
Fees and Charges	(1,175,819)	(1,125,848)	(1,320,540)	(1,688,788)	(4,085,698)	(4,985,712)
Investment Income	(597,417)	(893,468)	(970,809)	(1,266,860)	(1,059,260)	(1,234,419)
Reserves	0	0	0	0	0	0
Other Income	0	0	0	0	0	0
Total Income	(14,018,436)	(17,939,722)	(20,834,551)	(25,414,056)	(17,351,890)	(27,290,187)
Expenditure						
Water Services	2,300,217	2,481,868	3,551,185	3,741,423	5,286,162	8,244,032
Waste Management	554,866	626,741	868,247	940,122	477,113	1,108,734
Transport	6,872,261	6,067,851	7,950,076	9,167,898	3,364,985	11,367,938
Community Facilities	980,952	1,091,992	1,551,339	1,662,379	814,041	1,827,224
Planning and Regulatory	645,168	952,399	1,121,324	1,428,555	679,590	1,415,565
Leadership and Governance	547,976	651,410	870,172	973,606	465,753	1,986,709
Investments	23,252	234,581	196,839	408,168	82,641	(68,163)
Property	516,865	640,425	804,215	927,775	120,936	628,454
Support Services	2,302,245	2,619,951	3,612,214	3,929,920	2,347,377	2,560
Total Expenditure	14,743,801	15,367,218	20,525,610	23,179,846	13,638,598	26,513,053
(Surplus) / Deficit	725,365	(2,572,504)	(308,941)	(2,234,210)	(3,713,292)	(777,135)

For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget costs are comparable. Support Services budgets are allocated to the Core Services as internal overhead charges as part of the annual reporting function.

The FY forecast is calculated using the year to date actual plus the budget phased into the balance of the year. Known significant adjustments have been included in calculation where appropriate, and include:

1. The NZTA capital subsidy permanent under-recovery of 0.72M
2. The pool permanent capital subsidy permanent under-recovery of 0.6M
3. The expenditure coding correction up to \$1.6M. (Actual \$0.8M, the balance partially offsets the Jan 16 NZTA as noted)

Excluded from the forecasts is:

1. Potential NZTA Capital and Operational Subsidies from the catch-up project work expected over the balance of this financial year
2. Provision for write off of assets on renewed roads, pipes and other water assets
3. Subsequent to Month End: Charge of Roading Subsidies to NZTA of \$0.77M for February Costs and \$1.1M for January Claim not invoiced or re-accrued in February.



Financial Position

	Council 2015/2016 Actual as at 29 February 2016	Council 2015/2016 Budgeted as at 29 February 2016	Council 2015/2016 Forecasted 30 June 2016	Council 2015/2016 Annual Plan as at 30 June 2016	Council 2014/15 Actual as at 28 February 2015	Council 2014/15 Actual as at 30 June 2015
Assets						
Current Assets						
Non Interest Bearing Cash & Equivalents	121,331	140,775	121,331	140,775	(2,073)	104,098
Inventories	3,921	38,291	3,921	38,291	3,921	40,082
Trade and Other Receivables	1,589,408	5,573,432	2,000,844	5,984,868	2,282,966	6,847,635
Financial Assets at Fair Value	11,534,853	6,362,019	9,338,357	4,165,523	12,595,899	10,149,794
Total Current Assets	13,249,513	12,114,517	11,464,453	10,329,457	14,880,713	17,141,610
Non Current Assets						
Property Plant and Equipment	242,161,432	237,734,370	240,546,704	236,119,642	243,735,041	245,765,924
Work in Progress	4,202,076	7,416,514	7,388,092	10,602,530	4,200,759	0
Loans and Other Receivables	90,247	0	90,247	0	247	90,247
Investment Property	277,000	277,000	277,000	277,000	277,000	277,000
Biological Assets	150,380	69,946	150,380	69,946	150,380	150,380
Investments in Subsidiary	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Available for Sale Financial Assets	22,992	22,992	22,992	22,992	22,992	22,992
Intangible Assets	148,179	143,277	148,179	143,277	106,132	156,733
Term Financial Assets at Fair Value	9,155,137	9,155,137	9,155,137	9,155,137	9,095,999	7,621,424
Total Non Current Assets	257,457,442	256,069,236	259,028,730	257,640,524	258,838,549	255,334,700
Total Assets	270,706,955	268,183,753	270,493,183	267,969,981	273,719,262	272,476,310
Liabilities						
Current Liabilities						
Trust Funds and Deposits	(264,141)	0	(264,141)	0	(282,868)	(248,372)
Trade Payables	(1,923,512)	(4,445,525)	(1,300,333)	(3,822,346)	(791,928)	(2,740,235)
Employee Benefit Liabilities	(312,864)	0	(312,864)	0	(353,446)	(482,140)
Contract Retentions	(691,591)	0	(691,591)	0	(723,065)	(765,351)
Accrued Interest	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0
Taxation	0	0	0	0	0	0
Total Current Liabilities	(3,192,108)	(4,445,525)	(2,568,929)	(3,822,346)	(2,151,307)	(4,236,097)
Non Current Liabilities						
Trade Payables	0	0	0	0	0	0
Employee Benefit Liabilities	(121,063)	(147,883)	(121,063)	(147,883)	(131,549)	(121,063)
Borrowings	(5,000,000)	(5,000,000)	(5,550,000)	(5,550,000)	(5,000,000)	(5,000,000)
Landfill Aftercare	(478,126)	(859,562)	(478,126)	(859,562)	(859,225)	(478,126)
Total Non Current Liabilities	(5,599,189)	(6,007,445)	(6,149,189)	(6,557,445)	(5,990,774)	(5,599,189)
Total Liabilities	(8,791,297)	(10,452,970)	(8,718,118)	(10,379,791)	(8,142,081)	(9,835,286)
Net Assets	261,915,658	257,730,783	261,775,065	257,590,190	265,577,181	262,641,024
Equity						
Retained earnings						
Restricted Reserves	(137,091,404)	(109,925,894)	(137,539,146)	(110,373,636)	(137,177,699)	(138,382,541)
Unrestricted Reserves	0	0	0	0	0	2,068,271
Current Year (Surplus)/Deficit	725,365	(2,572,650)	1,063,586	(2,234,429)	(3,713,292)	(777,135)
Total Retained earnings	(136,366,039)	(112,498,544)	(136,475,560)	(112,608,065)	(140,890,991)	(137,091,404)
Other Reserves						
Revaluation Reserves	(102,371,188)	(124,590,386)	(102,371,188)	(124,590,386)	(103,576,030)	(102,371,188)
Sinking Fund	0	0	0	0	0	0
Special Funds	(23,178,431)	(20,641,853)	(22,928,317)	(20,391,739)	(21,110,160)	(23,178,431)
Total Other Reserves	(125,549,620)	(145,232,239)	(125,299,506)	(144,982,125)	(124,686,190)	(125,549,620)
Total Equity	(261,915,658)	(257,730,783)	(261,775,065)	(257,590,190)	(265,577,181)	(262,641,024)

Excluded from the forecasted position is:

1. Advised potential additional Capital Work in Progress spending of up to \$1M on the new Tawhara Reservoir.



Cashflow

	Actual to Date 2015/16	Full Year Budget 2015/16	Remaining Budget 2015/16
OPERATING ACTIVITIES			
Cash was provided from:			
Rates received	8,788,025	13,077,245	4,289,220
Other Revenue	9,904,391	12,079,897	2,175,506
	<u>18,692,416</u>	<u>25,157,142</u>	<u>6,464,726</u>
Cash was applied to:			
Payments to Suppliers & Employees	14,928,229	20,555,817	5,627,588
Taxation	-	-	-
Interest Paid	239,152	473,078	233,926
	<u>15,167,381</u>	<u>21,028,895</u>	<u>5,861,514</u>
Net Cash Flow from Operations	<u>3,525,035</u>	<u>4,128,247</u>	<u>603,212</u>
INVESTING ACTIVITIES			
Cash was provided from:			
Decrease in Loans & Other Receivables		70,000	70,000
Sale of Property, Plant & Equipment		1,400,000	14,468,566
Sale of Financial Assets	(13,068,566)	1,470,000	14,538,566
	<u>(13,068,566)</u>	<u>1,470,000</u>	<u>14,538,566</u>
Cash was applied to:			
Increase in loans & advances			
Purchase of Intangibles			
Purchase of Financial Assets			
Purchase of Property, Plant & Equipment	589,029	10,600,149	10,011,120
	<u>589,029</u>	<u>10,600,149</u>	<u>10,011,120</u>
Net Cash Flows from Investing Activities	<u>(13,657,595)</u>	<u>(9,130,149)</u>	<u>4,527,446</u>
FINANCING ACTIVITIES			
Cash was provided from:			
Loans Raised	-	550,000	550,000
	<u>-</u>	<u>550,000</u>	<u>550,000</u>
Cash was applied to:			
Borrowings Repaid	-	2,334,615	-
	<u>-</u>	<u>2,334,615</u>	<u>-</u>
Net Cash Flows from Financing Activities	<u>-</u>	<u>(1,784,615)</u>	<u>550,000</u>
Net Increase/(Decrease)	<u>(10,132,560)</u>	<u>(6,786,517)</u>	<u>5,680,658</u>
Plus opening cash & cash equivalents	10,253,892	6,927,292	(3,326,600)
Cash & cash equivalents at end of year	<u>121,331</u>	<u>140,775</u>	<u>2,354,059</u>
Made up of:			
Cash	(6,168,058)	140,775	6,308,833
Short Term Deposits	6,289,389		
Bank Overdraft	-	-	
	<u>121,331</u>	<u>140,775</u>	<u>6,308,833</u>



**RECONCILIATION OF OPERATING SURPLUS WITH NET CASH FLOW
FROM OPERATING ACTIVITIES:**

For the period ended February 2106

	Actual to Date 2015/16
Surplus / Deficit	(725,365)
Add / (less) non cash items:	
Depreciation and amortisation	-
Impairment	
Gains on Investments held at fair value	
Add / (less) items classified as investing or financing activities:	
(Gains) / Losses on disposal of property, plant and equipment	
Add / (less) movements in working capital items:	
(Inc) / Dec Accounts receivable	5,258,227
(Inc) / Dec Prepayments	-
(Inc) / Dec Inventories	36,162
Inc / (Dec) Accounts payable	(1,043,987)
Inc / (Dec) Income in Advance	-
Inc / (Dec) Accrued Expenses	-
Inc / (Dec) Employee benefits	(2)
Net cash inflow / (outflow) from operating activities	<u><u>3,525,035</u></u>



Capital Program

Year to date capital expenditure by Cost Centre is:

	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget
Capital Projects					
Library	20,246	36,664	(16,418)	55,000	34,754
Water Reticulation	581,226	283,335	297,891	370,003	(211,223)
Water Treatment	165,360	355,000	(189,640)	392,000	226,640
Stormwater	36,106	270,000	(233,894)	450,000	413,894
Sewerage	174,199	511,664	(337,465)	774,996	600,797
Waste Management	18,725	0	18,725	95,000	76,275
Wairoa Airport	0	35,000	(35,000)	65,000	65,000
Roading Subsidised	830,203	4,541,680	(3,711,477)	6,075,016	5,244,813
Roading Non Subsidised	68,321	287,500	(219,179)	348,000	279,679
Infrastructural Business Unit	16,307	42,500	(26,193)	55,000	38,693
Parking	0	60,715	(60,715)	60,715	60,715
Parks and Reserves	163,364	145,000	18,364	265,000	101,636
Community Centre	1,886,233	689,992	1,196,241	1,035,000	(851,233)
Visitors Information Centre	1,250	0	1,250	0	(1,250)
Pensioner Housing	684	34,000	(33,316)	51,000	50,316
Cemeteries	10,600	20,000	(9,400)	85,000	74,400
Environmental Health	0	0	0	25,000	25,000
Building Inspection	71,722	0	71,722	60,000	(11,722)
ByLaw Control	43,227	0	43,227	61,000	17,773
Civil Defence	55,670	50,000	5,670	85,000	29,330
Rural Fire	972	0	972	0	(972)
Council	6,129	0	6,129	0	(6,129)
Property Corporate	2,196	0	2,196	0	(2,196)
Information Centre Building	0	17,000	(17,000)	17,000	17,000
Chief Executive Officer	1,692	0	1,692	0	(1,692)
Administration Services	4,787	0	4,787	55,000	50,213
Information Services	41,742	36,464	5,278	87,800	46,058
Engineering Services	1,113	0	1,113	35,000	33,887
Prior Years Work in progress	(611,562)	0	(611,562)	0	611,562
Planned Capital Spending	3,590,514	7,416,514	(3,826,000)	10,602,530	7,012,016
Capital Subsidies					
Water Reticulation System	0	(66,664)	66,664	(99,996)	(99,996)
Water Treatment Plant	0	0	0	0	0
Sewerage	(1,055,000)	0	(1,055,000)	0	1,055,000
Roading Subsidised	(611,809)	(3,085,336)	2,473,527	(4,628,004)	(4,016,195)
Community Centre	(390,000)	(666,672)	276,672	(1,000,000)	(610,000)
Net Planned Capital Spending	1,533,704	3,597,842	(2,064,138)	4,874,530	(7,261,704)
	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget
Additions	2,304,440	2,167,172	137,268	3,337,016	1,032,576
Renewal	1,897,636	5,249,342	(3,351,706)	7,265,514	5,367,878
Total Gross Spend this Year	4,202,076	7,416,514	(3,214,438)	10,602,530	6,400,454

The Community Centre Overspend is the funding brought forward for capital projects from 2014/15, however this adjustment to the budgets for the year cannot be reflected in the Annual Plan. Finance is investigating the options available to reflect these changes in future reports.



Net Operating Cost of Service by Service Activity

	ACTUAL 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	ACTUAL 2014/15 (YTD)	ACTUAL 2014/15 (Full Year)
Net Operating Cost of Service					
Water Services					
Income	(316,241)	(951,080)	(1,426,620)	(3,161,835)	(3,582,141)
Operating Cost	2,600,364	2,737,900	4,121,571	5,581,223	8,721,826
Maintenance Cost	24,231	16,200	28,200	13,969	29,981
Capital Costs	0	59,696	89,544	0	0
Total Water Services	2,308,354	1,862,716	2,812,695	2,433,358	5,169,666
Waste Management					
Income	(207,383)	(233,336)	(350,000)	(197,063)	(359,009)
Operating Cost	554,866	619,989	930,000	477,113	1,108,734
Capital Costs	0	6,752	10,122	0	0
Total Waste Management	347,483	393,405	590,122	280,050	749,725
Transport					
Income	(1,711,988)	(3,442,344)	(5,163,516)	(1,316,373)	(4,191,497)
Operating Cost	2,105,389	2,497,981	3,758,213	673,524	6,668,407
Maintenance Cost	4,779,471	3,568,758	5,408,017	2,691,461	4,699,531
Capital Costs	0	1,112	1,668	0	0
Total Transport	5,172,873	2,625,507	4,004,382	2,048,613	7,176,441
Community Facilities					
Income	(131,155)	(68,552)	(102,826)	(147,992)	(121,668)
Operating Cost	774,727	839,428	1,272,041	600,429	1,463,392
Maintenance Cost	206,225	229,884	356,322	213,612	363,832
Capital Costs	0	22,680	34,016	0	0
Total Community Facilities	849,797	1,023,440	1,559,553	666,049	1,705,556
Planning and Regulatory					
Income	(449,771)	(366,456)	(549,686)	(522,950)	(569,298)
Operating Cost	609,692	935,119	1,402,635	585,902	1,279,649
Maintenance Cost	8,059	8,840	13,260	723	6,590
Job Costing	27,417	0	0	92,965	129,326
Capital Costs	0	8,440	12,660	0	0
Total Planning and Regulatory	195,396	585,943	878,869	156,640	846,267
Leadership and Governance					
Income	(10,937)	(10,688)	(16,050)	(484)	(12,724)
Operating Cost	547,606	638,738	957,106	465,480	1,986,436
Maintenance Cost	370	5,000	5,000	273	273
Capital Costs	0	7,672	11,500	0	0
Total Leadership and Governance	537,039	640,722	957,556	465,269	1,973,985
Investments					
Income	(625,410)	(672,460)	(950,736)	(1,089,730)	(1,294,328)
Operating Cost	23,252	234,581	408,168	82,641	(68,163)
Total Investments	(602,158)	(437,879)	(542,568)	(1,007,089)	(1,362,491)
Property					
Income	(56,679)	(182,348)	(274,390)	(60,371)	(246,858)
Operating Cost	448,670	633,761	936,291	70,199	692,114
Maintenance Cost	68,195	84,712	108,565	50,737	87,510
Capital Costs	0	36,928	55,385	0	0
Total Property	460,186	573,053	825,851	60,565	532,766
Support Services					
Income	(1,015)	(57,649)	(86,461)	(826)	(3,740,578)
Operating Cost	2,302,245	2,660,208	3,990,306	2,347,377	3,740,578
Capital Costs	0	7,320	10,975	0	0
Total Support Services	2,301,230	2,609,879	3,914,820	2,346,551	(0)
	11,570,200	9,876,786	15,001,280	7,450,006	16,791,914

For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget income and costs are comparable.



Council

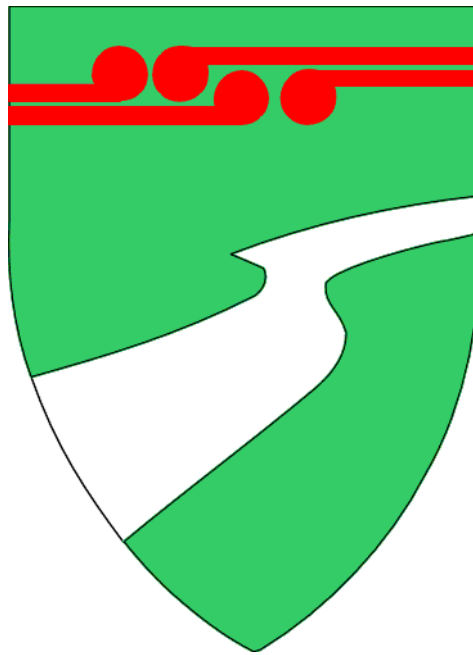
Date 28 June 2016

Monthly Financial Reports to 31 March 2016

Department	Finance
Author	Chief Financial Officer
1. Purpose	1.1 To present the March 2016 monthly Financial Report to Council
Recommendation	The Finance Audit and Risk Committee RECOMMENDS that Council: <ol style="list-style-type: none"> 1. receive and adopt the financial reports ending 31 March 2016
2. Summary	<ol style="list-style-type: none"> 2.1 Council has requested that monthly results be prepared for review, in addition to the requirement to present quarterly financial reports to Council 2.2 The Finance, Audit and Risk Committee received and endorsed the report for forwarding to Council in open session.
3. Discussion	<ol style="list-style-type: none"> 3.1 The Finance and Risk Committee received the tabled monthly financial report for the 8 months of the 2015/16 Financial Year. 3.2 Discussion was held on the contents of the report. 3.3 The February breach of the Rating Income policy had resolved itself. 3.4 CFO advised that development work was continuing
4. Conclusion	<ol style="list-style-type: none"> 4.1 Council is in a strong financial position. 4.2 Council is tracking on budget for the year 4.3 External Debt is within limits set within the Long-Term Plan measures
Appendices	Appendix 1 – March 2016 Financial Report
Confirmation of statutory compliance	<p>In accordance with section 76 of the Local Government Act 2002, this report is approved as:</p> <ol style="list-style-type: none"> 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: A Morton

AJM

WAIROA DISTRICT COUNCIL



MONTHLY FINANCIAL REPORT

31 March 2016

(2015/16 PERIOD 9)



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EXECUTIVE SUMMARY

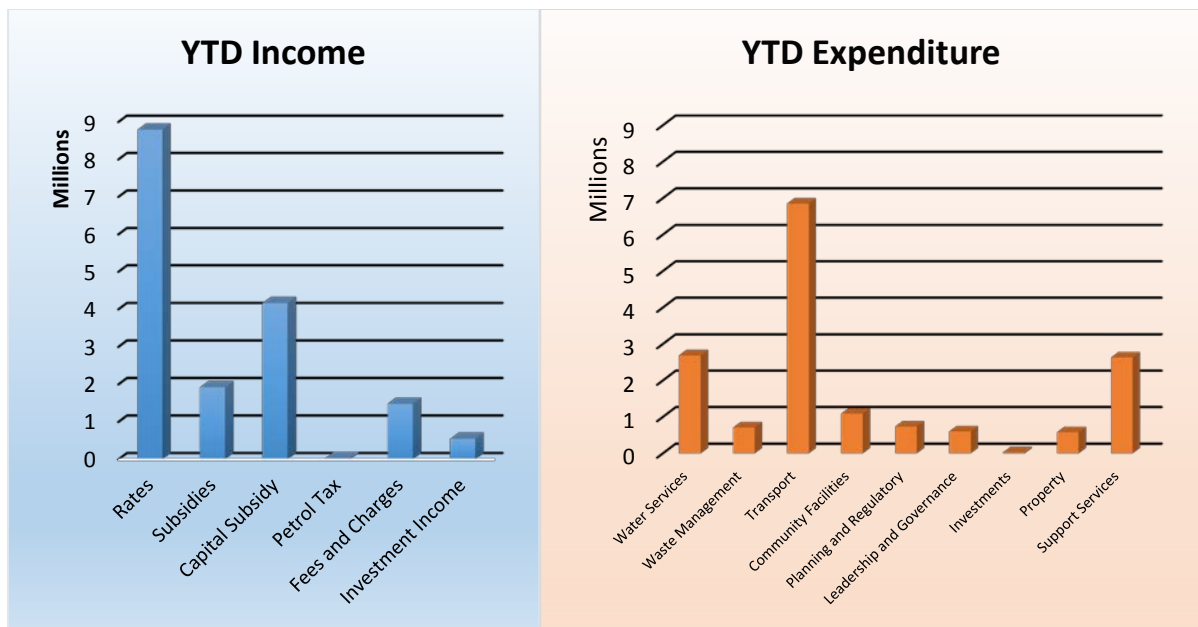
Overall Financial Health Assessment:  Altham Z-Score: **33.89/2.6⁽¹⁾**

Council is currently worth: **\$263.7M** with Cash & Term Deposits on Hand: **\$9.8M**

Council has total assets of **\$273.3M** Council owes a total of **\$9.6M** to other parties








Capital spending YTD is **\$5.5M**

Year to date net surplus of **\$1.05M**, forecasting a net surplus of **\$1.32M** for the year



(Comparisons to budget for these items start on page 13 of this report).

Financial Policy Achievement Assessments:

Rates as a Percentage of Income	Cash on Hand	Working Capital	Liquidity	Investment Maturity Policy Measures	Creditor Payment Days	Debt Policy Measures
						

WDC's achievement for the YTD against the limitations established in approved finance policies.

¹ Anything over a score of 2.6 is considered a safe and healthy organisation



ANALYSIS

This report is for the 2015/16 Financial Year (FY) representing the periods from 1 July 2015 to 31 March 2016, or period 9 of this Financial Year.

Year to date Council records a net surplus of \$1.05M (Budgeted net surplus of \$1.72M), and is currently forecasting a Full Year net surplus of \$1.32M (Budgeted net surplus of \$2.2M).

Cash & Term Deposits on Hand: \$9.8M vs: Trade and Employee Creditors Payable: \$3.9M

Council has total assets of \$273.3M⁽²⁾ Capital spending YTD is \$5.5M

External long-term debt is \$5.0M. Expectation is that no new borrowings will be required this financial year (Budget \$0.55M).

Council is currently worth \$263.7M

Financial Risks are detailed on page 26 of this report and total: \$4.11M. This is split between Operational and Capital Risks as per the following tables. Of this \$1.3M is a permanent under-recovery of income for this financial year (\$0.72M Subsidised Roothing, \$0.6M Pool Grants). The summary of assessed risk levels for all items at this time is:

Summary of Operational Risks			Summary of Capital Risks		
Crystallised	1,361,000	44%	Crystallised	-549,483	-55%
Low	1,500,000	48%	Low	550,000	55%
Medium	250,000	8%	Medium	1,000,000	100%
High	0	0%	High	0	0%
Total	3,111,000		Total	1,000,517	

Financial Health

As at the end of the month WDC's cash, liquidity and Working Capital positions were:

Measure	Actual	Annual Budget or Target
Other Debtors Collection Period ⁽³⁾	91 Days	
Rates Debtors Collection Period	130 Days	
Working Capital	\$9,797,891	\$5,941,131
Working Capital Ratio ⁽⁴⁾	3.4:1	1.25:1
Liquid Ratio ⁽⁵⁾	3.2:1	1:1

Rates Collection days are significantly influenced by the level of multiple owner Maori Land non-collectable arrears for rates, and the raising of the instalment in the accounts in the month prior to the instalment being due. For Other debtors this is significantly affected by a large disputed account, which has been in negotiation for some time. The debt is still considered collectable at this time.

² Roothing and Water Infrastructure is revalued every three years. The last Roothing revaluation was for the 2013/14 Financial Year, Water 2014/15

³ The average number of days that it takes a Debtor to pay his/her account

⁴ Represents the total current assets available to meet each dollar of total current liabilities

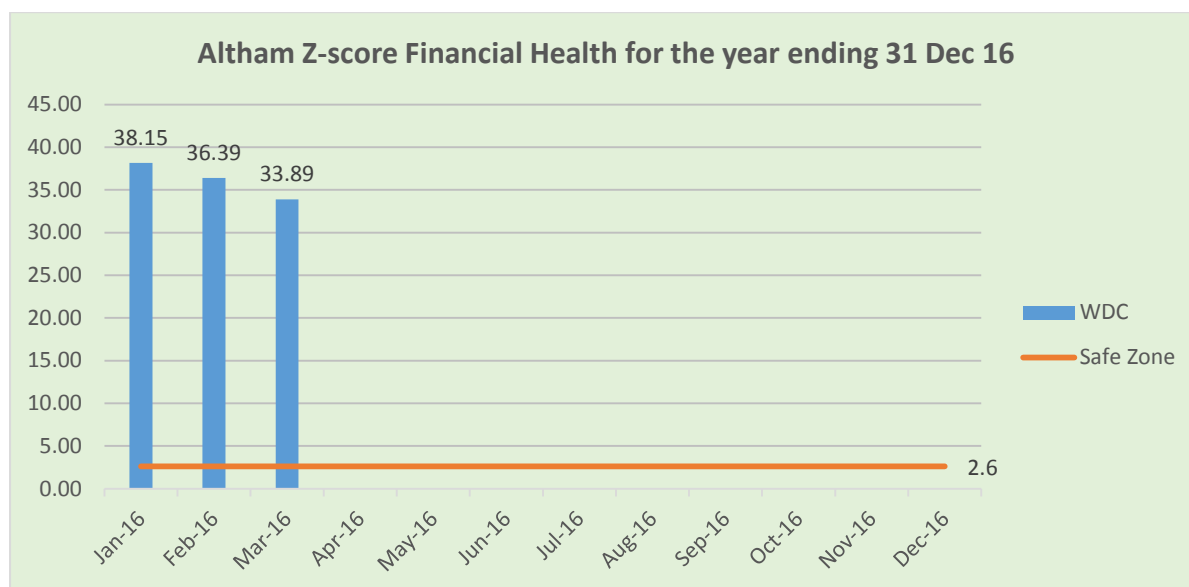
⁵ Represents the cash available to pay each dollar of trade creditors as at the end of the period



Altham Z-score Calculation

This calculation is a measure of financial health that was developed in 1968. It is a system that has multiple calculations based on the type of organisation that is being reviewed. As a review process, it has been proven to be up to 90% accurate in assessing the likelihood of the risk of an entity becoming bankrupt within the next two financial years. This is where an entity receives a net score that is classed as being in the “in distress” Zone of Discrimination.

WDC’s results for the selected calculation by month, Non-Manufacturing Business, are:



No historical comparison can be made at this time due to the lack of actionable information. After 31 Dec 2016 this will be shown as a rolling 12 month report.

This process has “Zones of Discriminations”, which provide guidance to reviewers of the accounts as to the strength of the business under review. For the selected calculation the zones are:

- Z > 2.6 -“Safe” Zone
- 1.1 < Z < 2.6 -“Grey” Zone
- Z < 1.1 -“Distress” Zone

Accordingly, the Wairoa District Council, on the basis of this calculation has a strong, safe and stable outlook. This score is significantly influenced by the low level of long-term external debt currently employed by the Council, and as there are no expectations of this changing in the near future, it is expected that this result will continue as the year progresses. The increases in recorded trade creditors at the end of February 2016 and March 2016 months has been impacting these results. This downward trend is not considered to be of concern as the increased accruals are providing greater accuracy in the financial results in preparation of reports.

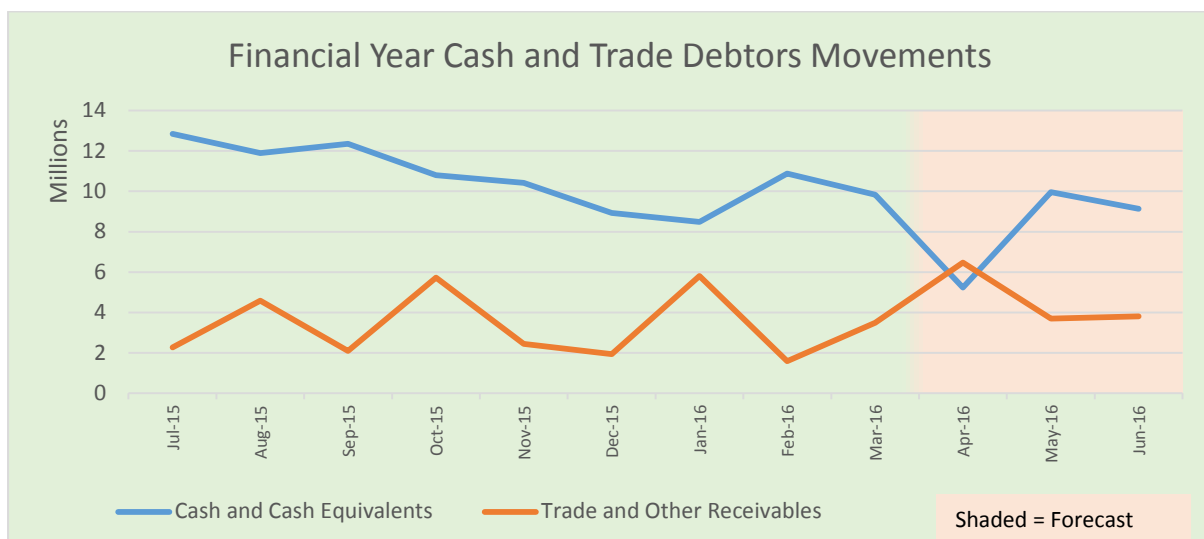


Financial Position Indicators

Current Assets

The Council continues to hold sufficient cash reserves to meet operational requirements. Current balances are:

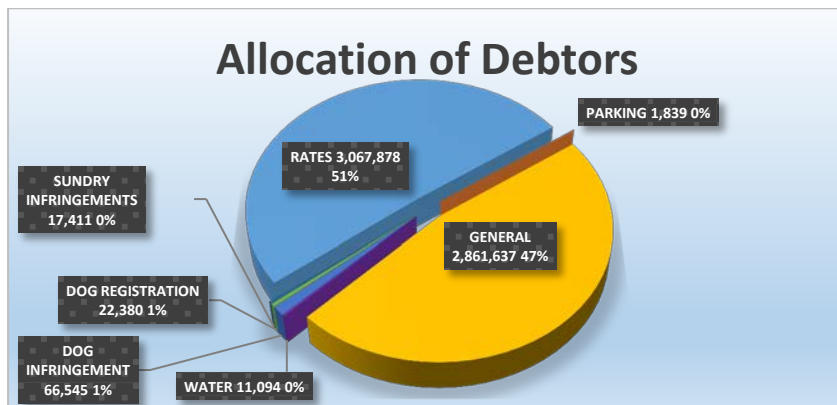
Measure	Actual	Annual Plan Position	Forecast 30 June 2016
Non-Interest Bearing Cash & Equivalents	\$137,025	\$140,775	\$137,025
Interest Bearing Cash on Hand, Term Deposits & Investments due this year	\$10,196,724	\$4,375,503	\$9,499,010
Receivables	\$3,494,046	\$5,676,291	\$3,802,623
Total Current Assets	\$13,831,716	\$10,230,860	\$13,442,579



This graph shows the movements in the Cash and Cash Equivalents balance as noted in the Statement of Financial Performance on page 32 of this report for each month completed, and the forecast of cash based on the current budgeted movements. Peaks in Trade debtors is the charging of rate instalments. This normally occurs in the month prior to the instalment being due for payment by the ratepayers.

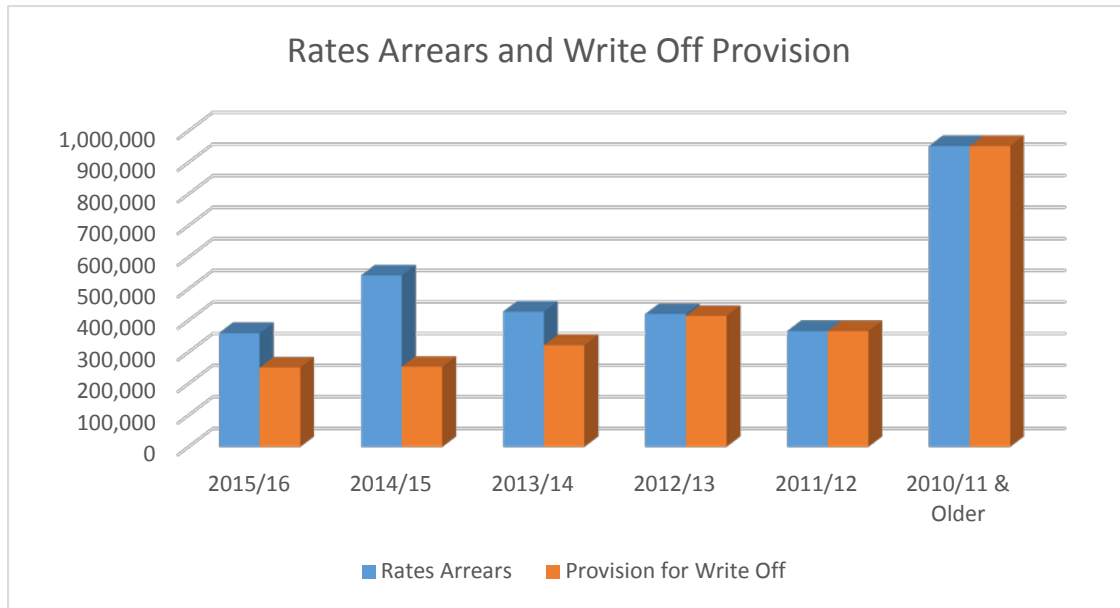
Accounts Receivable

Currently WDC has recorded debtors of \$3.5M. Gross receivables are \$6.0M, before the provisions for doubtful debts. This is allocated:





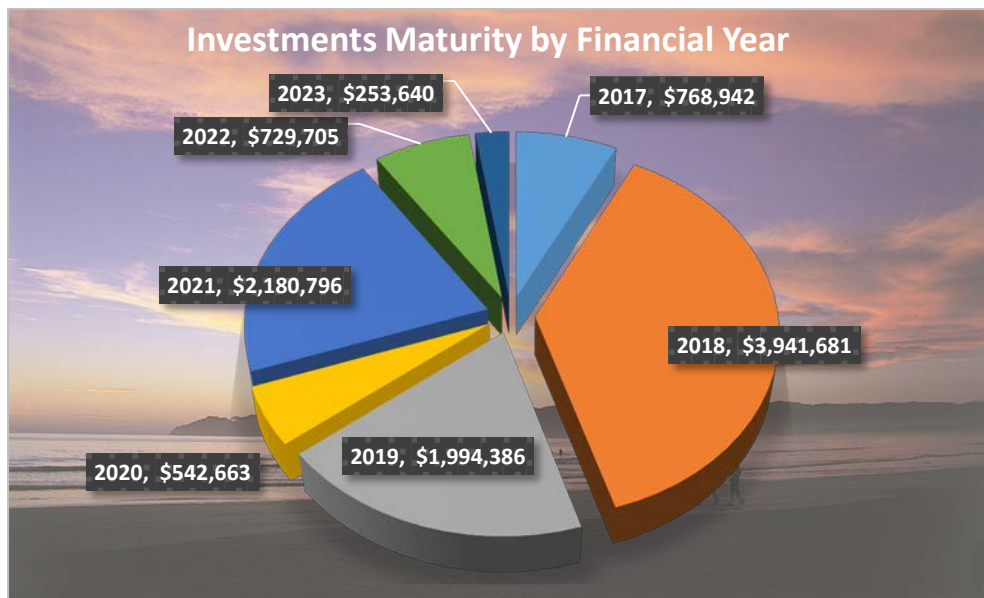
Analysis of rates arrears by financial year is:



Rates arrears are primarily the uncollectable amounts on Maori freehold land (unoccupied, unused land, or land subject to a fragmented ownership structure). Current policy has rates arrears more than 7 years old written off as statute barred rates, however anything younger than this is retained in the debtors database. We allow for debt older than 3 years to be uncollectable and create the Provision for Write Off that is held until the arrears become statute barred. What we have allowed as a provision compared to each year is shown in the graph above and currently stands at a total of \$2.6M. Included in the current year balance are penalties and court collection costs from prior years. Court costs are no longer included in the rates assessed following legal advice from Simpson Grierson (July 2015). Collections of arrears this past month was ~\$0.4M

Investments

Current maturity value of all investments in the upcoming Financial Years is:





WDC long term cash investments hold a current market value of \$10,411,813, of which \$768,942 is due to mature within the next 12 months. The weighted average investment maturity term is 3.15 years or 37.8 months, with a weighted average coupon interest rate of 5.14%. Three investments were made in March totalling \$1.96M.

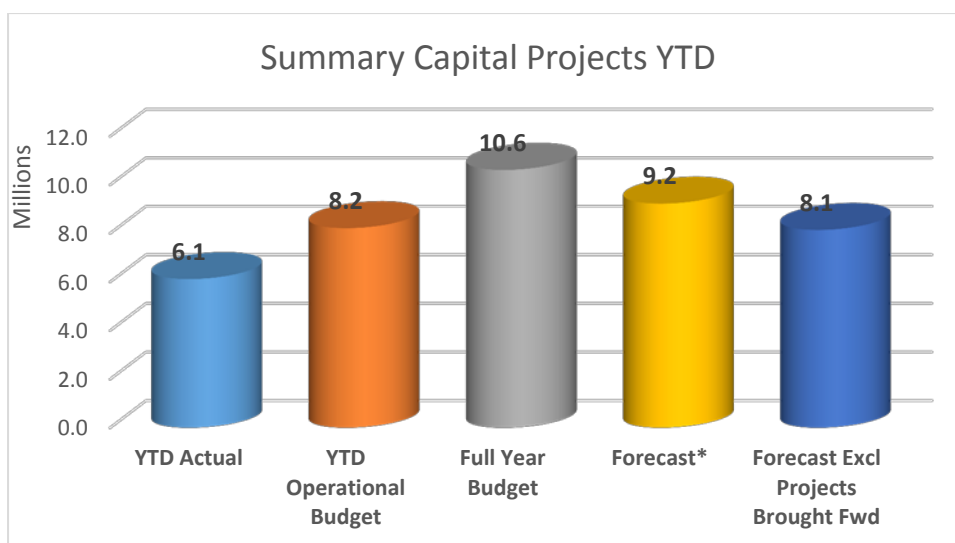
Subsequent to the end of March, the following investments have been made:

- \$0.25M Meridian Energy Ltd Bonds maturing March 2023 at a coupon rate of 4.53%, this is additional to the March investment,
- \$0.45M Spark Ltd Bonds maturing March 2023 at a coupon rate of 4.51%

Investment opportunities, as has previously been noted, purchased in March and subsequent to the end of March 2016 show weak coupon rates as a result of the low OCR. The two investments made subsequent to month end have also come at a premium to the value of the coupon value as the Coupon rates are above current investment yield's, however these are strong investments in the current market and will provide a stable level of income over the life of these investments. Returns are currently limited and Finance will continue to monitor this situation as well as consider alternative investment possibilities over the upcoming months.

Capital Programs

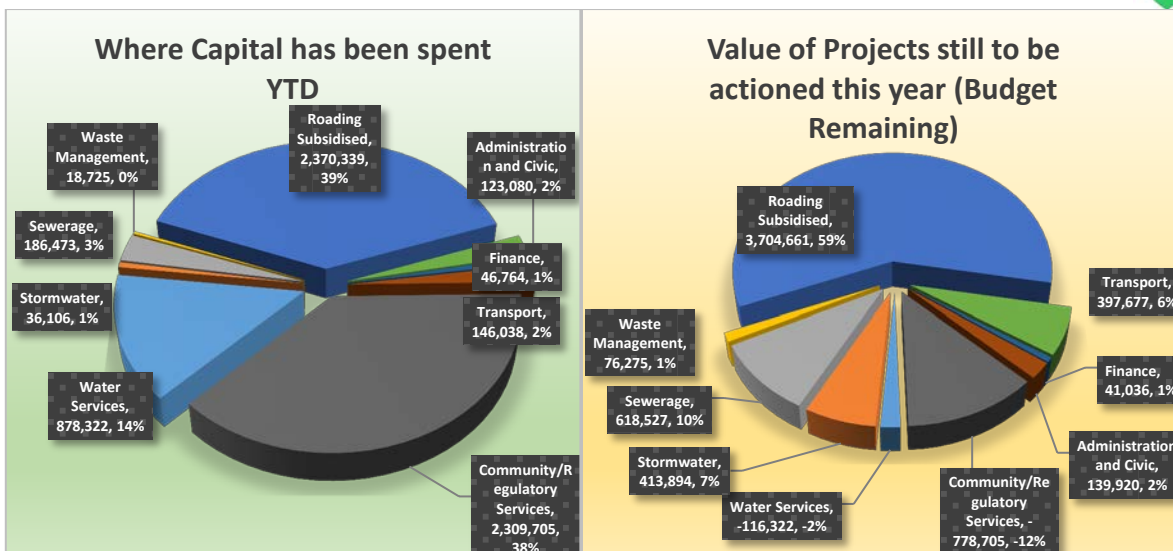
To the end of February capital programs report as being behind target, however reprogrammed work has been undertaken this past month to address part of the prior underspend. Year to date total expenditure of \$5.5M has been incurred (in addition to the \$0.6M in prior year's work) with \$4.17M in capital subsidies having been invoiced.



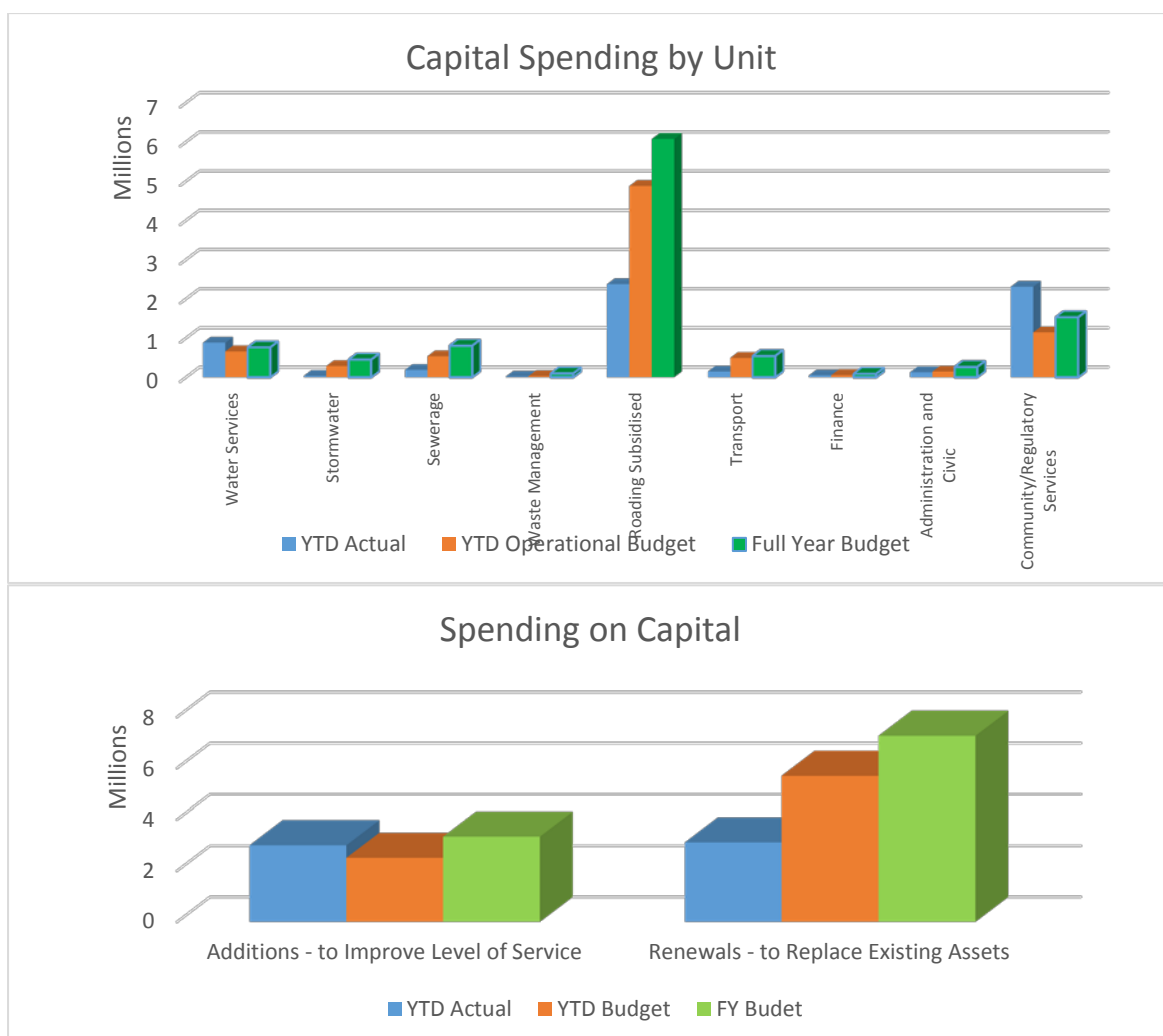
* Forecasted expenditure is actual year to date plus:

1. Budgets for the remainder of the year, with an assumption that all future planned project costs will be incurred (as phased)
2. Expected partial catch-up of Subsidised Roading work not completed YTD

Costs from projects brought forward from 2014/15 year are included in this forecasted estimate. NOTE: No 2014/15 project budgets have been brought forward. Some projects had 2015/16 budgets included in the LTP.



The colour coding of these two graphs is the same for each unit.



Subsidised Rooding is currently \$2.1M underspent year to date (FY: \$4.5M). This underspend is predominantly a delay on the Sealed Rooding and Pavement upgrade projects planned for the year against budget resulting from the emergency Flooding Repair work. Also influencing the YTD underspends are SP38 projects that were planned as part of the LTP, but have not been funded by



NZTA. This work will not occur, however as this work was 100% funded by NZTA, it has been factored into the forecasts and the expectation is that both Capital Expenditure and Subsidy Revenue will be under-recovered by the same \$0.72M for this year.

Community and Regulatory services overspend is the community pool project that is \$0.8M overspent for the year to date. This was in part a carried forward project from the 2014/15 FY. Funding for this project could not be included in the annual plan due to the timing of the carry forward of the project.

While overall capital expenditure is underspent, 20 capital projects are in excess of the year to date or full year budget by more than \$10,000. These are analysed:

Overrun Type	YTD					Explanation
	YTD Actual	Operational Budget	YTD Budget Remaining	Full Year Budget	FY Budget Remaining	
Unplanned Projects	55,761	0	(55,761)	0	(55,761)	5 Projects, 2 are Emergency Work
Projects with cost overruns	799,272	393,750	(405,522)	525,000	(274,272)	LTS Pool Remediation, Emergency Work
Projects in Advance of Plan (Multi Year projects)	673,567	150,000	(523,567)	150,000	(523,567)	New Reservoir
Brought Forward from 2014/15 by Resolution	2,107,084	749,997	(1,357,087)	1,000,000	(1,107,084)	No Budget can be loaded for these
Budget Timing or Coding Errors	120,797	25,000	(95,797)	110,000	(10,797)	Vehicle Purchase Miscode & Project in Advance of Budget
Totals	3,756,481	1,318,747	(2,437,734)	1,785,000	(1,971,481)	

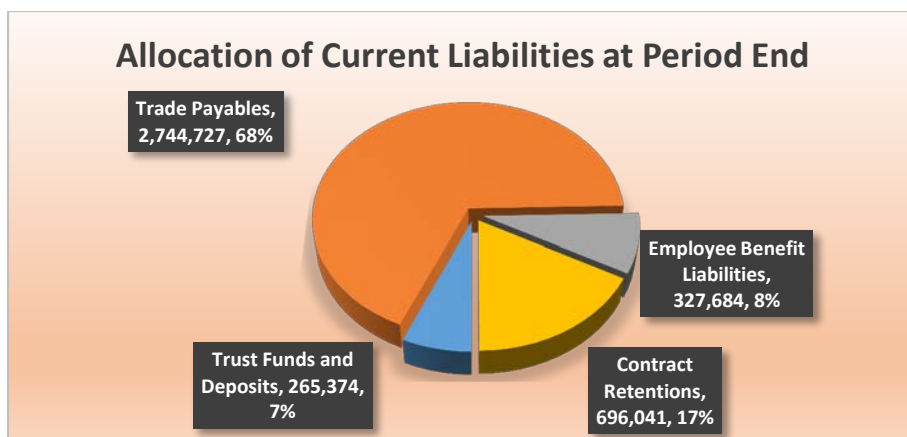
Unplanned projects are predominantly emergency replacements or flood damage repairs, as well as surveyor equipment and some wilding pine clearance.

For the new Tawhara Reservoir, costs are in advance of plan by \$0.5M, with up to an estimated \$1M of costs over budget expected to be incurred over this Financial Year. Land acquisition, project design and procurement is completed, giving certainty that total project expenditure will remain unchanged. However the project timing and progress does differ from what originally anticipated, i.e. into the 2017/18 Financial Year. At this time the project is expected to be completed ahead of time and on budget. The project budget will be brought forward in future planning requirements.

Projects brought forward from 2014/15 are as per the Council Resolution approved at the special meeting held 18 December 2015. No budget can be brought forward, however some of these projects were multi-year projects that had funding allocated to them in the 2016 Annual Plan. Finance is looking into an option to create an "Operational Budget" that will provide a methodology of showing budgetary movements approved by Council for internal reporting purposes only, independent of the annual plan which must be reported in the Annual Financial Statements.

Current Liabilities

As at the end of the period, the following debts were due and payable within the next 12 months:

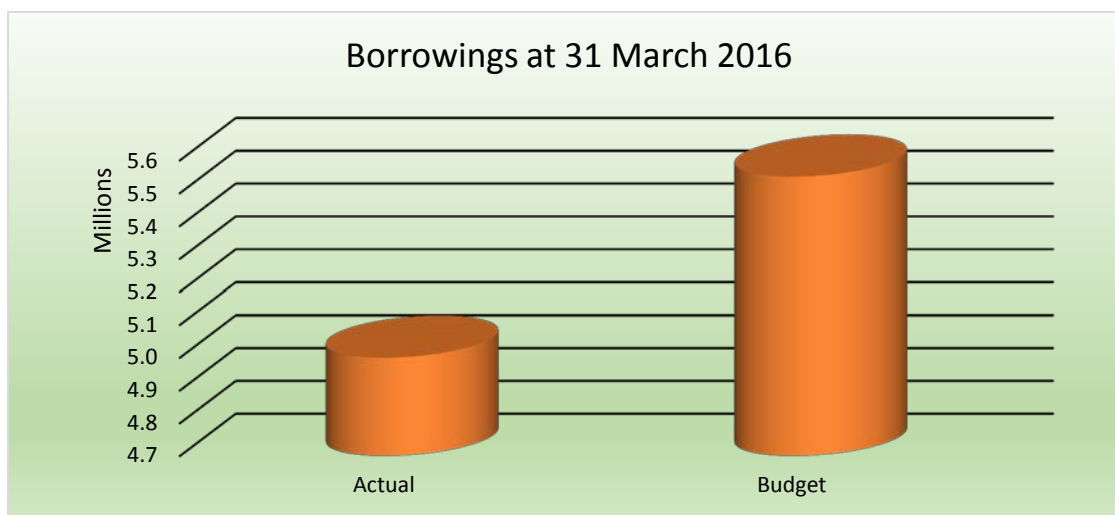


Measure	Actual	Budget or Target
Trade and Employee Liabilities	\$3,072,410	\$4,289,729
Contract Retentions	\$696,041	\$NIL
Total Current Liabilities	\$4,033,825	\$4,289,729
Creditor Payment Days ⁽¹⁾	47 Days	41 Days

(1) The average number of days that it takes a Creditor’s invoice to be paid

All measures in this area show that the Council remains within its normal terms of trade with creditors, in that suppliers continue to be paid within the required timeframes. Employee Liabilities are the normal Holiday and Sick pay accrued by staff. Contract Retentions under the new Construction Contract Act need to be held “in trust” for the Contractor. WDC is currently compliant with this requirement in holding the cash and equivalent balance of \$9.8M.

Term Debt



External Borrowing remains unchanged at \$5.0M, against a budgeted debt level of \$5.55M for the year. New borrowing was budgeted in order to fund increased service capacity for new capital project spending in this year. At this time expectations are that there will be no additional external borrowings required for the financial year and that all new capital projects will be funded from internal cash reserves.

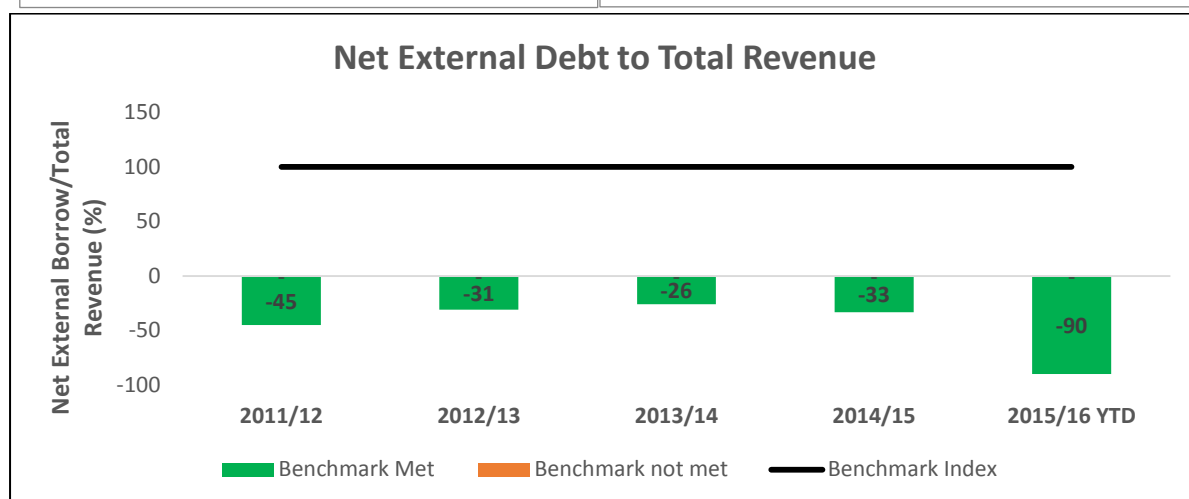
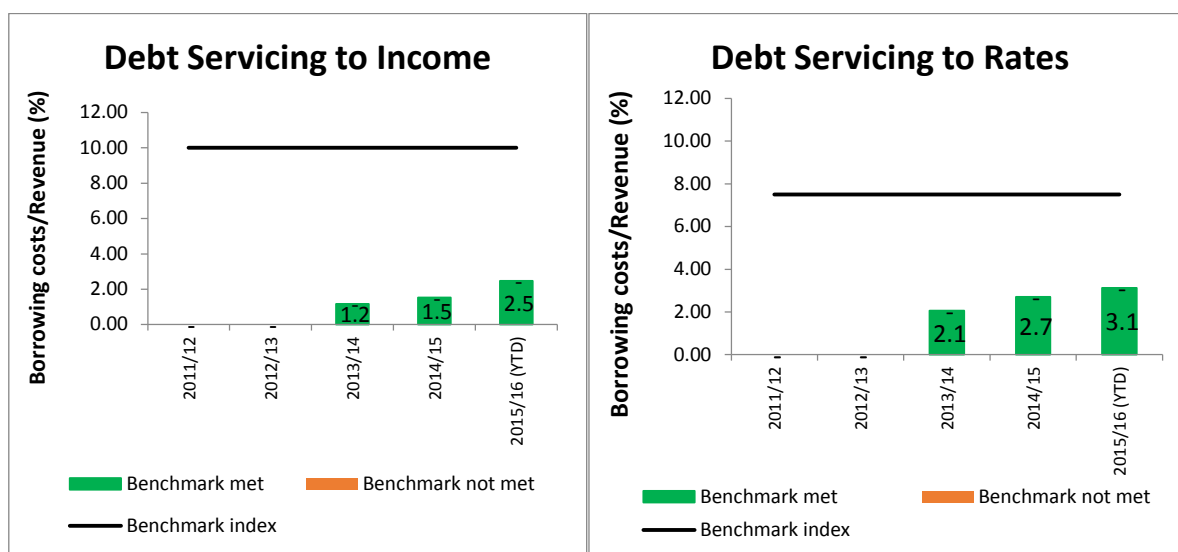
In addition, Council holds \$0.48M (Budget \$0.86M) liability for the Landfill Aftercare requirements.



Subsequent to the end of this month a Finance Lease of \$45,000 including interest and charges is being considered to fund the purchase of CCTV equipment. We understand that this is a capital debt, and accountable through the Statement of Financial Position, but await the contract to confirm this assessment.

Debt Policy Measures

The analysis of the achievements of debt against the limitations as per the Investment and Liability Policy, for the management of Debt are shown below. Council is well within all control measurements for debt with no expectations that any will be breached in the foreseeable future. The results for the year to date, comparing this to the past five financial years.



Measure	Not to Exceed	of	2011/12	2012/13	2013/14	2014/15	2015/16 (YTD)
Debt Servicing	10%	Operating Revenue	0.00	0.00	1.16	1.52	2.47
Debt Servicing	7.50%	Rates	0.00	0.00	2.06	2.71	3.13
Net External Debt ⁽¹⁾	100%	Total Revenue	-44.92	-30.62	-25.62	-33	-89.76

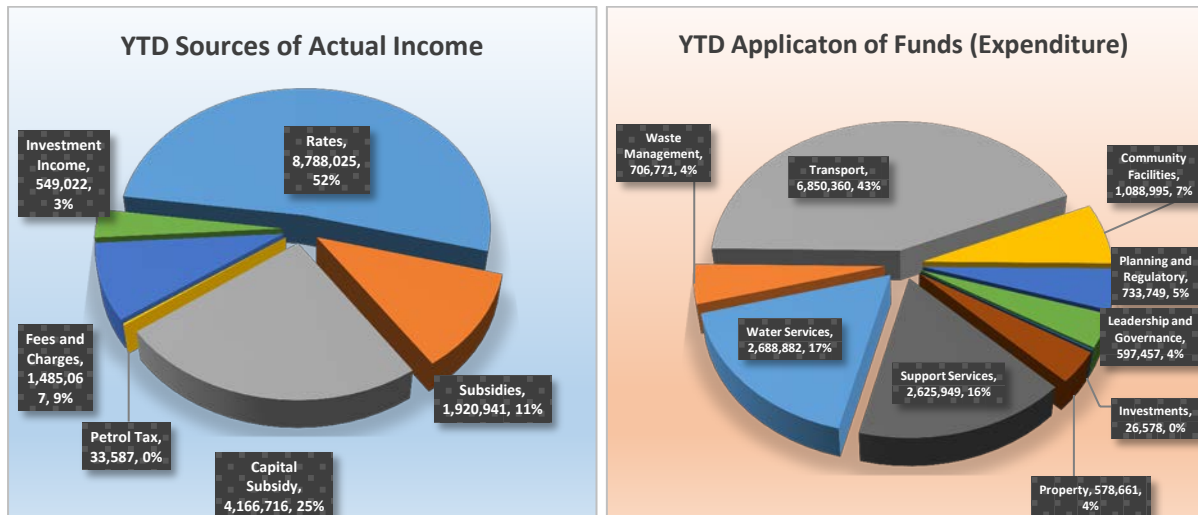
1 Net External Debt is calculated as Term Borrowings plus Current Liabilities; less Cash, Term Deposits and Financial Assets at fair Value. As at 31 March 2016 Net Debt is \$(12.2M), indicating that we have greater cash reserves than external debt.



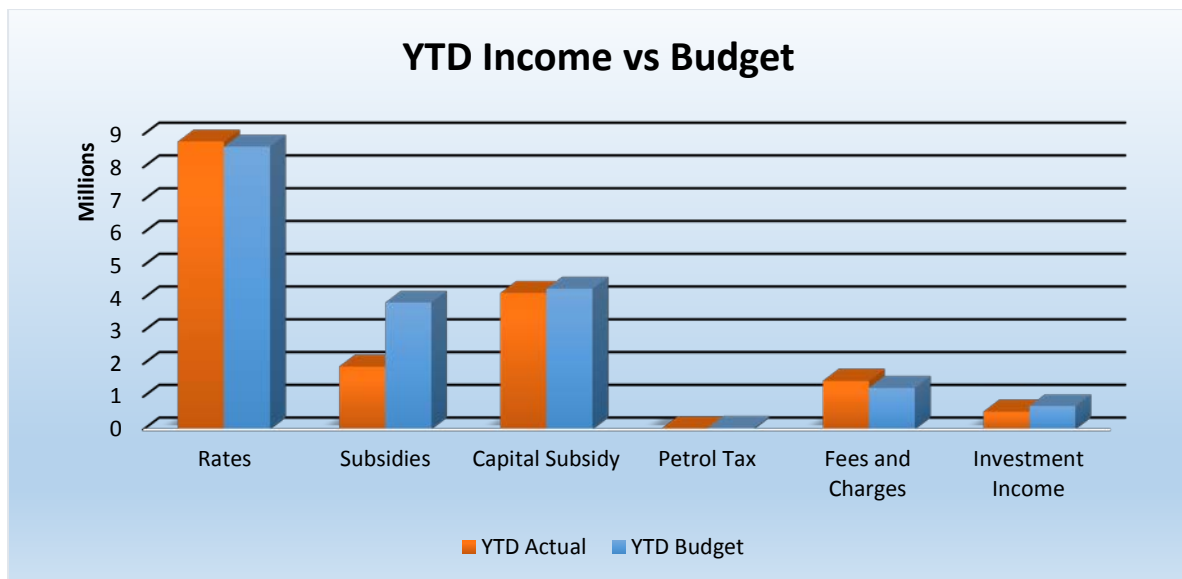
Calculation of these measures shows that Council currently holds approx. \$2 of cash and cash equivalent investments for every dollar of debt owed to external parties. The existing term loan is a 5 year fixed term loan at 6% interest rate. As this is a fixed term debt, Council would not be able to break this loan and repay this from current cash reserves, without a possible penalty.

Sources of Income and Application of Funds

For the year to date Council has a net surplus of \$1.05M (Budget: net surplus of \$1.72M). Total income year to date was \$16.9M and application of funds for the year to date has been \$15.9M. Income and expenditure are analysed for the year to date as:



Rates were budgeted to reflect 48% of total income over the year and as per our Financial Strategy must not exceed 60% of our total revenue. This is higher due to Operational Subsidies being significantly under-recovered for the year to date. This comes from the variances detailed below. A permanent under-recovery of subsidies of \$1.3M for the year has been noted.



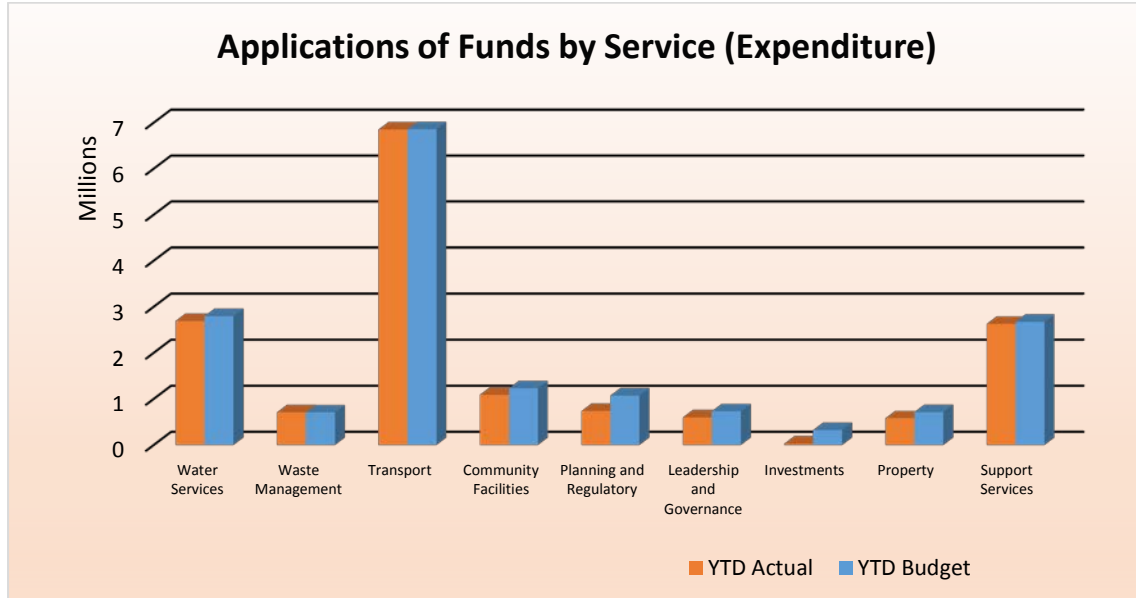
The under-recovery of operating subsidies is due to:

- YTD \$0.5M of a total \$0.72M of NZTA funded work not being funded (Note this was a offset subsidy and the planned work for this subsidy will not be progressed,



- \$0.6M of NZTA expected work YTD not being undertaken due to Emergency Work,
- \$0.6M permanent shortfall for the Community Pool development, \$0.5M of this was received in the prior Financial Year, and only \$0.4M of the remainder budgeted \$0.5M has been allocated by the Lotteries Commission.

The Council has used the funds received, in comparison with the year to date budget thus:

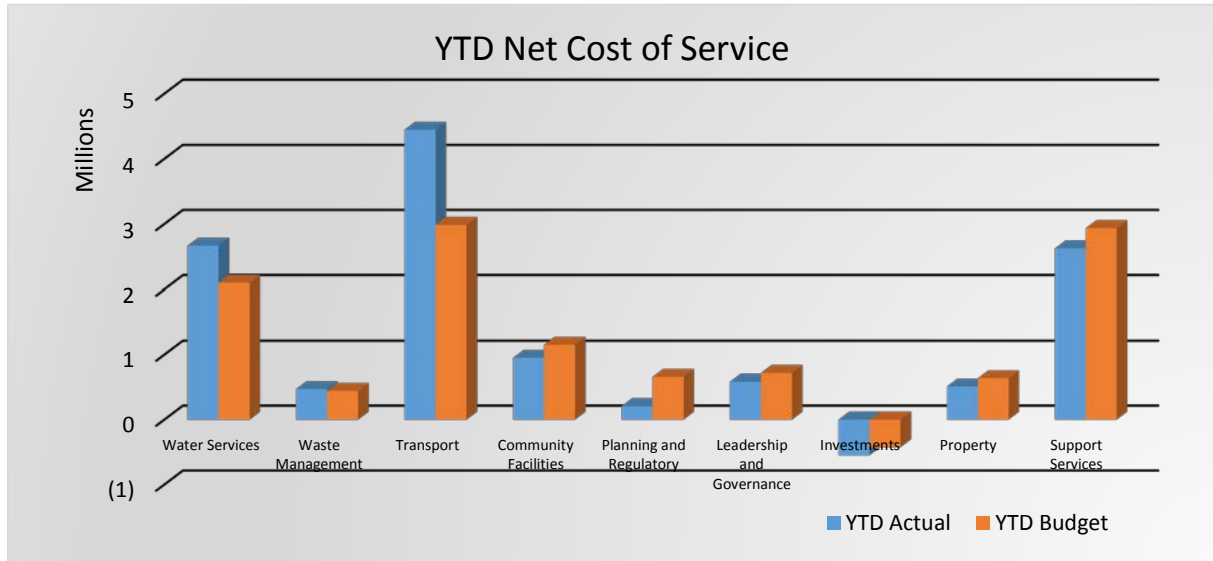


For this report the budgets have been restated to report Support Services costs separately. The core services budgets have been reduced accordingly.

All Units are operating with expected budgets for the YTD at this time.

Council Net Cost of Services

The net cost of service represents the operating costs for the service, less the income generated from the service, excluding Rating income, for the areas of service provision provided by Council to the community. These are summarised as shown below.



The Transport overspend is the combination of the delay in planned work for emergency repairs and the under-recovery of NZTA subsidies as mentioned above. Water Services overspend is the Mahia and Opoutama Wastewater scheme costs currently expended, along with the additional costs incurred with the Waihi Dam damage. All other units are tracking on target for the full year outlook. Individual section reports are included below for further comment.

2016/17 Annual Plan Preparation

Initial consolidation of the budget for the upcoming year has been undertaken. Finance is currently reviewing the results and are working with Units to confirm some movements in the reports indicated. Legal advice is being sought around, based on the current budgeted position, whether public consultation will be needed.

Council remains focused on meeting the statutory deadline for the adoption for its 2016/17 Annual Plan of 30 June 2016.



ACTIVITY ANALYSIS

Comprehensive Income and Expenditure

These tables contrast the year to date expenditure and a full year forecast to full year budgets.

Support Services budget has been restated from the Annual Plan, where these are factored into the core service area's budgets as internal overhead allocations, both for the FY Budget and proportionally for the YTD budget.

Income has been received from:

Income Type:	YTD Actual (\$ 000)	YTD Budget (\$ 000)	(Under) / Over Recovery	FY Forecast (\$ 000)	FY Budget (\$ 000)	(Under) / Over Recovery
Rates	8,788	8,631	157	11,665	11,507	157
Subsidies	1,921	3,868	-1,948	3,210	5,158	-1,948
Capital Subsidy	4,167	4,296	-129	5,359	5,728	-369
Petrol Tax	34	49	-15	50	65	-15
Fees and Charges	1,485	1,267	218	1,466	1,689	-223
Investment Income	549	713	-164	737	901	-164
Total Income	16,943	18,823	-1,880	22,488	25,048	-2,561

Budgeted Capital Subsidies includes of \$1M of Grants for the building of the Pool. Of this \$0.5M was received last financial year (2014/15) but was brought forward into the current year as the funding had not been received at the time the LTP was prepared. The balance \$0.5M budget is a Grant from the Lotteries Commission of which \$0.39M has been received, with only \$10,000 remaining to be received within the balance of this financial year. Income forecasts for General and Capital Subsidies have not been adjusted to reflect any potential NZTA subsidies to be invoiced from the expected catch-up capital or operational works projects at this time.

Expenditure has been incurred in the following service areas:

Service Area	YTD Actual (\$ 000)	YTD Budget (\$ 000)	Under / (Overspend)	FY Forecast (\$ 000)	FY Budget (\$ 000)	Under / (Overspend)
Water Services	2,689	2,795	106	3,665	3,741	77
Waste Management	707	705	-2	942	940	-2
Transport	6,850	6,858	8	8,690	9,168	478
Community Facilities	1,089	1,230	141	1,522	1,662	141
Planning and Regulatory	734	1,071	338	1,091	1,429	338
Leadership and Governance	597	731	134	840	974	134
Investments	27	324	298	110	408	298
Property	579	713	134	793	928	134
Support Services	2,626	2,673	47	3,517	3,564	47
Total Expenses	15,897	17,101	1,204	21,169	22,814	1,645

All units expect to be within full year budgets at this time, except Subsidised Roding as detailed above. Support services actual costs are allocated to the core service areas as internal overheads at the end of the year.



Water Services

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,938,587)	(1,903,864)	(2,457,814)	(2,001,793)	(2,608,678)
Fees charges and targeted rates for water supply	(829,673)	(795,690)	(1,060,920)	(804,825)	(1,136,040)
Interest and Dividends from Investments	-	(274,275)	(365,700)	-	-
Total Source of Operating Funding	(2,768,260)	(2,973,829)	(3,884,434)	(2,806,618)	(3,744,718)
Application of Operating Funding					
Payments to staff and suppliers	2,063,752	1,621,534	2,176,953	3,231,856	4,315,981
Finance costs	213,404	266,085	354,780	205,342	302,500
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	2,277,156	1,887,619	2,531,733	3,437,198	4,618,481
Surplus (Deficit) of Operating Funding	491,105	1,086,210	1,352,701	(630,580)	(873,763)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(1,055,000)	(74,997)	(99,996)	(1,000,000)	(1,034,301)
Lump sum contributions	-	-	-	(0)	(0)
Total Source of Capital Funding	(1,055,000)	(74,997)	(99,996)	(1,000,000)	(1,034,301)
Total Sources of capital funding	(1,055,000)	(74,997)	(99,996)	(1,000,000)	(1,034,301)
Application of Capital Funding					
Capital expenditure - to improve the level of service	97,315	260,000	320,000	324,752	515,907
Capital expenditure - to replace existing assets	1,003,586	1,217,499	1,666,999	54,968	108,902
Increase (Decrease) in Reserves	445,203	(316,292)	(534,302)	(10,300)	(464,270)
Total Application of Capital Funding	1,546,105	1,161,207	1,452,697	369,421	160,538
Total application of capital funding	1,546,105	1,161,207	1,452,697	369,421	160,538
Surplus (Deficit) of Capital Funding	(491,105)	(1,086,210)	(1,352,701)	630,580	873,763
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	748,504	971,010	1,294,680	748,504	998,005

This report has been adjusted for Internal Charges recoveries.



Waste Management

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(457,472)	(449,278)	(580,000)	(439,861)	(573,214)
Fees charges and targeted rates for water supply	(237,109)	(262,503)	(350,000)	(233,913)	(359,009)
Total Source of Operating Funding	(694,581)	(711,781)	(930,000)	(673,774)	(932,223)
Application of Operating Funding					
Payments to staff and suppliers	636,062	626,229	835,000	532,077	817,764
Finance costs	-	42,552	56,727	5,862	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	636,062	668,781	891,727	537,939	817,764
Surplus (Deficit) of Operating Funding	58,519	43,000	38,273	135,835	114,459
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	18,725	25,000	95,000	-	48,877
Increase (Decrease) in Reserves	39,794	18,000	(56,727)	135,835	65,582
Total Application of Capital Funding	58,519	43,000	38,273	135,835	114,459
Total application of capital funding	58,519	43,000	38,273	135,835	114,459
Surplus (Deficit) of Capital Funding	(58,519)	(43,000)	(38,273)	(135,835)	(114,459)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	70,709	71,253	95,000	70,709	94,279

This report has been adjusted for Internal Charges recoveries.



Transport

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,901,543)	(1,867,483)	(2,410,848)	(1,907,328)	(2,485,575)
Subsidies and grants for operating purposes	(1,737,600)	(3,832,092)	(5,109,456)	(1,638,324)	(3,347,338)
Fees charges and targeted rates for water supply	(667,031)	(40,545)	(54,060)	(614,205)	(844,159)
Total Source of Operating Funding	(4,306,174)	(5,740,120)	(7,574,364)	(4,159,857)	(6,677,072)
Application of Operating Funding					
Payments to staff and suppliers	5,294,429	4,814,180	6,442,633	3,840,873	7,695,596
Finance costs	-	3,501	4,668	-	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	5,294,429	4,817,681	6,447,301	3,840,873	7,695,596
Surplus (Deficit) of Operating Funding	(988,255)	922,439	1,127,063	318,984	(1,018,524)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(2,721,716)	(3,471,003)	(4,628,004)	(3,213,414)	(4,873,277)
Total Source of Capital Funding	(2,721,716)	(3,471,003)	(4,628,004)	(3,213,414)	(4,873,277)
Total Sources of capital funding	(2,721,716)	(3,471,003)	(4,628,004)	(3,213,414)	(4,873,277)
Application of Capital Funding					
Capital expenditure - to improve the level of service	892,570	1,197,515	1,443,016	1,439,393	1,501,087
Capital expenditure - to replace existing assets	1,738,241	4,171,965	5,160,715	2,223,361	4,739,666
Increase (Decrease) in Reserves	(897,349)	(976,038)	(848,664)	(130,357)	(2,386,000)
Total Application of Capital Funding	1,733,461	4,393,442	5,755,067	3,532,398	3,854,753
Total application of capital funding	1,733,461	4,393,442	5,755,067	3,532,398	3,854,753
Surplus (Deficit) of Capital Funding	988,255	(922,439)	(1,127,063)	(318,984)	1,018,524
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	1,698,210	1,816,376	2,724,564	1,910,486	2,547,315

This report has been adjusted for Internal Charges recoveries.



Community Facilities

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(1,163,269)	(1,142,433)	(1,474,836)	(1,275,342)	(1,661,988)
Subsidies and grants for operating purposes	(101,074)	(36,351)	(48,462)	(115,179)	(74,591)
Fees charges and targeted rates for water supply	(36,990)	(40,770)	(54,364)	(35,516)	(47,077)
Total Source of Operating Funding	(1,301,333)	(1,219,554)	(1,577,662)	(1,426,037)	(1,783,656)
Application of Operating Funding					
Payments to staff and suppliers	973,098	1,050,502	1,423,329	922,599	1,474,051
Finance costs	-	69,408	92,540	125	-
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	(6,835)	-	-	(20,151)	(24,864)
Total Application of Operating Funding	966,263	1,119,910	1,515,869	902,573	1,449,187
Surplus (Deficit) of Operating Funding	335,070	99,644	61,793	523,464	334,470
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	162,776	149,997	295,000	100,596	154,023
Capital expenditure - to replace existing assets	121,044	85,000	95,000	97,340	101,423
Increase (Decrease) in Reserves	51,251	(135,353)	(328,207)	325,528	79,023
Total Application of Capital Funding	335,070	99,644	61,793	523,464	334,470
Total application of capital funding	335,070	99,644	61,793	523,464	334,470
Surplus (Deficit) of Capital Funding	(335,070)	(99,644)	(61,793)	(523,464)	(334,470)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	122,732	113,490	151,310	122,732	163,642

This report has been adjusted for Internal Charges recoveries.



Planning and Regulatory

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(410,232)	(402,884)	(520,107)	(321,202)	(418,581)
Subsidies and grants for operating purposes	(92,867)	-	-	(111,417)	(1,795)
Fees charges and targeted rates for water supply	(356,904)	(366,456)	(549,686)	(411,533)	(567,503)
Total Source of Operating Funding	(860,003)	(769,340)	(1,069,793)	(844,152)	(987,879)
Application of Operating Funding					
Payments to staff and suppliers	608,740	939,928	1,409,858	668,871	1,022,324
Finance costs	3,404	16,304	24,456	10,719	13,330
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	612,144	956,232	1,434,314	679,590	1,035,653
Surplus (Deficit) of Operating Funding	247,858	(186,892)	(364,521)	164,562	(47,774)
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	72,695	-	100,000	9,728	42,152
Capital expenditure - to replace existing assets	98,897	50,000	131,000	55,639	55,639
Increase (Decrease) in Reserves	76,266	(236,892)	(595,521)	99,196	(145,565)
Total Application of Capital Funding	247,858	(186,892)	(364,521)	164,562	(47,774)
Total application of capital funding	247,858	(186,892)	(364,521)	164,562	(47,774)
Surplus (Deficit) of Capital Funding	(247,858)	186,892	364,521	(164,562)	47,774
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	33,023	36,440	54,659	37,151	49,535

This report has been adjusted for Internal Charges recoveries.



Leadership and Governance

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(658,867)	(647,065)	(835,336)	(578,833)	(754,319)
Subsidies and grants for operating purposes	(2,000)	-	-	-	-
Fees charges and targeted rates for water supply	(11,014)	(12,024)	(16,050)	(972)	(12,724)
Total Source of Operating Funding	(671,881)	(659,089)	(851,386)	(579,806)	(767,042)
Application of Operating Funding					
Payments to staff and suppliers	592,971	740,982	986,488	528,934	847,906
Finance costs	303	9,324	12,420	326	447
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	593,274	750,306	998,908	529,259	848,353
Surplus (Deficit) of Operating Funding	78,607	(91,217)	(147,522)	50,546	(81,311)
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	6,129	-	-	36,878	36,878
Capital expenditure - to replace existing assets	1,250	-	-	-	-
Increase (Decrease) in Reserves	71,228	(91,217)	(147,522)	13,668	(118,189)
Total Application of Capital Funding	78,607	(91,217)	(147,522)	50,546	(81,311)
Total application of capital funding	78,607	(91,217)	(147,522)	50,546	(81,311)
Surplus (Deficit) of Capital Funding	(78,607)	91,217	147,522	(50,546)	81,311
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	4,183	5,400	7,200	4,183	5,577

This report has been adjusted for Internal Charges recoveries.



Investments

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	139,515	137,016	176,882	575,689	750,221
Fees charges and targeted rates for water supply	(1,423)	-	(800)	(301)	(533)
Interest and Dividends from Investments	(811,569)	(426,939)	(519,244)	(1,291,061)	(1,216,512)
Local authorities fuel tax fines infringement fees and other receipts	(33,587)	(48,750)	(65,000)	(39,141)	(77,283)
Total Source of Operating Funding	(707,064)	(338,673)	(408,162)	(754,814)	(544,107)
Application of Operating Funding					
Payments to staff and suppliers	19,634	55,000	55,000	75,149	(221,738)
Finance costs	6,944	269,376	353,168	7,871	153,575
Total Application of Operating Funding	26,578	324,376	408,168	83,020	(68,163)
Surplus (Deficit) of Operating Funding	653,908	(310,079)	(408,174)	588,774	680,432
Sources of Capital Funding					
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Increase (Decrease) in Reserves	653,908	(310,079)	(408,174)	588,774	680,432
Total application of capital funding	653,908	(310,079)	(408,174)	588,774	680,432
Surplus (Deficit) of Capital Funding	(653,908)	310,079	408,174	(588,774)	(680,432)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	3,333,352	3,723,153	4,964,188	4,010,520	4,444,469

This report has been adjusted for Internal Charges.



Property

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(205,917)	(202,228)	(261,069)	(314,029)	(409,233)
Fees charges and targeted rates for water supply	(69,242)	(76,443)	(101,924)	(72,551)	(95,688)
Total Source of Operating Funding	(275,159)	(278,671)	(362,993)	(386,580)	(504,921)
Application of Operating Funding					
Payments to staff and suppliers	251,951	75,333	119,446	136,928	143,312
Finance costs	-	105,066	140,078	53	-
Internal Charges and Overheads applied	-	-	-	-	-
Total Application of Operating Funding	251,951	180,399	259,524	136,982	143,312
Surplus (Deficit) of Operating Funding	23,208	98,272	103,469	249,599	361,608
Source of Capital Funding					
Subsidies and grants for capital expenditure	(390,000)	(750,006)	(1,000,000)	-	(500,000)
Total Source of Capital Funding	(390,000)	(750,006)	(1,000,000)	-	(500,000)
Total Sources of capital funding	(390,000)	(750,006)	(1,000,000)	-	(500,000)
Application of Capital Funding					
Capital expenditure - to improve the level of service	1,811,703	761,247	1,015,000	379,811	484,551
Capital expenditure - to replace existing assets	104,052	81,494	103,000	106,646	141,883
Increase (Decrease) in Reserves	(1,502,548)	5,537	(14,531)	(236,859)	235,175
Total Application of Capital Funding	413,208	848,278	1,103,469	249,599	861,608
Total application of capital funding	413,208	848,278	1,103,469	249,599	861,608
Surplus (Deficit) of Capital Funding	(23,208)	(98,272)	(103,469)	(249,599)	(361,608)
Funding Balance	-	-	-	-	-
Depreciation and Amortisation	326,709	371,859	495,808	326,709	435,612

This report has been adjusted for Internal Charges recoveries.

Included in the Pensioner Housing Unit budgets are capital projects for the exterior repainting of both the Lambert and Hillneath Flats. The accepted, cheapest combined quote for completing the work at both sets of flats was \$20,517 greater than the combined \$36,000 budgeted.



Support Services

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
Rates	(2,191,654)	(2,152,398)	(2,778,662)	(2,302,158)	(3,000,105)
Subsidies and grants for operating purposes	-	-	-	-	-
Fees charges and targeted rates for water supply	(1,015)	(11,331)	(15,100)	(1,913)	(2,560)
Interest and Dividends from Investments	-	-	-	-	-
Local authorities fuel tax fines infringement fees and other receipts	-	-	-	-	-
Total Source of Operating Funding	(2,192,669)	(2,163,729)	(2,793,762)	(2,304,071)	(3,002,665)
Application of Operating Funding					
Payments to staff and suppliers	2,576,272	2,851,839	3,802,439	2,676,596	3,588,363
Finance costs	49,148	43,407	57,875	35,764	111,221
Internal Charges and Overheads applied	-	-	-	-	-
Other operating funding applications	(112,349)	-	-	(73,112)	(109,509)
Total Application of Operating Funding	2,513,071	2,895,246	3,860,314	2,639,248	3,590,075
Surplus (Deficit) of Operating Funding	(320,402)	(731,517)	(1,066,552)	(335,178)	(587,409)
Sources of Capital Funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
(Increase) decrease in debt	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total Sources of capital funding	-	-	-	-	-
Application of Capital Funding					
Capital expenditure - to improve the level of service	33,117	16,497	39,000	109,819	184,171
Capital expenditure - to replace existing assets	48,464	63,000	138,800	12,757	14,515
Increase (Decrease) in Reserves	(401,983)	(811,014)	(1,244,352)	(457,754)	(786,095)
Total Application of Capital Funding	(320,402)	(731,517)	(1,066,552)	(335,178)	(587,409)
Total application of capital funding	(320,402)	(731,517)	(1,066,552)	(335,178)	(587,409)
Surplus (Deficit) of Capital Funding	320,402	731,517	1,066,552	335,178	587,409
Funding Balance	-	-	-	-	-

This statement has been restated to include budgeted and actual rates applicable to the Unit's charges (including the prior year) that are cost recovered to other Units as Overhead Charges.

Council has been advised that the current EFTPOS machines will not be compatible with an upcoming compulsory software upgrade to meet current banking and financial processes and rules. Replacement units for the Main Office and the ISite facility have been sourced at a cost of approx. \$2,500. These are capital projects, but were not included in the original project listing for this year, or on an on-going basis is now estimated to be on a three yearly basis.

FINANCIAL RISKS

The following Operational Financial Risks have been assessed as the end of the Period:

Area	Risk	Amount	Type	Description	Risk Level
CEO	Forestry Slash Clean-up	\$41,000	Cost	Funds expended on clean-up of HBRC controlled beaches	Crystallised
Subsidised Roothing	NZTA Funding	\$720,000	Income Under-Recovery	NZTA non-approved work expected in the Annual Plan	Crystallised
Roothing	Loss on Disposal of Assets	\$1,500,000	Cost	Losses on Disposals of Renewed assets is not Budgeted or Funded. Value based on Prior Year impact. Recovered every 3rd year on revaluation	Low
Water Treatment	Opoutama & Mahia Waste Water Scheme	\$250,000	Cost	Scheme assessed as an Operational Cost by Auditors. Budgeted as Capital in LTP. Value is as per costs to date for this year	Medium
Water Treatment	Waihi Dam Silt	TBA	Cost	Additional Flocculent Purchased to mitigate the additional silt discharged into the Wairoa water supply. Net effect TBC, expected recovery from Dam Operator	Low
Community Centre	HBRC Pool Grant	\$500,000	Income Under-Recovery	Grant Funding was received in 2014/15, budget was brought forward as at time of LTP development funds had not been received	Crystallised
Community Centre	Lotteries Commission Grant	\$100,000	Income Under-Recovery	Grant received was \$110k less than budgeted. It is expected that \$10k will be received over the balance of this financial Year	Crystallised



The following Capital Risks have been assessed as the end of the Period:

Area	Risk	Amount	Type	Description	Risk Level
Corporate	Loan Advances	\$550,000	Use of Cash Reserves	Expectation that No loan funds are advanced to meet new increased service capital projects. Funds to be taken from Cash Reserves	Low
Subsidised Roothing	NZTA Funded Activity	\$(720,000)	Capital Work Savings	Budgets expected work on road SP38 in the order of \$0.74M for this financial year, 100% funded by NZTA. NZTA have only approved \$18,000 of this plan	Crystallised
Water Treatment	Opoutama & Mahia Waste Water Scheme	\$(250,000)	Capital Work Savings	Scheme assessed as an Operational Cost by Auditors. Budgeted as Capital in LTP. Value is as per costs to date for this year	Crystallised
Pensioner Housing	Repainting of Flats - Over Budget	\$20,517	Costs	Project Quotes well in excess of budget. Accepted quote is \$20517 over allocated budget. Project funded from reserves	Crystallised
Tawhera Reservoir	Build over Current Year Budget	\$1,000,000	Costs	Project is in advance of planned position. Construction is currently underway. Budgets were allocated in 2016/17, 2017/18 and will need to be brought forward. Estimated spend over the balance of this Financial Year	Medium
Tawhera Reservoir	Build over Current Year Budget	\$400,000	Costs	Project is in advance of planned position. Construction is currently underway. Budgets were allocated in 2016/17, 2017/18 and will need to be brought forward.	Crystallised

**Assessment Key:**

Crystallised	Event has Happened
Low	Expected Event is not expected to be significant or Material
Medium	Expected Event will impact on Council Operations, PR or Budget (+/- \$100k-\$1M)
High	Expected Event is Significant, Material (+/- \$1M) and/or has a negative non-financial impact on Council Operations

Assessing levels of risk is based on the following matrix. It is noted that this matrix is a work in progress and has not yet been approved for formal use by the Finance Audit and Risk Committee, or Council.

Value	Change in Service Levels			Impact
	None or Small	Some	Large	
>\$100,000	Low	Low	Medium	Less than 25% of People
\$100,000 - \$1M	Medium	Medium	High	Between 25% - 75% of People
<\$1M	High	High	High	More than 75% of People
PR	No Interest	Some - e.g. Letter to Paper	High Public Interest - Council in Bad light in Media etc.	



FINANCIAL ACCOUNTS

Whole of Council Funding Impact Statement

	Actual 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	Actual 2014/15 (YTD)	Actual 2014/15 (Full Year)
Sources of Operational Funding					
Source of Operating Funding					
General Rates uniform annual charges rates penalties	(8,788,025)	(8,630,618)	(11,507,490)	(8,564,857)	(11,161,472)
Subsidies and grants for operating purposes	(1,920,941)	(3,868,443)	(5,157,918)	(1,864,920)	(3,423,725)
Fees charges and targeted rates for water supply	(2,299,846)	(1,651,569)	(2,202,904)	(4,681,443)	(5,511,393)
Interest and Dividends from Investments	(541,157)	(701,214)	(884,944)	(1,291,061)	(1,216,512)
Local authorities fuel tax fines infringement fees and other receipts	(33,587)	(48,750)	(65,000)	(39,141)	(77,283)
Total Source of Operating Funding	(13,583,556)	(14,900,594)	(19,818,256)	(16,441,421)	(21,390,385)
Application of Operating Funding					
Payments to staff and suppliers	13,099,750	12,893,018	17,251,146	15,137,747	22,129,665
Finance costs	274,816	827,061	1,096,712	266,959	581,073
Internal Charges and Overheads applied	0	31,522	0	0	0
Other operating funding applications	(119,184)	0	0	(93,263)	(134,373)
Total Application of Operating Funding	13,255,383	13,751,601	18,347,858	15,311,443	22,576,366
Surplus (Deficit) of Operating Funding	328,174	1,148,993	1,470,398	1,129,979	(1,185,981)
Source of Capital Funding					
Subsidies and grants for capital expenditure	(4,166,716)	(4,296,006)	(5,728,000)	(4,213,414)	(6,407,577)
(Increase) decrease in debt	0	0	(550,000)	0	0
Lump sum contributions	0	0	0	(0)	(0)
Total Source of Capital Funding	(4,166,716)	(4,296,006)	(6,278,000)	(4,213,414)	(6,407,578)
Total Sources of capital funding	(4,166,716)	(4,296,006)	(6,278,000)	(4,213,414)	(6,407,578)
Application of Capital Funding					
Capital expenditure - to improve the level of service	3,115,753	2,510,256	3,307,016	2,401,829	6,022,079
Capital expenditure - to replace existing assets	3,115,379	5,703,958	7,295,514	2,550,712	1,830,488
Increase / (Decrease) in Reserves	(1,736,242)	(2,769,215)	(2,854,132)	390,853	(2,630,970)
Total Application of Capital Funding	4,494,890	5,444,999	7,748,398	5,343,393	5,221,597
Total application of capital funding	4,494,890	5,444,999	7,748,398	5,343,393	5,221,597
Surplus (Deficit) of Capital Funding	(328,174)	(1,148,993)	(1,470,398)	(1,129,979)	1,185,981
Funding Balance (General Rates)	0	0	0	0	0
Depreciation					
Depreciation and Amortisation	3,333,352	3,723,153	4,964,188	3,333,352	4,444,469

No depreciation charges were journalled in the financial statements on a monthly basis in the prior year, the figure entered here is an even split allocation of depreciation for the prior year to date.



Whole of Council Activity Statement

	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget	ACTUAL 2014/15 (to date)
Net Operating Cost of Service						
Net Expenditure/(Revenue)						
Water Services	2,666,123	2,098,341	567,782	2,812,695	146,572	(39,716)
Waste Management	469,662	442,580	27,082	590,122	120,460	(122,691)
Transport	4,445,729	2,985,499	1,460,230	4,004,382	(441,347)	1,095,969
Community Facilities	950,930	1,152,684	(201,754)	1,559,553	608,623	(356,315)
Planning and Regulatory	207,134	659,186	(452,052)	878,869	671,735	(781,057)
Leadership and Governance	584,442	719,312	(134,870)	957,556	373,114	(999,723)
Investments	(549,589)	(425,582)	(124,007)	(542,568)	7,021	(398,276)
Property	509,418	636,645	(127,227)	825,851	316,433	(15,541)
Support Services	2,624,934	2,936,114	(311,179)	3,914,820	1,289,886	2,321,355
Net Operating (Surplus) / Deficit	11,908,784	11,204,778	704,006	15,001,280	3,092,496	704,006
Rates						
Investments	(8,788,025)	(8,630,618)	(157,407)	(11,507,490)	(2,719,465)	(157,407)
Capital Subsidies						
Water Reticulation System	0	(74,997)	66,664	(99,996)	(99,996)	74,997
Water Treatment Plant	0	0	0	0	0	0
Sewerage	(1,055,000)	0	(1,055,000)	0	1,055,000	(1,055,000)
Roading Subsidised	(2,721,716)	(3,471,003)	2,473,527	(4,628,004)	(1,906,288)	749,287
Community Centre	(390,000)	(750,006)	276,672	(1,000,000)	(610,000)	360,006
Total Net Cost of Service	(1,045,958)	(1,721,846)	3,310,469	(2,234,210)	(1,188,252)	675,888

Support Services budgets are allocated to the Core Services as internal overhead charges in the annual budgets. For the purposes of this report, budgets have been restated to remove Support Services costs from within Activity Areas, and moved to the Support Services report line. This ensures that actual and budget costs are comparable.



Statement of Comprehensive Income and Expenditure

	Council 2015/2016 Actual (YTD)	Council 2015/2016 Operational Plan (YTD)	Council 2015/2016 Full Year Forecast	Council 2015/2016 Operational Plan (Full Year)	Council 2014/15 Actual (YTD)	Council 2014/15 Actual (Full Year)
Income						
Rates	(8,788,025)	(8,630,618)	(11,664,897)	(11,507,490)	(8,564,857)	(11,161,472)
Subsidies	(1,920,941)	(3,868,443)	(3,210,416)	(5,157,918)	(1,864,920)	(3,423,725)
Capital Subsidy	(4,166,716)	(4,296,006)	(5,358,710)	(5,728,000)	(4,213,414)	(6,407,577)
Petrol Tax	(33,587)	(48,750)	(49,837)	(65,000)	(39,141)	(77,283)
Fees and Charges	(1,485,067)	(1,266,579)	(1,466,237)	(1,688,788)	(4,319,168)	(4,985,712)
Investment Income	(549,022)	(712,776)	(737,406)	(901,160)	(1,304,649)	(1,234,419)
Reserves	0	0	0	0	0	0
Other Income	0	0	0	0	0	0
Total Income	(16,943,359)	(18,823,172)	(22,487,504)	(25,048,356)	(20,306,148)	(27,290,187)
Expenditure						
Water Services	2,688,882	2,794,886	3,664,516	3,741,423	6,620,107	8,244,032
Waste Management	706,771	705,083	941,810	940,122	608,453	1,108,734
Transport	6,850,360	6,858,135	8,689,987	9,167,898	6,111,324	11,367,938
Community Facilities	1,088,995	1,229,804	1,521,570	1,662,379	1,012,921	1,827,224
Planning and Regulatory	733,749	1,071,449	1,090,855	1,428,555	799,035	1,415,565
Leadership and Governance	597,457	731,336	839,727	973,606	531,235	1,986,709
Investments	26,578	324,367	110,371	408,160	83,020	(68,163)
Property	578,661	713,088	793,348	927,775	464,415	628,454
Support Services	2,625,949	2,673,176	3,517,001	3,564,228	2,742,765	2,560
Total Expenditure	15,897,402	17,101,324	21,169,185	22,814,146	18,973,275	26,513,053
(Surplus) / Deficit	(1,045,958)	(1,721,848)	(1,318,320)	(2,234,210)	(1,332,873)	(777,135)

For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget costs are comparable. Support Services budgets are allocated to the Core Services as internal overhead charges as part of the annual reporting function.

The FY forecast is calculated using the year to date actual plus the budget phased into the balance of the year. Known significant adjustments have been included in calculation where appropriate, and include:

1. The NZTA capital subsidy permanent under-recovery of 0.72M
2. The pool permanent capital subsidy permanent under-recovery of 0.6M

Excluded from the forecasts is:

1. Potential NZTA Capital and Operational Subsidies from the catch-up project work expected over the balance of this financial year
2. Provision for write off of assets on renewed roads, pipes and other water assets



Financial Position

	Council 2015/2016 Actual as at 31 March 2016	Council 2015/2016 Budgeted as at 31 March 2016	Council 2015/2016 Forecasted 30 June 2016	Council 2015/2016 Annual Plan as at 30 June 2016	Council 2014/15 Actual as at 31 March 2015	Council 2014/15 Actual as at 30 June 2015
Assets						
Current Assets						
Non Interest Bearing Cash & Equivalents	137,025	140,775	137,025	140,775	65,155	104,098
Inventories	3,921	38,291	3,921	38,291	3,921	40,082
Trade and Other Receivables	3,494,046	5,676,291	3,802,623	5,984,868	3,970,839	6,847,635
Financial Assets at Fair Value	10,196,724	4,375,503	9,499,010	3,677,789	10,976,118	10,149,794
Total Current Assets	13,831,716	10,230,860	13,442,579	9,841,723	15,016,033	17,141,610
Non Current Assets						
Property Plant and Equipment	241,792,129	237,330,688	240,581,083	236,119,642	239,730,933	245,765,924
Work in Progress	6,115,551	8,214,214	8,503,867	10,602,530	4,952,540	0
Loans and Other Receivables	90,247	0	90,247	0	247	90,247
Investment Property	277,000	277,000	277,000	277,000	277,000	277,000
Biological Assets	150,380	69,946	150,380	69,946	150,380	150,380
Investments in Subsidiary	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Available for Sale Financial Assets	22,992	22,992	22,992	22,992	22,992	22,992
Intangible Assets	147,109	143,277	147,109	143,277	99,720	156,733
Term Financial Assets at Fair Value	9,642,871	9,642,871	9,642,871	9,642,871	9,095,999	7,621,424
Total Non Current Assets	259,488,279	256,950,988	260,665,549	258,128,258	255,579,811	255,334,700
Total Assets	273,319,995	267,181,848	274,108,128	267,969,981	270,595,844	272,476,310
Liabilities						
Current Liabilities						
Trust Funds and Deposits	(265,374)	0	(265,374)	0	(279,943)	(248,372)
Trade Payables	(2,744,727)	(4,289,729)	(2,277,344)	(3,822,346)	(49,681)	(2,740,235)
Employee Benefit Liabilities	(327,684)	0	(327,684)	0	(336,572)	(482,140)
Contract Retentions	(696,041)	0	(696,041)	0	(742,111)	(765,351)
Accrued Interest	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0
Taxation	0	0	0	0	0	0
Total Current Liabilities	(4,033,825)	(4,289,729)	(3,566,442)	(3,822,346)	(1,408,308)	(4,236,097)
Non Current Liabilities						
Trade Payables	0	0	0	0	0	0
Employee Benefit Liabilities	(121,063)	(147,883)	(121,063)	(147,883)	(131,549)	(121,063)
Borrowings	(5,000,000)	(5,000,000)	(5,550,000)	(5,550,000)	(5,000,000)	(5,000,000)
Landfill Aftercare	(478,126)	(859,562)	(478,126)	(859,562)	(859,225)	(478,126)
Total Non Current Liabilities	(5,599,189)	(6,007,445)	(6,149,189)	(6,557,445)	(5,990,774)	(5,599,189)
Total Liabilities	(9,633,013)	(10,297,174)	(9,715,630)	(10,379,791)	(7,399,082)	(9,835,286)
Net Assets	263,686,981	256,884,674	264,392,497	257,590,190	263,196,762	262,641,024
Equity						
Retained earnings						
Restricted Reserves	(137,091,404)	(109,992,954)	(137,472,086)	(110,373,636)	(137,177,699)	(138,382,541)
Unrestricted Reserves	0	0	0	0	0	2,068,271
Current Year (Surplus)/Deficit	(1,045,958)	(1,722,011)	(1,558,376)	(2,234,429)	(1,332,873)	(777,135)
Total Retained earnings	(138,137,362)	(111,714,965)	(139,030,462)	(112,608,065)	(138,510,572)	(137,091,404)
Other Reserves						
Revaluation Reserves	(102,371,188)	(124,590,386)	(102,371,188)	(124,590,386)	(103,576,030)	(102,371,188)
Sinking Fund	0	0	0	0	0	0
Special Funds	(23,178,431)	(20,579,323)	(22,990,847)	(20,391,739)	(21,110,160)	(23,178,431)
Total Other Reserves	(125,549,620)	(145,169,709)	(125,362,036)	(144,982,125)	(124,686,190)	(125,549,620)
Total Equity	(263,686,981)	(256,884,674)	(264,392,497)	(257,590,190)	(263,196,762)	(262,641,024)

Excluded from the forecasted position is:

1. Advised potential additional Capital Work in Progress spending of up to \$1M on the new Tawhara Reservoir.



Cashflow

	Actual to Date 2015/16	Full Year Budget 2015/16	Remaining Budget 2015/16
OPERATING ACTIVITIES			
Cash was provided from:			
Rates received	8,788,025	13,077,245	4,289,220
Other Revenue	11,136,302	12,079,897	943,595
	<u>19,924,328</u>	<u>25,157,142</u>	<u>5,232,814</u>
Cash was applied to:			
Payments to Suppliers & Employees	15,416,075	20,555,817	5,139,742
Taxation	-	-	-
Interest Paid	274,816	473,078	198,262
	<u>15,690,891</u>	<u>21,028,895</u>	<u>5,338,004</u>
Net Cash Flow from Operations	<u>4,233,437</u>	<u>4,128,247</u>	<u>(105,190)</u>
INVESTING ACTIVITIES			
Cash was provided from:			
Decrease in Loans & Other Receivables		70,000	70,000
Sale of Property, Plant & Equipment		1,400,000	13,618,171
Sale of Financial Assets	(12,218,171)	1,470,000	13,688,171
	<u>(12,218,171)</u>	<u>1,470,000</u>	<u>13,688,171</u>
Cash was applied to:			
Increase in loans & advances			
Purchase of Intangibles			
Purchase of Financial Assets			
Purchase of Property, Plant & Equipment	2,132,132	10,600,149	8,468,017
	<u>2,132,132</u>	<u>10,600,149</u>	<u>8,468,017</u>
Net Cash Flows from Investing Activities	<u>(14,350,303)</u>	<u>(9,130,149)</u>	<u>5,220,154</u>
FINANCING ACTIVITIES			
Cash was provided from:			
Loans Raised	-	550,000	550,000
	<u>-</u>	<u>550,000</u>	<u>550,000</u>
Cash was applied to:			
Borrowings Repaid	-	2,334,615	-
	<u>-</u>	<u>2,334,615</u>	<u>-</u>
Net Cash Flows from Financing Activities	<u>-</u>	<u>(1,784,615)</u>	<u>550,000</u>
Net Increase/(Decrease)	<u>(10,116,867)</u>	<u>(6,786,517)</u>	<u>5,664,965</u>
Plus opening cash & cash equivalents	10,253,892	6,927,292	(3,326,600)
Cash & cash equivalents at end of year	<u>137,025</u>	<u>140,775</u>	<u>2,338,365</u>
Made up of:			
Cash	(6,152,365)	140,775	6,293,140
Short Term Deposits	6,289,389		
Bank Overdraft	-	-	-
	<u>137,025</u>	<u>140,775</u>	<u>6,293,140</u>



**RECONCILIATION OF OPERATING SURPLUS WITH NET CASH FLOW
FROM OPERATING ACTIVITIES:**

For the period ended March 2106

	Actual to Date 2015/16
Surplus / Deficit	1,045,958
Add / (less) non cash items:	
Depreciation and amortisation	-
Impairment	
Gains on Investments held at fair value	
Add / (less) items classified as investing or financing activities:	
(Gains) / Losses on disposal of property, plant and equipment	
Add / (less) movements in working capital items:	
(Inc) / Dec Accounts receivable	3,353,589
(Inc) / Dec Prepayments	-
(Inc) / Dec Inventories	36,162
Inc / (Dec) Accounts payable	(202,270)
Inc / (Dec) Income in Advance	-
Inc / (Dec) Accrued Expenses	-
Inc / (Dec) Employee benefits	(2)
Net cash inflow / (outflow) from operating activities	<u><u>4,233,437</u></u>



Capital Program

Year to date capital expenditure by Cost Centre is:

Capital Projects	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget
Library	28,931	41,247	(12,316)	55,000	26,069
Water Reticulation	705,267	305,002	400,265	370,003	(335,264)
Water Treatment	173,055	355,000	(181,945)	392,000	218,945
Stormwater	36,106	285,000	(248,894)	450,000	413,894
Sewerage	186,473	532,497	(346,024)	774,996	588,523
Waste Management	18,725	25,000	(6,275)	95,000	76,275
Wairoa Airport	0	65,000	(65,000)	65,000	65,000
Roading Subsidised	2,370,339	4,875,015	(2,504,676)	6,075,016	3,704,677
Roading Non Subsidised	128,583	320,000	(191,417)	348,000	219,417
Infrastructural Business Unit	16,307	48,750	(32,443)	55,000	38,693
Parking	0	60,715	(60,715)	60,715	60,715
Parks and Reserves	219,920	185,000	34,920	265,000	45,080
Community Centre	1,897,624	776,241	1,121,383	1,035,000	(862,624)
Visitors Information Centre	1,250	0	1,250	0	(1,250)
Pensioner Housing	9,292	38,250	(28,958)	51,000	41,708
Cemeteries	40,496	20,000	20,496	85,000	44,504
Environmental Health	20,123	25,000	(4,877)	25,000	4,877
Building Inspection	72,338	60,000	12,338	60,000	(12,338)
ByLaw Control	43,227	15,000	28,227	61,000	17,773
Civil Defence	55,515	85,000	(29,486)	85,000	29,486
Rural Fire	957	0	957	0	(957)
Council	6,129	0	6,129	0	(6,129)
Property Corporate	3,312	0	3,312	0	(3,312)
Information Centre Building	0	17,000	(17,000)	17,000	17,000
Chief Executive Officer	1,692	0	1,692	0	(1,692)
Administration Services	31,978	25,000	6,978	55,000	23,022
Information Services	46,764	54,497	(7,733)	87,800	41,036
Engineering Services	1,147	0	1,147	35,000	33,853
Prior Years Work in progress	(611,562)	0	(611,562)	0	611,562
Planned Capital Spending	5,503,989	8,214,214	(2,710,225)	10,602,530	5,098,541
Capital Subsidies					
Water Reticulation System	0	(74,997)	74,997	(99,996)	(99,996)
Water Treatment Plant	0	0	0	0	0
Sewerage	(1,055,000)	0	(1,055,000)	0	1,055,000
Roading Subsidised	(2,721,716)	(3,471,003)	749,287	(4,628,004)	(1,906,288)
Community Centre	(390,000)	(750,006)	360,006	(1,000,000)	(610,000)
Net Planned Capital Spending	1,533,704	3,597,842	(2,064,138)	4,874,530	(7,261,704)

	ACTUAL 2015/16 (to date)	2015/16 Operational Plan (YTD)	2015/16 Variance (YTD)	ANNUAL BUDGET 2015/16	Remaining Budget
Additions	3,001,907	2,510,256	491,651	3,337,016	335,109
Renewal	3,113,644	5,703,958	(2,590,314)	7,265,514	4,151,870
Total Gross Spend this Year	6,115,551	8,214,214	(2,098,663)	10,602,530	4,486,979

The Community Centre Overspend is the funding brought forward for capital projects from 2014/15, however this adjustment to the budgets for the year cannot be reflected in the Annual Plan. Finance is investigating the options available to reflect these changes in future reports.



Net Operating Cost of Service by Service Activity

	ACTUAL 2015/16 (YTD)	Operating Budget 2015/16 (YTD)	Operating Budget 2015/16 (Full Year)	ACTUAL 2014/15 (YTD)	ACTUAL 2014/15 (Full Year)
Net Operating Cost of Service					
Water Services					
Income	(388,634)	(1,069,965)	(1,426,620)	(3,250,926)	(3,582,141)
Operating Cost	3,028,120	3,083,223	4,121,571	6,952,151	8,721,826
Maintenance Cost	26,637	17,925	28,200	16,643	29,981
Capital Costs	0	67,158	89,544	0	0
Total Water Services	2,666,123	2,098,341	2,812,695	3,717,868	5,169,666
Waste Management					
Income	(237,109)	(262,503)	(350,000)	(233,913)	(359,009)
Operating Cost	706,771	697,487	930,000	608,453	1,108,734
Capital Costs	0	7,596	10,122	0	0
Total Waste Management	469,662	442,580	590,122	374,540	749,725
Transport					
Income	(2,404,631)	(3,872,637)	(5,163,516)	(2,252,529)	(4,191,497)
Operating Cost	2,314,197	2,807,334	3,758,213	3,038,137	6,668,407
Maintenance Cost	4,536,162	4,049,551	5,408,017	3,073,188	4,699,531
Capital Costs	0	1,251	1,668	0	0
Total Transport	4,445,729	2,985,499	4,004,382	3,858,796	7,176,441
Community Facilities					
Income	(138,065)	(77,121)	(102,826)	(150,695)	(121,668)
Operating Cost	841,030	944,837	1,272,041	764,601	1,463,392
Maintenance Cost	247,964	259,453	356,322	248,320	363,832
Capital Costs	0	25,515	34,016	0	0
Total Community Facilities	950,930	1,152,684	1,559,553	862,226	1,705,556
Planning and Regulatory					
Income	(526,615)	(412,263)	(549,686)	(582,563)	(569,298)
Operating Cost	691,162	1,052,009	1,402,635	695,384	1,279,649
Maintenance Cost	9,559	9,945	13,260	3,723	6,590
Job Costing	33,028	0	0	99,929	129,326
Capital Costs	0	9,495	12,660	0	0
Total Planning and Regulatory	207,134	659,186	878,869	216,472	846,267
Leadership and Governance					
Income	(13,014)	(12,024)	(16,050)	(972)	(12,724)
Operating Cost	596,951	717,705	957,106	530,963	1,986,436
Maintenance Cost	505	5,000	5,000	273	273
Capital Costs	0	8,631	11,500	0	0
Total Leadership and Governance	584,442	719,312	957,556	530,263	1,973,985
Investments					
Income	(576,167)	(749,955)	(950,736)	(1,330,503)	(1,294,328)
Operating Cost	26,578	324,373	408,168	83,020	(68,163)
Total Investments	(549,589)	(425,582)	(542,568)	(1,247,483)	(1,362,491)
Property					
Income	(69,242)	(205,791)	(274,390)	(72,551)	(246,858)
Operating Cost	497,445	710,216	936,291	407,014	692,114
Maintenance Cost	81,216	90,676	108,565	57,401	87,510
Capital Costs	0	41,544	55,385	0	0
Total Property	509,418	636,645	825,851	391,863	532,766
Support Services					
Income	(1,015)	(64,856)	(86,461)	(1,913)	(3,740,578)
Operating Cost	2,625,949	2,992,734	3,990,306	2,742,765	3,740,578
Capital Costs	0	8,235	10,975	0	0
Total Support Services	2,624,934	2,936,114	3,914,820	2,740,852	(0)
Total Net Operating Cost of Service	11,908,784	11,204,778	15,001,280	11,445,398	16,791,914

For the purposes of this report budgets have been restated to remove Support Services costs from within Activity Areas. This ensures that actual and budget income and costs are comparable.

**Reconciliation to Statement of Comprehensive Income**

Net Cost Balance from Revenue Operations	11,908,784
Less Rates Income	(8,788,025)
Less Capital Subsidies	(4,166,716)
Reconciling (Surplus)/Deficit	<u>(1,045,958)</u>
(Surplus) / Deficit per Statement of Comprehensive Income	<u><u>(1,045,958)</u></u>

WAIROA DISTRICT COUNCIL**MĀORI STANDING COMMITTEE**

Minutes of the Māori Standing Committee held at Tuahuru Marae, Mahia on Friday, 10 June 2016 at 12.54pm.

Present:

E Foster (Wairoa Hōnengenenge), P Kelly (Wairoa Matangirau), G Hawkins (Pāhauwera), H Nissen (Ruakituri), P Whaanga (Māhia Mai Tawhiti), Sam Jury (Wairoa Whānui)
Councillor H Flood

D Tipoki (WDC's Māori Relationships Manager)
James Baty (WDC's Governance Advisor & Policy Strategist)

KARAKIA

Opening karakia was given by the Māori Relationships Manager

SUSPENSION OF MODEL STANDING ORDERS

<u>Resolved:</u>	<i>That the Māori Standing Committee suspend standing orders for the duration of the meeting</i>	<i>Nissen/Hawkins</i>
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APOLOGIES

Apologies were received from His Worship the Mayor, C Little, F Power (WDC's CEO), Councillor Bird, G Symes (Rākaipaaka), K Hammond (Wairoa Hōpūpū), N Lambert (Waikaremoana)

<u>Resolved:</u>	<i>That the apologies received from His Worship the Mayor, C Little, F Power (WDC's CEO), Councillor Bird, G Symes (Rākaipaaka), K Hammond (Wairoa Hōpūpū), N Lambert (Waikaremoana) be accepted.</i>	<i>Hammond/Nissen</i>
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CALLS FOR CONFLICT OF INTEREST**CALL FOR ITEMS OF URGENT GENERAL BUSINESS NOT INCLUDED IN THE AGENDA AND NOTICES**

Māori Language Week
Marama Fox & Māori Wards

D Tipoki
P Kelly

PUBLIC FORUM

Members of Tuahuru Marae spoke on:

- Rocks removed to enable driving onto the beach – requested they be returned
- Speeding cars past marae events and Te Mahia school
- Monitoring of resource consents
- Māori Wards
- Public toilets and rubbish collection
- Freedom Camping Bylaw
- Surveillance cameras

- Rocket Lab
- Blacks Beach – trucks taking away loads of sand

Resolved: *That:*
 (a) Council undertake research regarding the significance of Māori events and the role of NZTA and the Council
 (b) Acknowledge that Tuahuru recognise their responsibilities in this space.
Flood/Nissen

Resolved: *That Council work with the Mahia Māori Committee on a proposal for new public toilets due to the current need and intended increase of tourists to the area with rocket launches.*
Kelly/Nissen

Confirmation of Minutes

Resolved: *That the minutes of an Ordinary Meeting of the Māori Standing Committee held on Friday, 13 May 2016 be accepted as the true and correct record of the proceedings.*
Flood/Nissen

General Items

MĀORI RELATIONSHIPS MANAGER'S REPORT

The Māori Relationships Manager presented his report.

Resolved: *That the Wairoa HBRC MSC representatives be invited to attend all future WDC MSC hui.*
Nissen/Kelly

Late item: Marama Fox & Māori Wards

The Committee discussed the recent commentary in the paper from Marama Fox and the Council's decision regarding Māori Wards.

Late item: Māori Language Week

Resolved: *That Council makes Māori Language Week visible and audible in the Wairoa district*
Flood/Kelly

Late item: Wairoa river and AFFCO discharging when bar is blocked

The Committee discussed the recent flooding and the discharge from AFFCO that could be seen as the river was not flowing out to sea due the bar being blocked.

Late item: Write Price Closure

The Committee discussed the recent closure of Write Price. And the staff that would be made redundant.

Late item: Street naming

P Whaanga (Māhia Mai Tawhiti) raised the issue of street names required to be corrected. This was raised 3 years ago and the community are still waiting on the outcome.

<p><u>Resolved:</u> <i>That the MSC unanimously would like the matter to be resolved prior to their next meeting.</i></p>	<p><i>Hawkins/Whaanga</i></p>
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CLOSED: The meeting closed with a karakia by the Māori Relationships Manager at 3.17pm.

RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Confidential Minutes of Previous Council Meeting
2. QRS Director Appointments
3. Finance Report February 2016 – Other Debtors
4. Finance Report March 2016 – Other Debtors

The general subject of each matter to be considered while the public is excluded; the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:	Ground(s) under section 48(1) to the passing of this resolution 48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:
Confidential Minutes of Previous Council Meeting	Section 7 (2) (a) protect the privacy of natural persons, including that of deceased natural persons (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]
QRS Director appointments	Section 7 (2) (a) protect the privacy of natural persons, including that of deceased natural persons;	(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]
Finance Report February 2016 – Other Debtors	Section 7 (2) (a) protect the privacy of natural persons, ...	(i) where the local authority is named or specified in the Schedule 1 to this Act, under

	<p>...</p> <p>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]</p>
<p>Finance Report March 2016 – Other Debtors</p>	<p>Section 7 (2)</p> <p>(a) protect the privacy of natural persons, ...</p> <p>...</p> <p>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>(i) where the local authority is named or specified in the Schedule 1 to this Act, under section 6 or section 7 (except section 7(2)(f)(i)) [of the Local Government Official Information and Meetings Act 1987]</p>