

SUMMARY ANNUAL REPORT

FOR THE YEAR ENDING 30 JUNE 2016
Adopted 25 October 2016



TE WAIROA
WAIROA DISTRICT

JOINT STATEMENT FROM THE MAYOR AND THE CHIEF EXECUTIVE OFFICER

Kia ora tātou and welcome to the Wairoa District Council's 2015/2016 Summary Annual Report. It has been a busy year and we are pleased to share with you the highlights of another year which can be characterised as looking at opportunities to see Wairoa prosper as well as maintaining core levels of service. This report will focus on our achievements and progress towards outcomes as per our Long Term Plan 2015/25 (LTP) and specifically year one of that LTP being the Annual Plan 2015/16, essentially a summary of the Council's activities, performance and financial situation.

Notable highlights and achievements are as follows;

With economic development as a key focus area, the Wairoa District Council has sought to encourage emerging innovation industries to the district, attracting businesses like Rocket Lab and Starkraving productions. Growing new and innovative industries demonstrates that the Wairoa District Council has a business friendly attitude. Council's 'green carpet' facilitative approach to new businesses that demonstrate sustainability and environmental sensitivity means that businesses are offered high quality pre-application and consultation advice to ensure a very efficient consenting process.

The Wairoa District Council has a renewed focus on recreational facilities and infrastructure, in line with our mission. The development of the Whakamalia Recreational Precinct over the past year has seen increase usage of the area including by freedom campers. The recently sealed road, new toilet and picnic facilities and an extension to the current walkway/cycleway all the way to the beachfront has added additional opportunities to open up the area for recreational purposes. The Wairoa district was also made a Motorhome Friendly Town by the New Zealand Motor Caravan Association in line with this renewed focus on recreational facilities and infrastructure.

Wairoa District Council was also selected as one of the 'Foundation Councils' to undertake the Local Government New Zealand (LGNZ) Excellence Programme. The programme is intended to be driven by councils for the benefit of their communities and will lift performance and reputation. It is designed to improve the public's knowledge of the work we do within our communities as well as supporting councils to improve the value we provide to the communities we serve. There are only 21 councils participating in this initial stage of the programme.

The Wairoa District Council as a Building Consent Authority (BCA) underwent an IANZ audit for re accreditation as a BCA and we were pleased to once again receive our reaccreditation. Regulations require Building Consent Authorities to have appropriate policies, systems and procedures in writing that record how it ensures that it implements effective policies, procedures and systems. Alongside this, the Wairoa District Council signed up to GoShift, a programme to standardise and simplify the building consenting process which is supported by the Ministry of Business, Innovation and Employment (MBIE). The Wairoa District Council has spent significant effort enhancing its BCA services and we are pleased with the results of these efforts and will continue to further enhance services where appropriate.

Below are some facts and figures that form the key points of this report:

Financials

Overall Council completed the year with an Operating surplus of \$57,688 (2015: surplus of \$777,130). Specific measures in the results are:

- A 2.2% increase in rates revenue \$246,041 (2015: Increase of 10.1% \$1,027,302),
- A decrease in fees and charges \$2,488,989 (2014/15: Increase of \$2,246,640). The increase in 2015 included \$2,446,100 of Mahia and Opoutama Wastewater Scheme Lump Sum contributions, which were not charged in 2015/16.
- A decrease in Investment Income \$154,808 (2015: decrease of \$88,253)
- A decrease in operating costs of \$3,255,485 (2015: increase of \$3,992,107) being the one-off \$4,702,505 of Mahia and Opoutama Wastewater Scheme costs included in 2014/15, not charged in 2015/16.
- Working capital of \$7,696,768 was \$6,448,062 down on 2015 (\$14,144,830) as a result of moving available cash into longer term investments.
- Cash flow from Operations of \$8,979,667 was \$703,284 up on 2015 (\$8,276,383) due primarily to decreases in operating costs which included in 2014/15 \$1,837,101 of costs associated with the Mahia and Opoutama Wastewater Schemes.
- Capital Expenditure rose to \$8,001,599 (2015: \$4,894,492). The transfer of Mahia and Opoutama Wastewater scheme costs to operating costs in 2014/15 reduced the total capital spend in that year.
- A net increase in long term financial assets of \$3,864,036 (2014/15: Increase of \$1,136,398) and \$1,666,232 (2014/15: Reduction of \$4,018,009) in short term financial assets.

Performance Management

Of the 220 (2014/15: 150) identified service levels and targets, 175 (2014/15: 106) were achieved, a score of 80% compared with 71% last year.

Quality Roading and Services (Wairoa) Limited

Quality Roading and Services (Wairoa) Limited Annual Report shows an operating surplus before tax of \$427,477 (2014/15: \$113,305). The after tax profit was \$307,681 (2014/15: \$79,302) which represents a 5.3% (2014/15: 1.4%) return on equity of \$5.76 million (2014/15: \$5.83 million). A dividend of \$50,000 (2014/15: \$145,000) has been declared and reflected within the 2016 Accounts.

Roading

3.93km	rehabilitated roads
6.7km	resurfaced roads
2.2km	unsealed road metal build-up

Stormwater

192m Wairoa open drains piped

Wastewater

Pre-Treatment Screen at the Wairoa WWTP

Tideflex Check Valves on all Wairoa Wastewater Pump Station Overflow Outfalls

Water

Water Treatment plant-

New 110Kva standby generator for the plant

Installation of new Monitored Fire Alarm

Intake Building

New flood protection doors at Intake building

Boundary Station

Upgrade boundary station pipework configuration.

New roadway protection barrier

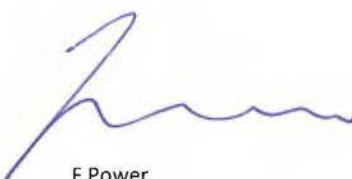
WDC office

New 150kva standby generator

This Summary Annual Report provides insight into the activities of Council and is a review of the work undertaken on behalf of the people of the Wairoa District. On behalf of Council and the management team we wish to acknowledge the contribution of staff and contractors for the achievements outlined in this Annual Report. We are pleased to be associated with the Wairoa District Council as it continues to maintain infrastructure, deliver core services and plan for Wairoa's future.



C Little
MAYOR



F Power
CHIEF EXECUTIVE OFFICER

Community Outcomes

Community outcomes are aspirational statements that describe what the community believes are important for its present and future economic, social, cultural and environmental well-being.

The community outcomes were derived from a regional-wide approach by the five Hawke's Bay Councils: Hastings District Council, Napier City Council, Central Hawke's Bay District Council, Wairoa District Council and the Hawke's Bay Regional Council, to work collectively with the community to identify community outcomes and determine a long-term vision for the future of our region. The community have reconfirmed the outcomes identified.

The community outcomes in this plan remain unchanged and are as follows:

1. A strong, prosperous and thriving economy.
2. A safe and integrated transport system.
3. A community that values and promotes its culture and heritage.
4. Safe and accessible recreational facilities.
5. Supportive, caring and valued communities.
6. Strong district leadership and a sense of belonging.
7. A safe and secure community.
8. A lifetime of good health and well-being.
9. An environment that is appreciated, protected and sustained for future generations.

It is important to note that Council is not solely responsible for the delivery of these community outcomes. Council will work with the community, key organisations and stakeholders to achieve the community outcomes together. Council's role therefore will vary, depending on the specific outcomes and the activities involved.

More information on the outcomes and the way in which Council will work towards achieving them can be found in the LTP 2015-2025 on Council's website or from Council's office.

Council Activities

Council activities are divided into two strategic goal areas being:

Community Development & Participation

Council's aim is to provide services and facilities to encourage community focus, ensuring access to information and leisure opportunities and to promote the expansion of the economy by encouraging tourism options and business development.

Safe Living Environment

Council's aim is to provide services and facilities which contribute to community health and safety and ensure that the natural and physical resources of the district are preserved for future generations.

These are in turn supported by:

- management services
- investments.

In addition Council has grouped its activities into seven "Key Activity Areas" and the Annual Report includes a table that shows how these grouped key activity areas relate to the work of Council, the strategic goal areas of Council, and shows where there is a direct linkage to the community outcomes identified in the LTP.

Survey results relating to outcomes:

Every year Council conducts a survey of residents to ensure we keep track of how well we are doing in meeting the community outcomes and having a positive impact on the quality of life in Wairoa. Detailed below are the results from this year along with those from recent years. The relevant community outcomes are also identified.

Is Wairoa a better place to live than it was three years ago? (All outcomes)				Is Wairoa District generally a safe place to live? (A safe and secure community)			
	2014	2015	2016		2014	2015	2016
Yes	28%	24%	39%	Yes, definitely	52%	53%	49%
The same	52%	52%	44%	Yes, mostly	47%	41%	48%
Worse	13%	17%	11%	Not really	1%	5%	3%
Unable to comment	7%	7%	6%	No, definitely not	-	1%	-

Satisfaction with the way in which Council involves the public in the decisions it makes. (Strong leadership and a sense of belonging; Supportive, caring and valued communities)				Quality of Life. (All outcomes)			
	2014	2015	2016		2014	2015	2016
Very Satisfied	10%	11%	10%	Very Good	51%	43%	47%
Satisfied	50%	42%	44%	Good	41%	43%	39%
Neither satisfied nor dissatisfied	20%	28%	27%	Fair	6%	11%	11%
Dissatisfied	9%	11%	10%	Poor	2%	3%	3%
Very dissatisfied	2%	5%	3%	Don't know	-	-	-
Don't know	9%	3%	6%				

Community Spirit. (Supportive, caring and valued communities)				Natural Environment. (An environment that is appreciated, protected and sustained for future generations)			
	2014	2015	2016		2014	2015	2016
Very Good	42%	39%	39%	Very Satisfied	22%	19%	17%
Good	48%	46%	42%	Satisfied	52%	48%	57%
Neither good nor bad	7%	10%	13%	Neither satisfied nor dissatisfied	10%	23%	14%
Not very good	2%	4%	4%	Dissatisfied	7%	8%	9%
Poor	1%	1%	2%	Very dissatisfied	6%	1%	2%
Don't know	-	-	-	Don't know	3%	1%	1%

Summary Financial Report for the year ended 30th June 2016

The information contained in this report has been extracted from the audited Annual Report of the Wairoa District Council for the year ended 30th June 2016. An unqualified audit report was signed on 25th October 2016. Ernst & Young, on behalf of the Auditor-General has reviewed this summary report and has confirmed that it fairly and consistently represents the full annual report for the year.

A summary report cannot be expected to provide as complete an understanding of the financial and non-financial performance of the Council as the full Annual Report. A copy of the full report is available from Wairoa District Council, Coronation Square, Wairoa (PO Box 54 Wairoa) or by visiting the Wairoa District Council website at www.wairoadc.govt.nz

The financial statements comprise the Wairoa District Council and its Council controlled trading organisation, Quality Roading and Services (Wairoa) Ltd.

Changes in Accounting Policies:

The accounting policies are now in accordance with Public Benefit Entity (PBE) Standards Reduced Disclosure Regime (Tier 2 PBE) accounting standards. Prior to 1 July 2014, Council financial statements were prepared in accordance with NZ IFRS accounting policies.

All accounting policies have been applied on a consistent basis throughout the year.

Overview

The summary financial statements comply with PBE Financial Reporting Standard 43: *Summary Financial Statements*. This standard requires that the specific disclosures included in the summary financial statements be drawn from and be consistent with the full financial statements.

The summary financial statements are prepared in New Zealand dollars. The summary financial statements are rounded to the nearest whole dollar.

The summary financial statements were authorised for issue on 25th October 2016, by the Mayor Craig Little, and the Chief Executive Officer Fergus Power.

The full financial statements were authorised for issue on 25th October 2016 by the Mayor Craig Little, and the Chief Executive Officer Fergus Power. The Wairoa District Council is a public benefit entity. The full financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime and other applicable financial reporting standards, as appropriate for public benefit entities.

Events after the end of the Reporting Period

There are no material non-adjusting events after the reporting date.

Summary of Council Revenue for the year ended 30th June 2016

	\$	%
Rates	11,407,513	50.66%
Subsidies	8,259,900	36.69%
Petrol Tax	66,731	0.30%
Fees and Charges	1,694,641	7.53%
Investment Income	1,079,610	4.80%
Miscellaneous Income	4,783	0.02%
	22,513,178	100.00%

- Rates are charged to all residents owning land within the Wairoa district, and include uniform charges for running Council, and for services such as water and sewerage. Targeted rates are charged for roading, stormwater, parks and reserves and services.
- Subsidies and rates make up over 87% (2015: 79%) of the revenue of Council. This change is the result of the prior year's fees and charges including income from the Mahia and Opoutama Wastewater Schemes. The bulk of subsidies are received from Land Transport New Zealand to subsidise the cost of maintaining the local roading infrastructure.
- Council receives petrol tax as its share of the regional income based on the relative rating income of local authorities in the East Coast region.
- Fees and charges are the costs charged directly to consumers of Council services, including landfill.
- Investment Income includes income from interest on investments and dividends from Quality Roading and Services (Wairoa) Limited.
- The Miscellaneous Income is the cash received over and above the opening book value of assets that were sold during the year, or depreciation recovered.

Summary of Council Expenditure for the year ended 30th June 2016

	\$	%
Water Services	4,605,703	20.51%
Solid Waste	1,111,234	4.95%
Transport	10,450,745	46.53%
Community Facilities	1,712,357	7.63%
Planning and Regulatory	1,356,324	6.04%
Leadership and Governance	2,148,459	9.57%
Investments	399,979	1.78%
Property	658,244	2.93%
Corporate	12,445	0.06%
	22,455,490	100.00%

- Water services include the cost of supplying and reticulating water to residents, and collecting storm water and sewerage.
- Waste management includes the collection of rubbish and recyclables, the management of the landfill and control of litter.
- Transport includes the cost of maintaining local roads, and parking facilities plus the safe operation of the airport.
- Community facilities include maintaining cemeteries, parks and reserves, pensioner housing plus funding of the library, museum, community centre and community halls.

- Planning and regulatory includes planning, health, building, livestock and dog control plus bylaw enforcement, liquor licensing, safer communities and emergency management.
- Leadership and governance includes community representation, Māori liaison, and economic development.
- Investments include commercial and sundry properties, funds management and dividends.
- Corporate includes management, administration, finance, asset information and information systems.

Summary of Council Assets as at 30th June 2016

	\$	%
Property, Equipment, and Intangibles	249,163,291	91.43%
Investment in Subsidiaries	1,250,000	0.46%
Cash and Cash Equivalents and other Financial assets	18,737,806	6.88%
Trade and other Receivables	3,051,652	1.12%
Other Assets	299,193	0.11%
	272,501,942	100.00%

- Council property includes land and buildings, vehicles, furniture and office equipment plus infrastructure assets such as roading, bridges, and water reticulation, and computer software.
- Investment in subsidies is the initial investment Council made in its subsidiary Quality Roading and Services (Wairoa) Limited.
- Cash and cash equivalents and financial assets includes cash, investments, and assets held for sale.
- Trade and other receivables includes all accounts outstanding as at year end.
- Other assets include inventories, loans and other receivables, and forestry, a biological asset.

Summary of Council Liabilities as at 30th June 2016

	\$	%
Trade and Other Payables	3,905,458	39.82%
Landfill Aftercare	755,898	7.71%
Employee Benefit Liabilities	111,459	1.14%
Borrowings	5,034,018	51.33%
	9,806,833	100.00%

- Trade and other payables include all accounts owing to creditors at year end.
- Landfill aftercare is the liability Council has for ongoing maintenance of the landfill.
- Employee benefit liabilities represents the liability for annual leave, long service leave, gratuities, sick leave and accrued pay.
- Borrowings represent the liability for repayment of loans.

- **Explanation of major variances against budget**

Explanation for major variations from Council's estimated figures in the 2015/2016 Long Term Plan are as follows:

Income Statement	2015/2016	Long Term Plan
	\$	\$
2016 plan net surplus	2,494,284	
Higher (lower) subsidy revenue (regional projects, emergency works)	(2,624,259)	
Higher (lower) income from investments	193,874	
Higher (lower) income from fees & charges (water production, waste management)	(1,354,425)	
Higher (lower) income from rates	(99,977)	
Increase in costs due to additional roading work, operating deficits from production of water	1,441,677	
Capital gain on asset sales	4,783	
Other	1,731	
2016 actual net surplus	57,688	
<hr/>		
Capital expenditure		
2016 plan	10,636,515	
Projects underspent for the year	(2,412,242)	
Actual expenditure 2016	8,224,274	

	COUNCIL 2016 ACTUAL	COUNCIL 2016 ANNUAL PLAN	COUNCIL 2015 ACTUAL	GROUP 2016 ACTUAL	GROUP 2015 ACTUAL
	\$	\$	\$	\$	\$
Summary Statement of Comprehensive Revenue and Expense					
For the year ended 30 June 2016					
Rates Revenue	11,407,513	11,507,490	11,161,472	11,407,513	11,161,472
Other Revenue	11,105,665	14,883,961	15,326,633	14,150,347	19,636,854
Total Operating Revenue	22,513,178	26,391,451	26,488,105	25,557,860	30,798,326
Total Finance Expense	293,108	473,078	302,500	397,634	364,168
Total Operating Expense (excluding finance expense)	22,162,382	23,424,089	25,408,475	24,819,774	29,740,698
Operating Surplus/(Deficit) before taxation	57,688	2,494,284	777,130	340,452	693,460
Taxation	-	-	-	119,796	34,003
Net Surplus/(Deficit) after taxation	57,688	2,494,284	777,130	220,656	659,457
Other Comprehensive Revenue and Expenses					
Gain on revaluation of Infrastructural assets	-	-	2,449,206	-	2,449,206
Total Other Comprehensive Revenue and Expenses	-	-	2,449,206	-	2,449,206
Total Comprehensive Revenue and Expense	57,688	2,494,284	3,226,336	220,656	3,108,663
Summary Statement of Changes in Equity					
For the year ended 30 June 2016					
Equity opening balance	262,637,421	255,129,890	259,411,085	266,376,833	263,268,170
Net Surplus/(Deficit)	57,688	2,494,284	777,130	220,656	659,457
Other Comprehensive Revenue and Expenses	-	-	2,449,206	-	2,449,206
Equity closing balance	262,695,109	257,624,174	262,637,421	266,597,489	266,376,833
Comprising:					
Accumulated Funds and Retained Earnings	136,034,737	132,335,876	135,198,972	138,946,583	137,947,850
Revaluation Reserves	104,260,014	104,896,560	104,260,014	105,250,548	105,250,548
Special Fund Reserves	22,400,358	20,391,739	23,178,435	22,400,358	23,178,435
	262,695,109	257,624,174	262,637,421	266,597,489	266,376,833
Summary Statement of Financial Position					
As at 30 June 2016					
Current Assets	11,612,486	19,484,593	18,380,926	15,307,857	21,941,057
Non-current Assets	260,889,456	248,519,372	254,091,780	263,803,885	257,038,178
Total assets	272,501,942	268,003,965	272,472,706	279,111,742	278,979,235
Current Liabilities	3,915,718	3,822,346	4,236,096	5,621,948	6,267,661
Non-current Liabilities	5,891,115	6,557,445	5,599,189	6,892,305	6,334,741
Total Liabilities	9,806,833	10,379,791	9,835,285	12,514,253	12,602,402
Total Equity	262,695,109	257,624,174	262,637,421	266,597,489	266,376,833

Summary Cash Flow Statement For the year ended 30 June 2016	COUNCIL 2016 ACTUAL	COUNCIL 2016 ANNUAL PLAN	COUNCIL 2015 ACTUAL	GROUP 2016 ACTUAL	GROUP 2015 ACTUAL
	\$	\$	\$	\$	\$
Net Cash Inflow from Operating Activities	8,540,279	4,128,247	8,276,383	7,160,702	8,270,493
Net Cash Outflow from Investing Activities	(13,238,476)	(9,130,149)	(4,977,874)	(11,596,568)	(6,714,582)
Net Cash Inflow/(Outflow) from Financing Activities	34,018	(1,784,615)	-	152,814	1,018,487
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,664,179)	(6,786,517)	3,298,509	(4,283,053)	2,574,398
Plus Opening Cash and Cash Equivalents	9,182,198	6,927,292	5,883,689	9,942,468	7,368,070
Closing Cash and Cash Equivalents	4,518,019	140,775	9,182,198	5,659,415	9,942,468

In the opinion of Council and the management of Wairoa District Council, the summary financial report for the year ended 30th June 2016 fairly reflects the financial position and operations of Wairoa District Council.

Chief Executive
Fergus Power
25th October 2016

Mayor
Craig Little
25th October 2016

Other Disclosures:

Contingent Liabilities

A contingent liability is a transaction or action where no amount is currently owed to any Entity, however there is a potential for the Wairoa District Council Group to be exposed to a payment in the future.

	2016 Council	2015 Council	2016 Group	2015 Group
	\$	\$	\$	\$
Contingent Liabilities	Nil	Nil	Nil	Nil
Performance bonds with ANZ Banking Group (NZ) Ltd	-	-	407,000	339,000

Related Party Transactions

During the year the Wairoa District Council had the following related party transactions:

Council and Quality Roading and Services (Wairoa) Ltd

	2016 Council	2015 Council
	\$	\$
Purchase of services	10,293,169	8,772,585
Sales	24,387	33,631
Dividend Received	50,000	145,000
Amount Owed to Council	1,937	375
Amount Owed to Quality Roading and Services (Wairoa) Ltd	792,411	781,699
Debts or Fees and Charges forgiven or written off during the year	Nil	Nil

All transactions were payable on normal trading terms.

Councillors and Key Council Staff

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with WDC (such as payment of rates, dog registration etc.)

QRS Directors and CEO

Sales transacted during the year payable on normal trading terms were as follows:

	2015/16 Business Transacted	2015/16 Balance Owing	2014/15 Business Transacted	2014/15 Balance Owing
	\$	\$	\$	\$
QRS Directors and Executive Officers	7,878	753	11,780	420

Commitments

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
	\$	\$	\$	\$
Capital Commitments approved and contracted	3,462,733	3,367,795	3,462,733	3,367,795

WDC leases 5 photocopy machines in the ordinary course of its business. The majority of these have a non-cancellable term of 60 months. The future aggregate minimum lease payments to be made under non-cancellable operating leases are as follows:-

	2015/16 Council	2014/15 Council	2015/16 Group	2014/15 Group
	\$	\$	\$	\$
Non cancellable operating lease commitments				
Office equipment				
Up to one year	33,000	33,000	33,000	33,000
one to five years	62,250	96,250	62,250	96,250
over five years	-	-	-	-

The lease does not transfer substantially all the risks and rewards incidental to ownership.

Summary of Performance Measures

Every three years Council is required to define within its Long Term Plan a range of service delivery measures against which its actual performance can be assessed. Each of these measures is linked to the Council community outcomes in order that the measure may act as one of the main drivers of community outcome performance. Each year these measures are reviewed within the Annual Plan and subsequently reported against within the Annual Report. Council monitors actual performance through the customer service request system (CSR's) and annual surveys.

The table below summarises Council performance across all of its performance measures and Activities.

Activity Group	Achieved	Not Achieved	Not Measured
Transport, Water and Waste			
Water Reticulation and Production	17	4	1
Storm Water and Drainage	10	3	1
Sewerage	12	4	
Waste Management	16	3	1
Roads	12	4	1
Airport	10		1
Community Services			
Cemeteries	7	3	
Parks and Reserves	10	2	
Library	6	2	
Community Support	5	1	
Planning and Regulatory			
Resource Planning	5	2	
Environmental Health	5	1	
Dog Control	6		1
Livestock Control	2		
Bylaw Compliance General	4		1
Building Inspection	4	3	
Liquor Control	5		
Civil Defence and Rural Fire	9		
Leadership and Governance			
Community Representation	8	1	
Māori Liaison	6		
Economic Development	6	3	
Property			
Property	10	1	1
	175	37	8

Mandatory Performance Measures

The following are the mandatory performance measures set by Legislation:

MANDATORY MEASUREMENT AREA	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
WATER SUPPLY			
Safety Of Drinking Water	Council shall meet the requirements of the Drinking Water Standards (NZDWS)	Bacterial compliance shall be monitored in accordance with part 4 of the Drinking Water Standards Protozoal compliance shall be monitored in accordance with part 5 of the Drinking Water Standards	Not Achieved: All Water Treatment Plants and supplies met the NZDWS except Mahanga which is currently being managed through a Water Safety Plan. (2014/15: New measure not previously assessed)
Maintenance of the Reticulation Network	% of water loss from the reticulation systems through leakage, shall reduce with time	% water loss* shall not exceed 20% *calculated as difference between quantity of water produced and that consumed based on per capita standard consumption	Water loss from leakage in the reticulation system is not currently monitored. Accordingly no information is available for this measure. (2014/15: New measure not previously assessed)
Demand Management	The average consumption of drinking water per day per resident shall reduce with time (due to system leakage, estimated 2014 consumption is 1,400m ³ /person/day)	The average consumption of drinking water per day per resident shall be less than 1,400m ³	Achieved: 2015/2016 Average Residential Water Consumed per Person per Day is 452.9m ³ (2014/2015 Achieved: 451.65m ³).
Fault Response Times	Council shall respond to faults / interruptions in the network reticulation	The medium response time to attend a fault/interruption to the network reticulation from receiving notification to the time that service personnel reach the site shall not exceed 4 hours for URGENT call-outs. The medium response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours for NON-URGENT call-outs. The medium response time to attend a fault/interruption to the network reticulation from receiving notification to the time that service personnel reach the site shall not exceed 4 hours for URGENT call-outs. The medium response time to confirm resolution of the blockage or other fault from receiving	Achieved: Customer Service Requests are updated with the corrective action taken and then signed off by the council person responsible. (2014/15: New measure not previously assessed)

MANDATORY MEASUREMENT AREA	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
		notification shall not exceed 4 hours for NON-URGENT call-outs.	
Customer Satisfaction	<p>Complaints received annually shall not exceed:</p> <ul style="list-style-type: none"> • 20 for drinking water clarity • 20 for drinking water taste • 20 for drinking water odour • 40 for drinking water pressure or flow • 40 for continuity of supply • 20 for response to issues expressed per 1000 connections. 	<p>Complaints received annually shall not exceed:</p> <ul style="list-style-type: none"> • 20 for drinking water clarity • 20 for drinking water taste • 20 for drinking water odour • 40 for drinking water pressure or flow • 40 for continuity of supply • 20 for response to issues expressed per 1000 connections. 	<p>Achieved: Complaints received through the CSR system:</p> <ul style="list-style-type: none"> • 2 for drinking water clarity • 0 for drinking water taste • 0 for drinking water odour • 17 for drinking water pressure or flow -These pressure and flow issues were associated with individual residents not the system as a whole in reference to B (page 1). • 0 for continuity of supply • 1 for response to issues for 1956 water service connections. <p>(2014/15: Measure not previously assessed in this format)</p>
STORMWATER			
System and Adequacy	The stormwater system shall be managed to limit the number of flooding events where 'flooding event' means an overflow of stormwater from the stormwater system and the impact of those flooding events on properties	<p>There shall be no more than 10 flooding events</p> <p>For each flooding event, the number of habitable floors affected shall not exceed 50 per 1000 properties connected to the system</p>	<p>Achieved: The council visually inspects the network during heavy rain events to identifying and rectifying the areas that are affected by network flooding/blockages.</p> <p>(2014/15: New measure not previously assessed)</p>
Discharge Compliance	Council shall comply with conditions of consent for any systems	There shall be no abatement notices, infringement notices, enforcement orders or convictions in relation to resource consents	<p>Not assessed. No consents are in place for stormwater systems. However WDC is progressing with adopting the Stormwater Bylaw which will lead to a Resource Consent for stormwater discharge to the Wairoa River and Awatere Stream.</p> <p>(2014/15: New measure not previously assessed)</p>
Response Times	Council shall respond to faults / interruptions in the network reticulation	The medium response time to attend a flooding event from receiving notification to the time that service personnel reach the site shall not exceed 4 hours	<p>Achieved: Customer Service Requests are updated with the corrective action taken and then signed off by the council person responsible.</p> <p>(2014/15: New measure not previously assessed)</p>
Customer Satisfaction	The total number of complaints received shall not exceed 50 per 1000 connections	The total number of complaints received shall not exceed 50 per 1000 connections	<p>Achieved: A total of 71 CSRs received for all connections (2014/15: New measure not previously assessed)</p>

MANDATORY MEASUREMENT AREA	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
WASTEWATER			
System and Adequacy	There shall be no dry weather sewerage overflows	There shall be no dry weather sewerage overflows for the Wairoa, Mahia, Oputama or Tuai systems	Achieved: There have been no dry weather sewerage overflows. (2014/15: New measure not previously assessed)
Discharge Compliance	Council shall comply with conditions of consent for all systems	There shall be no abatement notices, infringement notices, enforcement orders or convictions in relation to resource consents for the Wairoa, Mahia, Oputama or Tuai systems Council shall report 6-monthly to HBRC on progress in relation to the inflow and infiltration study and associated renewals/rehabilitation	Not Achieved: There have been multiple failures of the Wairoa Wastewater discharge consent due to infiltration and inflow during and immediately after heavy rain events. (2014/15: Not Achieved)
Fault Response Times	Council shall respond to sewerage overflows resulting from a blockage or other fault in the sewerage system	The medium response time to attend an overflow from receiving notification to the time that service personnel reach the site shall not exceed 4 hours The medium response time to confirm resolution of the blockage or other fault from receiving notification shall not exceed 4 hours	Achieved: CSR sign off/closeout information. There were 4 overflow events, all during wet weather events when there is a large infiltration and inflow issue. 3 of these complaints are at a known infiltration and inflow hot spot, which is scheduled for relining at the start of 2017. (2014/15: New measure not previously assessed)
Customer Satisfaction	The total number of complaints received shall reduce each year	Complaints received shall not exceed: <ul style="list-style-type: none">• 20 for sewerage odour• 20 for sewerage system faults• 20 for sewerage system blockages• 20 for response to issues with sewerage system Per annum and expressed per 1000 connections.	Not Achieved: 63 CSR were received 2015/16 (2014/15: Not Achieved: 58)

MANDATORY MEASUREMENT AREA	PERFORMANCE MEASURE	TARGET	PERFORMANCE ACHIEVED
PROVISION OF ROADS AND FOOTPATHS			
Road Safety	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (new mandatory performance measure)	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Not Achieved: 2015/2016: 6 vs 2014/15: 5 (2014/15: Achieved)
Road Condition	Council's target is to provide a "fair" ride quality i.e. average sealed road NAASRA <110 for 'fair' ride quality (new mandatory performance measure)	Average NAASRA of the sealed road network <110	Achieved: 2015/16 NAASRA = 102 (2014/15: NAASRA = 103)
Road Maintenance	The percentage of the sealed local road network that is resurfaced, expressed as a number (new mandatory performance measure)	The percentage of the sealed local road network that is resurfaced, expressed as a number	2015/2016: 6.741km/300.844km = 2.24% (2014/15: New measure not previously assessed)
Footpaths	The percentage of footpaths that fall within the level of service or standard of condition of footpaths set out in Council's relevant document, expressed as a number (new mandatory performance measure)	The percentage of footpaths that fall within the level of service or standard of condition of footpaths set out in Council's relevant document	Not Achieved: Condition data not obtained. (2014/15: New measure not previously assessed)
Response to Service Requests	All requests for service and complaints are dealt with properly and promptly. Appropriate Council staff contact and discuss complaints received with complainants (subject to contact details being provided) in an effort to improve relationships and responsiveness to customers. 90% of all CSRs and complaints are dealt with within the prescribed timeframes (new mandatory performance measure)	90% of CSRs are dealt with within the prescribed timeframes	Achieved: 96% Achieved: With 12 out of 319 Roading-related CSRs (including streetlights, footpaths and parking etc.) not completed by the due date. (2014/15: Achieved: 93%, 21 out of 296 not completed on time)

Each year Council engage an Independent survey company to provide unbiased community feedback on each of its core Activity areas. The results of this public satisfaction survey are incorporated within the overall Council performance measures (summarised below) and as such help inform overall Council performance.

Council sets a minimum satisfaction level of 80% within its performance measures and will be working hard in those areas currently reporting below this level to improve the public satisfaction level.

The table below summarises the results of this annual community survey.

Community Survey Results	2016			2015		
	Very satisfied/Fairly satisfied	Not Very satisfied	Don't Know	Very satisfied/Fairly satisfied	Not Very satisfied	Don't Know
Water Services	96%	4%	0%	93%	7%	0%
Stormwater and Drainage	71%	28%	1%	72%	25%	3%
Sewerage	91%	6%	3%	81%	12%	7%
Waste Management	65%	18%	17%	75%	15%	10%
Roads	72%	27%	1%	80%	20%	0%
Parks and Reserves	89%	10%	1%	89%	9%	2%
Library	97%	0%	3%	98%	0%	2%
Dog Control	71%	21%	8%	63%	29%	8%
Mayor and Councillors *	87%	5%	9%	82%	15%	3%

* Includes 55% Very good/fairly good plus 32% Just acceptable (2015 -57% Very good/fairly good plus 25% Just acceptable)

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WAIROA DISTRICT COUNCIL AND GROUP'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

The summary annual report was derived from the annual report of the Wairoa District Council (the District Council) and group for the year ended 30 June 2016. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 4 to 18:

- the summary statement of financial position as at 30 June 2016;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flow for the year ended 30 June 2016;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision referred to as Summary of Performance Measures of the District Council and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 25 October 2016.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.



Building a better
working world

Other than in our capacity as auditor of the District Council we have carried out the audit of Quality Roading and Services (Wairoa) Ltd and its Joint Operation (the "Tangihanga Quarry Joint Operation"). Other than these audits we have no relationship with, or interest in, the District Council or its subsidiary.

Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand
25 October 2016