

# 2014/2015 Annual Report



# Table of Contents

## Message from the Mayor

## Introduction

Your Council - Mayor and Elected Members	5
What is the Annual Report	6
Council's Vision, Values and Outcomes	7

## Performance Overview

Highlights from the Thames Community Board Area	10
Highlights from the Coromandel/Colville Community Board Area	12
Highlights from the Mercury Bay Community Board Area	13
Highlights from the Tairua/Pauanui Community Board Area	14
Highlights from the Whangamata Community Board Area	15
Overview of Our Financial Performance	17
Independent Auditor's Report	23

## Our services

Introduction	29
<b>Community Leadership Activity Group</b>	<b>32</b>
District Leadership Activity	34
Local Advocacy	37
<b>Planning for the Future Activity Group</b>	<b>39</b>
Strategic Planning Activity	41
Land Use Planning Activity	43
Hazard Management Activity	45
<b>Healthy and Safe Communities Activity Group</b>	<b>47</b>
Emergency Management Activity	50
Building Control Activity	52
Community Health and Safety Activity	55
<b>Roads and Footpaths Activity Group</b>	<b>57</b>
District Transportation Activity	61
Local Transportation Activity	64
<b>Community Spaces Activity Group</b>	<b>68</b>
Airfields Activity	71
Cemeteries Activity	72
Community Centres and Halls Activity	73
Public Conveniences Activity	75
Harbour Facilities Activity	76
Libraries Activity	78
Parks and Reserves Activity	80
Swimming Pools Activity	83

<b>Community Development Activity Group</b>	<b>85</b>
Economic Development Activity	88
Social Development Activity	91
<b>Stormwater Activity Group</b>	<b>94</b>
Stormwater Activity	96
Land Drainage Activity	97
<b>Wastewater Activity Group</b>	<b>99</b>
Wastewater Activity	102
<b>Land Use Activity Group</b>	<b>105</b>
Land Use Management Activity	107
LIMS Activity	109
Natural and Cultural Heritage Activity	111
<b>Water Supply Activity Group</b>	<b>113</b>
Water Supply Activity	115
<b>Solid Waste Activity Group</b>	<b>119</b>
Solid Waste Activity	121

## Financial Statements

Guide to Financial Statements	126
Statement of Compliance	128
Statement of Comprehensive Revenue and Expense	129
Statement of Financial Position	130
Statement of Changes in Equity	131
Statement of Cash Flows	132
Funding Impact Statement for Whole of Council	133
Notes 1 - Statement of Accounting Policies	134
Notes 2 to 37 - Notes to Financial the Statements	151

<b>Council Controlled Organisations</b>	<b>203</b>
<b>Council Policies</b>	<b>208</b>



## MESSAGE FROM MAYOR AND CHIEF EXECUTIVE

This year, much of the attention of elected members and council staff has been on the successful adoption of the 2015-2025 Long Term Plan. While it is important to focus on our future, we also can't lose sight of what is going on around us, and to contribute to that spirit which makes the Coromandel unique. We are proud to present our 2014/2015 Annual Report which sets out our successes - for the year and explains where progress has been slower than anticipated. We are proud to be a council which can honestly say we are doing our best for the residents and ratepayers of the Thames-Coromandel District.

We have had a busy year with progressing our anchor projects, in particular the planting of the first trees of our World War I Memorial Forest Project (Te Wao Whakamaumaratanga), and ensuring the success of our community empowerment model, with Community Boards actively involved in local decision making which has a real impact in their communities. This includes spending on local roads and economic development projects, to involvement in setting the direction for bylaws and policies and influencing the budgets within the Long Term Plan. In June 2015 we opened the Pauanui Community Hub, now housing the Pauanui Library and Information Centre, and throughout 2014/2015 we made solid progress on our plans for the Thames Indoor Sports Facility, including the granting of resource consent for this project. The partnerships we have with our communities are fundamental to the successes we have as Council.

We also extended our network of sealed roads by 14 kilometres to a total 471 kilometres through dust sealing, traction sealing and acquisition of existing sealed roads. A number of district-wide stormwater renewals were completed, and we made significant progress in connecting Ohuka Park in Mercury Bay to the district water supply. It is important to acknowledge the hard work of our infrastructure teams and Council's infrastructure committee here - upgrades, renewals and maintenance of these assets is seldom exciting though they make up our biggest budget lines and are the bread and butter of our operations.

This was an important year for our proposed District Plan project, with staff, commissioners and elected members undertaking a huge amount of work around reviewing submissions and facilitating eleven public hearings. We look forward to advancing the District Plan review in 2015/2016.

We also had some setbacks. A number of our infrastructure projects ran over time and have not fully delivered what we intended. Progress has been slower than we would have liked on our Great Walks project, however we are confident that we

can catch up in the year ahead and we should keep in mind the old adage that Rome wasn't built in a

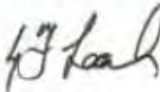
day. Learning we have received \$1 million of Lotteries grant funding towards this project was great news to end the year on. We continue to strive towards better servicing the needs of our communities and making improvements on the year before.

In 2014/2015 we spent a total of \$14.3 million on capital works less than our projected spend of \$24.4 million. This has been a challenge for a number of years and as Council we have a real focus on setting realistic goals. As a result, we have a renewed focus ensuring each workstream we undertake is accurately planned and we are determined to better deliver our projects in coming years.

For us as well as our communities the report is a timely reminder of the need to continue to look after our assets while increasing our on focus economic development on the Peninsula and promoting ourselves as a premier tourism destination and a great place to live and work.

We look forward to the challenges and opportunities of the coming year and to continuing the conversation with our communities on the future of our district and how we as an organisation can meet their needs and expectations.



  
**Glenn Leach**  
DISTRICT MAYOR



  
**David Hammond**  
CHIEF EXECUTIVE



# Introduction





# INTRODUCTION

## Your Council - Mayor and Elected Members



**Deputy Mayor  
Peter French**  
07 868 6649  
027 681 8783  
[frog03@xtra.co.nz](mailto:frog03@xtra.co.nz)  
**THAMES WARD**



**Tony Brljevich**  
75 Kauri Grove, Coromandel 3506  
07 866 7731  
021 126 4202  
[billies@slingshot.co.nz](mailto:billies@slingshot.co.nz)  
**COROMANDEL-COLVILLE WARD**



**Diane Connors**  
07 868 9292  
[sar@slingshot.co.nz](mailto:sar@slingshot.co.nz)  
**THAMES WARD**

**Sandra Goudie**  
027 431 2442  
[bsgoudie@xtra.co.nz](mailto:bsgoudie@xtra.co.nz)  
**THAMES WARD**

**His Worship the Mayor  
Glenn Leach JP**  
PO Box 296, Whitianga  
027 498 5122  
[Glenn.leach@tcdc.govt.nz](mailto:Glenn.leach@tcdc.govt.nz)



**Murray McLean JP**  
182 Buffalo Beach Road,  
Whitianga 3510  
07 866 4158  
027 457 0855  
[mmcl@xtra.co.nz](mailto:mmcl@xtra.co.nz)  
**MERCURY BAY WARD**



**Tony Fox**  
07 866 4836  
027 497 0705  
[tonytcdc@hotmail.com](mailto:tonytcdc@hotmail.com)  
**MERCURY BAY WARD**



**Jan Bartley**  
PO Box 166, Whangamata 3643  
07 865 8832  
[hdb@whangamata.co.nz](mailto:hdb@whangamata.co.nz)  
**SOUTH EASTERN WARD**



**Jack Wells**  
116 Hampton Road,  
Whangamata 3620  
[Jack.wells@hotmail.co.nz](mailto:Jack.wells@hotmail.co.nz)  
**SOUTH EASTERN WARD**



# INTRODUCTION

## What is the Annual Report

In June 2012 the Council adopted its 2012-2022 Ten Year Plan and has subsequently prepared an Annual Plan for the 2014-2015 year. This Annual Report explains how we've delivered on the 2014-2015 Annual Plan.

For every activity we explain what we did compared to what we said we'd do, what it cost and how we performed against budget:

- to ensure consistent decisions and actions are made across our business
- to provide some transparency of decision-making processes to the public
- to be efficient in the way we work – one well thought-out decision in the form of a policy can be applied to many cases, and staff working within the business have a framework to help them get on with the job
- to meet legal requirements.

A list of our foremost documents and policies are noted here. These are all available from the Council offices located in Thames, Coromandel, Whitianga and Whangamata and are available on our website at [www.tcdc.govt.nz](http://www.tcdc.govt.nz).



### Key Corporate Documents

#### Coromandel Blueprint: Framework for our Future

The Coromandel Peninsula: Blueprint Framework for our Future was developed in partnership with the Waikato Regional Council, Department of Conservation and Hauraki Whaanui. This document provides a plan and helps to set a direction for the Coromandel over the next 30 years for where, what and how people can do things in and on the land and waters of the Coromandel Peninsula.

#### Community Board Plans

The Community Board Plans are documents that ensure that communities, through your elected members, have an increased role in determining what happens in your local area. They have provided a structured approach for Community Board input into the development of the 2014/2015 Annual Plan. The Community Board Plans also give effect to the new community governance approach and new Community Board delegations.

#### Ten Year Plan and Annual Plan

The Ten Year Plan and Annual Plan are the main strategic planning documents for Council. The Ten Year Plan sets out the activities and services that we intend to provide for a period covering a minimum of ten years, how much they cost and what revenue Council is receiving. This allows us to take a long-term view of our responsibilities while enabling us to adjust for changing financial factors and keep budgets up-to-date. We are required by legislation to develop a Ten Year Plan which must be revised every three years.

In June 2012, the Council adopted its 2012-2022 Ten Year Plan. The Annual Plan needs to highlight any changes or variances from the Ten Year Plan. The Ten Year Plan is the foundation for the Annual Plan and is the basis upon which we set the rates. We are required to consult on and produce an Annual Plan in each of the two years when a Ten Year Plan is not produced.

# INTRODUCTION

## Council's Vision, Values and Outcomes

---

When elected in October 2013, the new Council developed a fresh vision as its foundation and guiding principles for its three year term. The new direction has been a fundamental driver for the Council in leading the change evident in the organisation throughout the 2014/2015 year, and this direction plays an important role in every day Council business and decision making.

Our new vision set the scene for the subsequent three years and was considered throughout the preparation of the Annual Plan. We signalled clearly in the 2014/2015 Annual Plan where there are any variations from the 2012-2022 Ten Year Plan.

### Council's Vision

We will be a leading District Council in New Zealand through the provision of quality services and facilities, which are affordable, and delivered with a high standard of customer service.

We will earn respect, both as a good community citizen and through our support of community organisations, economic development and the protection of the environment.

Through our actions, the Coromandel will be the most desirable area of New Zealand in which to live, work and visit.

### Council's Values

- Displaying empathy and compassion
- Fiscally responsible and prudent with ratepayers money
- Integrity, transparency and accountability in all our actions
- Treating all employees fairly and evenly in accordance with good employer practice
- Being a great place to work where staff are inspired to be the best they can
- Working with and having meaningful and on-going consultation with all of our communities
- Creating strong partnerships with our district's Iwi
- Having pride in what we do
- Being a highly effective and fast moving organisation

### Council Outcomes

Through the 2012-2022 Ten Year Plan the Council developed a set of outcomes<sup>1</sup>, which set out what we want to achieve. The requirement is for a review of these outcomes every three years. We have a range of indicators against these outcomes which we report in our Annual Reports. The outcomes are:

On behalf of the Coromandel Peninsula, the Council will aim to achieve:



A prosperous district



A liveable district, and



A clean and green district

---

<sup>1</sup> 1 These fulfil the requirements of the Local Government Act 2002 regarding identifying community outcomes – section 93(6)(b)



# Performance Overview





## PERFORMANCE OVERVIEW

### Highlights from the Thames Community Board Area

In the Our Services section of this report you will find more detailed information regarding our service performance, along with information about major projects and variances.

ACTIVITY GROUP	ACTIVITY	No of performance measures	1	2	3	4	5	6	7	8	9	10
Community Leadership	District Leadership	7										
	Local Advocacy	3										
Planning for the Future	Strategic Planning	6										
	Land Use Planning	3										
	Hazard Management	1										
Healthy and Safe Communities	Emergency Management	5										
	Building Control	7										
	Community Health & Safety	8										
Roads and Footpaths	District Transportation	10										
	Local Transportation	7										
Community Spaces	Airfields	2										
	Cemeteries	3										
	Community Centres & Halls	4										
	Public Conveniences	2										
	Harbour Facilities	4										
	Libraries	7										
	Parks & Reserves	6										
	Swimming Pools	4										
Community Development	Economic Development	6										
	Social Development	8										
Stormwater	Stormwater	4										
	Land Drainage	1										
Wastewater	Wastewater	7										
Land Use	Land Use Management	6										
	Land Information Memorandum	4										
	Natural & Cultural Heritage	6										
Water Supply	Water Supply	8										
Solid Waste	Solid Waste	9										

	Achieved	90
	Not Measured	28

	Not Achieved	27
	Not Measurable	1

## PERFORMANCE OVERVIEW

### Highlights from the Thames Community Board Area

---

#### Thames Civic Centre upgrade

Upgrading the Thames Civic Centre was a major project last year to incorporate visitor information services at the facility and provide improved amenities to bring more visitors directly into the centre of town. The upgrade makes better use of existing space and the facility now has broadband, two tenable office spaces that have been leased to Thames I-SITE and Destination Coromandel, a new bus terminal, upgraded public toilets, and has retained the conference room availability. The new look Civic Centre provides an attractive, easy access location for visitors that is centrally located. The project is consistent with the Thames Urban Design Strategy and the vision of hubs for community activities to help revitalise the town, furthering existing qualities to sustain Thames as an attractive, vibrant and successful regional centre.

#### Rhodes Park entrance upgrade

Rhodes Park is Thames' premier outdoor recreation facility and home to rugby, soccer and netball sports codes. The entry/exit to the park has historically been restricted to only two lanes and the large volume of traffic at peak times has resulted in congestion. The upgrade has added a second exiting lane to help mitigate the congestion and for improved safety.

#### Support to local youth initiatives

Council's support to youth development has gained momentum in recent years with the development of a Youth Strategy in late 2013. The Thames Community Board supported a number of community initiatives last year including a visit from the Minister of Youth Development (MP Nikki Kaye) to the Thames Youth Centre. Stemming from this was a pilot programme 'Youth in Emergency Services' that involved local civil defence organisations volunteering their time to raise awareness with youth and which resulted in eight of the 18 attendees joining local services for further training.

The Coromandel Action Network - District Ownership (CAN DO) was formed in June 2014 to support local youth employment and is a group of employers, not for profit, educators and industry training organisations. This followed an initial workshop held at Thames Toyota Vehicle Operations when 167 people attended, and the next step is to determine Terms of Reference. This foundation work will lead to on-going networking and improved coordination between employers, educators and youth seeking to kick start careers.

#### World War I Memorial Forest Project and WWII commemorations

A number of activities are taking place around the district in the lead up to WW100 commemorations in 2018. In addition to local tree planting to form part of a NZ World War I Memorial Forest Project, local empowerment and community spirit has been in action with the receipt of lotteries funding for the initial planning for the restoration of the Thames Monument and sprucing up the surrounding site, installing a Wall of Remembrance for Thames fallen soldiers at the Civic Centre and restoring the Thames WWII 25 Pounder at the same location. The WW1 commemoration events are on-going through to 2018.





## PERFORMANCE OVERVIEW

### Highlights from the Thames Community Board Area

---

#### **Milestone 3 for Thames Indoor Sports Facility**

Another milestone has been reached in the Thames Indoor Sports Facility Project, with resource consent and external funding contributions being achieved. The Indoor Sports Facility Project is part of the Active Thames 2018 programme of work, a joint initiative between the Thames community and Council to realise a new skate park at Porritt Park, a new indoor sports facility at Thames High School, and future clubrooms and grandstand replacement at Rhodes Park. The next phase for the Indoor Sports Facility is for a detailed design and to proceed to tender for construction.

## PERFORMANCE OVERVIEW

### Highlights from the Coromandel-Colville Community Board Area

#### Coromandel wastewater upgrade

The Coromandel wastewater treatment plant, a pond-based system, is located on the eastern side of Hauraki Road and is approximately 30 years old. Upgrades of the plant were needed to ensure it complies with resource consent conditions and other engineering process requirements. Nationally, wastewater treatment is coming under increasing scrutiny to improve the water quality of the receiving water system.

To address this, a three stage, three year upgrade project is being undertaken. In the 2014/15 year, stage two was completed which saw the installation of inlet works to improve the effluent quality of wastewater entering the wastewater treatment plant. This builds on the work done in stage one where a floating wetland treatment was installed. Stage three, due for completion in 2015/16 year, will see the project finished with flood protection works completed, namely re-forming, re-sealing and re-configuring the ponds. The upgrades will add another 25 years to the life of the wastewater treatment plant and improve the handling of septage waste (sludge) during Coromandel's peak period.



#### Blue highway

Work was completed in promoting the Blue Highway between Auckland and Coromandel. This included improving the signage on the 360 ferry, which travels between Auckland and Coromandel Town to better advertise the Coromandel, and visitor-friendly signage was installed at Hannafords Wharf, welcoming guests to the Coromandel.

#### Increased parking controls -

##### Te Kouma Road wharf facilities

In response to parking congestion at both Hannafords and Sugarloaf Wharves the Community Board implemented parking restrictions to better control congestion and address health and safety issues particularly at sugarloaf Wharf. In addition, a simple and workable solution to the bus parking problem at Hannafords Wharf was implemented. The passenger bus which transports ferry passengers from Hannafords Wharf into Coromandel Town has had difficulty finding parking, which is often taken up by members of the public.

Over the 2014/15 summer, a designated parking space was created for the bus, through the installation of bollards and a chain, which is only unlockable by the bus operator.

#### Coromandel Harbour project

Work continues on the Coromandel Harbour project, with well attended public briefings held throughout the year to ensure the Community is regularly updated. The Stakeholder Working Group for the project continues to operate and is the forum through which community and stakeholder views and issues can be tabled and included in the project for consultation. The group includes representatives from iwi, DOC, WRC, Coromandel Business Association, ratepayers, aquaculture, recreation and commercial fishers and environmental organisations.

In December 2014, Council approved resource consent planning to commence for the concept of an expanded Sugarloaf Wharf. The driver for this is to address health and safety concerns and cater for aquaculture growth in the short to medium term.



## PERFORMANCE OVERVIEW

### Highlights from the Mercury Bay Community Board Area

---

#### Ferry Landing historic wharf upgrade

The 2014-2015 year saw the first stage of the restoration of the historic wharf at Ferry Landing begin. This involved the salvaging of historic stonework from the floor of the Whitianga Harbour by Whenuakite-based diving company, Dive Revive. Funding for stage one was partially received from the Lotteries Environment and Heritage Fund (\$187,645) for the historic aspects of the wharf restoration, with Council contributing \$279,438 towards the project also. Restoration of the stonework on the wharf itself will be undertaken in 2015-2016 with staff pursuing further external funding for this stage of the project. Stage two will be the upgrade of the ferry landing footpaths and entrance area while Stage three will be the installation of historic and cultural panels and signage. The wharf upgrade is a project in partnership with Council, Ngāti Hei, Heritage New Zealand (formerly the Historic Places Trust), the Institute of Engineers and the Mercury Bay Community.



#### World War I Memorial Forest

One of the first plantings of Council's World War One Memorial Forest project (Te Wao Whakamaumaharatanga) took place in Mercury Bay with the Minister of Conservation Hon Maggie Barry launching the project at Cathedral Cove on 5 June 2015. The forest at Cathedral Cove commemorates 2,779 New Zealand soldiers who died in the Gallipoli campaign and is one of ten plantings across the Thames-Coromandel district. A forest of more than 2,000 trees will also be located at the Mercury Bay cemetery commemorating the Battle of Passchendaele with a third forest in Mercury Bay being planted at the Stella Evered Reserve at Purangi, with around 5,000 trees to be planted representing those who died in the two battles of the Somme. By Armistice Day 2018, a total of 18,166 trees will have been planted across the peninsula, commemorating each New Zealander that died in the war. The initiative is well-supported by local school groups, conservation groups and iwi, as well as by the Mercury Bay Community Board.

#### Ohuka Park water supply

Over the last few months of 2014/2015, Council made significant progress on connecting the Ohuka Park water supply to the Council's network. This is the result of years of organising and negotiation by the Ohuka Park Water Scheme Association on behalf of their members to ensure a more secure water supply and improved water quality for Ohuka Park residents into the future, concluding with official consultation on the proposal from June to August 2014. Residents have the ability to pay the necessary development contribution or the capital contribution for the pipeline connection as a one off payment, or to pay by a targeted rate over the coming five years. The last stages of the connection will be completed early in 2015/2016.

## PERFORMANCE OVERVIEW

### Highlights from the Tairua-Pauanui Community Board Area

---

#### Community plans

The Tairua Community Plan review received 200 submissions with 40 people indicating they would be interested in further involvement to develop the community plan priorities and actions as part of a working group. A summary of feedback has been prepared and this will be used as a basis for a series of workshops in the beginning of August for community to take ownership and prioritise the suggested actions as well as help to come up with how (and by who) these actions will be delivered. Following this, the final plan will be drafted and confirmed by the working group before going back to the Tairua-Pauanui Community Board for formal endorsement.

"The feedback that has come in so far has represented an impressive cross-section of our population which really makes the consultation process even more valuable. We even had lots of students from Tairua Primary School participate," says Bob Renton, chairperson of the Tairua-Pauanui Community Board.

#### Pauanui Community Hub

The latest addition to Pauanui's town centre at 23 Centreway was officially opened with a grand ceremony on Saturday 27 June 2015. The new building hosts the Pauanui Community Library and the Pauanui Information Centre, with the addition of a meeting room which the Community Board used for the first time on 29 June 2015, the meeting room facility is also available to the wider community.

The building has had a long genesis. The idea for it came out of meetings residents and ratepayers had over the Pauanui Community Plan in 2005. There was a huge amount of community engagement from the beginning to achieve the objective of having a community hub.

The original idea was to have a two storey building but this was scrapped as unsuitable and it took some time for a neighbouring section to become available to allow a single storey building to be built. A brief was developed with interested parties and concepts were invited from builders. GJ Gardner won the design and build contract.

#### Pauanui Tairua Trail

After securing consents and financial support from Thames-Coromandel District Council and Waikato Regional Council Volunteers from the Hikuai District Trust have made outstanding progress on the walking and cycling trail that will eventually link Tairua and Pauanui.

The first stage of the project started from Pauanui Waterways ten years ago, covering 1,600m of mostly board walks over the mangroves. Since then volunteers have built five more bridges over the ephemeral streams (streams that last for short periods of time and are often dry), have secured the bridges with metal and have now completed 700m of track.

Through the 2015-2025 Long Term Plan submissions, hearings and deliberations the community board backed the group by supporting proposals for further financial support and bringing this support forward to 2015-2016 ensuring that momentum would not be lost.





## PERFORMANCE OVERVIEW

### Highlights from the Whangamata Community Board Area

---

#### Community Plan

Whangamata Community Board started consulting with the local community about a big picture strategic vision for Whangamata that will provide a roadmap for future projects and development. It was also designed to create an opportunity to shape that future. The community plans are different from the more formal planning processes of Council involving a wide range of interested parties, with the focus on getting involved at a grassroots level. The plans will not be restricted to what Council and the Community Boards can do, but will bring in other organisations and volunteer groups that can take on projects.

After reviewing previous plans and feedback by the community the Whangamata Community Board came up with five key strategic objectives and 15 critical actions that the Board considers will help retain everything the community loves about Whangamata today; while setting it up for an even better future. These draft priorities were made available for community feedback using a ranking system. Feedback came from 386 people. Next steps will be determined by the Board at their next meeting in August

The plans will influence the Boards representations to Council and influence Council budgets and priorities through the Long-Term Plan and Annual Plan processes, as well as identify other delivery agencies to enable change into the future.

#### Tsunami Open Day

In January 2015, 300 people attended a Tsunami Open Day to learn more about the possible threat of a tsunami to the area. The event attracted a wide range of attendees who were keen to learn about the risks - particularly from a large earthquake on the Tonga-Kermadec Trench, which would take about an hour to reach Whangamata.

Coastal and tsunami scientists who worked on this project were also at the Open Day and met with the public to talk about the latest research into the possible threat of tsunami to the region. Emergency Management staff members were also on-hand to provide information on what to do if a tsunami hit.

As always the Emergency Services were a big hit, with appearances from Fire, St John's Ambulance, the Medical Centre, Coastguard and the Police. Having the Emergency Services there gave attendees an opportunity to better understand what could happen, and confirm their personal escape plans.

The Open Day also gave participants the opportunity to make comment on how best to manage tsunami risk. There were discussions about the type of community education to adopt and also about coastal land use planning such as restricting the location of facilities such as kindergartens or rest-homes being built in potential tsunami inundation paths.



## PERFORMANCE OVERVIEW

### Highlights from the Whangamata Community Board Area

---

#### Harbour and wharf improvements

The increasing popularity of Whangamata's beaches, harbour and wharf over the peak holiday period has seen the Community Board respond positively to these increasing demands.

A rough onshore breeze typically blows on hot summer days, prompting parents with little kids to move to the gentler waters of the harbour beaches. Following the tragic death of a teenage girl paddle boarding in the harbour on 7 January 2015, a new lifeguard service was put in place. The death had sharpened focus on what was happening at the harbour, especially the increased numbers of people using the area every mid-to-high tide.

Plans are now in place to mount the same popular lifeguard service next summer, and to revamp the wharf. A lifeguard tower has been placed on the wharf in preparation for the summer. The wharf revamp includes a shower facility and a general tidy-up to make the wharf area friendlier for boaties and general users. The new pontoon and the jump-off wharf have been particularly popular. It will be ready and waiting next summer as one of the few iconic wharves left in New Zealand that is a jump zone for the young and not so young."

The moves to improve the quality of the facilities around the harbour have also been enhanced by the efforts of Whangamata Marina Society who have invested in a new treatment plant for waterblast and hardstand runoff. A trial which began in September has been a revelation because of the amount of solid waste collected. The first amount of contaminated sludge was in excess of 150kg from 25,000 litres of treated water of which 7,000 litres was contaminated water blast water. While this sophisticated treatment process is used in some industrial sites, Whangamata is the first Marina in New Zealand to install this system.



# PERFORMANCE OVERVIEW

## An Overview of Our Financial Performance

---

### **Local Government (Financial Reporting and Prudence) Regulations 2014**

Our Ten Year Plan sets out our financial strategy, which includes a set of self-imposed financial parameters that guides what we deliver and how we make decisions on funding and expenditure. For further detail about the financial strategy, please refer to our 2012-2022 Ten Year Plan.

The Local Government (Financial Reporting and Prudence) Regulations 2014 came into force on 1 May 2014. Part 2 of the regulations requires us to disclose in our Annual Report our financial performance in relation to various benchmarks.

This section details our performance against the financial parameters that we have set, which includes our performance against the Local Government (Financial Reporting and Prudence) Regulations 2014 prescribed benchmarks.

### **Annual Report disclosure statement for the year ended 30 June 2015**

#### **What is the purpose of this statement?**

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

#### **Rates affordability benchmark**

The Council meets the rates affordability benchmark if:

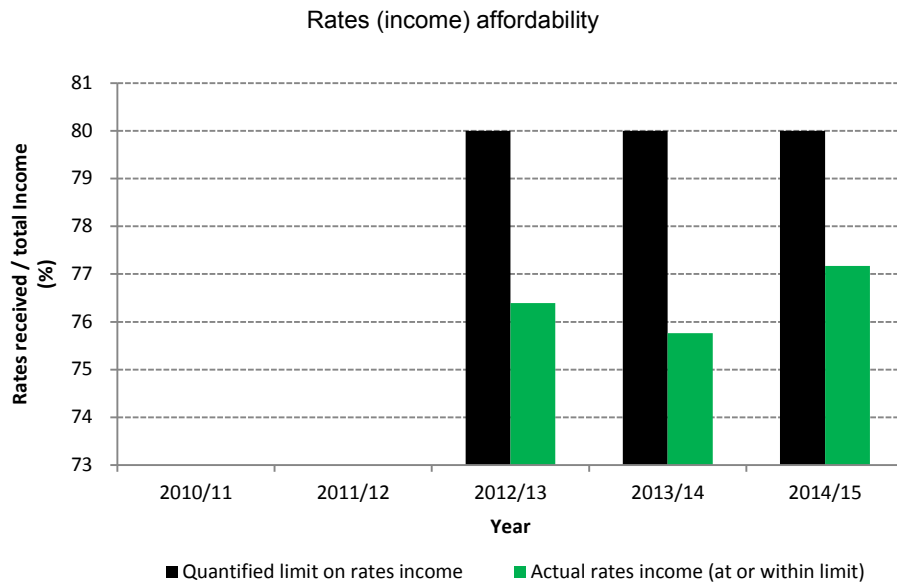
- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

# PERFORMANCE OVERVIEW

## An Overview of Our Financial Performance

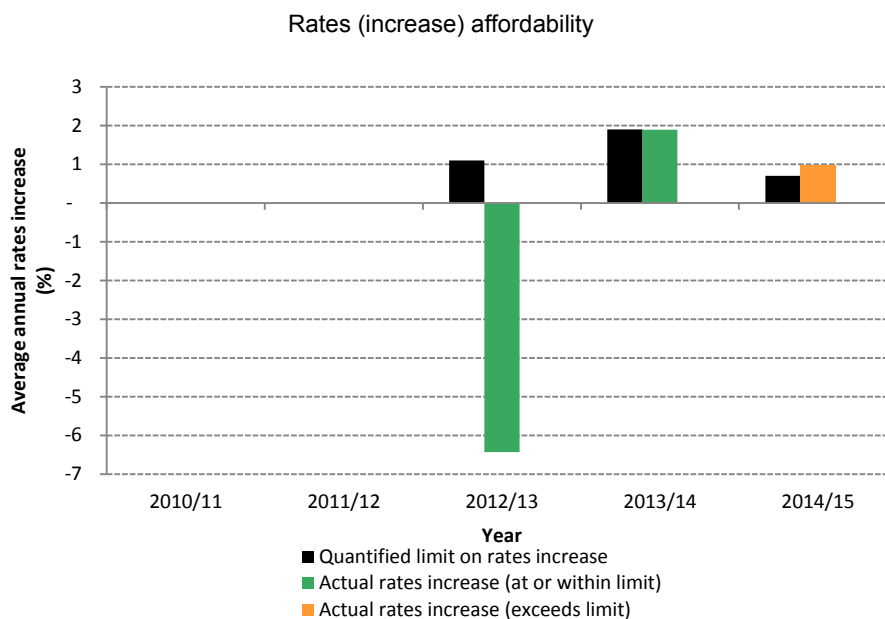
### Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long-Term Plan. The quantified limit is that rates are capped at 80% of total revenue. Council's rates are within the quantified limit.



### Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Long-Term Plan. The quantified limit is that rates will increase by no more than CPI + rating unit growth. In line with our Long-Term plan, our rates income is cumulatively within our CPI limit. However, individual years will at times exceed CPI plus growth particularly when the actual CPI increase is less than anticipated. When we set the rates at the end of the previous financial year, the CPI increase was 1.6% but by the end of the year it was 0.3%. As our growth rate is relatively flat, any decreases in CPI will affect our ability to meet this target.





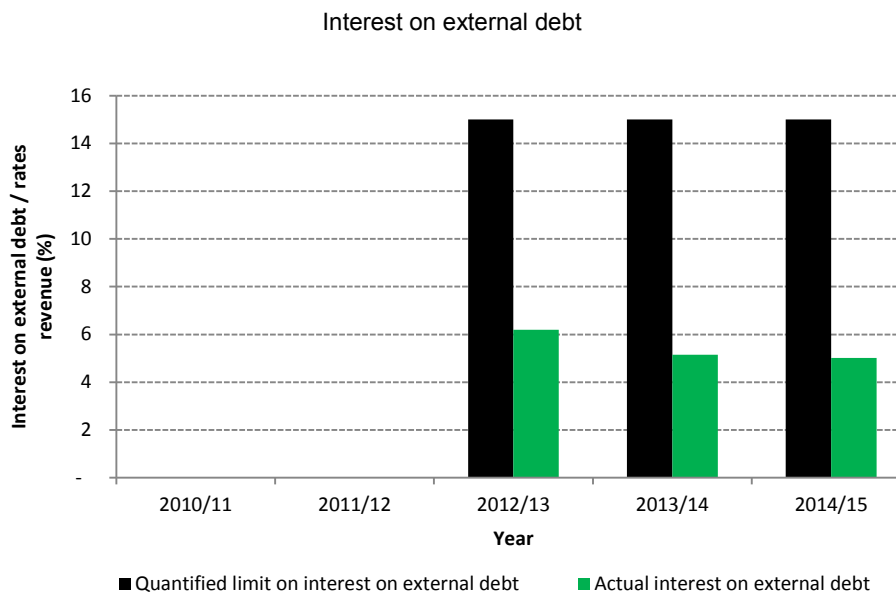
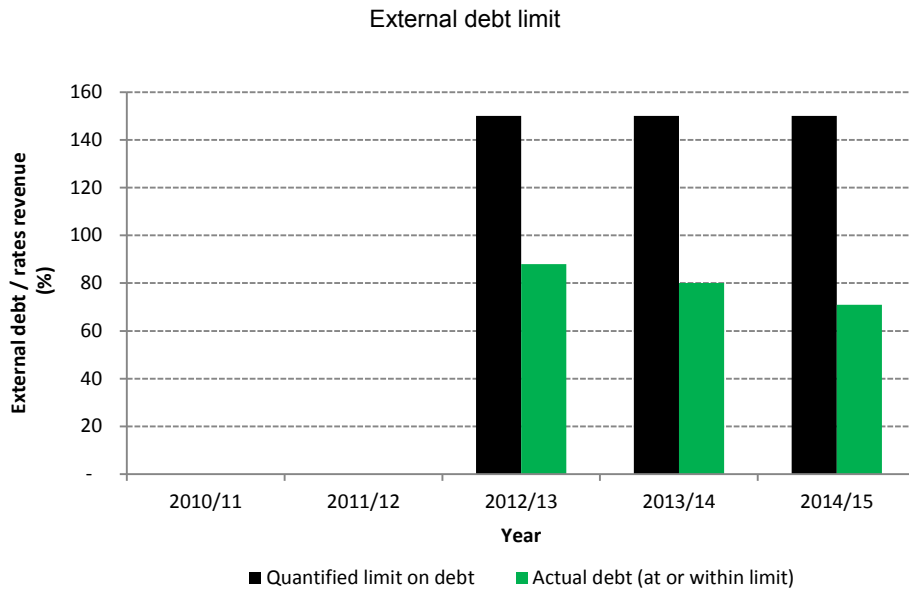
# PERFORMANCE OVERVIEW

## An Overview of Our Financial Performance

### Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graphs compare the Council's actual borrowing with the quantified limits on borrowing stated in the financial strategy included in the Council's Long-Term Plan. The quantified limits are that debt will remain within 150% of rates revenue, and that interest on external debt will be less than or equal to 15% of rates revenue. The Council's borrowing is within these quantified limits.



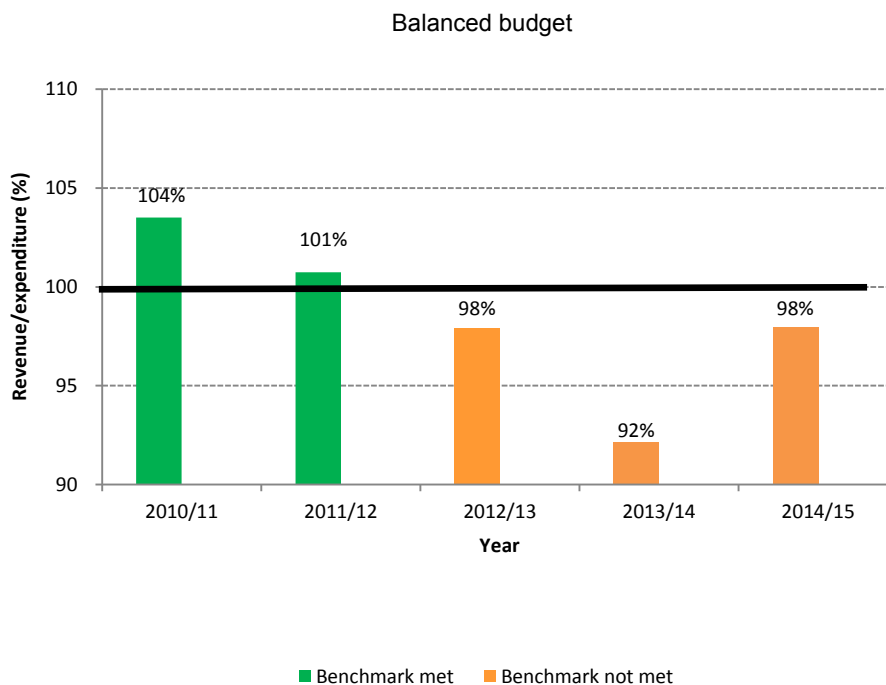
# PERFORMANCE OVERVIEW

## An Overview of Our Financial Performance

### Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

For the 2012/13, 2013/14 and 2014/15 years, the Council did not meet the benchmark. This is partly due to the loss on disposal of assets and the fact that we intended not to fully fund from rates the depreciation on the additional capacity component of the Eastern Seaboard wastewater plants constructed in Tairua-Pauanui, Whitianga, and Whangamata and the subsidised portion of roading for these years. This decision was based on the premise that it would not be equitable for the existing ratepayer to fund the depreciation on the portion of these wastewater plants that were constructed for the benefit of future ratepayers, or on roading that has already been subsidised.



### Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

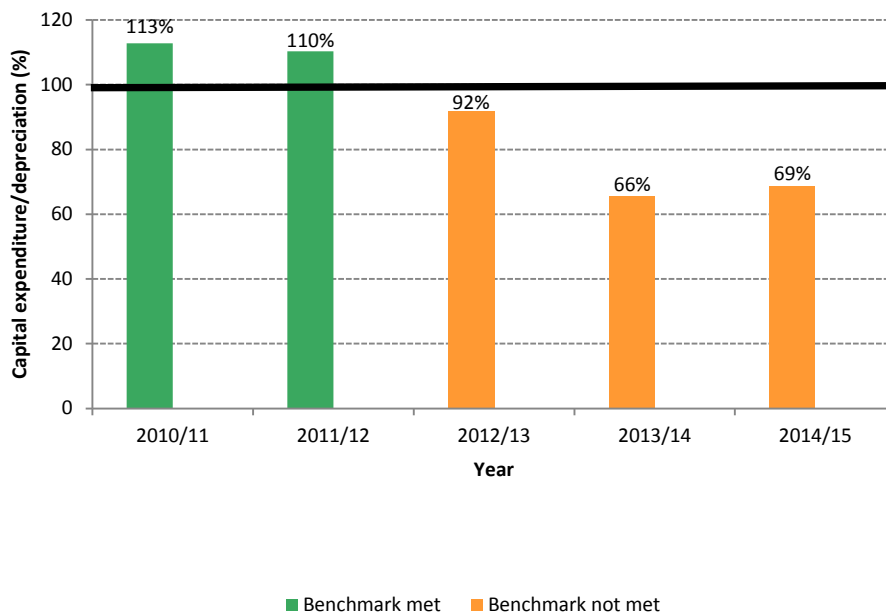
The Council did not meet this benchmark for the 2012/13, 2013/14 and 2014/15 years. The Council considers this to be financially prudent because we have a large amount of relatively new infrastructure (e.g. three wastewater plants) which will not require renewals for many years yet. The Council is funding depreciation and building depreciation reserves towards the time that major renewals are required.



# PERFORMANCE OVERVIEW

## An Overview of Our Financial Performance

Essential services

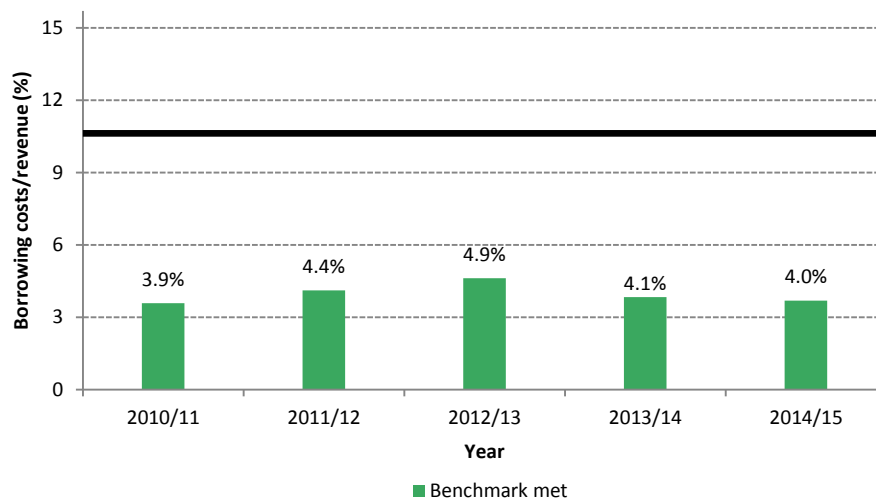


### Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The Council's borrowing costs were well within the limit set.

Debt servicing



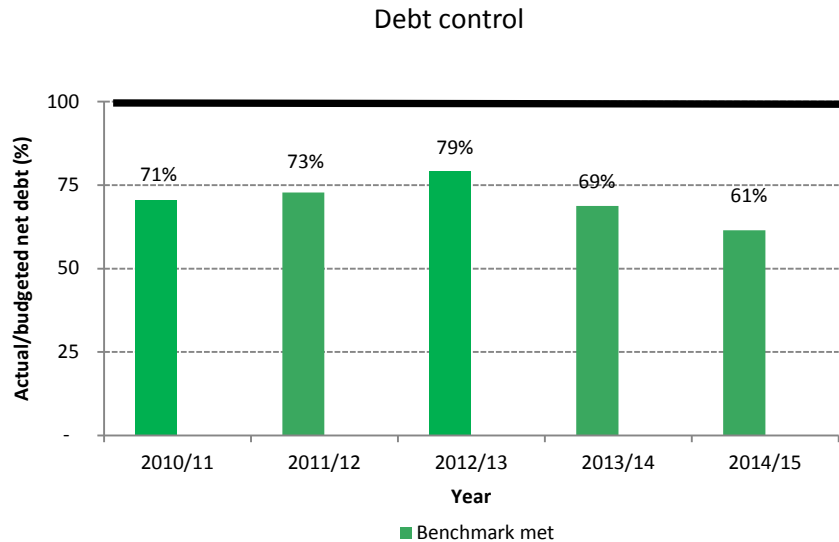
# PERFORMANCE OVERVIEW

## An Overview of Our Financial Performance

### Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

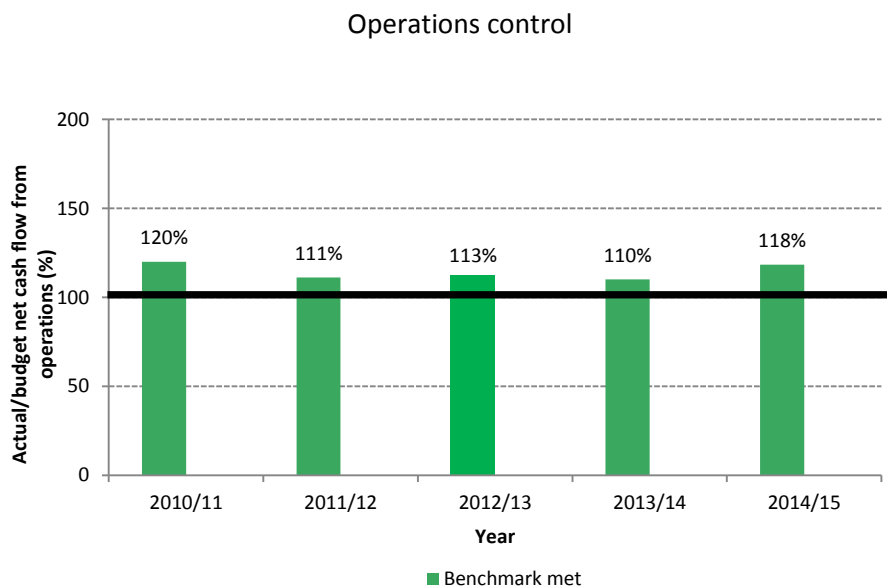
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. The Council's borrowing was well within the limit set.



### Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations. The Council's cashflows met the benchmark.



# Independent Auditor's Report

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of Thames-Coromandel District Council's annual report for the year ended 30 June 2015

The Auditor-General is the auditor of Thames-Coromandel District Council (the District Council). The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
  - the statement of financial position as at 30 June 2015 on page 130;
  - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 129, 131 and 132;
  - the funding impact statement of the District Council on page 133;
  - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 33 to 120; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 134 to 201;
- the statement of service provision (referred to as Our Services) of the District Council on pages 32 to 124 and the funding impact statements in relation to each group of activities of the District Council on pages 33 to 120; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 17 to 22.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - internal borrowing on page 174;
  - reserve funds on pages 178 to 184;
  - each group of activities carried out by the District Council on pages 32 to 124;
  - remuneration paid to the elected members and certain employees of the District Council on pages 189 to 190;
  - employee staffing levels and remuneration on page 190;
  - severance payments on page 191;



# Independent Auditor's Report

---

- rating base units on page 153; and
- insurance of assets on page 167;
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 208 to 209; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 128.

## Opinion

### Audited information

In our opinion:

- the financial statements of the District Council on pages 129 to 132:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2015; and
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand;
- the funding impact statement of the District Council on page 133, present fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 33 to 120, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;
- the group of activities statements of the District Council on pages 32 to 124:
  - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan;
    - the reasons for any significant variances between the actual service and the expected service; and
  - complies with generally accepted accounting practice in New Zealand;
- the funding impact statements in relation to each group of activities of the District Council on pages 33 to 120, present fairly, in all material respects, by each group of

# Independent Auditor's Report

---

activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan; and

- the disclosures on pages 17 to 22 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

## **Compliance with the other requirements of schedule 10**

The District Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 28 October 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

## **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and groups of activities statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported groups of activities statements within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

# Independent Auditor's Report

---

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and groups of activities statements that:
  - comply with generally accepted accounting practice in New Zealand;
  - present fairly the District Council's financial position, financial performance and cash flows;
  - present fairly its service performance, including achievements compared to forecast; and
- a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The



# Independent Auditor's Report

---

Council is also responsible for the publication of the annual report, whether in printed or electronic form.

## Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

## Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, the audit of the District Council's 2015-25 Long Term Plan and an independence assurance review of the District Council's Debenture Trust Deed, we have no relationship with or interests in the District Council.



David Walker  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand



# Our Services





# OUR SERVICES

## Introduction

We group our many services into activities and groups of activities. This section sets out

- what each group of activities includes
- how that group of activities contributed to our community outcomes
- how we delivered on what we said we'd deliver
- commentary about significant projects and budget variances

### How to read this section

This Annual Report is best read in conjunction with our 2014-2015 Annual Plan. At the start of each **group of activities** section you can find

A brief description of what the activity group is and why we provide it and the individual activities that make up this group.

#### Contributing to our District:

Why we are involved in this activity group and how we measured whether we made a contribution to our Council outcomes

#### Activity Group Dashboard:

A high level overview of the performance of each of the activities within this activity group.

### Community Leadership Activity Group

Through this group of activities, the elected Council and Community Boards help the peninsula's communities contribute to Council plans and processes and then make decisions on our communities' behalf.

We see ourselves as having a proactive role in providing leadership to our community through the development of our district and community. A current priority for us is to continue to embed our community governance model, which will provide for greater local community governance and empowerment.

This activity group includes the following activities:

- **District Leadership** - governing the overall direction we take on behalf of our District and our communities.
- **Local Advocacy** - Ensuring that we understand local views.

#### Contributing to our District

The Community Leadership activity group primarily contributes to achieving a **Liveable District**, by advocating for our communities needs at a regional, sub regional, district and local level. Whilst we rely on other activities to advocate for economic growth and a clean and green district, this activity group encourages initiatives that promote and encourage community responsibility.

Progress for this group of activities on meeting Council outcomes is measured through a local and regional customer satisfaction survey that is conducted every three years. This was last conducted in 2013 and the next survey is scheduled in 2016.

#### Activity Group Dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group.

Activity	Performance Measures Achieved	How we did
District Leadership	2 of 3	The one measure not achieved this year related to 'Treaty Settlement' decisions that are outside of Council's control
Local Advocacy	1 of 1	The Community Governance model adopted by the Council continues to develop. Community Boards continue to demonstrate their responsiveness to community views and to advocate on behalf of local community views in local and regional forums.



## OUR SERVICES

### Introduction

Each activity group section then contains a **Funding Impact Statement**.

The Funding Impact Statements ("FIS") have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. It came into effect on 1 May 2014. This is a reporting requirement unique to Local Government and the disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices ("GAAP"). This is the third year that Council has included the Funding Impact Statement in the Annual Report.

The purpose of these statements is to report the net cost of services for significant groups of activities ("GOA") of the Council, and are represented by the revenue that can be attributed to these activities less the costs of providing the service. They contain all the funding sources for these activities and all the applications of this funding by these activities. The GOA FIS include internal transactions between activities such as internal overheads and charges applied and or recovered and internal borrowings. These GOA FIS are contained in "Our Services" section of this report.

The FIS is also prepared at the whole of Council level summarising the transactions contained within the GOA FIS, eliminating internal transactions, and adding in other transactions not reporting in the GOA statements.

These statements are based on cash transactions prepared on an accrual basis and as such do not include non-cash/accounting transactions that are included with the Statement of Comprehensive Revenue and Expense as required under GAAP. These items include but are not limited to Council's depreciation, gain and/or losses on revaluation and vested assets.

They also depart from GAAP as funding sources are disclosed within the FIS as being either for operational or capital purposes. Revenue such as subsidies received for capital projects, development contributions and proceeds from the sale of assets are recorded as capital funding sources. Under GAAP these are treated as revenue in the Statement of Comprehensive Revenue and Expense.

#### COMMUNITY LEADERSHIP ACTIVITY GROUP

Funding Impact Statement for the year ended 30 June 2015	2014 Long-term plan	2015 Long-term plan	2015 Actual
	\$a.f.	\$000's	\$000's
<b>Source of operating funding</b>			
General rates, uniform annual general charges, rates penalties	2,462	2,580	2,805
Targeted rates	0	( 0 )	2
Subsidies and grants for operating purposes	0	0	( 0 )
Fees and charges	3	12	0
Internal charges and overheads recovered	1,081	1,002	1,517
Fuel tax, fines, infringement fees and other receipts	4	4	9
<b>Total operating funding (A)</b>	<b>3,551</b>	<b>3,598</b>	<b>4,134</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,043	1,026	896
Finance costs	93	96	68
Internal charges and overheads applied	2,431	2,477	3,210
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,567</b>	<b>3,600</b>	<b>4,174</b>
<b>Surplus(deficit) of operating funding (A - B)</b>	<b>( 16 )</b>	<b>( 2 )</b>	<b>( 40 )</b>
<b>Source of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	11	28	6
Increase/(decrease) in Debt	80	14	21
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding (C)</b>	<b>71</b>	<b>42</b>	<b>28</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	85	76	39
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	( 31 )	( 36 )	( 51 )
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>55</b>	<b>40</b>	<b>( 13 )</b>
<b>Surplus(deficit) of capital funding (C - D)</b>	<b>16</b>	<b>2</b>	<b>40</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>( 0 )</b>

# OUR SERVICES

## Introduction

In each individual **activity** section, you can find

### COMMUNITY LEADERSHIP ACTIVITY GROUP

#### District Leadership Activity

**What we do:**  
a brief description of what the activity is.



#### What we do

The purpose of having a Council is to promote the wellbeing of our communities on the Coromandel Peninsula - both now and in the future. This includes advocating for our communities' needs and wants to other key service providers and decision-makers. The Mayor and Councillors focus primarily on district wide decisions and issues. They are supported by local community boards, which represent their communities and make decisions on local issues and activities.

Our leadership role is changing. In the next few years, Treaty settlements will be decided and post-Treaty arrangements within Hauraki Iwi have the potential to bring new challenges and opportunities to local government to build and foster more enduring relationships and partnerships with a better-resourced and focussed Hauraki tribal collective. We have also chosen to take a greater advocacy and leadership role not only within our community but also at a regional and national level.

**2014/2015 highlights:**  
a highlight from the 2014/2015 year.



#### 2014/2015 Highlights

The 2014/2015 financial year was dominated for the elected members in developing the 2015-2025 Long Term Plan. The plan began development in late 2013, with public consultation held over March/April 2015 and adoption on 24 June 2015.

The Council completed its electoral system review and Maori representation review during the year. For both matters the Council decided to retain the status quo. The Council's Representation Arrangements Review, to determine ward boundaries and representation numbers, was commenced in March 2015 with public consultation held over April/May 2015. Decisions on the outcomes of consultation are scheduled for August 2015.

**How well did we deliver our Services in 2014/2015:**  
sets out our levels of service (in blue) and then our performance against targets for the 2014/2015 year. These tables are best read in conjunction with our 2014-2015 Annual Plan.



#### How well did we deliver our services in 2014/2015

Community views are heard and considered in Council decision-making					
What we aimed for		How we did			
The percentage of residents and non-resident ratepayers who have a view are satisfied with the way the Council involves the public in its decision-making.	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the target was not achieved. The next survey is scheduled for 2016.				
	2014-2015		2013-2014		2012-2013
	NOT MEASURED		NOT MEASURED		NOT ACHIEVED
					Target ≥47%
				Result 44%	
What we aimed for		How we did			
The percentage of residents and non-resident ratepayers who have a view feel that the Mayor and Councillors do not give a fair hearing to their views.	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the target was not achieved. The next survey is scheduled for 2016.				
	2014-2015		2013-2014		2012-2013
	NOT MEASURED		NOT MEASURED		NOT ACHIEVED
					Target <27%
				Result 18%	
The Council undertakes good, robust decision-making					
What we aimed for		How we did			
The number of successful legal challenges to Council decision-making.	No successful legal challenges occurred.				
	2014-2015		2013-2014		2012-2013
	ACHIEVED		ACHIEVED		ACHIEVED
	Target	0	Target	0	Target
Result	0	Result	0	Result	0

We have provided the last two years targets and results for comparative purposes.

#### Overview of significant projects



Provides an update regarding some of the significant projects that were noted in our 2014-2015 Annual Plan, including a comment regarding major budget variances.

#### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
Transfer station - Whitianga	\$1	\$350	The budget for this project was reduced during the year to \$6,000 because the project was put on hold pending a decision on the biosolid plant composterial. The actual spend was for concept design estimate costs before the project was put on hold. A decision has now been made to recommence the trial. The remaining budget will be carried forward to the 2015/2016 financial year to complete the project.

# Community Leadership Activity Group

Through this group of activities, the elected Council and Community Boards help the peninsula's communities contribute to Council plans and processes and then make decisions on our communities' behalf.

We see ourselves as having a proactive role in providing leadership to our community through the development of our district and community. A current priority for us is to continue to embed our community governance model, which will provide for greater local community governance and empowerment.

This activity group includes the following activities:

- **District Leadership** - governing the overall direction we take on behalf of our District and our communities.
- **Local Advocacy** - Ensuring that we understand local views.

## Contributing to our district

The Community Leadership activity group primarily contributes to achieving a **Liveable District**, by advocating for our communities needs at a regional, sub regional, district and local level. Whilst we rely on other activities to advocate for economic growth and a clean and green district, this activity group encourages initiatives that promote and encourage community responsibility.

Progress for this group of activities on meeting Council outcomes is measured through a local and regional customer satisfaction survey that is conducted every three years. This was last conducted in 2013 and the next survey is scheduled in 2016.

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included the activity sections for context.

Activity	Performance measures achieved	How we did
District Leadership	2 of 3	One measure was not achieved this year relating to 'Treaty Settlement' decisions that are outside of Council's control.
Local Advocacy	1 of 1	The Community Governance model adopted by the Council continues to develop. Community Boards continue to demonstrate their responsiveness to community views and to advocate on behalf of local community views in local and regional forums.



## COMMUNITY LEADERSHIP ACTIVITY GROUP

<b>Funding Impact Statement</b> for the year ended 30 June 2015	2014	2015	2015
	Long-term plan	Long-term plan	Actual
Ref.	\$000's	\$000's	\$000's
<b>Source of operating funding</b>			
General rates, uniform annual general charges, rates penalties	2,462	2,580	2,605
Targeted rates	0	0	2
Subsidies and grants for operating purposes	0	0	0
Fees and charges	3	12	0
Internal charges and overheads recovered	1,081	1,002	1,517
Fuel tax, fines, infringement fees and other receipts	4	4	9
<b>Total operating funding (A)</b>	<b>3,551</b>	<b>3,598</b>	<b>4,134</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,043	1,026	896
Finance costs	93	96	68
Internal charges and overheads applied	2,431	2,477	3,210
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,567</b>	<b>3,600</b>	<b>4,174</b>
<b>Surplus(deficit) of operating funding (A - B)</b>	<b>( 16 )</b>	<b>( 2 )</b>	<b>( 40 )</b>
<b>Source of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	11	28	6
Increase/(decrease) in Debt	60	14	21
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding (C)</b>	<b>71</b>	<b>42</b>	<b>28</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	86	76	39
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	( 31 )	( 36 )	( 51 )
Increase/(decrease) in Investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>55</b>	<b>40</b>	<b>( 13 )</b>
<b>Surplus(deficit) of capital funding (C - D)</b>	<b>16</b>	<b>2</b>	<b>40</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# COMMUNITY LEADERSHIP ACTIVITY GROUP

## District Leadership Activity

### What we do

The purpose of having a Council is to promote the wellbeing of our communities on the Coromandel Peninsula - both now and in the future. This includes advocating for our communities' needs and wants to other key service providers and decision-makers. The Mayor and Councillors focus primarily on district wide decisions and issues. They are supported by local community boards, which represent their communities and make decisions on local issues and activities.

Our leadership role is changing. In the next few years, Treaty settlements will be decided and post-Treaty arrangements within Hauraki Iwi have the potential to bring new challenges and opportunities to local government to build and foster more enduring relationships and partnerships with a better-resourced and focussed Hauraki tribal collective. We have also chosen to take a greater advocacy and leadership role not only within our community but also at a regional and national level.

### 2014/2015 highlights

The major focus for elected members in the 2014/2015 financial year was the 2015-2025 Long Term Plan. Development of the plan began in late 2013, with public consultation held over March/April 2015. The plan was adopted on 24 June 2015.

The Council completed its electoral system review and Maori representation review during the year. For both matters the Council decided to retain the status quo. The Council's Representation Arrangements Review, to determine ward boundaries and representation numbers, was commenced in March 2015 with public consultation held over April/May 2015. Decisions on the outcomes of consultation are scheduled for August 2015.

### How well did we deliver our services in 2014/2015

Community views are heard and considered in Council decision-making					
What we aimed for		How we did			
The percentage of residents and non-resident ratepayers who have a view are satisfied with the way the Council involves the public in its decision-making.	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the target was not achieved. The next survey is scheduled for 2016.				
	2014-2015		2013-2014		2012-2013
	NOT MEASURED		NOT MEASURED		NOT ACHIEVED
					Target ≥47%
				Result 44%	
What we aimed for		How we did			
The percentage of residents and non-resident ratepayers who have a view feel that the Mayor and Councillors do not give a fair hearing to their views.	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the target was not achieved. The next survey is scheduled for 2016.				
	2014-2015		2013-2014		2012-2013
	NOT MEASURED		NOT MEASURED		NOT ACHIEVED
					Target <27%
				Result 18%	
The Council undertakes good, robust decision-making					
What we aimed for		How we did			
The number of successful legal challenges to Council decision-making.	No successful legal challenges occurred.				
	2014-2015		2013-2014		2012-2013
	ACHIEVED		ACHIEVED		ACHIEVED
	Target	0	Target	0	Target
Result	0	Result	0	Result	0

## COMMUNITY LEADERSHIP ACTIVITY GROUP

### District Leadership Activity

The Council will work towards establishing an effective co-governance regime with Hauraki Iwi					
What we aimed for		How we did			
That the work programme to address Treaty of Waitangi claim settlements is finalised.		The Treaty of Waitangi claim settlement is outside of Council's control. Elected members and staff have participated in the Treaty of Waitangi claim settlements processes as appropriate, and maintain a good working relationship with the Office of Treaty Settlements, the Hauraki Collective and other iwi.			
2014-2015		2013-2014		2012-2013	
NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
Target	Relationship agreement with new Hauraki Collective entity confirmed.	Target	Relationship agreement is under negotiation.	Target	Treaty legislation finalised and co-governance regime established.
Result	Not achieved	Result	Not achieved	Result	Not achieved

The Council will advocate for the District's needs to other organisations					
What we aimed for		How we did			
That there is a demonstrated involvement in advocacy initiatives at a sub-regional, regional and national level.		Council continued to play an active role in the forums that it has prioritised as important to participate in and advocate on behalf of local residents.			
		2014-2015	2013-2014	2012-2013	
Coromandel Liaison sub-committee		3 of 3	3 of 3	2 of 3	
Waihou Piako Liaison Committee		0 of 3	0 of 2	No meetings held	
Hauraki Gulf Forum		4 of 4	2 of 2	3 of 5	
Regional Transport Committee		8 of 9	3 of 3	4 of 6	
Waikato Civil Defence Emergency Management Group		3 of 4	3 of 3	5 of 5	
Waikato Mayoral Forum - Zone 2		4 of 5	7 of 8	3 of 6	
2014-2015		2013-2014		2012-2013	
ACHIEVED		ACHIEVED		ACHIEVED	
Target	Demonstrate advocacy	Target	Demonstrate advocacy	Target	Demonstrate advocacy
Result	Advocacy demonstrated	Result	Advocacy demonstrated	Result	Advocacy demonstrated

The Council administers triennial (or as required) elections to engage the community in the democratic process					
What we aimed for		How we did			
Complaints upheld against the election process		There were no elections in either 2014-2015 or 2012-2013, therefore this performance measure was not measured in these years.			
		2014-2015	2013-2014		2012-2013
		NOT MEASURED	ACHIEVED		NOT MEASURED
			Target	0	
			Result	0	

# COMMUNITY LEADERSHIP ACTIVITY GROUP

## District Leadership Activity

The Council leads by example in promoting a strong sense of community						
What we aimed for	How we did					
The percentage of residents and non-resident ratepayers who have a view are dissatisfied or very dissatisfied with the decisions of Council.	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the target was not achieved. The next survey is scheduled for 2016.					
	2014-2015	2013-2014	2012-2013			
	NOT MEASURED	NOT MEASURED	ACHIEVED			
			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Target</td> <td style="text-align: center;">18%</td> </tr> <tr> <td style="text-align: center;">Result</td> <td style="text-align: center;">22%</td> </tr> </table>	Target	18%	Result
Target	18%					
Result	22%					

### Work programme projects

Project	Comment
6 yearly representation review	<p>The Council completed its electoral system review and Maori representation review during the year. For both matters the Council decided to retain the status quo - first past the post for the electoral system and no Maori seats. The Council's Representation Arrangements Review, to determine ward boundaries and representation numbers, was commenced in March 2015 with public consultation held over April/May 2015. The Council had proposed the status quo, which will require approval from the Local Government Commission as the Coromandel-Colville Ward is below the <math>\pm 10\%</math> population threshold. Decisions on the outcomes of consultation are scheduled for 5 August 2015.</p>
Treaty Settlement and potential co-governance arrangements	<p>The Crown is currently negotiating with the Hauraki Iwi Collective the settlement of outstanding Treaty of Waitangi claims. That process is nearly complete, although it should be noted that at the time writing negotiations are on hold pending the resolution of litigation over cross boundary issues between the Hauraki and Tauranga Moana iwi collectives. The deeds of settlement with individual iwi and the Hauraki Collective are now scheduled to be concluded by the latter part of 2016.</p> <p>Council, at the invitation of the Crown and with the blessing of the Hauraki Collective, has been involved in several aspects of the Settlement process. This role recognises the need to forge enduring post-settlement relationships between local government and Hauraki Iwi governance entities. These entities will be well resourced and focussed on identifying opportunities and achieving outcomes for the common benefit for the Iwi of Hauraki and the people and communities of the district and sub-region.</p> <p>Notable aspects of Council's participation include:</p> <ul style="list-style-type: none"> <li>• Governance level meetings with the Minister for Treaty of Waitangi Negotiations, the Chief Crown Negotiator, senior staff of the Office of Treaty Settlements and other government departments, and the mandated negotiators of the Hauraki Collective.</li> <li>• Participation at officer level in the Crown Technical Working Group in developing co-governance and operational frameworks and arrangements for:             <ul style="list-style-type: none"> <li>• The catchments of the Waihou, Piako rivers and Coromandel Peninsula.</li> <li>• Crown reserves that will be co-governed by the Council and Hauraki Iwi.</li> </ul> </li> </ul> <p>Another aspect of the settlement process is the resolution of Thames-Coromandel District Council specific issues that are considered able to be addressed via the Treaty Settlement process and attendant settlement legislation.</p>



# COMMUNITY LEADERSHIP ACTIVITY GROUP

## Local Advocacy Activity

### What we do

The Local Advocacy activity is about ensuring local views and aspirations are known, considered and advocated. The Community Boards are a key linkage between the community and the Council and have a role in representing local community aspirations and concerns to assist council decision-making.

### 2014/2015 highlights

All Community Boards demonstrated engagement with their communities in decision making in the 2014/2015 year. The community empowerment framework adopted by Council in 2012 was actively practiced by Community Boards and a number of significant projects were achieved using this model to partner with local communities. Highlights from each of the Community Boards is covered in the Performance Overview section at the start of this document.

Over the year the Whangamata and Tairua communities have progressed the reviews of their Community Plans. The Tairua Community Plan review received 200 submissions with 40 people indicating they would be interested in further involvement to develop the community plan priorities and actions as part of a working group. A summary of feedback has been prepared and this will be used as a basis for a series of workshops in the beginning of August for community to take ownership and prioritise the suggested actions as well as help to come up with how (and by who) these actions will be delivered. Following this, the final plan will be drafted and confirmed by the working group before going back to the Tairua-Pauanui Community Board for formal endorsement.

After reviewing previous plans and feedback by the community the Whangamata Community Board came up with five key strategic objectives and 15 critical actions that the Board considers will help retain everything the community loves about Whangamata today; while setting it up for an even better future. These draft priorities were made available for community feedback using a ranking system. Feedback came from 386 people. Next steps will be determined by the Board at their next meeting in August.

### How well did we deliver our services in 2014/2015

Community Boards offer local representation including making decisions that consider local issues			
What we aimed for	How we did		
The percentage of residents and non-resident ratepayers know how to contact a community board member.	The customer satisfaction survey is carried out every three years. The next survey is scheduled for 2016.		
	2014-2015	2013-2014	2012-2013
	NOT MEASURED	NOT MEASURED	ACHIEVED
			Target 55%
Result 66%			
What we aimed for	How we did		
The percentage of residents and non-resident ratepayers rate the overall performance of their community board as fairly/very good.	The customer satisfaction survey is carried out every three years. The next survey is scheduled for 2016.		
	2014-2015	2013-2014	2012-2013
	NOT MEASURED	NOT MEASURED	ACHIEVED
			Target ≥59%
Result 60%			

## COMMUNITY LEADERSHIP ACTIVITY GROUP

### Local Advocacy Activity

Community boards will advocate for their community's needs to other organisations						
What we aimed for	How we did					
Demonstrated involvement in advocacy initiatives are maintained or increased at a local and district level.	Each of the five Community Boards can demonstrate (through meeting minutes and resolutions) that they were involved in advocacy initiatives at a local and district level. Furthermore, Community Board Chairs attend Council workshops and meetings in an advocacy capacity.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	Maintain or increase	Target	Maintain or increase	Target	Maintain or increase
	Result	Advocacy initiatives maintained	Result	Advocacy initiatives maintained	Result	Advocacy initiatives maintained

# Planning for the Future Activity Group

Planning for the Future is important not only to meet the needs of our local and visitor communities ahead of change but also so that we can retain the diversity, character and natural values that the Coromandel Peninsula community believes makes the peninsula special.

There are many competing interests in the use of resources and these must be managed to ensure that activities can be carried out in a way that best meets the needs of our community and the environment. The need to develop land and use natural and physical resources must be balanced with the necessity to ensure the environment's capacity to provide resources for future generations is maintained.

The Planning for the Future group of activities is about just that - planning for the wellbeing of our district in the long-term. It involves:

- understanding the characteristics and trends of our district as well as the pressures it is facing.
- understanding community aspirations for the future.
- having a clear direction for the future of our district, and having tools to implement it.

This activity group includes the following activities:

**Strategic Planning** - Planning for the sustainable future of the Coromandel Peninsula and our communities.

**Landuse Planning** - Identifying and managing the land use and associated resource management issues facing our district.

**Hazard Management** - Protecting life and property from natural hazards and build resilient communities.

## Contributing to our district

The Planning for the Future activity group contributes to a **Prosperous District, a Liveable District and a Clean and Green District**, by providing a planning framework that guides future development and promotes a safe living environment, and ensures that future development fits sensitively within our unique natural environment.

Progress for this group of activities on meeting Council outcomes is measured through a local and regional customer satisfaction survey that is conducted every three years. This was last conducted in 2013 and the next survey is scheduled in 2016.

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included in the Activity sections for context.

Activity	Performance measures achieved	How we did
Strategic Planning	3 of 4	The only measure not achieved was the result of reprioritisation of the work programme and an assessment of more cost effective ways of carrying out an assessment of peak population.
Landuse Planning	2 of 3	The only measure not achieved was the consequence of a six month delay at the start of the District Plan review, which has thrown this particular target out slightly, otherwise performance has broadly been as anticipated.
Hazard Management	1 of 1	This activity achieved its target in every one of the three years.

## PLANNING FOR THE FUTURE ACTIVITY GROUP

Funding Impact Statement for the year ended 30 June 2015	2014 Long-term plan \$000's	2015 Long-term plan \$000's	2015 Actual \$000's
<b>Source of operating funding</b>			
General rates, uniform annual general charges, rates penalties	2,740	2,973	2,437
Targeted rates	246	208	249
Subsidies and grants for operating purposes	0	0	0
Fees and charges	58	59	0
Internal charges and overheads recovered	438	440	544
Fuel tax, fines, infringement fees and other receipts	2	2	3
<b>Total operating funding (A)</b>	<b>3,484</b>	<b>3,682</b>	<b>3,233</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,528	1,660	1,053
Finance costs	27	36	19
Internal charges and overheads applied	1,497	1,549	2,110
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,052</b>	<b>3,245</b>	<b>3,182</b>
<b>Surplus(deficit) of operating funding (A - B)</b>	<b>433</b>	<b>437</b>	<b>52</b>
<b>Source of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	273	228	459
Gross proceeds from sale of assets	52	95	55
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding (C)</b>	<b>326</b>	<b>323</b>	<b>515</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	510
- to replace existing assets	695	1,154	985
Increase/(decrease) in reserves	64	(394)	(929)
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>759</b>	<b>760</b>	<b>566</b>
<b>Surplus(deficit) of capital funding (C - D)</b>	<b>(433)</b>	<b>(437)</b>	<b>(52)</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



# PLANNING FOR THE FUTURE ACTIVITY GROUP

## Strategic Planning

### What we do

This activity is about the communities of the Coromandel Peninsula and us planning for a sustainable future. Through strategic planning, we can make more informed decisions balancing its responsibilities to the community and legislative requirements.

### 2014/2015 highlights

The 2014/2015 financial year was dominated by the development of the 2015-2025 Long Term Plan which was adopted by the Council on 24 June 2015. In reflecting the Council's local community empowerment model the decisions process for this plan incorporated deliberations meetings for the five Community Boards to consider the submission feedback and make recommendations to the Council.

### How well did we deliver our services in 2014/2015

The Council helps the district identify its vision					
What we aimed for		How we did			
District community aspirations have been identified.		The Council reviewed the Choosing Futures Thames-Coromandel in the process of setting the planning assumptions for the 2015-2025 Long Term Plan and considering its overall strategic direction for the next 10 years.			
2014-2015		2013-2014		2012-2013	
ACHIEVED		NOT APPLICABLE		NOT APPLICABLE	
Target	Choosing Futures Thames-Coromandel reviewed	Target	No action required	Target	No action required
Result	Achieved	Result	N/A	Result	N/A

Customers can expect the Council to monitor progress towards achieving the District's goals					
What we aimed for		How we did			
Information in community makeup and growth made available.		The peak population study was deferred to be timed for the preparation of the next Long Term Plan. Capacity studies were undertaken over 2014/2015 for the wastewater and water supply systems which are the most susceptible services to coping with the summer peak population.			
2014-2015		2013-2014		2012-2013	
NOT ACHIEVED		ACHIEVED		ACHIEVED	
Target	Peak population study completed.	Target	District demographic update completed.	Target	Information on demographics and peak population is available on the Council's website.
Result	Not achieved.	Result	District demographic update completed.	Result	Demographic and peak population information is available.

# PLANNING FOR THE FUTURE ACTIVITY GROUP

## Strategic Planning

Customers can expect the Council to monitor progress towards achieving the District's goals					
What we aimed for		How we did			
Assessments made of the wellbeing of the district		<p>The Council's website hosts the Thames-Coromandel District Community Profile which enables anyone to analyse the population characteristics of our community, understand how they have changed over time and how they compare to other areas.</p> <p>The profile answers the majority of frequently asked socio-demographic questions and assists Council, the general public, students, community groups, organisations, business and investors to become more informed about the community.</p>			
2014-2015		2013-2014		2012-2013	
ACHIEVED		ACHIEVED		NOT ACHIEVED	
Target	Information on the District wellbeing is available on the website.	Target	Contribute to the Hauraki Gulf State of the Environment Report.	Target	Complete a 'state of the district' report.
Result	Information is available on the website.	Result	Contribution made to Hauraki Gulf State of the Environment Report.	Result	State of the District report postponed.

The Council will plan for and manage the growth and development of its communities					
What we aimed for		How we did			
Coromandel Peninsula Blueprints (spatial plans) are up-to-date.		The next planned update for the Coromandel Blueprint is 2015-2016.			
2014-2015		2013-2014		2012-2013	
NOT MEASURED		NOT MEASURED		NOT MEASURED	
Target	No further action	Target	No further action	Target	No further action
Result	No further action	Result	No further action	Result	No further action
What we aimed for		How we did			
We contribute to the Hauraki Gulf Forum.		Council contributed \$10,800 towards the operations of the Hauraki Gulf Forum. Deputy Mayor Peter French, as our representative, attended four meetings. The Forum published its fourth 'state of the environment' report in September 2014.			
2014-2015		2013-2014		2012-2013	
ACHIEVED		ACHIEVED		ACHIEVED	
Target	Update Quarterly constituent party report	Target	Update Quarterly constituent party report	Target	Update Quarterly constituent party report
Result	Quarterly constituent party report updated	Result	Quarterly constituent party report updated	Result	Quarterly constituent party report updated
What we aimed for		How we did			
The percentage of residents and non-resident ratepayers who have a view have some level of confidence (or higher) in the Council to make plans for the future that are in the best interests of the District.		The customer satisfaction survey is carried out every three years. The next customer satisfaction survey is scheduled in 2016.			
2014-2015		2013-2014		2012-2013	
NOT MEASURED		NOT MEASURED		ACHIEVED	
				Target	≥78%
				Result	72%

# PLANNING FOR THE FUTURE ACTIVITY GROUP

## Land Use Planning

---

### What we do

The Land use Planning activity involves implementing future district directions by ensuring land use development is balanced with important community and environmental values. This activity has a strong focus on the preparation, monitoring and maintenance of the District Plan as this provides a framework that implements and supports appropriate land use management.

### 2014/2015 highlights

For the District Plan team the 2014/2015 financial year was dominated by preparing staff reports (Resource Management Act section 42A reports), with a recommendation (with reasons) on every matter raised in submissions for consideration by the District Plan Hearings Panel. The early part of the year involved reviewing submissions (7,769 submission points) and further submissions (2,894 further submission points) and then organising submissions into topic categories for public hearings. In total there were 29 hearing days, organised into 11 hearing 'blocks', as follows:

- 16-18 September: whole of plan, sections 1, 2, 4 and 5, significant trees, airfield height & noise overlay, airfield zone, transport, forestry, noise, festivals & events
- 30 September - 2 October: historic heritage, settlement development and growth, financial contributions, electricity transmission buffer overlay
- 21-23 October: recreation zones, contaminated land & hazardous substances, commercial & industrial zones, rural zones
- 18-20 November: natural hazards, residential zones, mixed use zones
- 16-18 December: mining, conservation zone
- 10-12 February: biodiversity, earthworks
- 24-26 February: subdivision, structure plans, site development plans, site specific activities, tangata whenua, historic heritage schedule
- 10-12 March: visitor accommodation, minor units, definitions
- 14-17 April: landscape, coastal environment, rezoning requests for Mercury Bay, Coromandel/Colville & Thames
- 6-8 May: subdivision design, utilities, designations schedule, rezoning requests for Whangamata, Tairua & Pauanui
- 19-21 May: residual topics, quarry provisions, blast trial standards

The hearings were well organised and attended. There was a lot of positive feedback about directions taken in the Proposed District Plan and, in particular, the way that the staff reports had responded to matters raised by submitters - even if submitters did not always agree with the conclusions reached by staff. Since the conclusion of the hearings staff have worked to develop a consolidated recommended 'strike-through' version of the Proposed Plan for the consideration of the District Plan Hearings Panel.

# PLANNING FOR THE FUTURE ACTIVITY GROUP

## Land Use Planning

### How well did we deliver our services in 2014/2015

#### The Council prepares, reviews and maintains plans and policies for the management of the District's natural and physical resources

What we aimed for		How we did					
That the work programme is progressed to complete the District Plan review.		Over the last year the focus of the District Plan team has been on preparing reports on submissions and further submissions that were received on the Proposed District Plan. These reports contained 'staff recommendations' for the consideration of the District Plan Hearings Panel which met for 29 days (from 16 September 2014 to 21 May 2015) and heard from over 200 submitters (see the 'highlights' above).					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
		Target	Hearing of submissions completed	Target	Proposed Plan notified for submission	Target	Draft Plan released for comment
Result	Hearing of submissions completed	Result	Proposed Plan notified for submission	Result	Draft Plan released for comment		
What we aimed for		How we did					
That following Council approving any changes to the District Plan, these will be annotated and available on-line and in hard copy within 10 working days from when changes are approved by the Council.		Although no changes were made to the Operative District Plan, because of the advanced stage the Council is at in the review of the Proposed District Plan, accurate versions of both plans remained available on-line and were available in hard copy. In addition, all staff hearing reports on submissions and evidence presented were available on-line within at least 5 working days of District Plan Hearings Panel hearings.					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
		Target	≤10 days	Target	≤10 days	Target	≤10 days
Result	No changes required	Result	2 plan changes, both in < one day	Result	One plan change in 7 days		

#### The District Plan provides for a balanced regulatory framework that protects important community and environmental values

What we aimed for		How we did					
The percentage of non-complying resource consents approved as a proportion of all approved consents.		There were 299 resource consents approved by the Council in the 2014/2015 financial year, 41 of which were for non-complying activities (i.e. around 14% of all approved consents were non-complying). The number of non-complying activities is expected to fall significantly once the Proposed District Plan takes effect.					
		2014-2015		2013-2014		2012-2013	
		NOT ACHIEVED		NOT ACHIEVED		ACHIEVED	
		Target	10%	Target	20%	Target	20%
Result	14%	Result	25%	Result	16%		



# PLANNING FOR THE FUTURE ACTIVITY GROUP

## Hazard Management

### What we do

The Hazard Management activity involves managing risk to people, property and the environment from natural events. We work closely with partner agencies like the Waikato Regional Council to deliver this activity. By comparison, our *Emergency Management* activity focuses on communities being ready for, responding to and recovering from emergencies when they do happen.

### 2014/2015 highlights

The main activity emphasis for the 2014/2015 financial year was progressing the East Coast Tsunami Project. The Tairua/Pauanui component was completed. The Whangamata component neared conclusion and project planning was commenced for the Whangapoua/Matarangi and Kuaotunu/Opito component.

### How well did we deliver our services in 2014/2015

The Council will work with other agencies to manage the effects of natural hazards							
What we aimed for		How we did					
That the following work programmes are progressed with other agencies to manage the effects of natural hazards. <ul style="list-style-type: none"> <li>Coastal hazard policy framework</li> <li>Wind shear project</li> <li>Tsunami project</li> <li>Coastal adaptation to climate change</li> <li>Progressively responding to hazard issues</li> </ul>		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
		Target	Progress work programme	Target	Progress work programme	Target	Progress work programme
		Result	Work programme progressed	Result	Work programme progressed	Result	Work programme progressed

### Work programme projects

Project	Comment
Coastal adaptation to climate change	This was a joint project with NIWA, AgResearch, Waikato Regional Council and Thames-Coromandel District Council. It is now complete, and other than officer time, was funded entirely from the NIWA budget. See: <a href="http://www.niwa.co.nz/our-science/coasts/research-projects/coastal-adaption-to-climate-change">http://www.niwa.co.nz/our-science/coasts/research-projects/coastal-adaption-to-climate-change</a>
Coastal hazard policy framework	This work stream currently has two parts: <ol style="list-style-type: none"> <li>Supporting the Mercury Bay Community Board to develop and implement a coastal management strategy for Buffalo Beach. This work is largely complete with consenting and capital works identified as next steps.</li> <li>Supporting the Tairua/Pauanui and Whangamata community boards to develop and implement a coastal management strategy for hotspot locations. This work stream was initiated at the beginning of the 2014 calendar year. Costs are to be shared between the Hazard Management activity and the respective community boards.</li> </ol> <p>The main costs relate to covering the costs of technical advice. WRC meets its own costs, where it is involved, with no charge-back to TCDC. Note that subsequent resource consenting processes and capital works will be sourced from other activity budgets.</p>

## PLANNING FOR THE FUTURE ACTIVITY GROUP

### Hazard Management

Project	Comment
Tsunami project	<p>This project corresponds with the Waikato CDEM Group Plan. It seeks to develop tsunami risk management strategies for individual East Coast Coromandel Peninsula communities, particularly from near-shore events such as those recently impacting Japan and Indonesia where respectively 30,000 and 360,000 people lost their lives.</p> <p>There are three strands to the project with the risk management strategy covering the first two:</p> <ul style="list-style-type: none"> <li>• Emergency preparedness and evacuation</li> <li>• Public education</li> <li>• Long-term land use planning</li> </ul> <p>The project is undertaken jointly with WRC with a 50:50 cost sharing arrangement. The Whitianga and Pauanui/Tairua components are complete; Whangamata and Whiritoa (partnering with the Hauraki District Council) is underway with Whangapoua/Matarangi/Kuaotunu and Opito planned for the 2015/2016 financial year.</p>
Wind shear project	<p>This project accords with the Waikato CDEM Group Plan and arose from the 2002 weather bomb and subsequent weather events where it was recognised that damage from high peak wind velocities (shear) impacted forestry, farms (wood lots, horticulture and buildings), lines companies (telecom and power) and domestic properties, on average, twice a decade. Claim data sourced from IAG, an insurance company, put the insured damage at several million dollars. Under-insured and uninsured losses will increase the actual cost to communities.</p> <p>The work stream would involve using updated GIS information to improve wind hazard maps to allow better planning by the sector groups listed above, and feed into building consenting in terms of extra bracing (new and retro fitting) if this is identified as being necessary - the additional minimal cost in regard to the latter will be offset by insurance and "peace of mind" benefits.</p> <p>Currently, there is insufficient LiDAR coverage of the Peninsula to allow the modelling work to proceed. Provision of this information is seen as a Crown responsibility.</p> <p>No costs have been set against the work but a collaborative project is envisaged involving local government, NIWA and the sector groups, particularly the lines companies whose assets are most exposed to wind shear. It is anticipated that cost sharing will help spread costs.</p>

# Healthy and Safe Communities Activity Group

---

The Healthy and Safe Communities group of activities means the provision of services that help protect people's health, safety and property and curb behaviour that creates a nuisance to the public. We have responsibility under legislation to undertake a number of activities to promote public health and safety.

The services provided by this group of activities include:

- assisting communities to prepare for, respond to and recover from emergencies;
- implementing bylaws to assist public health, safety and wellbeing (e.g. to ensure dogs do not attack people on the streets, that premises serving food are sanitary and that members of the community are not unreasonably disturbed by excessive noise or intoxicated persons); and
- ensuring that buildings are well-constructed, weather tight, fit for purpose and contribute to the wellbeing of their users.

By providing consents and licences, we assist people to operate their businesses and construct their buildings in a way that is safe for themselves and others.

This activity group includes the following activities:

- **Emergency Management** - Promoting individual and community resilience in emergencies and enhancing the community's capability to respond to and recover from disasters.
- **Building Control** - Contributing to the development of quality building stock.
- **Community Health and Safety** - Helping achieve a healthy and safe community and counteract behaviour causing nuisance in the community.

## Contributing to our district

The Healthy and Safe Communities activity group contributes to a **Prosperous District**, a **Liveable District** and a **Clean and Green District** by contributing to a safe living and working environment and also keeping our unique natural environment clean. To better enable economic opportunities through this activity group streamlining will continue to be a focus.

Progress for this group of activities on meeting Council outcomes is measured through a customer perception survey that is conducted every three years. This was last conducted in 2013 and the next survey is scheduled in 2016.

# Healthy and Safe Communities Activity Group

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included the Activity sections for context.

Activity	Performance measures achieved	How we did
Emergency Management	5 of 5	All performance measures were achieved this year, with the only measure not achieved over the three years relating to a survey of the public's readiness for an emergency and the result was only marginally under the target.
Building Control	4 of 7	<p>Of the three performance measures not achieved this year, two were not achieved in any of the last three years. The issuing of Building Warrant of Fitness (BWoF) is written in a form that measures and holds accountable Council for activities that are essentially out of Council's control. The responsibility lies with the building owner and/or their agent. Council is satisfied that it has systems and processes in place that meet its requirements and that it is managing this activity effectively.</p> <p>The other relates to a piece of legislation (Swimming Pools Act). This is not an issue that is restricted to Thames-Coromandel as many other councils have experienced issues with the same legislation in terms of interpretation. Progress has been made and Council has both an approach in place and a change in resource allocation which will allow the outstanding pools to be addressed.</p> <p>The final measure related to auditing work to assess if quality standards are being met. There have been two issues over this three year reporting cycle.</p>
Community Health and Safety	7 of 8	This activity has improved its results over the three years predominantly as a result of a decision to bring service delivery in-house rather than use external contractors resulting in better integration with other council services, improved responsiveness and communication.



## HEALTHY AND SAFE COMMUNITIES ACTIVITY GROUP

<b>Funding Impact Statement</b> for the year ended 30 June 2015	2014	2015	2015
	Long-term plan	Long-term plan	Actual
Ref.	\$000's	\$000's	\$000's
<b>Source of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,816	1,962	1,081
Targeted rates	235	308	162
Subsidies and grants for operating purposes	0	0	0
Fees and charges	3,237	3,327	3,448
Internal charges and overheads recovered	623	604	552
Fuel tax, fines, infringement fees and other receipts	213	218	294
<b>Total operating funding (A)</b>	<b>6,125</b>	<b>6,418</b>	<b>5,537</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,928	2,928	3,137
Finance costs	6	6	5
Internal charges and overheads applied	3,963	4,055	3,034
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>6,897</b>	<b>6,989</b>	<b>6,175</b>
<b>Surplus(deficit) of operating funding (A - B)</b>	<b>(772)</b>	<b>(571)</b>	<b>(638)</b>
<b>Source of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	28
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(3)	(4)	(3)
Gross proceeds from sale of assets	0	0	1
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(3)</b>	<b>(4)</b>	<b>26</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	80	27	58
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	(856)	(602)	(670)
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>(776)</b>	<b>(574)</b>	<b>(612)</b>
<b>Surplus(deficit) of capital funding (C - D)</b>	<b>772</b>	<b>571</b>	<b>638</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# HEALTHY AND SAFE COMMUNITIES ACTIVITY GROUP

## Emergency Management Activity

### What we do

The Emergency Management activity focuses on communities being ready for, responding to and recovering from emergencies when they do happen.

### 2014/2015 highlights

The Civil Defence Emergency Management (CDEM) National Plan was released and will replace the current one from 1 December 2015.

Community response plans for Coromandel, Whitianga have been completed and Tairua, Pauanui and Whangamata have started the development of their plans this year.

Eighteen young people from the district participated in a youth emergency services (YES) programme that involved other emergency services to encourage youth into volunteering in emergency services.

The training capability across Thames Valley Emergency Operations Area (TVEOA) has risen to 24% of emergency operations centre (EOC) staff. This result is a 5% improvement from last year.

### How well did we deliver our services in 2014/2015

The Council will support its communities in enabling them to respond to and recover from emergencies							
What we aimed for		How we did					
The percentage of residents and non-resident ratepayers have an emergency kit prepared in case of major emergency.		The customer satisfaction survey is carried out every three years. The next survey is scheduled for 2016.					
		2014-2015		2013-2014		2012-2013	
		NOT MEASURED		NOT MEASURED		NOT ACHIEVED	
						Target	≥52%
				Result	50%		

The Council will be prepared for and able to respond to emergencies							
What we aimed for		How we did					
The number of civil defence training exercises conducted annually.		Exercise Ngaa Ruu-Wheua -Tier one table top exercise was held on 11 July 2014. Two Coordinated Incident Management System (CIMS) courses were held in August and October 2014. Controller Training was held in January 2015, Welfare training was held in June 2015 and in March a real weather event (Cyclone Pam) provided a training exercise					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
		Target	1	Target	1	Target	1
Result	6	Result	3	Result	1		

The Council will be prepared for and able to respond to emergencies							
What we aimed for		How we did					
That in the event of notification of a local civil defence emergency the emergency operations centre will be activated within one hour.		The emergency operations centre was activated in anticipation of Cyclone Pam 13-16 March 2015 and stood down when the weather pattern moved away from the district. Multiple Weather Warnings and Watches were all monitored without escalation.					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		NOT MEASURED	
		Target	100%	Target	100%	Target	100%
Result	100%	Result	100%	Result	No Civil Defence emergencies		

## HEALTHY AND SAFE COMMUNITIES ACTIVITY GROUP

### Emergency Management Activity

We support first-response emergency activities							
What we aimed for		How we did					
That volunteer rural fire forces are available to respond to fire calls		The Thames Valley Rural Fire District has responded to emergency call outs, not all of them fire related. The small communities expect rural fire to be at other types of emergencies as first responders.					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
		Target	365	Target	365	Target	365
		Result	365	Result	365	Result	365

What we aimed for		How we did					
That high risk eastern seaboard beaches have professional surf lifesaving guards available (Monday to Friday) over the summer period at the following locations:		Surf Life Saving New Zealand has just had its three year contract renewed through the Long Term Plan process, reflecting the high level of satisfaction that the Council and the community places on this service. An extension of holiday period and coverage at Whangamata was negotiated and delivered.					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
		Target	Result	Target	Result	Target	Result
<ul style="list-style-type: none"> <li>• Onemana</li> <li>• Pauanui &amp; Tairua</li> <li>• Hot Water Beach &amp; Whangamata</li> </ul>		4weeks	4weeks	4weeks	4weeks	4weeks	4weeks
		5 weeks	5 weeks	5 weeks	5 weeks	5 weeks	5 weeks
		7 weeks	7 weeks	7 weeks	7 weeks	7 weeks	7 weeks

# HEALTHY AND SAFE COMMUNITIES ACTIVITY GROUP

## Building Control Activity

### What we do

The Council is required by law to carry out building control activities under the Building Act 2004. The purpose of this Act is to provide for the regulation of building work and the setting of performance standards for buildings to ensure that:-

- a) People who use buildings can do so safely; and
- b) Buildings have attributes that contribute to the health, physical independence and well-being of the people who use them; and
- c) People can escape from fire; and
- d) Buildings are designed, constructed and used in ways to promote sustainable development.

Responsibilities under the Building Act can be clearly delineated into responsibilities as a Building Consent Authority (BCA) and as a Territorial Authority (TA). As a BCA, Council has responsibilities including the issue of building consents, inspecting building work, issuing notices to fix, code compliance certificates and compliance schedules. Territorial responsibilities include customer enquiries, issuing project information memoranda, granting exemptions, waivers and modifications, certificates of acceptance, administering and enforcing provisions for building warrant of fitness, performing functions relating to dangerous, earthquake-prone or insanitary buildings, regulation of Fencing of Swimming Pools Act 1987 and any other functions and duties required under the Building Act 2004 and any other national legislation that impacts on building work in the district.

### 2014/2015 highlights

- Maintaining accreditation status as a registered BCA. The Council has been registered as a BCA since mid-2008 and must meet the standards outlined in the Building (Accreditation of Building Consent Authorities) Regulations 2006 and be reassessed every two years to maintain accreditation status.
- Appointment of a new Building Unit Manager and review of building unit structure and performance.
- Building unit officers commenced working towards their mandatory building surveying diplomas. To achieve these qualifications officers are becoming multi skilled in all areas of building responsibilities

### How well did we deliver our services in 2014/2015

The Council processes, inspects and certifies building work applications						
What we aimed for	How we did					
Percentage of accepted building consent applications processed within 20 working days	Out of 983 consents, 5 consents went over their statutory timeframe which equates to less than 1% not processed within 20 working days.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		NOT ACHIEVED	
	Target	≥98%	Target	≥98%	Target	100%
	Result	99%	Result	98%	Result	99%



## HEALTHY AND SAFE COMMUNITIES ACTIVITY GROUP

### Building Control Activity

The Council processes, inspects and certifies building work applications						
What we aimed for	How we did					
Average time (in days) to complete consents for new dwellings.	Of the 983 consents processed, 229 related to new dwellings. The average time in days for processing those consents was 9.42 days which is both a significant improvement on last year and the best performance in this three year cycle of reporting.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		NOT ACHIEVED		ACHIEVED	
	Target	<11.2 days	Target	<11 days	Target	<19 days
Result	9.42 days	Result	11.2 days	Result	10.8 days	
What we aimed for	How we did					
Percentage of building consents audited that comply with our operating procedures	There were 36 technical peer review audits completed. Thirty four reviews (94%) were satisfactory and two reviews identified the need for further training.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
Result	94%	Result	100%	Result	100%	

All medium risk or above illegal building work will be inspected immediately and made safe						
What we aimed for	How we did					
That all reported cases of illegal building work assessed as high risk or above will be inspected within 48 hours.	There were 10 instances of reports of building work without consent or non-compliant work. None of these were considered high risk.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		NOT ACHIEVED	
	Target	100%	Target	100%	Target	100%
Result	100%	Result	100%	Result	87%	
What we aimed for	How we did					
That all reported cases of medium risk level illegal work are investigated.	There were 10 instances of reports of building work without consent or non-compliant work. All were investigated.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
Result	100%	Result	100%	Result	100%	

## HEALTHY AND SAFE COMMUNITIES ACTIVITY GROUP

### Building Control Activity

Commercial buildings and swimming pools which don't comply with the NZ Building Code and Fencing of Swimming Pools Act respectively, will be identified and rectified						
What we aimed for	How we did					
That all commercial buildings will have a current building warrant of fitness.	This measure is reliant on building owners or their agents. There are a total of 334 Building Warrant of Fitness's of which 317 are current. The 17 non-current buildings are defined as - 2 in progress, 13 in the post or waiting for Independent Qualified Person signoff and 2 outstanding due to legal issues and/or sale of premises.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	95%	Result	98%	Result	93%
What we aimed for	How we did					
Percentage of pools in the District, on our register, are working towards or are compliant with the Building Act and the Fencing of Swimming Pools Act	There are a total of 549 swimming pools and spa pools on the register of which 416 are compliant. Of the 133 non-compliant pools 32 are awaiting inspection, 93 failed inspections and 8 are empty until compliance is achieved. Non-achievement of this measure is due to staffing resource shortage which is being addressed through additional staffing resources.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	100%	Target	100%	Target	75%
	Result	76%	Result	76%	Result	65%

# HEALTHY AND SAFE COMMUNITIES ACTIVITY GROUP

## Community Health and Safety Activity

### What we do

This activity provides a range of services to ensure our communities are clean, safe and healthy places to live. This includes minimising public nuisances and offensive behaviour as well as helping ensure public places are safe.

### 2014/2015 highlights

- The compliance team has over exceeded service expectations in the previous year where measurements were readily able to be recorded. The only uncontrollable result was for property checks where the result was due to the owners moving on from the property or not located at the property during checks. The compliance team is undertaking a significant number of new functions since the compliance activity was brought in-house in 2011 and improved systems to measure service levels have been introduced where possible.
- The District Licensing Committee had six hearings this year compared to just one the previous year. We anticipate this will continue at this level as a result of objections to liquor applications.
- During February and March the Class 4 Gambling Venue Policy and Board Venue Policy was out for consultation. Fourteen submissions were received and Council is deliberating on the sinking lid policy, a new relocation policy and a new merging of Class 4 venues policies in August 2015.

### How well did we deliver our services in 2014/2015

Premises are inspected to ensure they are producing safe food						
What we aimed for	How we did					
The percentage of food premises inspected at least once annually to assess whether they are compliant with regulatory requirements.	This year inspections of food premises were maintained and more education provided to those registered premises that would be more suitable to be under the Food Control Plan. Council submitted on the proposals for regulations under the Food Act 2014. This included noting our concerns of the cost to businesses and the effect of mobile trading licences from other councils. The transition of the regulations will be implemented during 2016 -2019.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		NOT ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	71%
The Council provides animal control services to avoid dog attacks and nuisances						
What we aimed for	How we did					
The percentage of inspections carried out on properties where there are dogs classified as menacing or dangerous.	Compliance Officers checked 67 classified dog properties in May 2015 and by the end of June they had identified 47 properties with classified dogs. The remaining dogs or owners were not located or were no longer at the property. The properties are rechecked in September each year during dog registration checks when owner records are updated.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		NOT ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	71%
The supply of liquor is controlled to prevent bad behaviour						
What we aimed for	How we did					
The percentage of premises inspected to check for display of appropriate signage relating to underage and intoxicated persons per annum.	There are a total of 209 licensed premises a number of which have multiple licenses (i.e. On, Off and Club). There were 130 inspections carried out during the year. Those premises not inspected for signage included low risk premises such as small sporting clubs that operate infrequently, seasonally or outside of normal working hours. The signs policy was being reviewed in this period for consultation and therefore this target was not prioritised.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	62%	Result	43%	Result	60%

## HEALTHY AND SAFE COMMUNITIES ACTIVITY GROUP

### Community Health and Safety Activity

The Council provides animal control services to avoid dog attacks and nuisances						
What we aimed for	How we did					
The percentage of urgent animal control issues are responded to within 2 hours.	There were 90 urgent animal control issues recorded in the request for service system. Of these reported incidents, 27 were dog attacks on people, and the remaining 63 involved attacks on other animals. All incidents were responded to within two hours.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	100%

We will respond to noise issues so that it does not disturb others						
What we aimed for	How we did					
The percentage of noise callouts responded to.	There were 540 requests for service in the 2014/2015 reporting period. The requests are reviewed through monthly monitoring meetings with the contractor. These review meetings confirmed that all requests had received a response.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥98%	Target	≥98%	Target	≥98%
	Result	100%	Result	98%	Result	100%

Parking and freedom camping restrictions are put in place and enforced						
What we aimed for	How we did					
That random and programmed parking patrols are undertaken in the following communities: <ul style="list-style-type: none"> <li>• Thames</li> <li>• Whitianga</li> <li>• Whangamata</li> </ul>	Parking patrols expectations are set through Service Level Agreements with Community Boards each October. In all areas patrols were oversubscribed to ensure coverage was exceeded.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	100%

What we aimed for	How we did					
The number of days that patrols for freedom camping are carried out per year.	Freedom camping patrol expectations are set through Service Level Agreements. These patrols increased in 2011 to provide additional coverage - the minimal expectation is 3-5 days per week throughout the year. This was exceeded.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥35 days	Target	≥35 days	Target	≥35 days
	Result	260+ days	Result		Result	

We help minimise the harm caused by gambling through limiting gaming machine numbers						
What we aimed for	How we did					
The number of gaming machines in our district.	The sinking lid policy had a limited impact for a number of years however a renewed focus through the review of the Gambling policy and bylaws has seen a 22% drop in the last two years (based on figures from the Department of Internal Affairs).					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≤306	Target	≤306	Target	≤306
	Result	261	Result	294	Result	306



# Roads and Footpaths Activity Group

The provision of roads and footpaths means the planning, provision, development, operations and maintenance of a district land transportation network and facilities to local communities including footpaths, service lanes, street lighting, bridges and carparks owned by us. This is to ensure that the movement of people and goods around our district and within local communities is safe, efficient, convenient and pleasant.

Provision and maintenance of these facilities promotes a more pleasing and safer physical environment and enhances quality of life in local communities by making it quicker and easier to travel to destinations. A well-maintained roading network enables economic activity and growth by allowing for the efficient transport of goods and services and by promoting visitor access to the Coromandel. Road safety is also improved as part of proactive road maintenance.

This activity group includes the following activities:

- **District Transportation**
- **Local Transportation**

## Contributing to our district

The Roads and Footpaths activity group plays an important role in contributing to **a Prosperous District, a Liveable District and a Clean and Green District** by making it easy and safe to get around through providing essential infrastructure that enables our economy to grow; supports a range of lifestyle opportunities, while balancing accessibility with the protection of our unique natural environment.

Throughout the 2014/2015 year we've measured our contribution to our outcomes through this activity group, as follows:

We would be successfully contributing to our district if:	How we did
The number of annual fatal road crashes (due to road factors) throughout our district reduces.	There were no road crash fatalities due to road factors
The number of annual road crashes (due to road factors) resulting in injury within our district reduces.	There were three crashes in the last year where road factors were noted and that resulted in injury, this compares to four crashes resulting in injury the previous year.
Resident satisfaction with the image of the closest town centre is maintained or increases *(measured three yearly).	There was no customer satisfaction survey this year. The next one is scheduled for 2016.

\* measured in the NRB Communitrak Survey, 2013

# Roads and Footpaths Activity Group

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included the Activity sections for context.

Activity	Performance measures achieved	How we did
District Transportation	7 of 8	This activity has performed consistently well over the three year reporting cycle.
Local Transportation	1 of 4	<p>This activity appears to be the poorest performing activity however only one of the results can be attributed to poor performance.</p> <p>The first measure failed as an unintended consequence of 1.3km of state highway being transferred to Council.</p> <p>The performance measures related to street lighting was not achieved in any of the three years with the performance significantly below the target in two of the three years.</p> <p>The other performance measure not met related to the Ferry Landing to Hot Water Beach shuttle service. The change in service was a management decision based on a review of the demand for the service, and the Annual Plan did not reflect these changes therefore it has been assessed as not achieved.</p>

## ROADS AND FOOTPATHS ACTIVITY GROUP

<b>Funding Impact Statement</b> for the year ended 30 June 2015		2014 Long-term plan \$000's	2015 Long-term plan \$000's	2015 Actual \$000's
	Ref.			
<b>Source of operating funding</b>				
General rates, uniform annual general charges, rates penalties		4,064	4,420	4,920
Targeted rates		4,127	4,457	4,073
Subsidies and grants for operating purposes		2,382	2,620	2,575
Fees and charges		282	304	144
Internal charges and overheads recovered		665	655	808
Fuel tax, fines, infringement fees and other receipts		554	573	401
<b>Total operating funding (A)</b>		<b>12,074</b>	<b>13,029</b>	<b>12,921</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1	13,401	14,101	7,032
Finance costs		368	491	128
Internal charges and overheads applied		1,184	1,274	1,475
Other operating funding applications		0	0	0
<b>Total applications of operating funding (B)</b>		<b>14,954</b>	<b>15,866</b>	<b>8,635</b>
<b>Surplus(deficit) of operating funding (A - B)</b>		<b>(2,879)</b>	<b>(2,838)</b>	<b>4,286</b>
<b>Source of capital funding</b>				
Subsidies and grants for capital expenditure	2	4,174	4,266	2,419
Development and financial contributions		197	498	116
Increase/(decrease) in debt	3	3,431	3,435	(163)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total sources of capital funding (C)</b>		<b>7,802</b>	<b>8,198</b>	<b>2,372</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	4	1,293	1,643	227
- to improve the level of service	5	4,053	4,355	2,091
- to replace existing assets	6	6,747	6,242	3,744
Increase/(decrease) in reserves	7	(7,172)	(6,878)	596
Increase/(decrease) in investments		0	0	0
<b>Total applications of capital funding (D)</b>		<b>4,922</b>	<b>5,361</b>	<b>6,658</b>
<b>Surplus(deficit) of capital funding (C - D)</b>		<b>2,879</b>	<b>2,838</b>	<b>(4,286)</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>		<b>0</b>	<b>0</b>	<b>0</b>

### Ref. Variance explanations

- 1 Depreciation of \$6.2 million was included in the funding impact statements in the Long-Term Plan. Depreciation is not included in the actual results disclosed in these statements (per the Local Government (Financial Reporting and Prudence) Regulations 2014). The remaining variance is attributable to deferral of Hauraki cycleway of \$1 million.
- 2 Subsidies received from New Zealand Transport Authority are directly related to expenditure. With lower than budgeted expenditure incurred during the 2015 year, subsidies received has reduced accordingly.
- 3 Actual capital expenditure was lower than that budgeted. This in turn has reduced the funding requirements for projects. As such, debt levels decreased.

## ROADS AND FOOTPATHS ACTIVITY GROUP

---

- 4 Area-wide pavement treatment had a reduced budget from the LTP to the Annual Plan of \$0.3 million, this budget was then underspent by \$0.2 million. Wentworth Valley Seal Extension had a budget of \$0.2 million in the LTP but no budget in the Annual Plan. Whitianga CBD Upgrade had a budget of \$0.3 million in the LTP but no budget in the Annual Plan. Tairua Manaia Rd Causeway was underspent by \$0.2 million as project has been deferred. Ferry Landing Historic Wharf Upgrade budget of \$0.1 million moved to Community Spaces (harbours).
- 5 The scope of the following projects changed between the LTP and the Annual Plan, major drainage control of \$0.2 million, unsealed road basecourse replacement of \$0.3 million, Wentworth Valley Seal Extension of \$0.7 million, Whitianga CBD Upgrade of \$0.4 million. Tairua Manaia Rd Causeway was underspent by \$0.4 million as project has been deferred. Whangamata Service Lane Legalisation was underspent by \$0.1 million. Ferry Landing Historic Wharf Upgrade budget of \$0.1 million moved to Community Spaces (harbours).
- 6 Area-wide pavement treatment had a reduced budget from the LTP to the Annual Plan of \$1.1 million, this budget was then underspent by \$0.2 million. Maintenance of chip seal had a reduced budget from the LTP to the Annual Plan of \$0.8 million, this budget was then underspent by \$0.3 million
- 7 Reserves balances in the Long-Term Plan include a credit to the depreciation reserves of \$6.2 million. Depreciation is not included in the actual results disclosed in these statements, therefore there is no corresponding credit to the depreciation reserve. Also, with the capex underspending, significant transfers to reserves occurred.

# ROADS AND FOOTPATHS ACTIVITY GROUP

## District Transportation Activity

### What we do

This activity provides for people and goods to move safely around our district. It includes the development and maintenance of a road network. Our road transportation network currently comprises over 400km of sealed roads, over 250km of unsealed roads, and approximately 150 bridges and other associated infrastructure such as signage. Beyond the provision of roads, helping people get around safely and efficiently is also a key focus.

This activity does not cover the entire roading corridor. State highways are managed by the New Zealand Transport Agency and our *Local Transportation* activity encompasses functions that enable people to move around within local communities (such as footpaths and town centre upgrades).

### 2014/2015 highlights

- The new roading Professional Services contract was tendered and commenced on 1 November 2014.
- The three new operations and maintenance contracts (for road maintenance, traffic services, vegetation control and street lighting) were tendered (for commencement 1 July 2015). The incumbent contractors were successful in retaining these 3 year term contracts.
- Completion of 37km of road resurfacing, 1.75km of road pavement strengthening, 1km of new traction seal and 4km of new dust seal across the district.
- Port Jackson Road was subject to on-going damage caused by extreme weather during July and August 2014. Significant resource was required during the response and recovery phases of these weather events. A temporary ford was constructed to provide vehicle access following significant damage to the Ongohi Bridge, with an innovative bridge reinstatement methodology employed to enable the bridge to be reopened within three months of the original storm event.
- Two bridges on Waikawau Beach Road were replaced to allow overweight vehicle access.
- Resource consent was granted for the Kopu to Kaiaua stage 2 section of the Hauraki Rail Trail.

### How well did we deliver our services in 2014/2015

The Council will deliver a road network that enables people and goods to move around the District						
What we aimed for	How we did					
The kilometres of road in the District which is sealed (excludes state highways).	Sealed road length reflects achievement of dust seal and traction seal work programmes. It also includes sealed roads vested in Council, which for the 2014/15 year includes development roads and the sections of old state highways at Kopu that were transferred to Council following completion of the Kopu Bridge project. The total sealed network length increased by 14kms.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	447	Target	444km	Target	440km
	Result	471	Result	457km	Result	452km

The Council will deliver a road network that enables people and goods to move around the District			
What we aimed for	How we did		
The percentage of residents and non-resident ratepayers who have a view are fairly/very satisfied with the roads.	The Customer Satisfaction Survey is undertaken every three years. The last survey was undertaken in 2013 and then next survey is scheduled for 2016.		
	2014-2015	2013-2014	2012-2013
	NOT MEASURED	NOT MEASURED	ACHIEVED
			Target
		Result	89%



## ROADS AND FOOTPATHS ACTIVITY GROUP

### District Transportation Activity

The Council will ensure its roads are safe						
What we aimed for		How we did				
The number of road fatalities caused by road factors.	There were no road fatalities caused by road factors.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	0	Target	0	Target	0
	Result	0	Result	0	Result	0
What we aimed for		How we did				
The kilometres of dust seals completed.	Dust seals were completed in the Coromandel-Colville and Tairua-Pauanui areas in line with Council's prioritised work programme.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	>3 km	Target	>3 km	Target	>3 km
	Result	3.85km	Result	3.1 km	Result	4.2 km
What we aimed for		How we did				
The number of road safety education campaigns delivered in the District by the Council.	NZTA subsidised five road safety education campaigns, focussed on young drivers, alcohol/drugs, motorcycles, speed, and roads/roadsides. The campaigns continued to be delivered though coordination with road safety partners across the East Waikato sub-region.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	5	Target	5	Target	5
	Result	5	Result	5	Result	5

Disruptions are managed to ensure that traffic flows are not unduly affected						
What we aimed for		How we did				
The percentage of district roads (not state highways) unavailable due to road closure.	As a result of numerous weather events during July and August 2014, Port Jackson Road was subject to intermittent closures due to flooding of fords and minor slips, however performance against this measure was still above target					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	<1%	Target	<1%	Target	<1%
	Result	0.1%	Result	0.1%	Result	0.1%
What we aimed for		How we did				
That in the event of unplanned road closures, status updates via the Council's website occur twice daily until the road has been opened.	Regular updates relating to unplanned road closures were provided to customers via Council's website. 2014/2015 saw an improved flow of information between contractors, consultant, staff and our customers.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	100%

## ROADS AND FOOTPATHS ACTIVITY GROUP

### District Transportation Activity

The design, maintenance and management of roads ensures they are in good condition and fit for purpose							
What we aimed for		How we did					
The percentage of vehicle travel on sealed roads is smooth.		This is measured via a roughness survey carried out every second year. The last survey was in 2014 and the next is scheduled for 2016.					
		2014-2015		2013-2014		2012-2013	
		NOT MEASURED		ACHIEVED		NOT MEASURED	
		Target	≥80%	Target	≥80%	Target	≥80%
Result	No survey	Result	90%	Result	No survey		
What we aimed for		How we did					
The percentage of potholes on sealed roads repaired within one week.		There were eight reported potholes and seven of these were repaired within the timeframe.					
		2014-2015		2013-2014		2012-2013	
		NOT ACHIEVED		ACHIEVED		ACHIEVED	
		Target	≥90%	Target	≥90%	Target	≥90%
Result	88%	Result	100%	Result	95%		

The Hauraki Rail Trail Cycleway Project provides for increased visitor activity							
What we aimed for		How we did					
That the work programme is progressed to complete the Hauraki Rail Trail Cycleway.		The major milestones for the 2014-2015 work programme were all met. Hauraki District Council has led this work programme with Thames-Coromandel District Council contributing to the cost. The completed milestones focussed on planning and consenting of the Kopu to Kaiaua stage of the trail including route planning, landowner agreements, resource consent granted by Hauraki District Council, and detailed costing of the construction and operational costs. A funding application was also made to the governments Lotteries Fund for \$2 million, but this was unsuccessful. This net effect of this decision is there will be delays in progressing the next stages of the project.					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
		Target	Progress work programme	Target	Progress new programme	Target	Complete stage one
Result	Work programme progressed as planned.	Result	Programme progressed	Result	Stage one completed		

### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
Tairua Manaia Road causeway improvements	\$43	\$620	Commencement of this project was conditional on a decision from Waikato Regional Council on the resource consent. The decision was still pending at 30 June. The actual spend was for the procurement of some of the structural components of the project.
Hauraki Rail Trail - Stage 2 Kopu to Kaiaua	\$178	\$1,200	Our commitment to funding this project was conditional on approval of government funding and satisfactory contractual arrangements between Thames-Coromandel District Council and Hauraki District Council. The actual spend for this year was our contribution to planning and initiation costs. For more information on this project refer to the District Transportation Activity section.

# ROADS AND FOOTPATHS ACTIVITY GROUP

## Local Transportation Activity

### What we do

Our Local Transportation activity helps enable people to move around their local settlement. It complements the provision of roads through a range of services from providing for pedestrian access and movement to contributing to vibrant and pleasant town centres.

The *District Transportation* activity provides for the management and maintenance of roads throughout our District (excluding state highways).

### 2014/2015 highlights

Completion of the following local transportation projects:

- Thames
  - Rhodes Park intersection improvements to include additional lane for right turning traffic exiting the park.
  - Formation of an off street parking area on Brown Street outside the Bridge Club.
- Coromandel-Colville
  - Widening the access from Tiki Road into the Woollams Avenue car park from one-way to two-way to improve access to car parking and reduce congestion in Kapanga Road.
  - New footpath on Long Bay Road.
- Mercury Bay
  - Removal of many streetlights in Matarangi following requests from the community to reduce light pollution.
  - New footbridge and footpath connecting the overflow car park at Hot Water Beach.
- Tairua-Pauanui
  - New footpath on Paku Drive from Hemi Place to the Marina.
- Whangamata
  - Esplanade Drive car parking improvements.

### How well did we deliver our services in 2014/2015

Footpaths can be used to get around town							
What we aimed for		How we did					
The percentage of the urban network with a footpath on at least one side of the street.		A total of 1.6km of new footpath was constructed across the district in 2014/15. An increase to Council's urban road length, resulting from 1.3km of state highway being transferred to Council, has offset the percentage of the urban network that has a footpath on one side.					
		2014-2015		2013-2014		2012-2013	
		NOT ACHIEVED		ACHIEVED		ACHIEVED	
		Target	59%	Target	58%	Target	57%
		Result	58%	Result	58%	Result	57%

## ROADS AND FOOTPATHS ACTIVITY GROUP

### Local Transportation Activity

Footpaths can be used to get around town						
What we aimed for		How we did				
The percentage of resident and non-resident ratepayers who have a view are satisfied with footpaths in the District.	The customer satisfaction survey is carried out every three years. The last survey was in 2013 and the next is scheduled for 2016.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		ACHIEVED	
					Target	≥70%
					Result	76%

Street lighting is provided in urban areas and major intersections						
What we aimed for		How we did				
The percentage of street lighting outages repaired within 1 week.	Not achieving this performance target was mainly due to faults not being repaired within contract timeframe. The result was also partly due to some Requests For Service not being closed out in Council's system once completed. Staff are working with the contractor to improve performance as well as reviewing the Request For Service process used for this contract.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	≥90%	Target	≥90%	Target	≥90%
	Result	68%	Result	84%	Result	61%

People can access a pleasant town centre						
What we aimed for		How we did				
The percentage of residents and non-resident ratepayers who have a view are satisfied with the image of closest town centre.	The customer satisfaction survey is carried out every three years. The last survey was in 2013 and the next is scheduled for 2016.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		ACHIEVED	
					Target	≥87 %
					Result	89%
That the urban environment is improved through town centre upgrade projects: Whitianga town centre utilities work commences.	Council resolved to suspend the Whitianga Town Centre Upgrade project as part of the 2013/14 Annual Plan deliberations. The project has been reprioritised in the 2015-2025 Long Term Plan.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		NOT MEASURED	
	Target	N/A	Target	N/A	Target	N/A
	Result	Not measured	Result	Under review	Result	Under review

## ROADS AND FOOTPATHS ACTIVITY GROUP

### Local Transportation Activity

Vegetation on urban road berms, maintained by the Council, are mowed regularly (excluding private berms)						
What we aimed for	How we did					
The percentage of urban road berms maintained with a grass height of less than 200mm.	There has been a slight improvement in performance from the previous year, and achievement was still above target.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥80%	Target	≥80%	Target	≥80%
	Result	95%	Result	92%	Result	97%

Public transport is provided in peak summer holiday periods - Mercury Bay South						
What we aimed for	How we did					
The number of days the Hahei to Ferry Landing shuttle operates in summer.	The Ferry Landing to Hot Water Beach shuttle service operated over the period 27 December 2014 to 26 January 2015 (31 days), and was extended for an additional 3 days over 6, 7, 8 February. The shuttle service did not operate for the target number of days due to cost and demand factors.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		ACHIEVED	
	Target	40 days	Target	40 days	Target	40 days
	Result	34 days	Result	32 days	Result	42 days



# ROADS AND FOOTPATHS ACTIVITY GROUP

## Local Transportation Activity

### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
<b>Thames</b>			
Footpath construction	\$33	\$71	The Community Board prioritised sites due to accessibility issues for this financial year. Footpath constructions were completed as part of the Thames Bridge Club car park and the Rhodes Park entranceway widening projects. A handrail was installed on the Jacobs Ladder.
Rhodes Park entrance improvements	\$52	\$15	The budget for this project was increased to \$50,000 during the year to complete the work required to allow for a two-lane exit and one lane entry to alleviate congestion during peak periods. For further information on this project refer to the Performance Overview highlights section.
<b>Coromandel</b>			
Footpath construction	\$55	\$47	The budget for this project was increased to \$59,000 during the year to complete the work required for stage one of the footpath project from Coromandel Town to Long Bay.
<b>Mercury Bay</b>			
Footpath construction	\$252	\$266	The Community Board initiated a footpath priority plan for the financial year. The footpath constructions completed were in Blacksmith Lane, two sections Coghill Street, Campbell Street, Matarangi Drive and Kuaotuna SH25. A footbridge was completed at Hot Water Beach to connect the northern footpath.
<b>Tairua-Pauanui</b>			
Footpath construction	\$73	\$95	The budget for this project was reduced to \$80,000 during the year because easement agreements for the Centreway footpath construction would not be finalised by the end of the year. The Paku Drive footpath excluding the area around the Pohutakawa tree was completed.
<b>Whangamata</b>			
Footpath construction	\$152	\$159	The Community Board initiated a footpath priority plan for the financial year. The footpath construction completed was in Kiwi Road. The Wentworth footpath guardrail was also completed. The design for the Bellona Road footpath was finalised ready for construction in the 2015/2015 financial year.

# Community Spaces Activity Group

The Community Spaces group of activities means providing facilities that enhance opportunities for members of the community to participate in a range of activities, including sporting, cultural, recreational, educational and artistic pursuits that contribute to a better quality of life.

The group provides indoor and outdoor spaces for people to meet, places for relaxation and contemplation, means of access for visitors and tourists and facilities to enhance both visitors' and residents' experience of the peninsula.

This activity group includes the following activities:

- **Airfields**
- **Cemeteries**
- **Community Centres and Halls**
- **Public Conveniences**
- **Harbour Facilities**
- **Libraries**
- **Parks and Reserves**
- **Swimming Pools**

## Contributing to our district

The Community Spaces activity group contributes to a **Prosperous District, a Clean and Green District and in particular a Liveable District** by providing a range of recreation opportunities. The activity group provides infrastructure to support economic opportunities while balancing the enjoyment of our unique natural environment with protection. This activity group promotes a local sense of place, which contributes to liveable and healthy communities.

Progress for this group of activities on meeting Council outcomes is measured through a local and regional customer satisfaction survey that is conducted every three years. This was last conducted in 2013 and the next survey is scheduled in 2016.

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included in the Activity sections for context.

Activity	Performance measures achieved	How we did
Airfields	1 of 1	This activity has achieved a 100% success rate over the three year reporting period.
Cemeteries	2 of 2	Cemeteries achieved 100% of its targets over the three year reporting period.
Community Centres and Halls	1 of 3	The main area of under achievement during the three year reporting period was the performance measure focussed on actual usage of community centres. In all instances when the target was not met it was within 2%.
Public Conveniences	1 of 1	Public Conveniences achieved 100% of its targets over the three year reporting period.
Harbour Facilities	3 of 3	Harbour Facilities achieved 100% of its targets over the three year reporting period.
Libraries	3 of 5	Overall performance over the three year reporting period was very good. One measure was not achieved in any of the three years, supporting a library service in Port Charles as local community was unable to identify anyone prepared to deliver the service.
Parks and Reserves	2 of 5	The services were delivered as intended during the three year period however some of the targets were not met due to errors in the baseline information setting the targets higher than originally intended.
Swimming Pools	4 of 4	Over the three years the Swimming Pools activity met 11 of the possible 12 performance targets. This was due to an unplanned closure for essential maintenance work in 2013-2014.

## COMMUNITY SPACES ACTIVITY GROUP

<b>Funding Impact Statement</b> for the year ended 30 June 2015	2014	2015	2015
	Long-term plan	Long-term plan	Actual
Ref.	\$000's	\$000's	\$000's
<b>Source of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,158	1,230	1,034
Targeted rates (other than a targeted rate for water supply)	1	7,995	8,476
Subsidies and grants for operating purposes	2	2	56
Fees, charges and targeted rates for water supply	1,207	1,193	1,321
Internal charges and overheads recovered	621	593	679
Fuel tax, fines, infringement fees and other receipts	2	2	25
<b>Total operating funding (A)</b>	<b>10,985</b>	<b>11,497</b>	<b>10,262</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2	7,942	8,353
Finance costs		352	429
Internal charges and overheads applied		2,845	2,972
Other operating funding applications		0	0
<b>Total applications of operating funding (B)</b>	<b>11,138</b>	<b>11,716</b>	<b>8,912</b>
<b>Surplus(deficit) of operating funding (A - B)</b>	<b>(154)</b>	<b>(219)</b>	<b>1,351</b>
<b>Source of capital funding</b>			
Subsidies and grants for capital expenditure		0	46
Development and financial contributions	3	723	1,737
Increase/(decrease) in debt	4	632	3,376
Gross proceeds from sale of assets		0	161
Lump sum contributions		0	0
Other dedicated capital funding		0	0
<b>Total sources of capital funding (C)</b>	<b>1,355</b>	<b>5,114</b>	<b>409</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	5	399	2,744
- to improve the level of service	6	2,678	5,133
- to replace existing assets		502	402
Increase/(decrease) in reserves	7	(2,378)	(3,384)
Increase/(decrease) in investments		0	0
<b>Total applications of capital funding (D)</b>	<b>1,201</b>	<b>4,894</b>	<b>1,759</b>
<b>Surplus(deficit) of capital funding (C - D)</b>	<b>154</b>	<b>219</b>	<b>(1,351)</b>
<b>FUNDING BALANCE ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Ref Variance explanations

- 1 Fees and charges revenue increased \$0.1 million, Parks contract costs reduced \$0.5 million, deferral of Thames Community Sports facility \$0.2 million, amendment to Mercury Bay sports ground depreciation \$0.5 million.
- 2 Depreciation of \$2.4 million was included in the funding impact statements in the Long-Term Plan. Depreciation is not included in the actual results disclosed in these statements (per the Local Government (Financial Reporting and Prudence) Regulations 2014).
- 3 Due to growth being lower than forecasted the budget contribution amount was reduced in the Annual Plan to 20% of the LTP budget (\$1.4 million reduction) based on actuals from 2011/12 and 2012/13.
- 4 Actual capital expenditure was lower than that budgeted. This in turn has reduced the funding requirements for projects. As such, debt levels decreased.

## COMMUNITY SPACES ACTIVITY GROUP

---

- 5 Neighbourhood reserves of \$2.1 million were unspent, Mary Beach wharf in Tairua had \$0.4 million deferred and Thames Community Sports Facility had \$0.2 million deferred.
- 6 Coromandel Aquaculture Infrastructure had \$2.5 million deferred and Mary Beach Wharf in Tairua had \$0.6 million deferred.
- 7 Reserves balances stated in the long-term plan budget include a credit to the depreciation reserves of \$2.4 million. Depreciation is not included in the actual results disclosed in these statements, therefore there is no corresponding credit to the depreciation reserve.

# COMMUNITY SPACES ACTIVITY GROUP

## Airfields Activity

### What we do

We provide two airfields in our district - one in Pauanui and the other in Thames. Their function is primarily for recreational use and some commercial flights. Airfields also act as a useful resource in case of emergency. We own (and presently manage) both airfields.

### 2014/2015 highlights

Thames: All the drains were cleared in June 2015 to assist in alleviating the wet and unsafe condition that happens each July.

Pauanui: Has continued to operate effectively throughout the year. Regular two-weekly safety checks are undertaken with maintenance and lawn mowing carried out when required.

### How well did we deliver our services in 2014/2015

There are safe airfields for small aircraft in Thames and Pauanui							
What we aimed for		How we did					
The number of days per year that the airfield is open for use in:		Thames: The Thames airfield was open for use 355.5 days of the year. The airfield was closed to fixed wing aircraft for 86.5 hours in July 2014 due to wet and unsafe conditions. The runways and taxiways were also closed due to mowing and inspections for 114.5 hours over the year.					
		Pauanui: Closed on 23 April 2015 to enable a load bearing assessment to be conducted. This assessment has proven the maximum permissible strength rating currently stated in the Aerodrome Operations Manual and New Zealand Aeronautical Information Publications database (NZAIP, 2013, p.NZUN AD 2-52.1).					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
• Thames	Target	>320 days	Target	>320 days	Target	>320 days	
	Result	355.5 days	Result	358 days	Result	320 days	
• Pauanui	Target	>355 days	Target	>355 days	Target	>355 days	
	Result	364 days	Result	365 days	Result	365 days	
What we aimed for		How we did					
The percentage of compliance at the Thames and Pauanui airfields with Civil Aviation Authority safety requirements.		A safety inspection for Thames and Pauanui airfields by the Civil Aviation Authority did not fit with their inspection schedule in 2014/2015 and is due to be undertaken July/August 2015.					
		2014-2015		2013-2014		2012-2013	
		NOT MEASURED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%	
	Result	Not Available	Result	100%	Result	100%	



# COMMUNITY SPACES ACTIVITY GROUP

## Cemeteries Activity

### What we do

Cemeteries provide memorial spaces for those wishing to remember people that have passed on. This activity involves ensuring that there is adequate burial facilities throughout our District. It also includes ensuring that all Council cemeteries are well presented as a mark of respect.

### 2014/2015 highlights

- Reviewed Council's Cemeteries Bylaw and adopted a revised bylaw.
- Developed a Cemeteries Operations Manual.

### How well did we deliver our services in 2014/2015

Cemeteries are available in each community board area for people to remember loved ones						
What we aimed for	How we did					
The percentage of Community Board areas with cemeteries available for burials.	Thames, Coromandel-Colville, Whangamata, Mercury Bay and Tairua-Pauanui Community Board areas each had operational cemeteries for the 2014/2015 year.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	100%

Cemeteries will be tidy and well maintained spaces						
What we aimed for	How we did					
That all cemetery interment requests are responded to within one day.	All of the 131 requests for interment were dealt with as one day Requests for Service.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	100%
What we aimed for	How we did					
Of those residents and non-resident ratepayers who have a view, the percentage who are satisfied with Council cemeteries.	The customer satisfaction survey is carried out every three years and the next survey is scheduled for 2016.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		ACHIEVED	
					Target	≥89%
				Result	98%	

# COMMUNITY SPACES ACTIVITY GROUP

## Community Centres and Halls Activity

### What we do

This activity ensures that a range of community centres and halls are provided to meet local community needs. They provide facilities for people to get together and take part in a range of activities such as recreation and cultural events. Community centres and halls are used for public purposes as well as private social events.

### 2014/2015 highlights

- Alterations at the Thames War Memorial Civic Centre to create two tenantable spaces commenced and are due to be completed by 1 August 2015.
- A Roll of Honour to commemorate the Thames fallen from World War I was installed at the Thames War Memorial Civic Centre.
- The Pauanui Amenity building was completed early June 2015 with the official opening held 27 June 2015. The Pauanui Community Library and Pauanui Information Centre relocated and operate from the building. The meeting room is available for hire by groups within the community.

### How well did we deliver our services in 2014/2015

The Council provides community centres and hall facilities for community activities and events						
What we aimed for	How we did					
That community centres in Thames, Whitianga and Whangamata are available for hire 14 hours per day.	The Thames War Memorial Civic Centre Conference Room was unable to be hired during June because of renovations for the new Destination Coromandel office space.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	100%
What we aimed for	How we did					
Percentage of actual hours community centres are used compared to total available:	Both Whangamata and Thames did not reach the required hours of use in 2014-2015.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		ACHIEVED		NOT ACHIEVED	
	• Thames	Target	≥37%	Target	≥37%	Target
• Whangamata		≥47%		≥47%		≥47%
• Whitianga		≥36%		≥36%		≥36%
• Thames	Result	35%	Result	51%	Result	35%
• Whangamata		45%		53%		46%
• Whitianga		42%		42%		55%

## COMMUNITY SPACES ACTIVITY GROUP

### Community Centres and Halls Activity

The Council provides community centres and hall facilities for community activities and events					
What we aimed for	How we did				
That percentage of residents and non-resident ratepayers who have a view are fairly/very satisfied with the community centres and hall facilities.	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the target was achieved. The next survey is scheduled for 2016.				
	2014-2015		2013-2014		2012-2013
	NOT MEASURED		NOT MEASURED		ACHIEVED
					Target      ≥90%
				Result      90%	
What we aimed for	How we did				
That the following communities have access to smaller community centres and halls: Hahei, Cooks Beach, Coroglen, Kuaotunu, Hikuai, Opoutere, Te Puru, Coromandel.	The community centres and halls were available for use during 2014/15.				
	2014-2015		2013-2014		2012-2013
	ACHIEVED		ACHIEVED		ACHIEVED
	Target	All halls operated	Target	All halls operated	Target
Result	All halls operated	Result	All halls operated	Result	All halls operated

#### Grants (in 2014/2015)

The Community Boards provided the following hall grants for 2014/2015:  
 Hahei (\$3,350) Cooks Beach (\$3,350) Coroglen (\$2,200) Kuaotunu (\$2,200) Hikuai (\$2,026) Opoutere (\$5,000)  
 Te Puru (\$3,117) Tapu (\$10,909) Puriri (\$2,598) Kuaeranga Valley (\$3,117).

#### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
Pauanui community amenity building	\$777	\$485	The budget was increased to \$775,000 during the year to include the cost for the purchase of the land. The official opening for the Pauanui community amenity building was on 27 June. This project was completed on time and to budget. For more information on this project refer to the Performance Overview highlights section.

# COMMUNITY SPACES ACTIVITY GROUP

## Public Conveniences Activity

### What we do

We own and maintain public toilets, changing facilities and showers throughout our District for the convenience of the community, visitors and tourists. Most facilities are provided at areas of high public use.

### 2014/2015 highlights

- The Tapu (Thames Coast) unit was refurbished to become flushable. This included the installation of a mini treatment plant and an effluent field.
- Renovation of the public conveniences at Adams Road (Thornton Bay, Thames Coast) and Thames War Memorial Civic Centre were completed.
- New water line installed at the Hahei Beachfront public conveniences.
- Design and prefabrication process was started for new public conveniences at Porritt Park (Thames).

### How well did we deliver our services in 2014/2015

The Council's public toilets are clean						
What we aimed for		How we did				
The percentage of toilet related customer urgent enquiries resolved within 48 hours.	A total of 80 urgent requests for service were received and 73 were resolved within the timeframe.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥85%	Target	≥85%	Target	≥85%
Result	91%	Result	93%	Result	95%	
What we aimed for		How we did				
The percentage of residents and non-resident ratepayers who have a view are fairly/very satisfied with public toilets.	The customer satisfaction survey is carried out every three years. The last survey was in 2013 and the next survey is scheduled for 2016.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		ACHIEVED	
					Target	≥73%
				Result	90%	

### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
Replacement/renewal of public conveniences	\$149	\$321	This budget was revised up to \$359,000 during the year because of an increase in cost estimate to complete the work on the Tapu and the Porritt Park public conveniences. The work on the Tapu and Thames Civic Centre public conveniences was completed during the year at a cost of \$94,000. \$25,000 was also spent on reactive renewals at other public conveniences throughout the district. The work on the Porritt Park public convenience was delayed due to consent approvals and linkage to the Porritt Park project. The remaining budget has been carried forward to complete the work in the 2015/2016 financial year.

# COMMUNITY SPACES ACTIVITY GROUP

## Harbour Facilities Activity

### What we do

Access to the coast is a valued part of the Coromandel lifestyle for many. The Harbour Facilities activity provides recreational and commercial facilities to support recreation, tourism-related activities, commercial fishing and aquaculture. The geography of the Peninsula can limit opportunities for harbour facility provision so we cannot provide full services at all boat ramps and wharves.

### 2014/2015 highlight

- Mercury Bay - Partial funding which was received from NZ Lottery Grants for the historic wharf upgrade of Ferry Landing has allowed the restoration part of the project to be completed. This included the recovery of the stone from the sea bed.

### How well did we deliver our services in 2014/2015

An all tide boat ramp can be accessed in each community board area						
What we aimed for	How we did					
That all 5 Community Board areas have access to an all-tide boat ramp.	Mercury Bay, Thames, Tairua, Pauanui, Whangamata and Coromandel all have all tide boat ramps which are well used by both the local community and visitors.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	5	Target	5	Target	5
Result	5	Result	5	Result	5	
What we aimed for	How we did					
That there are 9 all-tide boat ramps each with at least 20 boat and trailer car park spaces within 400 metres.	All 9 all-tide boat ramps in the ward have at least 20 boat and trailer car park spaces within 400 metres and these have been fit for purpose throughout the year.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	9	Target	9	Target	9
Result	9	Result	9	Result	9	
What we aimed for	How we did					
That ≥77 % of residents and non-resident ratepayers who have a view are satisfied with harbour facilities.	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the target was achieved. The next survey is scheduled for 2016.					
	2014-2015		2013-2014		2012-2013	
	Not Measured		Not Measured		ACHIEVED	
					Target	≥77%
				Result	83%	
The Council will provide commercial wharfage facilities for industry use						
What we aimed for	How we did					
That there are 5 harbours in which commercial wharfage facilities are provided and are used by aquaculture, commercial fishing, or tourism charters.	Coromandel, Port Charles, Whitianga, Tairua and Whangamata each have an operational wharf.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	5	Target	5	Target	5
Result	5	Result	5	Result	5	



## COMMUNITY SPACES ACTIVITY GROUP

### Harbour Facilities Activity

#### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
<b>Mercury Bay</b>			
Mercury Bay destination boat ramp	\$67	\$142	The budget was reduced to \$47,000 during the year because the project was rescoped to prioritise upgrades to Dundas Street and Robinson Road boat ramps. The concept designs have been completed. The remaining budget will be carried forward to complete the project in the 2015/2016 financial year.
Ferry Landing historic wharf refurbishment	\$36	\$257	Completion of this project was reliant on securing external funding of \$470,000. The funding application to Lotto was successful in securing \$188,000 of funding, leaving a shortfall in funding of \$282,000. As a result the budget was reduced to \$47,000 during the year. The Council is working on a strategy to secure alternative sources of funding in order to complete the project. The remaining budget has been carried forward to the 2015/2016 financial year. For further information on this project, refer to the Performance Overview highlights section.
<b>Tairua-Pauanui</b>			
Tairua Mary Beach wharf and boat ramp enhancement	\$12	\$1,181	The budget for this project was based on an initial concept design. Early in the financial year, it was agreed that the project needed to be re-scoped, a full business case developed and further consultation with the Community. As a result, the capital expenditure budget was reduced to \$25,000 to complete the detailed design engineering costs and an operational budget of \$10,000 was added to progress investigation work. However, the design was not completed by year-end. Budget has been allocated in the 2015-2025 Long Term Plan in years 1 (\$380,000) and 2 (\$772,000) to complete this project.

# COMMUNITY SPACES ACTIVITY GROUP

## Libraries Activity

### What we do

We provide and support a range of library services in our District. Council owned libraries have a shared district collection and have comprehensive digital access offering free internet access to customers. These libraries run a variety of community programmes and services to schools and the homebound.

There are other libraries in our District that are supported but not owned or managed by us. Service levels across these libraries vary.

### 2014/2015 highlights

Despite predictions of the decline of libraries due to the advent of e-books and the digital age, the district libraries continue to thrive. 238,727 physical items were checked out, compared to 829 e-books. But we're about so much more than books; we deliver programmes for babies, children, adults and senior citizens. We deliver to those who can't come to us. We provide free computer access and 24/7 Wi-Fi. We help people write CVs, search for jobs, access government information and set up emails. We hold events such as local musicians for NZ music month, author talks and art displays and above all we connect people with information, ideas and other people. We are the heart of our communities.

### How well did we deliver our services in 2014/2015

The Council provides library facilities for customers to access library services						
What we aimed for	How we did					
That library facilities providing an integrated and district wide service are available in the following communities: <ul style="list-style-type: none"> <li>• Thames</li> <li>• Whitianga</li> <li>• Tairua</li> </ul>	Thames, Mercury Bay and Tairua Libraries share resources to provide a consistent level of service across the district. Customers can borrow items from any of the three libraries and return them to any of the three. This collaboration means customers have access to a wider collection than they otherwise would.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	3	Target	3	Target	3
	Result	3	Result	3	Result	3
What we aimed for	How we did					
That the Council supports independently operated local libraries in the following communities: <ul style="list-style-type: none"> <li>• Whangamata</li> <li>• Coromandel</li> <li>• Pauanui</li> <li>• Hahei</li> <li>• Ferry Landing</li> <li>• Kauotunu</li> <li>• Port Charles</li> </ul>	Port Charles Library closed when the volunteer librarian returned to live in England as there was no expression of interest by the community in retaining the service. The District Libraries support Whangamata and Pauanui Libraries through a shared library management system.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	7	Target	7	Target	7
	Result	6	Result	6	Result	6

The Council provides library facilities for customers to access library services						
What we aimed for	How we did					
The percentage of residents and non-resident ratepayers who have a view that are satisfied with library services.	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the target was not achieved. The next survey is scheduled for 2016. The survey includes both district and community libraries so the performance of the district libraries is not measured separately thus potentially affecting the outcome.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		ACHIEVED	
					Target	≥80%
				Result	94%	

## COMMUNITY SPACES ACTIVITY GROUP

### Libraries Activity

Customers have access to a range of current information in both print and digital format						
What we aimed for	How we did					
The percentage of library collection meets the LIANZA standard of 3-3.5 items per local resident per library.	Mercury Bay Library only holds 2.5 items per local resident as a result of withdrawing old and outdated material which was not being used. As the physical space is so limited the collection cannot increase much beyond this but customers have access to the collections of both Thames and Tairua Libraries as well as the digital collections. Thames holds 3.6 items per local resident and Tairua holds 3.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		ACHIEVED		ACHIEVED	
	Target	>90%	Target	>90%	Target	>90%
	Result	86%	Result	100%	Result	100%
What we aimed for	How we did					
The percentage increase in the number of internet and Wi-Fi sessions on the previous year.	The public computers are still well used but less so than in previous years with a gradual decline in favour of mobile devices. Smartphones and tablets are now more popular than laptop computers. Wi-Fi use has increased by over 33% with a total of 64,615 sessions across the three libraries.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	+5%	Target	+5%	Target	+5%
	Result	+16%	Result	33%	Result	>100%

A constant choice of new materials and current information is available throughout the year						
What we aimed for	How we did					
The number of new items per 1000 local residents added to the collection each year.	This varied a little between libraries with 320 added at Thames, 365 at Mercury Bay and 328 at Tairua, giving a combined average of 338 new items per 1000 local residents across the district.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	300 to 330	Target	300 to 330	Target	300 to 330
	Result	338	Result	410	Result	450

The district libraries provide programmes for people to improve reading and literacy skills						
What we aimed for	How we did					
The percentage of participants satisfied with the programmes they participate in.	Attempts to obtain written feedback have proven to be unsuccessful but attendance levels and demands for programmes, combined with verbal feedback, indicate a high level of satisfaction. Children's holiday programmes attract good numbers and adults are eager for news of their annual winter reading programme.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		ACHIEVED	
	Target	≥71%	Target	≥71%	Target	≥71%
	Result	No result	Result	No result	Result	>90%

# COMMUNITY SPACES ACTIVITY GROUP

## Parks and Reserves Activity

### What we do

The Parks and Reserves activity maintains an open space network to provide spaces for a variety of recreational and leisure purposes. The Coromandel Peninsula is located within the Hauraki Gulf Marine Park and is also made up of approximately one-third conservation land, so open space is an important 'asset' for our district. However, we are not the only significant provider of parks and reserves. Our focus is on providing access to parks, reserves and playgrounds which (for the most part) can be used for recreational purposes.

### 2014/2015 highlights

- Lotteries funding was received to commission a Conservation Management Plan for the Thames Monument.
- Five school planting days were completed at different reserves in the Thames area.
- A shelter over the BBQ and new bollards were provided at Buffalo Beach (Mercury Bay).
- Access to Stony Creek Reserve (Mercury Bay) was developed.
- Traction seal on the access to Shakespeare Reserve (Mercury Bay) was completed.

### How well did we deliver our services in 2014/2015

The Council provides a range of parks and reserves within the District						
What we aimed for	How we did					
That m2 of reserve per property (rating unit) is as follows:	There has been minimal rating unit growth meaning that the amount of reserve land per property (rating unit) has remained fairly consistent.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		ACHIEVED	
	Target	Result	Target	Result	Target	Result
District:	48m2	48m2	48m2	48m2	48m2	48m2
Thames CB:	30m2	30m2	30m2	30m2	30m2	30m2
Coromandel CB:	40m2	40m2	40m2	40m2	40m2	40m2
Mercury Bay CB:	54m2	51m2	54m2	51m2	51m2	51m2
Tairua-Pauanui CB:	75m2	75m2	75m2	75m2	75m2	75m2
Whangamata CB:	48m2	48m2	48m2	48m2	48m2	48m2
<i>(CB = Community Board):</i>						
The Council provides a range of parks and reserves within the District						
What we aimed for	How we did					
The percentage of residents and non-resident ratepayers who have a view are fairly/very satisfied with parks and reserves.	The customer satisfaction survey is carried out every three years. The last survey was in 2013 and the next is scheduled for 2016.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		ACHIEVED	
					Target	≥85%
				Result	93%	

## COMMUNITY SPACES ACTIVITY GROUP

### Parks and Reserves Activity

The Council provides a range of parks and reserves within the District						
What we aimed for	How we did					
The percentage of users are fairly/very satisfied with parks and reserves.	The Park Check survey (provides the result for this measure) was not undertaken in 2014/2015. This was a manager decision as there is limited benchmarking value as few other councils still participate (therefore little value for money), and customer satisfaction with Council's Parks and Reserves service is also measured through the Customer Satisfaction survey.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥85%	Target	≥85%	Target	≥85%
	Result	Unknown	Result	97%	Result	93%

The Council provides dedicated sports facilities (beyond community centre spaces) in the District						
What we aimed for	How we did					
The communities with dedicated multi-purpose indoor leisure facilities.	Planning is underway for a dedicated multi-purpose indoor leisure facility in Thames. The target for this measure increased in 2015/2016 of the 2012-22 Long Term Plan.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	0	Target	0	Target	0
	Result	0	Result	0	Result	0

The Council provides playgrounds						
What we aimed for	How we did					
That the number of children's playgrounds are as follows:	Council manages 38 children's playgrounds throughout the district and this number has remained fairly consistent over recent years.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	Result	Target	Result	Target	Result
	Thames/Thames Coast:	9	7	9	7	9
Coromandel/Colville:	4	4	4	4	4	4
Mercury Bay North:	6	4	6	4	6	4
Whitianga/Wharekaho:	6	5	6	5	6	5
Mercury Bay South:	4	4	4	4	4	4
Tairua:	3	3	3	3	3	3
Pauanui:	7	7	7	7	17	7
Whangamata/Onemana:	7	4	7	4	7	3

Parks and reserves are kept clean and tidy						
What we aimed for	How we did					
Percentage of parks and reserves related customer urgent enquiries are resolved within 48 hours.	Of the 97 urgent requests for service received, 94 were completed within the timeframe.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥85%	Target	≥85%	Target	≥85%
	Result	97%	Result	91%	Result	99%



# COMMUNITY SPACES ACTIVITY GROUP

## Parks and Reserves Activity

### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
<b>Thames</b>			
Thames skate park	\$22	\$163	The completion of this project was contingent on securing external funding of \$140,000 and the completion of a detailed project plan. As a result, the budget was reduced to \$22,000 to complete the design and to seek external funding. To date external funding of \$50,000 and \$10,000 has been received from NZ Community Trust and Lion Foundation, respectively. A further \$75,000 in external funding has been pledged. A budget of \$330,000 has been allocated in the 2015-2025 Long Term Plan in year 1 to complete this project.
Thames community sports facility	\$203	\$271	An operational budget of \$271,000 was included in the 2014/2015 Annual Plan budget to complete the detailed preliminary design and specifications, and to seek external funding. For more information on this project refer to the Performance Overview highlights section.
<b>Coromandel</b>			
Coromandel sportsville	\$0	\$315	This project has been delayed to the 2016-2017 financial year to allow time to further investigate, scope and build a detailed business case for this project. External funding of \$135,000 is being sought as a funding contribution to this project.
<b>Mercury Bay</b>			
Brophy's Beach coastal erosion	\$312	\$680	The budget for the 2014-2015 financial year was reduced during the year to \$484,000 to complete the detailed design and purchase of geosynthetic bags for this project. The design was completed in December 2014 and the contract was let in May 2015 to be completed by December 2015. The bags were ordered prior to year-end but supply of some of the bags was delayed.
Coroglen improvements	\$150	\$95	An additional budget of \$57,000 was approved during the year to procure the land for this project. The project to improve the area of Coroglen as a gateway to Mercury Bay and to improve Coroglen's offering to tourists by emphasising its historic and natural attributes was completed on time and within budget.
<b>Tairua-Pauanui</b>			
Coastal walkways	\$48	\$85	The capital expenditure budget for this project was reduced to \$0 during the year and an operational budget was included for \$48,000 as the project was being funded by way of a grant to the Hikuai District Trust. Construction of the Pauanui-Tairua trail is 70% complete with external funding being sought by the Trust to complete this section of the project.

# COMMUNITY SPACES ACTIVITY GROUP

## Swimming Pools Activity

### What we do

Swimming and other water skills are considered important for our district with its extensive coastline. Swimming pools provide for recreational activity as well as facilities where people can receive education about water safety, and can learn safe practices associated with water activities which is important to minimise accidents involving water. The community benefits from having fewer deaths by drowning as a result of the confidence and water skills learned in a swimming pool.

We provide and support a range of swimming pool services in our District. A Council-owned pool in Thames provides for year-round access and a range of swimming programmes.

There are other swimming pools in our District that receive financial support from us, but are not owned or managed by us. These are covered by the Social Development Activity.

### 2014/2015 highlights

As a result of damage caused by a water leak in October 2014 both the men's and women's showers were refurbished.

A new double element hot water cylinder was installed which has increased the availability of hot water for the showers.

Counties Manukau Orienteering Club used the complex for its orienteering event on 25 October 2014. The event was a great success and a letter of thanks along with a framed illustration of the course was received in November 2014.

Squad numbers have increased significantly on any other year, particularly at the entry level which has meant that a new development squad has had to be formed to handle the numbers.

Over the summer months a number of swim meets were hosted including:

- Local Primary School meets
- Thames Valley Primary School Champs
- Thames Valley Secondary School Champs
- Thames Swim Club Swim Meet

Over the winter months the following was hosted:

- Waikato Sports Force Swim Training (twice a month on the weekend)
- Waihi Swim Club Swim Training (twice a month on the weekend)
- Thames Valley Swimming Academy sessions
- Host Swim New Zealand And AUST Swim - Train the Trainer sessions

### How well did we deliver our services in 2014/2015

The Council provides year round access to a swimming pool in Thames							
What we aimed for		How we did					
That the Thames Centennial Pool is available during the: <u>Summer</u> 6 hours per day, 7 days a week <u>Winter</u> 5 hours per day, 6 days a week		Although there was a major leak in the pipes within the building complex in October 2014 closure of the facility was not required.					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		NOT ACHIEVED		ACHIEVED	
		Target	<u>Summer</u> 6 hrs, 7 days <u>Winter</u> 5 hrs, 6 days	Target	<u>Summer</u> 6 hrs, 7 days <u>Winter</u> 5 hrs, 6 days	Target	<u>Summer</u> 6 hrs, 7 days <u>Winter</u> 5 hrs, 6 days
Result	<u>Summer</u> Weekdays - 9.5 hrs Weekends - 6 hrs <u>Winter</u> Weekdays - 9 hrs Sunday - 6 hrs	Result	<u>Summer</u> Weekdays - 9.5 hrs Weekends - 6 hrs <u>Winter</u> Weekdays - 9 hrs Sunday - 6 hrs Pool closed twice.	Result	<u>Summer</u> Weekdays - 9.5 hrs Weekends - 6 hrs <u>Winter</u> Weekdays - 9 hrs Sunday - 6 hrs		

## COMMUNITY SPACES ACTIVITY GROUP

### Swimming Pools Activity

The Council provides a range of aquatic programmes available at the Thames Centennial Pool						
What we aimed for		How we did				
Number of Learn to Swim programmes are available each school year (4 terms).	A programme of lessons was delivered in each of the four terms to cater for a wide range of ages and abilities.					
	The nine different lesson groups that make up the Learn to Swim programmes are: Jellyfish, Seahorse, Pipi, Starfish, Eel, Octopus, Snapper, Kingfish and Marlin.					
	School holiday block lessons were also delivered.					
	<b>2014-2015</b>		<b>2013-2014</b>		<b>2012-2013</b>	
	ACHIEVED		ACHIEVED		ACHIEVED	
Target	4	Target	4	Target	4	
Result	4	Result	4	Result	4	
What we aimed for		How we did				
Number of aquaerobic programmes offered annually.	Sessions were delivered over the four school terms on Tuesdays and Thursdays between 11am and 12 noon.					
	<b>2014-2015</b>		<b>2013-2014</b>		<b>2012-2013</b>	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	60	Target	60	Target	60
	Result	76	Result	76	Result	80

The pools are clean, safe and enjoyable places to visit						
What we aimed for		How we did				
That the Thames Centennial Pool achieves ACC Poolsafe accreditation	The Thames Centennial Pool was first accredited five years ago and has successfully achieved accreditation each consecutive year since.					
	<b>2014-2015</b>		<b>2013-2014</b>		<b>2012-2013</b>	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	Achieve accreditation	Target	Achieve accreditation	Target	Achieve accreditation
	Result	Accreditation achieved	Result	Accreditation achieved	Result	Accreditation achieved

# Community Development Activity Group

Community Development means that we work with local community groups and organisations to develop ways to improve quality of life for both individuals and communities as a whole. By helping increase the community's capacity for and participation in projects and programmes, more can be accomplished than by us acting alone.

Our role is to promote projects to increase the wealth of our district, enhance access to health, education and networking opportunities, and to help identify and reduce obstacles to the improvement of quality of life within communities. Through these activities we provide funding to local organisations that focus on community benefit or the growth of local business initiatives that are considered to be of economic benefit to our district.

This activity group includes the following activities:

- **Economic Development**
- **Social Development**

## Contributing to our district

The Community Development activity group contributes to a **Prosperous District**, a **Liveable District** and a **Clean and Green District** by supporting sustainable and appropriate growth opportunities. The activity group also supports a range of initiatives that promote social wellbeing and reflect community responsibility.

Throughout the 2014/2015 year we've measured our contribution to our outcomes through this activity group, as follows:

We would be successfully contributing to our district if:	How we did
The GDP rate of the district is maintained or increases.	Gross Domestic Product (GDP) in the district was up 4% for the year to June 2015 compared to a year earlier. This was higher than for the Waikato region (2.7%) and New Zealand (3.1%).
The percentage of unemployed in our district decreases.	The annual average unemployment rate was 4.5% in June 2015 down from 5.1% a year earlier. The rate is lower than the Waikato Region (5.8%) and New Zealand (5.7%).
The deprivation level of the resident population improves.	At the time of writing the deprivation figures have been released but are not currently in a format that allows a Thames Coromandel position to be reported.
Resident satisfaction with their quality of life is maintained or increases. ^	There is no survey scheduled this year the last one took place in 2013 with the next one scheduled for 2016.
Residents agreement that their community is a place where young people can imagine building a life maintains or increases. ^	There is no survey scheduled this year the last one took place in 2013 with the next one scheduled for 2016.

^measured in the MARCO Perception Survey, 2013

# Community Development Activity Group

---

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included the Activity sections for context.

Activity	Performance measures achieved	How we did
Economic Development	3 of 6	The activity has grown in significance for Council during the three year reporting period. Performance has been mixed reflecting changes in priorities and the way the services are delivered as well as including some performance measures which are outside Council's direct control. This has been a period of transition for this activity.
Social Development	8 of 8	This activity met 100% of its targets during the three year reporting cycle.



## COMMUNITY DEVELOPMENT ACTIVITY GROUP

Funding Impact Statement for the year ended 30 June 2015	2014 Long-term plan \$000's	2015 Long-term plan \$000's	2015 Actual \$000's
<b>Source of operating funding</b>			
General rates, uniform annual general charges, rates penalties	915	968	1,349
Targeted rates	1,291	1,308	1,481
Subsidies and grants for operating purposes	0	0	39
Fees and charges	357	368	352
Internal charges and overheads recovered	127	127	403
Fuel tax, fines, infringement fees and other receipts	1	1	2
<b>Total operating funding (A)</b>	<b>2,690</b>	<b>2,771</b>	<b>3,627</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,156	2,220	2,680
Finance costs	3	3	5
Internal charges and overheads applied	529	546	1,026
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>2,688</b>	<b>2,769</b>	<b>3,710</b>
<b>Surplus(deficit) of operating funding (A - B)</b>	<b>2</b>	<b>2</b>	<b>(83)</b>
<b>Source of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(2)	(2)	136
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(2)</b>	<b>(2)</b>	<b>136</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	49	22	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	(49)	(22)	53
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>0</b>	<b>0</b>	<b>53</b>
<b>Surplus(deficit) of capital funding (C - D)</b>	<b>(2)</b>	<b>(2)</b>	<b>83</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# COMMUNITY DEVELOPMENT ACTIVITY GROUP

## Economic Development Activity

---

### What we do

We consider that economic development is a priority now more than ever. Through partnerships and working with others, we will continue to support tangible economic development opportunities in our district. This activity draws on the economic opportunities of the Peninsula's natural setting such as the tourism sector and is also focussing on aquaculture growth.

### 2014/2015 highlights

- The World War I Memorial Forest project was initiated and launched by the Minister of Conservation at Cathedral Cove, the site of the Gallipoli Forest. The project is planting several forests across the Peninsula in remembrance of the district's fallen soldiers of World War I.
- Confirmed co-funding with Chorus two significant broadband cabinet upgrades at Kopu in Thames to improve Broadband speeds, providing incentive for existing local businesses to stay in the industrial zone and also to attract more businesses to the area.
- A Coromandel Arts Strategy was commissioned to provide a district framework.
- The Council's Summertime Magazine was distributed to the district's non-resident ratepayers to encourage greater visitation and use of the holiday homes.
- The LGNZ Business Friendly Principles and Guidelines were adopted by Council and a pilot trial was subsequently initiated with the establishment of a Business Broker function at Council to help subdivision, property development and business investment projects work through the various Council processes.
- A draft business case was developed for the Coromandel Harbours project which identifies long-term investment options to create a "blue highway" between the Peninsula and Auckland.
- For the Coromandel Walks project, Council was successful in its application for Lotteries funding and \$1 million has been contributed towards the first stage.
- Relocation of the Automobile Association (AA) service to the Thames Council building for a start date of 1 July 2015.
- Relocation underway for the Thames ISITE and Destination Coromandel to move to the Thames Civic Centre to help achieve greater visitor spend by having the services centrally located.
- The Whitianga ISITE was successfully transferred to Destination Coromandel ownership on 1 July 2014, with planning underway for the Thames ISITE to move to Destination Coromandel control by 1 July 2015.
- Destination Coromandel successfully launched a new tourism strategy, *Coromandel Beyond 2025*, as part of the Council's directive to align the district with the Tourism Industry Association's 2025 Strategy.

# COMMUNITY DEVELOPMENT ACTIVITY GROUP

## Economic Development Activity

### How well did we deliver our services in 2014/2015

The Council supports the promotion of the Coromandel Peninsula as a national and international tourism destination						
What we aimed for	How we did					
The number of days per annum that visitor information centres are open in Thames, Whangamata and Whitianga.	Whangamata and Thames ISITES achieved the target of being open for 364 days of the year. Due to Council funded renovations to the Whitianga ISITE premise in winter 2014, the centre was closed for 8 days.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		ACHIEVED	
	Target	364 days	Target	364 days	Target	364 days
	Result	2 centres opened for 364 days 1 centre open for 356 days	Result	2 centres open for 364 days 1 centre open for 357 days	Result	3 centres open for 364 days

The Council supports the promotion of the Coromandel Peninsula as a national and international tourism destination						
What we aimed for	How we did					
The percentage increase in visitor guest nights from previous year.	The number of visitor guest nights spent in the district has increased in each of the three years with an increase of 4% in each of the last two years. Although this is below the challenging target of 5% for each of the last three years, it represents good growth for an already well developed market where the Coromandel has often been the premier holiday destination in New Zealand. Much of the growth has been achieved in the shoulder seasons which is a priority for Council's Economic Development Strategy.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	≥5%	Target	≥5%	Target	≥5%
	Result	4%	Result	4%	Result	1.5%

The Council advocates for and facilitates sustainable business development and new business investment on the Coromandel Peninsula						
What we aimed for	How we did					
The percentage of key performance indicators achieved by Destination Coromandel (as set in its annual strategic marketing plan) are met.	Destination Coromandel achieved 96% of its work programme that is outlined in its Statement on Intent and action plan for 2014/15. This included increases in visitor guest nights in the Coromandel Regional Tourism Organisation area (includes Hauraki district), increasing visitation and use of digital platforms, facilitating industry workshops, representing the Coromandel at TRENZ and taking over the operation of the Whitianga ISITE.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥85%	Target	≥85%	Target	≥85%
	Result	96%	Result	85%	Result	100%

## COMMUNITY DEVELOPMENT ACTIVITY GROUP

### Economic Development Activity

The Council advocates for and facilitates sustainable business development and new business investment on the Coromandel Peninsula						
What we aimed for		How we did				
The percentage of the district's business community satisfied or more than satisfied with the Council's overall performance in the economic development activity.	The survey was initially postponed from the 2013-2014 to the 2014-2015 year. This year a decision was taken by the activity manager not to undertake the survey because of the high costs.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT MEASURED		NOT MEASURED	
	Target	≥75%	Target	≥75%	Target	No survey planned
Result	No survey undertaken	Result	No survey undertaken	Result	No survey undertaken	
What we aimed for		How we did				
The percentage increase in the total number of businesses in our district is maintained or increased on the previous year.	The result has not been available in previous years at the time of the Annual Report publication. This year the report is slightly later therefore the result is available. The result for 2013-2014 was a 2% decrease on the previous year. This year's increase therefore means that the number of businesses is still below the 2012-2013 baseline.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT MEASURED		NOT MEASURED	
	Target	Increase >1%	Target	Target	Increase >1%	Target
Result	1.3%	Result	Result	1.3%	Result	
What we aimed for		How we did				
That we can demonstrate that we have maintained or increased engagement in economic development advocacy initiatives.	Council continued engagement with agencies such as the Waikato Innovation Park, ATEED, Waikato Regional Council, MBIE, Coromandel Marine Farmers Association, Aquaculture New Zealand, New Zealand Motorhome Caravan Association.					
	The Council has also initiated new economic advocacy initiatives with Vodafone and Chorus to improve broadband access on the Coromandel, and with several social agencies with the Youth Initiative Project including the Ministry of Social Development.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
Target	Maintain or increase	Target	Maintain or increase	Target	Maintain or increase	
Result	Increased	Result	Maintained	Result	Increased	

### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
Coromandel Great Walks - Cathedral Coast walkway	\$149	\$1,525	A decision was made to reduce the budget for this project until external funding was secured. As a result, the budget was reduced to \$159,000. The actual spend for the year was on initial planning, design work and securing external funding. External funding of \$1,000,000 has been secured from the Lotteries Significant Projects Fund. For more information on this project refer to the Performance Overview highlights section.
Coromandel harbour facilities project (including Sugar Loaf resource consent)	\$145	\$850	The capital expenditure budget for this project was reduced to \$36,000 and an operational budget of \$89,000 was included during the year because of a change in scope which included Coromandel Marine Farmers Association leading the consent process. The actual spend for the year was on feasibility and option analysis. For more information on this project, refer to the Performance overview highlights section.

# COMMUNITY DEVELOPMENT ACTIVITY GROUP

## Social Development Activity

---

### What we do

Many factors influence the social wellbeing of our communities. Collaboration with other agencies is important to enable efficient use of resources and better co-ordinate and target social development investment.

### 2015/2015 highlights

**Future Action Network (FAN)** - aims to keep more young people employed on the peninsula.

TCDC Economic Development Committee, Smart Environmental, Thames Toyota Vehicle Operations raised funds to enable Smart Waikato to run a series of meetings in Thames and Coromandel Town. FAN is free to join and gives employers better access to young talent and FREE access to excellent tools to successfully incorporate young people into the workplace via work experience, apprenticeships, internships, cadetships and/or jobs.

**Coromandel Action Network** - a newly formed group of employers, not for profit, educators and industry training organisations committed to carrying on the FAN initiative are working on a Terms of Reference for the group to liaise, integrate and share information and set tangible goals to improve the uptake of young people into the range of opportunities from volunteerism to employment

**Coromandel Youth Awards** - 64 young people were nominated for an Award which was distilled down to 12 finalists. The six awards were:

- **Young Creative Award for Artist Expression** – Young people who have made an outstanding contribution in the arts, culture, music, dance and performance. Sponsored by Totally Thames.
- **Helping Hand Award for Community Service** – Young people who have volunteered in order to improve the community. Sponsored by Thames Rotary.
- **Green Thumb Award for Environmental Care** – Young people who have completed environmental projects improving protection, conservation and/or sustainability. Sponsored by Smart Environmental.
- **Kia Kaha Award for Perseverance** – Young people who have overcome challenges in order to improve the community. Sponsored by Hauraki PHO.
- **Legend Award for Leadership** – Young people who have demonstrated great leadership in projects that have improved the community. Sponsored by Coromandel Peninsula Youth Collective
- **The People's Choice Award for Excellence** – This award is chosen from all nominations. Sponsored by Thames-Coromandel District Council.

**Youth in Emergency Services** - The Minister of Youth, MP Nikki Kaye, paid a visit to the Thames Youth Centre in November 2014 and listened to our youth at a special meeting held at Thames Youth Centre and offered a pilot programme to TCDC in a subsequent meeting with Civil Defence. Eighteen young people aged 16-21 participated in an Emergency Services programme championed by Thames Valley Civil Defence and including Order of St John, Land Search and Rescue and Thames Fire Services. Eight have shown interest in being recruited into one of the emergency services.

**Coromandel Youth Collective** - hold meetings four times a year and a Youth Camp in February each year. One of the items at the Camp in 2015 was to discuss the possibility of a youth council for the Coromandel. Councillor Connors and Community Development Officer Marlene Perry met with the youth collective at the camp in Miranda and ran a short workshop on youth councils held in other regions of New Zealand.

# COMMUNITY DEVELOPMENT ACTIVITY GROUP

## Social Development Activity

### How well did we deliver our services in 2014/2015

The Council promotes community empowerment through supporting community-driven initiatives						
What we aimed for	How we did					
The percentage of funds distributed that comply with the Council's community grant criteria: <ul style="list-style-type: none"> <li>• Thames</li> <li>• Coromandel-Colville</li> <li>• Mercury Bay</li> <li>• Tairua-Pauanui</li> <li>• Whangamata</li> </ul>	The five Community Boards approved 83 applications distributing a total of over \$152,432. Details of applicants, amounts and purpose of the grants can be found on the Council's website.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	100%

The Council supports the development and strengthening of social service networks						
What we aimed for	How we did					
The number of social service programmes are delivered in the district by Social Services Waikato covering the following topics: <ul style="list-style-type: none"> <li>• Funding advice</li> <li>• Relationship building</li> <li>• Crisis management</li> </ul>	This service is delivered on behalf of Council through Community Waikato. Their end of year report outlined that the organisation delivered programmes relating to funding advice, relationship building and crisis management using a range of different approaches.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	8	Target	8	Target	8
	Result	8	Result	8	Result	8

The Council supports the provision of health education and physical health						
What we aimed for	How we did					
The number of life education sessions are held with participating schools in the district for students aged 5-13 years.	Sessions were run at the following schools: Hikutaia, Whangamata Area, Opoutere, Hikuai, Whenuakite, Coroglen, Te Rerenga, Coromandel Area, Colville, Manaia, Tapu, Te Puru, Moanataru, Puriri,					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	2	Target	2	Target	2
	Result	14	Result	>2	Result	>2
What we aimed for	How we did					
The number of physical activity programmes are delivered by Sports Waikato.	Sport Waikato delivered the following physical sports activity programmes: ECHO Walking Festival, Transfield Triathlon, Trail Trilogy, SportsForce, Sport Maker, PowerCo Gear Up for Summer Bike Festival, Green Prescription, Sports Awards, Thames Valley Primary School Sports Association events, KiwiSport, ,					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	8	Target	8	Target	8
	Result	10	Result	>8	Result	>8



## COMMUNITY DEVELOPMENT ACTIVITY GROUP

### Social Development Activity

The Council supports opportunities for people to participate in, experience and enjoy the arts						
What we aimed for	How we did					
The number of creative communities funding rounds held annually.	There were two funding rounds in October 2014 and April 2015. A total of \$12,000 was awarded to 18 different groups and individuals in October, and a further \$11,500 was awarded to 14 different individuals and groups in April.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	2	Target	2	Target	2
	Result	2	Result	2	Result	2

The Council supports the provision of residential housing for older persons						
What we aimed for	How we did					
The number of pensioner housing units are provided in Thames, Coromandel and Whitianga.	There were no planned additions to the number of pensioner units currently available in Thames, Coromandel, and Whitianga.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	58	Target	58	Target	58
	Result	58	Result	58	Result	58

The Council supports the provision of seasonal swimming pools in Whitianga, Whangamata and Coromandel						
What we aimed for	How we did					
That pools are open for use each summer in the following communities: Whitianga – 8 hours per day Mid December to Easter Whangamata – 26 weeks per year Coromandel – 5 hours per day Mid December to end March.	The community pools at Whangamata, Whitianga and Coromandel were open for the stated seasons with the Coromandel pool open for an extended period.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	As stated in far left column	Target	As stated in far left column	Target	As stated in far left column
	Result	Achieved	Result	Achieved	Result	Achieved

The Council supports crime minimisation initiatives within communities						
What we aimed for	How we did					
That community night patrols are financially supported by the Council in: <ul style="list-style-type: none"> <li>Whitianga &amp; Mercury Bay South</li> <li>Whangamata</li> <li>Thames</li> </ul>	Community night patrols received grants from the Mercury Bay, Thames and Whangamata Community Boards for the 2014/15 financial year.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	Financial support provided	Target	Financial support provided	Target	Provide Financial support
	Result	Financial support provided	Result	Financial support provided	Result	Financial support provided

#### Grants (in 2014/2015)

There are a range of grants and service level agreements in place delivered through this activity. Grant recipients for 2014/2015 are noted on our website.

# Stormwater Activity Group

Stormwater is the result of heavy or sustained rainfall resulting in the need to manage the disposal of surface water. Stormwater and land drainage means the prevention of ponding of rainwater runoff that cannot be absorbed quickly enough.

The Coromandel is particularly vulnerable to heavy rainfall due to its geography. We have a number of stormwater systems throughout our district to manage runoff and reduce surface ponding that can lead to risks to public health, safety and property.

This activity group includes the following activities:

- **Stormwater Activity**
- **Land Drainage Activity**

## Contributing to our district

The Stormwater activity group contributes to a **Prosperous** and a **Liveable District** by minimising the risk of damage to properties, and creating a safer living and working environment.

Throughout the 2014/2015 year we've measured our contribution to our outcomes through this activity group, as follows:

We would be successfully Contributing to our district if:	How we did
The number of dwellings reported to be inundated with stormwater during a 1 in 10 storm event decreases *(measured annually).	No dwellings experienced flooding during the year.

\* since last reported on in the Council's Annual Report

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included in the Activity sections for context.

Activity	Performance measures achieved	How we did
Stormwater	3 of 3	All three performance measures were achieved this year Stormwater achieved 100% of its targets over the three year reporting period.
Land Drainage	0 of 0	There were no requests for this service therefore it was not measured this year.

## STORMWATER ACTIVITY GROUP

Funding Impact Statement for the year ended 30 June 2015	2014 Long-term plan \$000's	2015 Long-term plan \$000's	2015 Actual \$000's
Ref.	\$000's	\$000's	\$000's
<b>Source of operating funding</b>			
General rates, uniform annual general charges, rates penalties	896	1,020	879
Targeted rates	2,120	2,425	2,079
Subsidies and grants for operating purposes	0	0	0
Fees and charges	2	8	0
Internal charges and overheads recovered	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding (A)</b>	<b>3,018</b>	<b>3,453</b>	<b>2,958</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1	2,293	2,444
Finance costs	253	257	157
Internal charges and overheads applied	844	846	979
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,390</b>	<b>3,547</b>	<b>1,813</b>
<b>Surplus(deficit) of operating funding (A - B)</b>	<b>(372)</b>	<b>(94)</b>	<b>1,146</b>
<b>Source of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	87	210	22
Increase/(decrease) in debt	(431)	697	(300)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(344)</b>	<b>907</b>	<b>(278)</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	14	844	0
- to improve the level of service	97	471	136
- to replace existing assets	1,136	1,178	508
Increase/(decrease) in reserves	2	(1,963)	(1,679)
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>(716)</b>	<b>813</b>	<b>868</b>
<b>Surplus(deficit) of capital funding (C - D)</b>	<b>372</b>	<b>94</b>	<b>(1,146)</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Ref Variance explanations

- 1 Depreciation of \$1.5 million was included in the funding impact statements in the Long-Term Plan. Depreciation is not included in the actual results disclosed in these statements (per the Local Government (Financial Reporting and Prudence) Regulations 2014) .
- 2 Reserves balances in the Long-Term Plan includes a credit to the depreciation reserves of \$1.5 million. Depreciation is not included in the actual results disclosed in these statements, therefore there is no corresponding credit to the depreciation reserve.

# STORMWATER ACTIVITY GROUP

## Stormwater Activity

### What we do

Stormwater systems collect and dispose of stormwater to limit the effects of surface water ponding. We have a number of stormwater systems throughout our District to manage run-off and reduce surface water ponding that can lead to risks to public health and safety, damage to property and to avoid dangerous road conditions.

### 2014/2015 highlights

- Design of the protection system for Holland Stream in Pauanui has progressed with the completion of planned remedial works on the stream banks. On-going maintenance on this stream is anticipated.
- Various district-wide stormwater renewals were undertaken during 2014/15. This included upgrades to Fenton Street, Hill Street and Parawai Road in Thames, and Sarah Avenue in Whitianga.
- Work was completed in preparing the 2015-2025 Long Term Plan which will see a movement of the stormwater activity from local to district-wide funding, and investigation works have begun in preparing for future projects included in the plan. These include beginning to:
  - Assess requirements for improving infrastructure in the Sarah Avenue upgrade project in Whitianga (year two of the 2015-2025 Long Term Plan)
  - Identify areas for future stormwater detention in the Kopu Stormwater project (years four and eight of the 2015-2025 Long Term Plan).

### How well did we deliver our services in 2014/2015

The Council's stormwater services protect habitable areas from flooding						
What we aimed for	How we did					
The number of dwellings inundated with stormwater during a storm event with a 10% estimated return period <sup>1</sup> .	Council received three requests for service. All requests were related to potential stormwater flooding in Whitianga that did not result in any dwelling inundation.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	<25	Target	<22	Target	<22
	Result	0	Result	0	Result	0
What we aimed for	How we did					
Percentage of operational resource consent conditions are complied with throughout the year.	Monitoring of all resource consent conditions shows compliance.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		NOT MEASURED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	Not measured

<sup>1</sup> A storm event that due to its magnitude only has a 10% chance of occurring in any given year.

## STORMWATER ACTIVITY GROUP

### Stormwater Activity

The Council provides a responsive stormwater request service						
What we aimed for		How we did				
Percentage of urgent requests for service responded to within one day <sup>2</sup> .	Council received eight requests for service. All requests were addressed within the timeframe.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥90%	Target	≥90%	Target	≥90%
Result	100%	Result	100%	Result	100%	
What we aimed for		How we did				
Percentage of residents and non-resident ratepayers who have a view are satisfied with the stormwater systems.	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the target was achieved. The next survey is scheduled for 2016.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		ACHIEVED	
					Target	≥68%
				Result	75%	

### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
Thames renewals	\$276	\$673	The budget for this project was reduced during the year to \$480,000 because the work on the Parawai floodgate was not undertaken. The actual spend for the year was on the Parawai stormwater outfall structure, renewal works in Hill Street and the upper end of Fenton Street. The original design and scope of the project changed meaning that the same outcome was achieved for less cost.

<sup>2</sup> Urgent requests for service include stormwater reticulation flooding i.e. surface flooding and pipe blockage

# STORMWATER ACTIVITY GROUP

## Land Drainage Activity

### What we do

The function of land drainage is to reduce the impact of flooding on farm properties. The Land Drainage Activity is specific to two areas south of Thames being Matatoki and Wharepoa. It is managed on a day to day basis by Land Drainage Committees (outside of the Council).

### 2014/2015 highlights

- Stormwater maintenance activities in Wharepoa and Matatoki continue to be undertaken with Council assisting the community members as required.
- The re-election of both the Wharepoa and Matatoki land drainage committees is progressing and will be completed in September 2015.
- Aerial spraying of the Wainui drain was completed in May 2015.

### How well did we deliver our services in 2014/2015

Land drainage schemes in Matatoki and Wharepoa are maintained to reduce the impact of flooding on farm properties						
What we aimed for	How we did					
Percentage of requests for maintenance of land drains actioned within 10 working days.	There were no requests for service received by Council that related to the Matatoki and Wharepoa land drainage schemes.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
Result	No requests	Result	No requests	Result	100%	



# Wastewater Activity Group

The Wastewater activity group means the collection, treatment and safe disposal of wastewater (sewage) from properties and businesses. As well as providing a convenience to households, (being able to dispose of wastewater easily), the proper management of the District's wastewater is important in order to maintain public and environmental health. In areas where they are in place, wastewater systems help protect the environment by ensuring that raw wastewater does not infiltrate the catchments and coastal areas.

This activity group includes the following activities:

- **Wastewater**

## Contributing to our district

The Wastewater activity group plays an important role in contributing to a **Prosperous District, a Liveable District and a Clean and Green District** by providing essential infrastructure to urban communities, ensuring a high standard of public health while protecting our unique natural environment.

Progress for this group of activities on meeting Council outcomes is measured through a customer perception survey, and a water quality survey that are conducted every three years. These surveys were last conducted in 2013 and the next survey is scheduled in 2016.

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included in the Activity sections for context.

Activity	Performance measures achieved	How we did
Wastewater	6 of 6	Another successful year for this essential service. The activity met 100% of its targets over the three year reporting period.

## WASTEWATER ACTIVITY GROUP

<b>Funding Impact Statement</b> for the year ended 30 June 2015		2014	2015	2015
		Long-term plan	Long-term plan	Actual
	Ref.	\$000's	\$000's	\$000's
<b>Source of operating funding</b>				
General rates, uniform annual general charges, rates penalties		0	0	0
Targeted rates		14,422	14,478	14,096
Subsidies and grants for operating purposes		0	0	0
Fees and charges		430	528	144
Internal charges and overheads recovered		0	0	0
Fuel tax, fines, infringement fees and other receipts		0	0	0
<b>Total operating funding (A)</b>		<b>14,851</b>	<b>15,006</b>	<b>14,240</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1	12,109	12,770	5,834
Finance costs		2,488	2,488	1,711
Internal charges and overheads applied	2	2,981	2,802	3,837
Other operating funding applications		0	0	0
<b>Total applications of operating funding (B)</b>		<b>17,578</b>	<b>18,061</b>	<b>11,383</b>
<b>Surplus(deficit) of operating funding (A - B)</b>		<b>(2,727)</b>	<b>(3,054)</b>	<b>2,857</b>
<b>Source of capital funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions	3	1,302	1,872	197
Increase/(decrease) in debt	4	(1,331)	(763)	(2,013)
Gross proceeds from sale of assets		0	0	2
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>Total sources of capital funding (C)</b>		<b>(29)</b>	<b>1,109</b>	<b>(1,814)</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	5	368	944	285
- to improve the level of service		742	1,566	772
- to replace existing assets		1,364	1,504	828
Increase/(decrease) in reserves	6	(5,230)	(5,959)	(842)
Increase/(decrease) in investments		0	0	0
<b>Total applications of capital funding (D)</b>		<b>(2,756)</b>	<b>(1,945)</b>	<b>1,043</b>
<b>Surplus(deficit) of capital funding (C - D)</b>		<b>2,727</b>	<b>3,054</b>	<b>(2,857)</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>		<b>0</b>	<b>0</b>	<b>0</b>

### Ref Variance explanations

- 1 Depreciation of \$5.1 million was included in the funding impact statements in the Long-Term Plan. Depreciation is not included in the actual results disclosed in these statements (per the Local Government (Financial Reporting and Prudence) Regulations 2014). The remaining variance is attributable to savings on contract costs of \$0.2 million, insurance \$0.3 million, operational costs of the Eastern Seaboard plants \$0.6 million and a number of other small savings amounting to \$0.6 million in total across the wastewater activity.
- 2 We have reduced external borrowing and increased internal borrowing on this activity and so internal interest increased by \$1.1 million.
- 3 Due to growth being lower than forecasted the budget contribution amount was reduced in the Annual Plan to 20% of the LTP budget (\$1.5 million reduction) based on actuals from 2011/12 and 2012/13.
- 4 Actual capital expenditure was lower than that budgeted. This in turn has reduced the funding requirements for projects. As such, debt levels decreased.

## WASTEWATER ACTIVITY GROUP

---

- 5 Whitianga CBD Upgrade had a budget of \$0.4 million in the LTP but no budget in the Annual Plan. Coromandel Treatment Plant budget was reduced by \$0.1 million and \$0.1 million was deferred.
- 6 Reserves balances in the Long-term Plan budget includes a credit to the depreciation reserves of \$5.1 million. Depreciation is not included in the actual results disclosed in these statements, therefore there is no corresponding credit to the depreciation reserve. The remaining movement is the surplus from operations.

# WASTEWATER ACTIVITY GROUP

## Wastewater Activity

### What we do

The Wastewater activity involves collecting, treating and disposing of wastewater or sewage from properties and businesses. This is regarded as an important service to the communities of the Coromandel Peninsula as it helps ensure our important environmental values are protected, for example having clean and healthy waterways.

We have invested significantly in wastewater infrastructure over recent years. As a result, the eastern seaboard is no longer of primary focus for increased works. Extensions and upgrades are still planned for a number of communities.

We are required to maintain our current wastewater schemes by law. The way in which schemes are managed and provided is also subject to regulatory requirements.

### 2014/2015 highlights

- The Coromandel wastewater treatment plant upgrade has continued during 2014/15 and will continue into 2015/2016.
- A screwpress was installed at the Whitianga wastewater treatment plant.
- Hahei's wastewater treatment plant's resource consent was renewed.
- Irrigation infrastructure in Whangamata's forestry zone was renewed.
- Two of Thames' pump station switchboards were renewed.
- A Pauanui wastewater pump station was refurbished.
- Work was completed in preparation for the adoption of the 2015-2025 Long Term Plan which included the identification of several optimisation, upgrade and renewal projects.

### How well did we deliver our services in 2014/2015

Wastewater services for household and business use will be provided in urban communities						
What we aimed for	How we did					
Treatment plants where there is a capacity constraint are as follows <sup>3</sup> : <ul style="list-style-type: none"> <li>• Matarangi</li> <li>• Oamaru Bay</li> <li>• Hahei</li> </ul>	All three plants remain operational. The Oamaru Bay plant had piezometers installed as part of on-going quality monitoring. There are capital works identified in the 2015-2025 Long Term Plan for Matarangi in years two and three and for Hahei in year three.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	Operate within constraints	Target	Operate within constraints	Target	Operate within constraints
	Result	Operated within constraints	Result	Operated within constraints	Result	Operated within constraints

Wastewater services for household and business use will be provided in urban communities						
What we aimed for	How we did					
The number of wastewater blockages per 1,000 connections.	There were 50 blockages recorded around the Peninsula during 2014/2015. This means the actual blockages per 1000 connections was 2.94.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≤12	Target	≤12	Target	≤12
	Result	2.94	Result	2.96	Result	2.2

<sup>3</sup> A capacity constraint means that there is a finite fixed capacity in these areas and no further connections to Council's wastewater service are possible.

## WASTEWATER ACTIVITY GROUP

### Wastewater Activity

Wastewater services for household and business use will be provided in urban communities						
What we aimed for	How we did					
The percentage of urgent requests responded to within one day <sup>4</sup> .	Of the 57 urgent requests for service Council received, 51 were completed within timeframe. Of the six requests for service outside of the timeframe, five required further work outside of the one day timeframe.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥90%	Target	≥90%	Target	≥90%
Result	91%	Result	91%	Result	94%	

The Council's wastewater services do not negatively impact on public health or the natural environment						
What we aimed for	How we did					
That the level of treatment of wastewater at Council plants is as follows <sup>5</sup> :  <u>High</u> <ul style="list-style-type: none"> <li>• Whitianga</li> <li>• Whangamata</li> <li>• Pauanui</li> </ul> <u>Medium</u> <ul style="list-style-type: none"> <li>• Coromandel</li> <li>• Hahei</li> <li>• Thames</li> </ul> <u>Low</u> <ul style="list-style-type: none"> <li>• Oamaru Bay</li> <li>• Matarangi</li> <li>• Cooks Beach</li> <li>• Onemana</li> </ul>	All plants were operational throughout the year. Upgrades have been undertaken at the Whitianga wastewater treatment plant and it remains at a high standard.  Upgrades have been undertaken at the Coromandel wastewater treatment plant and it remains at a medium standard. No changes have been made to alter the low level of treatment in the 2014/15 year.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	Operate to level of treatment	Target	Operate to level of treatment	Target	Operate to level of treatment
Result	Operate to level of treatment	Result	Operated to level of treatment	Result	Operated to level of treatment	

The Council's wastewater services do not negatively impact on public health or the natural environment						
What we aimed for	How we did					
The number of wastewater overflows to water bodies (average per township).	There were a total of six overflows across the district to watercourses during 2014/2015. All incidents were reported to, and addressed effectively with, the Waikato Regional Council.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≤3	Target	≤3	Target	≤3
Result	<1	Result	<1	Result	2.8	

<sup>4</sup> Urgent requests include alarms activated at the Council's utility station, wastewater blockages within reticulation, wastewater spills where sewage has reached the ground surface, wastewater odour from Council reticulation or ponds.

<sup>5</sup> High level of treatment is defined as tertiary treatment with nutrient removal. Medium level of treatment is defined as pre-treatment, basic biological process with some final polishing/disinfection. Low level of treatment is defined as pre-treatment with basic biological process. The level of treatment required is determined primarily by the resource consent standards which include consideration of the receiving environment.

## WASTEWATER ACTIVITY GROUP

### Wastewater Activity

The Council's wastewater services do not negatively impact on public health or the natural environment						
What we aimed for		How we did				
The percentage of trade waste customers in category A and B are audited annually to ensure compliance with trade waste requirements <sup>6</sup> .	The tradewaste bylaw has not been applied to date. A review of the practicability of applying the bylaw continues with an anticipated commencement of auditing and charging scheduled during the 2015/2016 year.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		NOT MEASURED	
	Target	5%	Target	5%	Target	5%
	Result	Not measured	Result	Not measured	Result	Not measured
What we aimed for		How we did				
Percentage of Council biosolid compost meets AA grade standard <sup>7</sup> .	94% of compost produced met the AA grade standard as produced. The 6% that did not meet the standard was reprocessed to comply, which means all biosolid compost taken off-site for TCDC use on public land achieved an AA grading. Over the 2014/15 year, the composter was operational between July 2014 and January 2015.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		NOT MEASURED	
	Target	≥97%	Target	≥96%	Target	≥96%
	Result	100%	Result	100%	Result	Not measured

### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
<b>Thames</b>			
Thames renewals	\$183	\$200	Renewal work was completed on the Jellicoe pump station, Heale Street wastewater line, and the coastal pump station switchboard. Safety rails and walkways were installed at the Thames wastewater treatment plant. Work associated with the renewal of the water supply main in Tararu was still underway at year-end to be completed in July.
<b>Coromandel</b>			
Coromandel treatment plant improvements	\$865	\$2,023	The budget for this project was reduced to \$1,603,000 during the year because the tender price for the project came in under budget. Construction completion date has been delayed to August 2015 due to heavy rainfall. The remaining budget will be carried forward to the 2015/2016 year to complete the project.

<sup>6</sup> Classes of trade waste customers are set out in the Council's Trade Waste Bylaw. Class A is defined as meat works, hospitals, seafood process and seafood farming. Class B is defined as butchery, dentist, laundry, fast food outlet, engineering workshop, concrete yard, cafe, hotel, plastic products, mortuary, photo processor, printer, restaurant, textile products, vehicle wash, service station and pharmacy.

<sup>7</sup> As per Guidelines for the Safe Application of Biosolids to the Land in New Zealand set by the Ministry for the Environment and NZWWA.



# Land Use Activity Group

The Land Use group of activities helps provide protection for the natural environment and our District's people and historic heritage from inappropriate use of land and other occurrences that may result in adverse effects. This group of activities helps minimise the negative effects of growth and development on places, buildings and historic items that are of particular value to our communities by regulating the use of land and promoting the preservation of our natural and cultural heritage consistent with the District Plan. Through these activities, we also provide information to the public about District Plan rules regarding land use and zoning restrictions that apply to specific properties.

This activity group includes the following activities:

- **Land Use Management Activity**
- **LIMS Activity**
- **Natural and Cultural Heritage Activity**

## Contributing to our district

The Land Use activity group contributes to a **Prosperous District, a Liveable District and a Clean and Green District** by helping maintain a local sense of place through ensuring that development is appropriate, and protection of our natural and cultural environment.

Progress for this group of activities on meeting Council outcomes is measured through a local and regional customer satisfaction survey that is conducted every three years. This was last conducted in 2013 and the next survey is scheduled in 2016.

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included the Activity sections for context.

Activity	Performance measures achieved	How we did
Land Use Management	4 of 6	Two of the performance measures were not achieved in any of the three years. The first relating to processing resource consents was close to target, particularly in the last two years. Over the three year reporting period Council processed over a thousand resource consents with less than 1% not being processed within the 20 day timeframe.
Land Information Memoranda	3 of 3	This activity achieved 100% of its targets over the three year reporting period against a background of an increasing workload as the property market showed continued signs of recovery.
Natural and Cultural Heritage	4 of 6	Overall performance of this activity was very good with only the performance measure relating to conservation covenants target failing more than once. This target is largely outside Council's direct control.

## LAND USE ACTIVITY GROUP

<b>Funding Impact Statement</b> for the year ended 30 June 2015	<b>2014</b>	<b>2015</b>	<b>2015</b>
	<b>Long-term plan</b>	<b>Long-term plan</b>	<b>Actual</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>Source of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,837	1,889	1,630
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,492	1,519	1,122
Internal charges and overheads recovered	165	153	234
Fuel tax, fines, infringement fees and other receipts	3	3	1
<b>Total operating funding (A)</b>	<b>3,496</b>	<b>3,564</b>	<b>2,989</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	533	530	566
Finance costs	16	16	12
Internal charges and overheads applied	2,915	2,983	2,333
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,464</b>	<b>3,530</b>	<b>2,911</b>
<b>Surplus(deficit) of operating funding (A - B)</b>	<b>32</b>	<b>34</b>	<b>78</b>
<b>Source of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(9)	(9)	(9)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	24	25	70
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>24</b>	<b>25</b>	<b>70</b>
<b>Surplus(deficit) of capital funding (C - D)</b>	<b>(32)</b>	<b>(34)</b>	<b>(78)</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# LAND USE ACTIVITY GROUP

## Land Use Management Activity

### What we do

The Land Use Management activity is principally concerned with processing resource consent applications and ensuring that developments and activities are consistent with our District Plan and the Resource Management Act 1991 (RMA). We are committed to improving the customer service aspect of this activity to ensure ratepayers receive good value for money.

### 2014/2015 highlights

- Implemented changes to template letters and processes to enable a smooth transition for customers as a result of changes to the Resource Management Act.
- Revamped the TCDC Planning website to make it more user-friendly.
- Dealt with significant subdivisions (Longreach 170 lots & Wharekaho 110 lots) in a comprehensive manner
- Improved percentage of consents processed within statutory timeframes compared to previous years
- Worked alongside business broker to ensure consistent and efficient provision of information to stakeholders considering significant developments.
- Provided planning presence in Coromandel office thereby ensuring a planning presence in all main offices.

### How well did we deliver our services in 2014/2015

The Council ensures that resource and other consent applications are processed within the statutory timeframe						
What we aimed for		How we did				
Percentage accepted resource consent applications are processed within statutory timeframes.	A total of 368 resource consents of varying levels of complexity were processed during this period of which 6 consents went to a hearing. A total of 2 resource consents failed to meet the statutory timeframe during this period which meant that we did not achieve the 100% target. The average working days to process resource consents was 15.5 working days.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	99.4%	Result	98.7%	Result	98%
The Council ensures that resource and other consent applications are processed within the statutory timeframe						
What we aimed for		How we did				
Percentage of 224 certificates issued within 20 working days (providing all the correct information is provided).	A total of 64 applications for 224 certificates were received during this period. There were 8 applications that exceeded the 20 working day timeframe due to delays in engineering referrals not been processed on time.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	88%	Result	85%	Result	90%

## LAND USE ACTIVITY GROUP

### Land Use Management Activity

Good, prompt service will be delivered to help people understand the resource consent process and District Plan rules							
What we aimed for		How we did					
The number of complaints received by the Council about poor or slow service.		A concerted effort was made by the planning team to re-configure and update planning information on our website so that it is more user-friendly for our customers especially those unfamiliar with planning processes and terminology. The information on this website plus in excess of 1,100 free duty planner hours provided by the team, across 4 offices, enabled customers to receive meaningful information promptly which has led to a minimal amount of complaints about slow service. The 15.5 working days to process consents meant that applicants were generally receiving decisions well before the 20 working day statutory timeframe for non-notified consents demonstrating efficiencies in this area.					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
		Target	<5	Target	<5	Target	<5
		Result	1	Result	1	Result	0
What we aimed for		How we did					
The percentage of applications returned because the applications do not provide the prescribed information to process the application.		Recent changes to the Resource Management Amendment Act 2013 came into effect on 3 March 2015. Changes to the Act meant that applications received after this date had more comprehensive information requirements so that when they are accepted by councils they would be processed without time delays. Stakeholders were advised in advance of the changes with the aim of reducing the number of returned applications. The updated planning website, availability of planning staff to attend to duty planner enquiries and pre-application meetings meant that the target was achieved. A total of 324 consent applications were lodged during this period of which 73 applications were returned. Despite legislative changes the target was achieved which is an improvement on previous years.					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
		Target	<40%	Target	<40%	Target	<40%
		Result	22%	Result	31%	Result	27%
The Council checks that development activities are being carried out in accordance with the approved consents							
What we aimed for		How we did					
The percentage of commenced resource consents visited by monitoring and investigation officers (on a priority basis*) to check that developments and activities are being carried out in accordance with the approved consents.		The legislation has changed on this performance measure and Council is now required to monitor 100% of resource consents with conditions. A target of 500 resource consents was set by the Judicial Committee as part of a programme to meet the projected future requirements and to address a backlog. At 30 June 2015 a total of 601 resource consents had been monitored.					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
		Target	80%	Target	80%	Target	80%
		Result	100%	Result	>80%	Result	53.5%
Our environment is being cared for and activities are being carried out in accordance with the District Plan.							
What we aimed for		How we did					
The percentage of identified breaches in the District Plan identified by the monitoring and investigation officers are actively trying to be resolved.		140 new consents with conditions this year have been added to the monitoring schedule. Currently there are 1,350 consents that are still active for monitoring. A life of a consent is five years and can extend to eight years if a 223 has been applied for. The Ministry for Environment now require councils to monitor consent conditions and report to the Ministry annually.					
		2014-2015		2013-2014		2012-2013	
		ACHIEVED		ACHIEVED		ACHIEVED	
		Target	70%	Target	70%	Target	70%
		Result	100%	Result	100%	Result	97.5%

# LAND USE ACTIVITY GROUP

## Land Information Memoranda

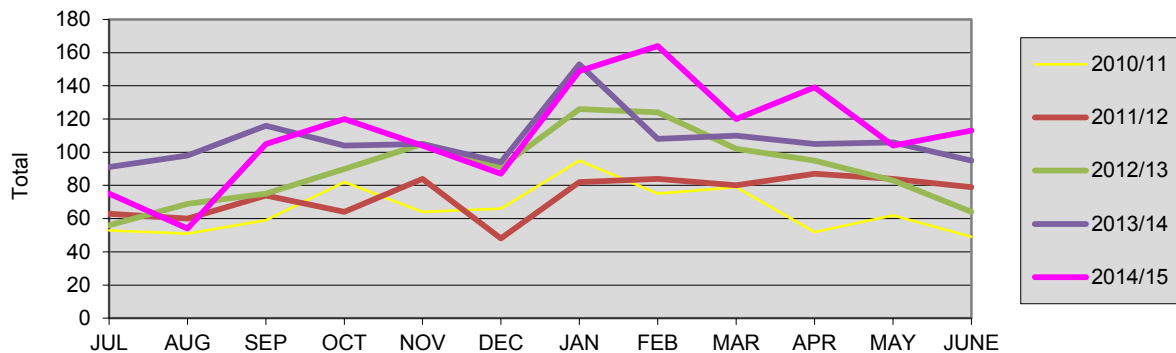
### What we do

This activity provides the Land Information Memoranda (LIM) service. LIMs are reports issued by the Council on request about a particular property or piece of land. LIMs help protect buyers of property and provide important information for project planning.

### 2014/2015 highlights

Once again a very positive year for LIMs with another record month recorded in February 2015 with 164 requests. Probably more telling is the consistently higher number of requests since January 2015 continuing into the traditionally slower winter months.

**Land Information Memoranda requests received**



### How well did we deliver our services in 2014/2015

Customers can purchase a LIM they have confidence in, in a timely manner						
What we aimed for	How we did					
Number of standard LIMs processed within 10 days.	Ten working days is the requirement under the Act, staff continually better the statutory timeframes.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	100%
What we aimed for	How we did					
Number of urgent LIMs processed within 2 days	Achievement of this short timeframe is reliant on good management of resources and a stable workforce. This is one of the shortest timeframes offered by any council.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	100%	Result	100%	Result	100%

## LAND USE ACTIVITY GROUP

### Land Information Memoranda

Customers can purchase a LIM they have confidence in, in a timely manner						
What we aimed for	How we did					
Number of proven claims against the content of LIMs.	The accuracy of our LIM reports relies on a strong records management ethos and staff skill and knowledge.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	0	Target	0	Target	0
	Result	0	Result	0	Result	0
What we aimed for	How we did					
Percentage of customers satisfied with the LIMs service.	Even though the service is only measured directly every three years the LIMs service is included in the general customer service surveys and we are generally in the good/awesome range.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		ACHIEVED	
					Target	>65%
				Result	100%	



# LAND USE ACTIVITY GROUP

## Natural and Cultural Heritage

### What we do

The Peninsula's cultural and natural heritage is an important part of what makes our district special. This activity coordinates our approach to heritage and biodiversity across all of its activities, including coordinating partnerships with other key service providers. We also have a heritage assistance fund providing assistance for individuals or organisations for various heritage related activities throughout the district. We also advocate that where possible animal pest control in the Thames-Coromandel District be undertaken by trapping, hunting and non-residual poisons.

### 2014/2015 highlights

Although the Natural and Cultural Heritage Activity is a relatively minor activity of Council, it has been well received within the heritage community. The Heritage Hauraki-Coromandel Forum has continued to be well attended and the compilation of 'heritage' web content for uploading to the Destination Coromandel website was a significant achievement for the Forum. Another highlight was Council's continued funding of the EnviroSchools programme and the presentation to Council by St Francis school (who were awarded a 'silver award' in 2014 [as were Hikutaia school]) and the Opoutere and Parawai schools who achieved bronze awards. A number of relatively small heritage initiatives were also funded through this activity (e.g. heritage signage, heritage restoration projects, contributions toward local heritage publications) which all helps to raise the profile of the unique heritage of the District.

### How well did we deliver our services in 2014/2015

The Council works with others to protect heritage and biodiversity in the District						
What we aimed for		How we did				
That 173 historic buildings and sites are formally protected in our district plan.	There are still 173 historic buildings formally protected in the Operative District Plan. Many of the buildings listed in the District Plan are also listed with Heritage New Zealand.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	173	Target	173	Target	173
	Result	173	Result	173	Result	173
That >10 groups are represented at the Heritage Hauraki-Coromandel Forum.	The Heritage Hauraki-Coromandel Forum met twice over the 2014/15 year. At both meetings there were representatives from over 10 heritage groups. There were also two 'sub-group' meetings to progress the compilation of 'heritage' web content for uploading on the Destination Coromandel website ( <a href="http://www.thecoromandel.com">www.thecoromandel.com</a> ) which was completed and made live in October 2014.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	>10	Target	>10	Target	>10
	Result	>10	Result	11	Result	11
The Council works with others to protect heritage and biodiversity in the District						
That there are 5 heritage buildings owned by the Council.	The five heritage buildings owned by Council are the Carnegie Library, the Saxon Mine Shaft pump house, Hauraki House, Coromandel Area Office (former Government Buildings) and the Tararu Community Art Centre (former North School building).					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	5	Target	5	Target	5
	Result	5	Result	5	Result	5

## LAND USE ACTIVITY GROUP

### Natural and Cultural Heritage

The Council promotes landowner awareness and enhancement of heritage and biodiversity in the District						
What we aimed for	How we did					
That there is one information mail-out per annum to landowners of heritage buildings, protected trees or conservation covenants.	Council is currently in the process of reviewing its District Plan. Because of the stage Council was at with the review in 2014/15 (in the formal hearings process) information to landowners was not distributed as many heritage buildings and protected trees are likely to come off the respective schedules (potential to cause confusion with landowners and submitters).					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		ACHIEVED		ACHIEVED	
	Target	1	Target	1	Target	1
	Result	0	Result	1	Result	1
What we aimed for	How we did					
That ≥70% of conservation covenants are assessed as 'good'.	Within the Thames-Coromandel District there are 291 Council/landowner conservation covenants - covering around 1,690 hectares of privately owned land. This year 62 conservation covenants were monitored with 42 covenants assessed as being in a 'good' condition. When conservation covenant monitoring was first initiated in 2005/06 only 40% of covenants were assessed as being in a 'good' condition. Whilst no covenants were assessed as being in a 'poor' condition, the covenant trend index suggests that the proportion of covenants in a good condition will continue to decline unless Council and landowner inputs increase (particularly in the areas of weed and stock control).					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		ACHIEVED		NOT ACHIEVED	
	Target	≥70%	Target	≥70%	Target	≥70%
	Result	68%	Result	80%	Result	58%
What we aimed for	How we did					
That 11 schools on the Coromandel Peninsula participate in the enviroschools programme.	Active schools in the District were: Hikutaia, Moanataiari, Opoutere, Parawai, St Francis, Tairua, Tapu, Thames South, Whenuakite primary schools and the Whangamata and Coromandel Area Schools. Two schools (Hikutaia and St Francis) achieved silver awards in 2014 and two others (Opoutere and Parawai) achieved bronze awards.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	11	Target	11	Target	11
	Result	11	Result	12	Result	11

# Water Supply Activity Group

Water Supply means the provision of clean water to dwellings and commercial premises in the areas of benefit (usually urban areas) by network reticulation. This helps ensure availability of safe water for drinking and cleaning purposes to maintain public health, and the provision of water for fire fighting to assist public safety. In addition, we promote efficient water use and ensure that water demand management practices are implemented. Clean and safe water is one of the essential needs of the community that the public cannot do without. We provide water supplies via nine urban and two rural water supply schemes throughout our district. The water supply systems include surface takes and groundwater bores, water treatment and storage facilities, a reticulation network and, in some instances, pump stations.

This activity group includes the following activities:

- Water Supply

## Contributing to our district

The Water Supply activity group plays an important role in contributing to a **Prosperous District, a Liveable District and a Clean and Green District** by providing a safe living and working environment, enabling our economy to grow, whilst minimising the impact on the natural environment.

Throughout the 2014/2015 year we've measured our contribution to our outcomes through this activity group, as follows:

We would be successfully Contributing to our District if:	How we did
The number of notified cases of persons affected by waterborne illnesses in our District does not increase *(measured annually).	There were no notified cases of people affected by waterborne illnesses in the last year.
The percentage of our water supplies that are compliant with NZ Drinking Water Standards (therefore is considered safe to drink) does not decrease *(measured annually).	For the second consecutive year, the 100% target was not achieved though none of the incidents posed any threat to public health. The number of incidents reduced from seven the previous year to two.

\*since last reported on in the Council's Annual Report

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included the Activity sections for context.

Activity	Performance measures achieved	How we did
Water Supply	5 of 7	Overall performance was good for this essential service. The one area of non-performance was the compliance with drinking water standards not being met in any of the three years. The target is set at 100% and the worst performance was 99.7%. No health risks were determined as a result of these compliance failures.

## WATER SUPPLY ACTIVITY GROUP

<b>Funding Impact Statement</b> for the year ended 30 June 2015	2014	2015	2015
	Long-term plan	Long-term plan	Actual
Ref.	\$000's	\$000's	\$000's
<b>Source of operating funding</b>			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	7,688	8,148	7,403
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,580	1,609	1,487
Internal charges and overheads recovered	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding (A)</b>	<b>9,268</b>	<b>9,756</b>	<b>8,890</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1	7,432	7,773
Finance costs		568	601
Internal charges and overheads applied		1,378	1,382
Other operating funding applications		0	0
<b>Total applications of operating funding (B)</b>		<b>9,377</b>	<b>9,755</b>
<b>Surplus(deficit) of operating funding (A - B)</b>		<b>(109)</b>	<b>1</b>
<b>Source of capital funding</b>			
Subsidies and grants for capital expenditure		0	0
Development and financial contributions		604	854
Increase/(decrease) in debt	2	437	730
Gross proceeds from sale of assets		0	0
Lump sum contributions		0	0
Other dedicated capital funding		0	0
<b>Total sources of capital funding (C)</b>		<b>1,041</b>	<b>1,584</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand		464	645
- to improve the level of service	3	1,482	1,374
- to replace existing assets	4	1,830	1,606
Increase/(decrease) in reserves		(2,844)	(2,039)
Increase/(decrease) in investments		0	0
<b>Total applications of capital funding (D)</b>		<b>931</b>	<b>1,586</b>
<b>Surplus(deficit) of capital funding (C - D)</b>		<b>109</b>	<b>(1)</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>		<b>0</b>	<b>0</b>

### Ref Variance explanations

- 1 Depreciation of \$2.9 million was included in the funding impact statements in the Long-Term Plan. Depreciation is not included in the actual results disclosed in these statements (per the Local Government (Financial Reporting and Prudence) Regulations 2014).
- 2 Actual capital expenditure was lower than that budgeted. This in turn has reduced the funding requirements for projects. As such, debt levels decreased.
- 3 The following projects contributed to the underspend in capital expenditure: Thames Valley new supply \$0.5 million, Matatoki new supply \$0.2 million and Tairua river bank filtration by \$0.6 million. A number of these projects have been put on hold until a viability assessment has been completed.
- 4 The following projects contributed to the underspend in capital expenditure: Thames Valley renewals \$0.2 million, Thames renewals \$0.1 million, Matarangi renewals by \$0.3 million, Hahei consent renewals \$0.1 million and Pauanui renewals by \$0.1 million. A number of these projects have been put on hold until a viability assessment has been completed.

# WATER SUPPLY ACTIVITY GROUP

## Water Supply Activity

### What we do

Clean and safe water is one of the essential needs of the community that the public can simply not do without. Approximately 71% of properties in our district are currently connected, or have the ability to connect to our water supply services. Our water supplies help ensure that people in the areas of service (usually urban areas) have safe clean water to drink and to clean with (to maintain public health). The water systems provide water for commercial uses and also fire fighting which helps protect our communities and visitors. Without an adequate water supply, the fire fighting service would be unable to do their jobs and public health and safety would be at risk. We are legally responsible for continuing to provide existing water services.

### 2014/2015 highlights

- Council has made significant progress on connecting the Ohuka water supply to the Council's network. The final connection works will be connected in early 2015/2016.
- Stage two of replacing Tararu's watermain was completed. This replacement was for an older cast iron main.
- A new watermain on Totara Valley Road, Thames was constructed.
- A new reservoir on Waiotahi Road, Thames was constructed.
- The Kauaeranga resource consent for Thames was renewed.
- New water supply equipment was installed in Thames South. This is to help operations contractors to monitor the water supplies remotely.
- The Apakura resource consent for Puriri was renewed. Works to vest Hauraki District Council's infrastructure to Thames-Coromandel District Council will continue into 2015/2016.
- Work on the Pauanui aquifer reconfiguration project was undertaken. The reconfiguration of three individual bores to a single source for treatment will improve the water production quality.
- Tairua's consenting, renewals and river bank filtration project are progressing and will continue into 2015/2016.

### How well did we deliver our services in 2014/2015

The Council provides safe and reliable water for household and business use in urban areas						
What we aimed for	How we did					
That water treatment plants where there is a capacity constraint are as follows <sup>8</sup> : <ul style="list-style-type: none"> <li>• Hahei</li> <li>• Matarangi</li> <li>• Thames Valley</li> <li>• Matatoki</li> </ul>	All plants were operational throughout the year. Work has progressed well with the Thames South water supply project. This project is a work in progress with more work programmed year two onwards in the Long Term Plan.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	Operational	Target	Operational	Target	Operational
	Result	Operational	Result	Operational	Result	Operational

<sup>8</sup> A capacity constraint means that there is a finite fixed capacity in these areas and as such no further connections to Council's water supply service are possible.

## WATER SUPPLY ACTIVITY GROUP

### Water Supply Activity

What we aimed for	How we did					
Percentage of urgent requests responded to within one day. <sup>9</sup>	136 of the 150 urgent water related requests for service received during 2014/2015 were responded to within one day.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥90%	Target	≥90%	Target	≥90%
	Result	91%	Result	92%	Result	92%
What we aimed for	How we did					
Percentage of Council supplied water is compliant with NZ Drinking Water Standards. <sup>10</sup>	All treated Council water supplies were operationally compliant during 2014/2015. The final result of not achieved reflects instances of low reticulation chlorine levels which were measured in Coromandel, Matarangi, Onemana and Tairua. No health risks were determined as a result of these low levels. There were also a limited number of E Coli levels measured in Whitianga and Hahei and actions were undertaken to mitigate any potential health risks.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	100%	Target	100%	Target	100%
	Result	99.7%	Result	99.8%	Result	99.9%

The Council provides safe and reliable water for household and business use in urban areas						
What we aimed for	How we did					
Percentage of residents and non-resident ratepayers who have a view are fairly/very satisfied with water services.	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the measure was not achieved. The next survey is scheduled for 2016.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		NOT ACHIEVED	
	Result	No survey	Result	No survey	Target	91%
	Result	No survey	Result	No survey	Result	90%

The Council provides adequate water to assist with fighting fires						
What we aimed for	How we did					
Percentage of urban properties connected to a Council water supply that has an operational fire hydrant within a distance of 135 metres.	Council's district water supply is currently achieving the performance measure with 96.3% of connected urban properties within 135 metres of an operational fire hydrant. Council's renewal programme is progressing well to ensure on-going compliance with this measure.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	90%	Target	90%	Target	85%
	Result	96.3%	Result	96.3%	Result	96.3%

<sup>9</sup> Urgent requests include water breaks to our main of a significant water flow, water loss to property (i.e. there is no water inside the house/business and/or at toby/water meter, low water pressure causing major disruption to daily routine and inability to operate household appliances, water leak during water restrictions, water quality issues (i.e. dirty, colour, odour or taste).

<sup>10</sup> New Zealand Drinking Water Standards have changed in recent years. During the term of this Ten Year Plan allocations have not been made for full compliance with Drinking Water Standards (revised 2008) in the Thames Valley/Matatoki area until such time as further development of the Standards indicate there will be no agricultural standard options available and that the current standards must be met, the Council is currently not planning for a treatment plant upgrade in the Thames Valley/Matatoki area.



## WATER SUPPLY ACTIVITY GROUP

### Water Supply Activity

The Council provides adequate water to assist with fighting fires						
What we aimed for	How we did					
Percentage of the total Council hydrants throughout the district that are checked <sup>11</sup> .	All 1,681 fire hydrants were checked throughout the district during the 2014/2015 year. Council's daily operations and maintenance works continue to ensure on-going compliance with this measure.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥19%	Target	≥19%	Target	≥19%
	Result	100%	Result	56%	Result	100%

The Council promotes the efficient and sustainable use of water						
What we aimed for	How we did					
Percentage annual reduction in district water production per rateable property per connected property.	In 2013/2014 the total amount of water produced was 4,833,973m <sup>3</sup> . In 2014/2015 the total amount of water produced was 4,922,011m <sup>3</sup> , an increase of 1.8%. This increase was due to the extended summer period. Water conservation and restriction measures were implemented during this time to help mitigate the increased water use.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		ACHIEVED		NOT ACHIEVED	
	Target	2% decrease	Target	2% decrease	Target	2% decrease
	Result	1.8% increase	Result	4.3% decrease	Result	4.5% increase
What we aimed for	How we did					
That water conservation education programmes are delivered.	Conservation awareness is a programme that Council undertakes annually, and includes educational information published on Council's website. The smart water use programme is still underway district-wide. Council is currently developing a water demand management strategy which is planned to be finalised during the 2015/2016 year.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	Deliver programme	Target	Deliver programme	Target	Deliver programme
	Result	Programme delivered	Result	Programme delivered	Result	Programme delivered

<sup>11</sup> The check includes confirmation that the hydrant is operational. The Council has a total of 1,681 hydrants throughout the District.

# WATER SUPPLY ACTIVITY GROUP

## Water Supply Activity

### Overview of significant projects

Project	2015		Comment
	2015 Actual (\$000)	2015 Annual Plan Budget (\$000)	
<b>Thames</b>			
Thames Valley new supply and reticulation	\$78	\$688	This budget was for the Apakura resource consent and construction of the Apakura main link between Puriri and Matatoki. The budget for this project was reduced to \$147,000 during the year because of delays in the resource consenting process. Other delays has meant that the completion date has been extended to the middle of the 2015/2016 financial year. The remaining budget will be carried forward to the 2015/2016 year to complete the project.
Matatoki new supply and reticulation	\$17	\$295	The budget for this project was reduced to \$38,000 during the year because of delays in the resource consenting process. This work is to be completed in conjunction with the Thames Valley new supply and reticulation project as described above.
Thames urban renewals	\$630	\$734	This budget was for the renewal of the water main in Tararu and a new line to supply residents in Totara Valley Road. The budget for this project was increased to \$769,000 during the year because there were additional costs identified that were not in the original scope. Construction is due to be completed in July 2015. The remaining budget has been carried forward to the 2015/2016 financial year to complete the project.
<b>Mercury Bay</b>			
Matarangi renewals	\$0	\$250	The budget for this project was reduced to \$15,000 during the year because there were no planned renewal works. The remaining budget was unspent at year-end because there was no reactive work required during the year.
Ohuka Park area of benefit extension	\$127	\$184	The last stage of the connection will be completed early in the 2015/2016 financial year. For more information on this project refer to the Performance Overview highlights section.
<b>Tairua-Pauanui</b>			
Pauanui aquifer reconfiguration	\$267	\$329	Construction on this project has been completed with the exception of the cartridge filter due to delays in procurement. The remaining budget has been carried forward to the 2015/2016 financial year to complete the project.
Tairua river bank filtration	\$11	\$645	The budget for this project was reduced to \$19,000 during the year because the scope of the project was revised to cover the resource consenting and design costs only. However, due to delays, the resource consent was not obtained before year-end. Construction will be completed in the 2015/2016 financial year.

# Solid Waste Activity Group

The goal of this activity group is to provide environmentally sound waste management initiatives to protect the environment and public health. Proper disposal of rubbish prevents pollution in the environment, ensures hazardous substances are disposed of safely and improves the image of our town centres and public spaces. Sound waste management practices are important for healthy living conditions and, through promoting recycling and reduction, help conserve resources.

We support key sustainable environmental principles to reduce waste, including promoting the waste management hierarchy concept. This ranks waste management practices in order of importance to obtain the most benefit from resources while reducing the quantity of waste produced. In this hierarchy, avoidance and reduction of resource use ranks as most important, followed by re-use and recycling, and finally resource recovery (retrieval of disposed resource materials from the waste stream) and treatment.

This activity group includes the following activities:

- **Solid Waste**

## Contributing to our district

The Solid Waste activity group plays an important role in contributing to a **Prosperous District**, a **Liveable District** and a **Clean and Green District** by ensuring our communities can easily dispose of waste in a way that minimises harm, ensuring a high standard of public health, enabling our economy to grow whilst protecting our unique natural environment. In fact, our ratepayers rank this activity as their top priority.

Throughout the 2014/2015 year we've measured our contribution to our outcomes through this activity group, as follows:

We would be successfully Contributing to our District if:	How we did
The volume of council controlled waste per rating unit being disposed of to landfill decreases (measured annually).	While the volume of waste increased from 463kg to 467kg, this reflects an overall increase in waste attributed to an increase in the number of visitors. The proportion of waste diverted from landfill increased during the same reporting period.

## Activity group dashboard

This dashboard outlines the number of performance measures achieved in each activity, within this activity group. Performance measures that are not measured are not included in the table below. For example, users and residents satisfaction level is only measured every three years. The last available results for these measures are still included in the Activity sections for context.

Activity	Performance measures achieved	How we did
Solid Waste	5 of 7	Another very good performance for this activity. Two of the performance measures were not achieved in any of the three years. Both related to the decision to place the development of the Whitianga Refuse Station on hold pending further investigations relating to the long term future of the biosolids plant.

## SOLID WASTE ACTIVITY GROUP

<b>Funding Impact Statement</b> for the year ended 30 June 2015	2014	2015	2015
	Long-term plan	Long-term plan	Actual
Ref.	\$000's	\$000's	\$000's
<b>Source of operating funding</b>			
General rates, uniform annual general charges, rates penalties	960	1,002	993
Targeted rates	2,773	2,348	3,023
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1 2,517	3,359	2,372
Internal charges and overheads recovered	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0
<b>Total operating funding (A)</b>	<b>6,251</b>	<b>6,709</b>	<b>6,387</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2 5,685	6,413	4,618
Finance costs	140	161	92
Internal charges and overheads applied	589	607	723
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>6,413</b>	<b>7,182</b>	<b>5,433</b>
<b>Surplus(deficit) of operating funding (A - B)</b>	<b>(163)</b>	<b>(472)</b>	<b>954</b>
<b>Source of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	9	22	4
Increase/(decrease) in debt	693	416	468
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>Total sources of capital funding (C)</b>	<b>702</b>	<b>438</b>	<b>473</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	204	12	0
- to improve the level of service	529	166	21
- to replace existing assets	140	145	75
Increase/(decrease) in reserves	3 (334)	(358)	1,331
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>539</b>	<b>(35)</b>	<b>1,427</b>
<b>Surplus(deficit) of capital funding (C - D)</b>	<b>163</b>	<b>472</b>	<b>(954)</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Ref Variance explanations

- 1 Changes to the solid waste contract has meant reduced solid waste fees of \$0.3 million and increased recycling has seen a reduction of rubbish bag purchases of \$0.7 million.
- 2 Savings in contract costs of \$0.8 million, and other insignificant changes across this activity.
- 3 Reserves balances in the Long-Term Plan include a credit to the depreciation reserves of \$0.3 million. Depreciation is not included in the actual results disclosed in these statements, therefore there is no corresponding credit to the depreciation reserve. Also, with the operating cost savings and capex underspending, significant transfers to reserves occurred.

## SOLID WASTE ACTIVITY GROUP

### Solid Waste Activity

#### What we do

The Solid Waste activity provides for rubbish to be properly disposed of to protect public health and the environment. The activity also promotes recycling, reuse and resource recovery with the objectives of reducing the amount of waste going to landfill and practising responsible resource efficiency.

While we are not obliged to provide waste management services directly, we are required to ensure there are services provided within our District. We are also required to promote effective and efficient waste management and minimisation within our District.

#### 2014/2015 highlights

Communities using the Council's kerbside collection service generated 3,030 tonnes of waste to landfill and 3,803 tonnes of recycling. This represents a diversion rate (waste not sent to landfill) of 55.5% with a maximum monthly diversion rate of 61.55% being achieved in the December 2014 peak period. The collection with the best diversion rate of 80.86% was achieved by the Pauanui collection route over the February 2015 peak period.

The refuse transfer station facilities received 7,504 tonnes of recycling and 9,478 tonnes of refuse destined for the landfill which represents a diversion rate of 44.19%.

#### How well did we deliver our services in 2014/2015

Rubbish and recycling kerbside pickup services are provided to solid waste rated residential properties in all urban and most rural areas.						
What we aimed for	How we did					
That district rubbish and recycling kerbside pickup is collected weekly.	Rubbish and recycling progressed in accordance with the requirements of the solid waste shared services contract with Council's contractor Smart Environmental Ltd.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	Refuse weekly Recycling fortnightly	Target	Refuse weekly Recycling fortnightly	Target	Weekly
Result	Refuse weekly Recycling fortnightly	Result	Refuse weekly Recycling fortnightly	Result	Weekly	

## SOLID WASTE ACTIVITY GROUP

### Solid Waste Activity

Rubbish and recycling kerbside pickup services are provided to solid waste rated residential properties in all urban and most rural areas.						
What we aimed for		How we did				
<p>That rubbish and recycling kerbside pickup during peak summer period December 26 and January 31 occurs:</p> <ul style="list-style-type: none"> <li>• Three times per week in Whangamata and Pauanui areas</li> <li>• Twice per week in Tairua, Mercury Bay and Coromandel areas.</li> </ul>	The increased collection services for the six week peak period provided for in the contract operated between 22 <sup>nd</sup> December 2014 to 1 <sup>st</sup> February 2015					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	Peak season collections occur as specified	Target	Peak season collections occur as specified	Target	Peak season collections occur as specified
Result	3 per week 2 per week	Result	3 per week 2 per week	Result	3 per week 2 per week	
What we aimed for		How we did				
<p>Percentage of residents and non-resident ratepayers who have a view are fairly/very satisfied with solid waste.</p>	The customer satisfaction survey is carried out every three years. When last carried out in 2013 the target was achieved. The next survey is scheduled for 2016.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASURED		NOT MEASURED		NOT ACHIEVED	
					Target	≥91%
				Result	90%	

Appropriate facilities and services are provided for the disposal of waste						
What we aimed for		How we did				
<p>Number of communities with a refuse transfer station.</p>	The proposed commencement of the proposed new Whitianga refuse transfer station was delayed while the Council considered the future of the adjacent biosolids plant. The biosolids plant is to be retained for trial operations and so planning for the new refuse transfer station is to recommence in 2015/2016.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		ACHIEVED	
	Target	8	Target	8	Target	7
Result	7	Result	7	Result	7	
What we aimed for		How we did				
<p>Number of communities with a 24 hour/7day drop-off facility.</p>	The new Whitianga refuse transfer station will have 24/7 drop-off facilities.					
	2014-2015		2013-2014		2012-2013	
	NOT ACHIEVED		NOT ACHIEVED		NOT ACHIEVED	
	Target	7	Target	6	Target	6
Result	6	Result	5	Result	5	



## SOLID WASTE ACTIVITY GROUP

### Solid Waste Activity

The Council facilitates waste minimisation practices and promotes reduction of the amount of waste going to landfill						
What we aimed for	How we did					
Volume of Council controlled waste per rating unit is disposed of to landfill.	Target was achieved albeit with a slight increase over the previous year due to the corresponding slight increase in total waste tonnage.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≤474kg	Target	≤474kg	Target	≤527kg
	Result	467 kg	Result	463kg	Result	516kg
What we aimed for	How we did					
Volume of district waste per rating unit being disposed of to landfill.	It is not possible to measure the amount of District waste, as Council has no access to commercial waste data. This measure is under review.					
	2014-2015		2013-2014		2012-2013	
	NOT MEASUREABLE		NOT MEASUREABLE		NOT MEASUREABLE	
	Target	≤639kg	Target	≤639kg	Target	≤639kg
	Result	Not measureable	Result	Not measureable	Result	Not measureable

Litter bins are provided for and serviced in public spaces						
What we aimed for	How we did					
That public litter bins do not overflow.	There were no instances of overflowing bins identified from the random audits carried out to check the contract therefore the result is 100%. TCDC would not however claim that there have been no instances of bins overflow however if there are instances they are very sporadic as it does not feature as a frequent complaint through the request for service system.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		ACHIEVED		ACHIEVED	
	Target	≥95%	Target	≥95%	Target	≥95%
	Result	100%	Result	100%	Result	100%

The Council maintains closed landfill sites						
What we aimed for	How we did					
Number of formal warnings issued by the Waikato Regional Council for non-compliance with resource consent/s.	Coromandel Landfill was capped and closed and a revised Aftercare Plan is being drafted to submit to the regional council. Purangi and Tairua landfills' resource consent applications have been lodged with the regional council and Whitianga landfill is under investigation by Council's consultants preparing consent applications. The regional council has approved reduced monitoring conditions for a number of our closed landfills.					
	2014-2015		2013-2014		2012-2013	
	ACHIEVED		NOT ACHIEVED		ACHIEVED	
	Target	0	Target	0	Target	0
	Result	0	Result	1	Result	0

## SOLID WASTE ACTIVITY GROUP

### Solid Waste Activity

---

#### Overview of significant projects

Project	2015		Comment
	Actual (\$000)	Annual Plan Budget (\$000)	
Transfer station - Whitianga	\$1	\$350	The budget for this project was reduced during the year to \$6,000 because the project was put on hold pending a decision on the biosolid plant composter trial. The actual spend was for concept design estimate costs before the project was put on hold. A decision has now been made to recommence the trial. The remaining budget will be carried forward to the 2015/2016 financial year to complete the project.

# Financial Statements





# Guide to Financial Statements

---

## Introduction

The Local Government Act 2002 requires the Council to report its actual performance compared to targets published in the Annual Plan. We report against both financial and non-financial measures. The main purpose of providing financial statements is to enable stakeholders (residents and ratepayers, other local authorities, business community groups, Government regulatory bodies etc.) to assess our performance and make decisions regarding the Council and how it conducts its business.

This information includes the statement of comprehensive revenue and expense, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the accompanying statement of significant accounting policies and notes to the financial statements. This information must be prepared according to generally accepted accounting practice and recognised accounting standards.

## Statement of Accounting Policies

These explain the basis upon which the financial statements are prepared. They explain the methods adopted by the Council used to measure the transactions incorporated into the financial statements above.

## Statement of comprehensive Revenue and Expense

The statement of revenue and expense shows all of the Council's revenue earned and expenses incurred for the 12 months up to 30 June 2015. Revenue includes income received from rates and other income such as investment income, rent and fees while expenses paid includes costs such as operating costs, interest payments and depreciation.

This statement shows how total comprehensive revenue and expense is derived. Total comprehensive revenue and expense is then added or subtracted from Council's equity as shown in the statement of changes in equity.

## Statement of Changes in Equity

This statement provides information about the nature of changes in Council's equity during the year.

## Statement of Financial Position

The statement of financial position shows the assets and liabilities of the Council as at 30 June 2015.

Assets include cash, accounts receivable (money owed to the Council but not yet received), investments, land, buildings, operational and infrastructural assets. Current assets are amounts owed to the Council that are expected to be received within the next 12 months while current liabilities are the Council's debts that are due to be paid within the next 12 months.

Investments are the Council funds held in income earning securities while property, plant and equipment are of a permanent nature and are held for the benefit of the community.

Non-current liabilities represent money owed by the Council that does not have to be paid within the next 12 months.

## Statement of Cash Flows

This statement covers all the inflows and outflows of cash during the year covered by the statement of comprehensive revenue and expense. The statement of cash flows identifies the sources and application of cash in respect of the Council's operating, investing and financing activities.

# Notes to the Financial Statements

---

## Funding Impact Statement

The funding impact statements ("FIS") have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014, which came into effect 17 March 2014. This is a reporting requirement unique to Local Government. The disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices ("GAAP").

The purpose of these statements is to report the net cost of services for significant groups of activities ("GOA") of the Council, and are represented by the revenue that can be attributed to these activities less the costs of providing the service. They contain all the funding sources for these activities and all the applications of this funding by these activities. The GOA FIS include internal transactions between activities such as internal overheads and charges applied and or recovered and internal borrowings. These GOA FIS are contained in "Our Services" section of this report.

The FIS is also prepared at the whole of Council level summarising the transactions contained within the GOA FIS, eliminating internal transactions, and adding in other transactions not reporting in the GOA statements.

These statements are based on cash transactions prepared on an accrual basis and as such do not include non cash/accounting transactions that are included with the statement of comprehensive revenue and expense as required under GAAP. These items include but are not limited to the Council's depreciation, gain and/or losses on revaluation and vested assets.

They also depart from GAAP as funding sources are disclosed within the FIS as being either for operational or capital purposes. Income such as subsidies received for capital projects, development contributions and proceeds from the sale of assets are recorded as capital funding sources. Under GAAP these are treated as income in the statement of comprehensive revenue and expense.

## Notes to the Financial Statements

These notes to the accounts provide further details of what the summarised amounts reported on in the above financial statements are comprised of. The reference to the note is included in the financial statements 'Notes' column, beside the dollar values for the current financial year.

# Statement of Compliance

---

## Statement of Compliance

The Council of Thames-Coromandel District Council hereby confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.



**Mayor**

28 October 2015



**Chief Executive**

28 October 2015



# Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2015

	Notes	2015 Budget \$000's	2015 Actual \$000's	2014 Actual \$000's
<b>Revenue</b>				
Rates, excluding targeted water supply rates	4	56,563	56,173	54,930
Targeted rates for water supply	4	1,665	1,487	1,486
Fees and charges	6	9,611	8,908	8,779
Development and financial contributions		1,105	820	1,715
Subsidies and grants	5	5,426	5,163	4,773
Interest revenue	7	15	51	75
Other revenue	8	679	2,120	3,336
<b>Total revenue</b>		<b>75,065</b>	<b>74,721</b>	<b>75,094</b>
<b>Expenses</b>				
Personnel costs	9	14,462	14,444	13,874
Depreciation and amortisation expense	19	19,345	18,218	18,606
Finance costs	7	3,471	2,918	2,927
Other expenses	10	41,609	41,728	41,346
<b>Total expenses</b>		<b>78,887</b>	<b>77,308</b>	<b>76,753</b>
Share of joint venture surplus/(deficit)	21		2	15
Surplus/(deficit) before tax		(3,822)	(2,585)	(1,644)
Income tax expense	11	0	0	0
<b>Surplus/(deficit) after tax</b>		<b>(3,822)</b>	<b>(2,585)</b>	<b>(1,644)</b>
<b>Other comprehensive revenue and expense</b>				
Gain on property, plant and equipment revaluations	17	25,235	28,689	12,403
Gain/(loss) on financial assets revaluations		0	1	(6)
<b>Total other comprehensive revenue and expense</b>		<b>25,235</b>	<b>28,690</b>	<b>12,397</b>
<b>Total comprehensive revenue and expense</b>		<b>21,414</b>	<b>26,105</b>	<b>10,753</b>

The accompanying notes form part of these financial statements.

Explanations of major variances against budget are provided in note 36.

# Statement of Financial Position

As at 30 June 2015

	Notes	2015 Budget \$000's	2015 Actual \$000's	2014 Actual \$000's
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	12	436	95	1,215
Receivables	13	6,443	7,514	7,119
Other financial assets	15	0	83	89
Inventory	16	200	180	193
<b>Total current assets</b>		<b>7,079</b>	<b>7,871</b>	<b>8,616</b>
<b>Non-current assets</b>				
Postponed rates	13	433	375	362
Investments in joint ventures	21	0	93	91
<i>Other financial assets:</i>				
Investments in CCOs and similar entities	15	625	791	791
Investments in other entities	15		27	27
Total other financial assets		625	817	818
Intangible assets	18	8,520	6,074	6,219
Forestry assets	20	2,094	2,931	2,331
Property, plant and equipment	17	1,325,600	1,306,478	1,282,206
<b>Total non-current assets</b>		<b>1,337,274</b>	<b>1,316,770</b>	<b>1,292,027</b>
<b>Total assets</b>		<b>1,344,353</b>	<b>1,324,641</b>	<b>1,300,643</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables and deferred revenue	22	13,298	14,018	14,381
Derivative financial instruments	14	2,181	852	373
Employee entitlements	24	1,232	1,553	1,325
Provisions	25	1,524	2,688	2,424
Borrowings	23	1,000	3,000	40
<b>Total current liabilities</b>		<b>19,235</b>	<b>22,110</b>	<b>18,543</b>
<b>Non-current liabilities</b>				
Derivative financial instruments	14	976	3,367	1,330
Employee entitlements	24	204	185	185
Provisions	25	7,144	5,836	6,246
Borrowings	23	57,193	38,100	45,402
<b>Total non-current liabilities</b>		<b>65,516</b>	<b>47,488</b>	<b>53,163</b>
<b>Total liabilities</b>		<b>84,750</b>	<b>69,598</b>	<b>71,706</b>
<b>Net assets (assets minus liabilities)</b>		<b>1,259,602</b>	<b>1,255,043</b>	<b>1,228,937</b>
<b>Equity</b>				
Accumulated funds	26	376,959	371,083	374,678
Reserves	26	882,643	883,961	854,259
<b>Total equity</b>		<b>1,259,602</b>	<b>1,255,043</b>	<b>1,228,937</b>

The accompanying notes form part of these financial statements.

Explanations of major variances against budget are provided in note 36.

## Statement of Changes in Equity

For the year ended 30 June 2015

	2015 Budget \$000's	2015 Actual \$000's	2014 Actual \$000's
<b>Balance at 1 July</b>	<b>1,238,189</b>	<b>1,228,938</b>	<b>1,218,184</b>
Total comprehensive revenue and expense for the year	21,414	26,105	10,753
<b>Balance at 30 June</b>	<b>1,259,602</b>	<b>1,255,043</b>	<b>1,228,937</b>

The accompanying notes form part of these financial statements.

Explanations of major variances against budget are provided in note 36.

# Statement of Cash Flows

For the year ended 30 June 2015

		2015 Budget	2015 Actual	2014 Actual
	Notes	\$000's	\$000's	\$000's
<b>Cash flows from operating activities</b>				
Receipts from rates revenue		58,185	55,284	55,794
Receipts from other revenue		16,142	17,240	16,360
Interest received		15	51	30
Dividends received		0	7	6
GST (net)		0	465	(1,326)
Payments to suppliers and employees		(56,610)	(53,362)	(50,355)
Interest paid		(3,471)	(2,690)	(2,927)
<b>Net cash flow from operating activities</b>	<b>27</b>	<b>14,263</b>	<b>16,995</b>	<b>17,582</b>
<b>Cash flows from investing activities</b>				
Advance payments received		0	6	6
Receipts from sale of property, plant and equipment		145	222	0
Advance payments made		0	0	(369)
Purchase of property, plant and equipment		(23,528)	(13,377)	(12,569)
Purchase of intangible assets		(835)	(626)	(46)
<b>Net cash flow from investing activities</b>		<b>(24,218)</b>	<b>(13,775)</b>	<b>(12,978)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings		9,181	49,649	137,300
Repayment of finance lease liabilities		0	(3)	(2)
Repayment of borrowings		(698)	(53,986)	(140,850)
<b>Net cash flow from financing activities</b>		<b>8,483</b>	<b>(4,340)</b>	<b>(3,552)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,472)</b>	<b>(1,120)</b>	<b>1,052</b>
Cash and cash equivalents at the beginning of the year		1,908	1,215	163
<b>Cash and cash equivalents at the end of the year</b>	<b>12</b>	<b>436</b>	<b>95</b>	<b>1,215</b>

The accompanying notes form part of these financial statements.

Explanations of major variances against budget are provided in note 36.

## Funding Impact Statement for Whole of Council

	2014 Annual Plan \$000's	2014 Annual Report \$000's	2015 Annual Plan \$000's	2015 Actual \$000's
<b>Source of operating funding</b>				
General rates, uniform annual general charges, rates penalties	15,640	15,746	16,528	16,845
Targeted rates	39,878	39,658	40,020	39,906
Subsidies and grants for operating purposes	2,194	2,262	2,311	2,670
Fees and charges	10,539	10,264	10,391	10,389
Interest and dividends from investments	15	36	15	28
Fuel tax, fines, infringement fees and other receipts	947	697	712	708
<b>Total operating funding (A)</b>	<b>69,213</b>	<b>68,663</b>	<b>69,977</b>	<b>70,547</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	53,761	51,848	56,609	53,238
Finance costs	3,748	2,927	3,471	2,690
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>57,509</b>	<b>54,775</b>	<b>60,080</b>	<b>55,928</b>
<b>Surplus(deficit) of operating funding (A - B)</b>	<b>11,704</b>	<b>13,888</b>	<b>9,897</b>	<b>14,618</b>
<b>Source of capital funding</b>				
Subsidies and grants for capital expenditure	3,305	2,511	3,365	2,493
Development and financial contributions	997	1,710	1,044	820
Increase/(decrease) in debt	12,919	(3,550)	8,483	( 4,338 )
Gross proceeds from sale of assets	52	0	145	219
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>17,273</b>	<b>671</b>	<b>13,038</b>	<b>( 805 )</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	3,076	281	3,241	512
- to improve the level of service	14,167	6,690	10,948	6,241
- to replace existing assets	11,425	6,295	10,174	7,531
Increase/(decrease) in reserves	309	1,293	( 1,429 )	( 472 )
Increase/(decrease) in investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>28,977</b>	<b>14,559</b>	<b>22,934</b>	<b>13,812</b>
<b>Surplus(deficit) of capital funding (C - D)</b>	<b>(11,704)</b>	<b>(13,888)</b>	<b>( 9,897 )</b>	<b>( 14,618 )</b>
<b>FUNDING BALANCE ((A - B) + (C - D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies

### Reporting Entity

Thames-Coromandel District Council (Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act.

The Council provides local infrastructure, local public services and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Council are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 28 October 2015.

### Basis of Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

### Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE accounting standards are explained in note 37.

### Measurement base

The financial statements have been prepared on an historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

### Standards issued that are not yet effective and not early adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2016 financial statements. The Council expects that there will be minimal or no change in applying these updated accounting standards.



# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

### Summary of Significant Accounting Policies

#### Basis of consolidation

##### Associates

An associate is an entity, over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are recognised under the equity method of accounting as prescribed in PBE IPSAS 7 *Investments in Associates* whereby the investment in the associate is recognised at cost with the carrying amount adjusted to reflect the ownership interest in the associate.

Council has elected to recognise its interests in both the Hauraki Rail Charitable Trust and Destination Coromandel Trust as associates of Council. However, given that Council does not have an ownership interest in either trust and that no share of the profit or loss is made to Council, it is impractical for Council to recognise its relationship with both trusts through this method of accounting. Nevertheless, the relationship is recognised as a related party with the appropriate disclosures made in accordance with PBE IPSAS 20 *Related Party Disclosures*.

##### Joint venture

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity. Council has a 40% interest in a jointly controlled entity called the Thames Valley Emergency Operating Area (TVEOA). Council is the administering authority of this entity and accounts for its interest in this entity under the equity-method of accounting.

#### Revenue

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below:

##### Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

##### Development and financial contributions

Development and financial contributions from subdivision consents are recognised as revenue upon the granting of the resource consent and prior to the completion certificate being issued pursuant to Section 224c of the Resource Management Act 1991. Contributions from land use consents are recognised as revenue upon the granting of the resource consent.

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until the Council provides, or is able to provide, the service.

# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

### New Zealand Transport Agency roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

### Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if the conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grants are satisfied.

### Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

### Sale of goods

Revenue from sales of goods is recognised when a product is sold to the customer.

### Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

### Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

### Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established.

### Donated services

The work of Council relies on the voluntary services of residents, particularly in the activities of parks and reserves, libraries, and foreshores. Since these services are not purchased by Council and, because of the difficulty of determining their value with reliability, donated services are not recognised in the financial statements.

### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

### Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

### Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### Income tax

Income tax expense includes components relating to both current and deferred tax. The Council is exempt from income tax with the exception of income derived from wharf operations. Historically, the deductible operating expenditure has offset any operating revenue that is subject to income tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of the assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

### Leases

#### Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Rental income from an operating lease is recognised on a straight-line basis over the term of the relevant lease.

#### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

#### Receivables

Receivables are recorded at their face value, less any provision for impairment.

#### Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially measured at fair value on the contract date, and are re-measured to their fair value at each balance date. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. Any gains or losses arising from changes in fair value are recognised in the surplus or deficit.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in the surplus or deficit.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion classified as non-current.

The Council has elected not to apply hedge accounting to its derivative financial instruments.

# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

### Other financial assets

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus and deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

### Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Council's financial assets at fair value through surplus or deficit include derivatives that are not designated as hedges including interest rate swaps and foreign exchange options.

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense. The loans are subsequently measured at amortised cost using the effective interest method.

Council's loans and receivables are comprised of cash and cash equivalents, trade and other receivables, term deposits and loans.

### Fair value through other comprehensive income revenue and expense

Financial assets at fair value through other comprehensive income revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of the balance date.

# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

The Council includes in this category:

- Investments that it intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised through other comprehensive revenue, except impairment losses, which are recognised through the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Investments in this category include shares held in New Zealand Local Government Insurance Corporation Limited and Local Authority Shared Services Limited.

Council has a one-twelfth ordinary shareholding in the Local Authority Shared Services Limited. The investment also consists of shares in the Shared Valuation Data Service, service shares in the Waikato Region Aerial Photography Service and Waikato Regional Transport Model. These shares have been measured at cost at the date of acquisition and have remained at cost, which may not equate to fair value.

Each year within the Annual Report, Council recognises its interest in its jointly controlled entity, the Thames Valley Emergency Operating Area using the equity method (per PBE IPSAS 7 Para. 11-12). This allows Council to recognise the investment initially at cost. The carrying amount is then increased or decreased to recognise Council's share of the surplus or deficit of the jointly controlled entity after the date of recognition.

### Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

### Loans and other receivables

Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds and community loans are recognised directly against the instrument's carrying amount.

### Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. The cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss of that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.



# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

### Inventory

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential. Inventories acquired through non-exchange transactions are measured at fair value at the current replacement cost at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

### Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

### Property, plant and equipment

Property, plant and equipment consist of operational assets, restricted assets, and infrastructural assets.

#### Operational assets

These include land, buildings and improvements, library books, furniture and fittings, plant and equipment, swimming pools, refuse processing and disposal, computer hardware, motor vehicles, and leased photocopiers.

#### Restricted assets

Restricted assets are parks and reserves (including public toilets) owned by the Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

#### Infrastructural assets

Infrastructure assets are the fixed utility systems owned by the Council including roads, footpaths, bridges and culverts, water, wastewater, storm water, reserve improvements and harbour facilities. Each asset class includes all items that are required for the network to function.

### Recognition and measurement

Land (operational, restricted and infrastructural) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

### Unformed or paper roads

An unformed or paper road is a term for a road that is legally established and recorded in survey plans, but has not been formed, and that ownership of the land associated with the paper road resides with the Council.

The Council does not recognise land under unformed paper roads in the financial statements because there is little or no service potential from the majority of these paper roads. Valuing these assets is also difficult. It is difficult to measure the service benefit to the public from having access to these routes. There is also limited market data detailing recent sales of such small individual areas arguably due to the high cost of disposal.

### Revaluation

Land (operational, restricted and infrastructural) are revalued bi-annually, buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued annually to ensure that their carrying amount does not differ materially from fair value.

The carrying value of land is assessed annually between the revaluation cycles to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

### Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Property, plant, and equipment is initially recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

### Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to accumulated funds.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

# Notes to the Financial Statements

## Note 1 - Statement of Accounting Policies (continued)

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, other than land and assets under construction (work in progress), at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows.

The estimated useful lives of the major classes of property, plant and equipment and associated depreciation are as follows:

<b>Operational Assets</b>	<b>Useful Lives</b>	<b>Depreciation Rate</b>
Buildings	2-56 years	1.8%-50.0%
Computer Hardware	3-10 years	10.0%-33.3%
Furniture and Fittings	2-50 years	2.0%-50.0%
Library Collections	10 years	10.0%
Plant and Machinery	3-25 years	4.0%-33.3%
Solid Waste	10-80 years	1.3%-10.0%
Swimming Pool	10-50 years	2.0%-10.0%
<b>Infrastructural Assets</b>	<b>Useful Lives</b>	<b>Depreciation Rate</b>
<b>Reserve Improvements</b>		
Cemeteries	10-80 years	1.3%-10.0%
Equipment	5-50 years	2.0%-20.0%
Fences	10-75 years	1.3%-10.0%
Furniture	10-30 years	3.3%-10.0%
Pavement	8-80 years	1.3%-12.5%
Playground	25 years	4.0%
Signs	10-50 years	2.0%-10.0%
Structures	10-80 years	1.3%-10.0%
<b>Bridges and Culverts</b>	100 years	1.0%
<b>Footpaths</b>	20-50 years	2.0%-5.0%
<b>Harbour Facilities</b>		
Ramp	50-80 years	1.3%-2.0%
Wharf	25-50 years	2.0%-4.0%
Harbour general	20-50 years	2.0%-5.0%
Reclamations	15-100 years	1.0%-6.7%
Slipway	50 years	2.0%
<b>Water</b>		
Plant	5-100 years	1.0%-20.0%
Signs	10 years	10.0%
Hydrants/valves	15-80 years	1.3%-6.7%
Mains	60-100 years	1.0-1.7%
Connections	80 years	1.3%

# Notes to the Financial Statements

## Note 1 - Statement of Accounting Policies (continued)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

<b>Wastewater</b>		
Pipes	60-100 years	1.0-1.7%
Connections	80 years	1.3%
Manholes	80 years	1.3%
Plant	5-100 years	1.0%-20.0%
Vents	20-80 years	1.3%-5.0%
<b>Stormwater</b>		
Pits	80-100 years	1.0%-1.3%
Drains	50-100 years	1.0%-2.0%
Plant	10-90 years	1.1%-10.0%
<b>Roads</b>		
Railing	15-20 years	5.0%-6.7%
Drainage	60 years	1.7%
Signs	15 years	6.7%
Lights	10 years	10.0%
Poles	25-50 years	2.0%-4.0%
Brackets	50 years	2.0%
Retaining Walls	99 years	1.0%
Minor Structures	30 years	3.3%
Surface Water Channels	15-50 years	2.0%-6.7%
Surface	3-30 years	3.3%-33.3%
Basecourse	60-80 years	1.3%-1.7%
Subbase	60-70 years with a 100% residual value	0.0%
Formation	Infinite	Not depreciated

# Notes to the Financial Statements

## Note 1 - Statement of Accounting Policies (continued)

### Intangible assets

#### Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Council's website are recognised as an expense when incurred.

#### Easements

Easements are not cash generating in nature, instead they give Council the right to access private property where infrastructural assets are located.

The Council has not valued and recognised easements as an intangible asset under PBE IPSAS 31 Intangibles. The work required identifying and developing a central register to record easements and paper roads would be considerable and difficult to ensure that it was comprehensive and complete. The Council is also concerned that the cost to establish the register would be substantial with minimal benefits being achieved. Registered valuers would have difficulty determining a fair value for the easements due to their unique nature, and having no active market for this particular asset type. There is also no recognised valuation methodology.

For these reasons, the Council has opted not to recognise easements as an intangible asset because they cannot be quantified and the value of the easements cannot be measured reliably.

#### Resource consents

It is difficult to determine the fair value of resource consents due to their specialised nature and having no active market to compare values against. For these reasons, the Council holds resource consents at deemed cost and they are amortised over the life of the asset.

#### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Intangible Asset	Useful lives	Amortisation Rate
Computer software	5 years	20.0%
Resource consents	3-35 years	2.9%-33.3%
Aerial Photography	5 years	20.0%

# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

### Impairment of property, plant and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

### Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and the availability of information.

### Assets under construction

Assets under construction are not depreciated. The total cost of a completed project is transferred to the relevant asset class at balance date.

### Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated point of sale costs for harvesting, transport, roading and management for one growth cycle. Fair value is determined based on the present value of expected net cash flows that would arise if the asset were harvested today, discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions. The valuation is of standing timber only, exclusive of the underlying land value.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the surplus or deficit.

Forestry maintenance costs are included in the surplus or deficit when incurred.

### Payables

Short-term creditors and other payables are recorded at their face value.

### Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.



# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

### Employee entitlements

#### Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Council has a contractual obligation, or where a past practice has created a constructive obligation.

#### Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement; and contractual entitlement information; and
- The present value of estimated future cash flows.

#### Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### Superannuation schemes

#### Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

#### Defined benefit schemes

The Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus or deficit will affect future contributions by individual employers, as there is no prescribed bases for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in Note 29.

### Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, and it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

### Landfill post-closure costs

The Council has a legal obligation to provide on-going maintenance and monitoring services at its five closed landfill sites. A provision for post-closure costs is recognised as a liability in the statement of financial position. The provision is measured based on the present value of future cash outflows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all known costs associated with landfill post-closure.

### Leaky home settlement costs

As a result of legal precedent that Councils are liable for a share of leaky homes repair costs, a provision for estimated settlement costs has been recognised as a liability in the statement of financial position. The provision is measured based on the present value of future cash outflows expected to be incurred, taking into account future events. The provision includes all expected settlement costs. When there is a high level of uncertainty, a contingent liability is recognised.

### Reserve contribution credits

A provision has been established in the statement of financial position for the estimated liability associated with historic reserve contribution credits, as a result of subdivision's vesting of reserves prior to the introduction of the Development Contribution Policy in October 2004. In addition to this, a provision has been established for reserve contribution credits associated with the development of the Whitianga multi-sports complex centre.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts have not been provided for in the statement of financial position because the Council has assessed the probability of a financial guarantee being called up as 'less than likely to occur' and the club or organisation has provided an indemnity to the Council that transfers ownership of the assets to the Council in the event of the guarantee being called up. The Council's exposure to any risk is therefore mitigated and minimal. As such, financial guarantees are disclosed as a contingent liability because it is less likely than not that a present obligation exists.

### Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- accumulated funds;
- restricted reserves;
- property revaluation reserves; and
- council created reserves.

### Accumulated funds

The accumulated surpluses do not represent cash available to offset future rate increases, but rather it represents the community's investment in publicly owned assets resulting from past surpluses.

# Notes to the Financial Statements

---

## Note 1 - Statement of Accounting Policies (continued)

### Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

### Property revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

### Council created reserves

Council created reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council. The Council created reserves consist of specifically named reserves into which funds are put for specific purposes, as well as reserves for unspent revenue from one year that the Council deems appropriate to be expended in the following year, usually to finish incomplete, but previously budgeted work. The Council created reserves also include reserves for depreciation that have been funded but not yet utilised.

### Goods and services tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### Statement of cash flows

Operating activities include cash received from all revenue sources of Council and records the cash payments made for the supply of goods and services. Agency transactions are not recognised as receipts and payments in the statement of cash flows.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of Council.

### Budget figures

The budget figures are those approved by Council in its 2014/2015 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

### Cost allocation

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those that cannot be identified in an economically feasible manner with a specific activity.

## Notes to the Financial Statements

---

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

### **Critical accounting estimates and assumptions**

In preparing these financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### **Infrastructural assets**

Note 17 provides further information about the estimates and the assumptions applied in determining the fair value of infrastructural assets.

### **Landfill aftercare provision**

Note 25 provides further information about the estimates and the assumptions surrounding the landfill aftercare provision.

### **Leaky home settlement costs**

Note 25 provides further information about the estimates and the assumptions surrounding the leaky home settlement provision.

## Notes to the Financial Statements

### Note 2 - Summary Income and Expenditure for Group of Activities

	2015 Budget \$000's	2015 Actual \$000's	2014 Actual \$000's
<b>Revenue</b>			
<b>Council activities:</b>			
Community leadership	2,813	2,998	2,692
Planning for the future	2,667	2,728	2,879
Healthy and safe communities	4,978	5,472	5,938
Roads and footpaths	14,511	14,032	13,317
Community spaces	10,894	10,541	10,130
Community development	3,404	3,506	2,901
Stormwater	3,002	2,983	3,095
Wastewater	14,588	14,437	15,026
Land use	2,660	2,482	2,478
Water supply	9,152	9,066	9,092
Solid waste	6,368	6,401	5,984
<b>Total revenue from council activities</b>	<b>75,037</b>	<b>74,648</b>	<b>73,532</b>
Less internal revenue	(651)	(1,332)	(1,070)
Vested assets	469	631	1,177
Other gains	210	774	1,455
<b>Total revenue</b>	<b>75,065</b>	<b>74,721</b>	<b>75,094</b>
<b>Expenditure</b>			
<b>Council activities:</b>			
Community leadership	4,000	4,069	3,778
Planning for the future	3,436	3,148	2,740
Healthy and safe communities	6,191	6,221	6,152
Roads and footpaths	15,484	14,086	13,561
Community spaces	10,837	10,456	10,043
Community development	4,949	3,757	3,399
Stormwater	3,039	2,920	2,784
Wastewater	14,077	13,286	13,221
Land use	2,860	2,912	2,857
Water supply	8,604	8,572	8,909
Solid waste	6,058	5,472	5,783
<b>Total expenditure from council activities</b>	<b>79,535</b>	<b>74,900</b>	<b>73,227</b>
Less internal expenditure	(649)	(1,332)	(1,070)
Impairment on inventory	0	13	7
Other losses	0	3,726	4,589
<b>Total expenditure</b>	<b>78,887</b>	<b>77,308</b>	<b>76,753</b>

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer to note 3). In order to fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown above.

## Notes to the Financial Statements

### Note 3 - Mandatory Revenue Disclosure

	2015 Actual \$000's	2014 Actual \$000's
<b>Revenue from exchange transactions</b>		
Fees and charges	294	264
Development and financial contributions	820	1,715
Interest revenue	51	75
Dividend revenue	7	6
<b>Total revenue from exchange transactions</b>	<b>1,171</b>	<b>2,060</b>
<b>Revenue from non-exchange transactions</b>		
<b>Revenue from rates</b>		
Rates	57,659	56,416
<b>Revenue from transfers</b>		
Fees and charges	8,240	8,199
Vested assets	631	1,178
Fines and infringements	312	311
Subsidies and grants	5,163	4,773
Other transfer revenue	1,544	2,157
<b>Total revenue from non-exchange transactions</b>	<b>73,550</b>	<b>73,034</b>

Revenue is classified as exchange or non-exchange based on the funding of the underlying activity which generates the revenue. As a result revenue from fees and charges and other income can be categorised as exchange or non-exchange based on the funding of the underlying activity which generates the revenue.



## Notes to the Financial Statements

### Note 4 - Rates

	2015 Actual \$000's	2014 Actual \$000's
General rates	7,700	8,027
Uniform annual general charge	8,255	6,882
Targeted rates attributable to activities:		
- Targeted rates for metered water supply	1,487	1,486
- Other targeted rates	39,906	39,658
Rates penalties	889	837
Rates remissions	(578)	(474)
<b>Total rates</b>	<b>57,659</b>	<b>56,416</b>

As at 30 June 2014 the number of rating units within the district was 26,664. The total capital value of rating units within the district was \$14.2 billion and the total land value of rating units within the district was \$9.4 billion.

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of Council for the year ended 30 June 2015 for the purposes of the LGFA Guarantee and Indemnity Deed is shown below.

	2015 Actual \$000's	2014 Actual \$000's
Rates	58,237	56,890
<b>Total gross annual rates income</b>	<b>58,237</b>	<b>56,890</b>

### Note 5 - Subsidies and Grants

	2015 Actual \$000's	2014 Actual \$000's
New Zealand Transport Agency roading subsidies	4,989	4,757
New Zealand Defence Force cemetery subsidies	6	6
Other subsidies	28	0
Other grants	140	10
<b>Total subsidies and grants</b>	<b>5,163</b>	<b>4,773</b>

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2014: nil).

## Notes to the Financial Statements

### Note 6 - Fees and Charges

	2015 Actual \$000's	2014 Actual \$000's
Building and resource consent charges	3,610	3,639
Solid waste revenue	2,372	2,456
Land Information Memoranda Sales	294	264
Other fees and charges	2,633	2,420
<b>Total fees and charges</b>	<b>8,908</b>	<b>8,779</b>

### Note 7 - Interest Revenue and Finance Costs

	2015 Actual \$000's	2014 Actual \$000's
<b>Interest revenue</b>		
<b>Interest income</b>		
Term deposits	51	29
Discount unwind on provisions	0	46
<b>Total interest revenue</b>	<b>51</b>	<b>75</b>
<b>Finance costs</b>		
<b>Interest expense</b>		
Interest on borrowings	2,690	2,927
Discount unwind on provisions	228	0
<b>Total finance costs</b>	<b>2,918</b>	<b>2,927</b>
<b>Net finance costs</b>	<b>(2,867)</b>	<b>(2,852)</b>

### Note 8 - Other Revenue

	2015 Actual \$000's	2014 Actual \$000's
Petrol tax	396	386
Traffic and parking infringements	271	264
Bequests and other donations	0	0
Court fees and fines	41	47
<i>Insurance recoveries:</i>		
plant and equipment	0	0
motor vehicles	0	0
Vested land and infrastructure from property development	631	1,178
Forestry asset revaluation gains	600	0
Gain on changes in fair value of derivative financial instruments	0	1,455
Property, plant and equipment gains on disposal	174	0
Dividend revenue	7	6
Other	0	0
<b>Total other revenue</b>	<b>2,120</b>	<b>3,336</b>

## Notes to the Financial Statements

### Note 9 - Personnel Costs

	2015 Actual \$000's	2014 Actual \$000's
Salaries and wages	14,113	13,625
Employer contributions to defined contribution plans	330	274
Increase/(decrease) in employee entitlements	1	(24)
<b>Total personnel costs</b>	<b>14,444</b>	<b>13,874</b>

Employer contributions to defined contribution plans include contributions to KiwiSaver and the DBP Contributors Scheme.

### Note 10 - Other Expenses

	2015 Actual \$000's	2014 Actual \$000's
Fees to auditors:		
fees to Audit New Zealand for audit of financial statements	135	133
fees to Audit New Zealand for other services	110	9
General grants	256	257
Operating lease expense	22	17
Impairment of receivables	464	234
Impairment of spare parts for obsolescence	13	7
Property, plant and equipment and intangible assets losses on disposal	1,210	4,136
Derivative financial instruments revaluation losses	2,516	0
Forestry asset revaluation losses	0	453
Other operating expenses	37,001	36,100
<b>Total other expenses</b>	<b>41,728</b>	<b>41,346</b>

The fees to Audit New Zealand for other services in the year ending 30 June 2015 were for the audit of the Council's 2015-2025 Consultation Document and Long-Term Plan (2014: an assurance review over the water services contracts).

# Notes to the Financial Statements

## Note 11 - Tax

	2015 Actual \$000's	2014 Actual \$000's
<b>Components of tax expense</b>		
Current tax expense	0	0
	0	0
Adjustment to current tax in prior years	0	0
Deferred tax expense	0	0
<b>Tax expense</b>	<b>0</b>	<b>0</b>
<b>Relationship between tax expense and accounting surplus</b>		
Net surplus /(deficit) before tax	(2,585)	(1,644)
Tax at 28%	(724)	(460)
Plus /(less) tax effect of:		
Non-deductible expenditure	0	0
Non-taxable revenue	766	338
Prior year adjustment	0	0
Tax loss not recognised	0	0
Deferred tax adjustment	(42)	122
<b>Tax expense</b>	<b>0</b>	<b>0</b>

Deferred tax asset (liability)	Property, plant and equipment	Employee entitlements	Other provisions	Tax losses	Total
	\$000's	\$000's	\$000's	\$000's	\$000's
Balance at 30 June 2013	(172)	0	0	172	0
Charged to surplus or deficit	(107)	0	0	107	0
Charged to other comprehensive revenue and expense	(16)	0	0	16	0
Balance at 30 June 2014	(294)	0	0	294	0
Charged to surplus or deficit	35	0	0	(35)	0
Charged to other comprehensive revenue and expense	8	0	0	(8)	0
<b>Balance at 30 June 2015</b>	<b>(252)</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>0</b>

### Other tax-related disclosures

A deferred tax asset has not been recognised in relation to tax losses of \$3,588,846 (2014: \$3,191,580). Based on the extent to which it is probable that taxable profits will be available against which to deduct tax losses.

# Notes to the Financial Statements

## Note 12 - Cash and Cash Equivalents

	2015 Actual \$000's	2014 Actual \$000's
Cash at bank and on hand	72	1,184
Domain committee current accounts	23	31
<b>Total cash and cash equivalents</b>	<b>95</b>	<b>1,215</b>

The carrying value of cash at bank with maturities less than three months approximates their fair value.

Cash and cash equivalents include that stated above for the purposes of the statement of cashflows.

## Note 13 - Receivables

	2015 Actual \$000's	2014 Actual \$000's
Rates receivables	6,154	5,603
<b>Other receivables:</b>		
Related party receivables	19	43
Other	3,974	3,884
<b>Receivables prior to impairment</b>	<b>10,147</b>	<b>9,530</b>
Less provision for impairment	(2,258)	(2,049)
<b>Total receivables</b>	<b>7,889</b>	<b>7,481</b>
<b>Less non-current portion</b>		
Postponed rates	(375)	(362)
<b>Total non-current portion</b>	<b>(375)</b>	<b>(362)</b>
<b>Current portion receivables</b>	<b>7,514</b>	<b>7,119</b>
Total receivables comprise:		
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	7,790	7,271
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	99	210

### Fair Value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

The face value of postponed rates is \$375,108 (2014: \$362,182). Fair value has not been determined by using discounted cash flows.

Interest was charged at a rate of 7.75% on postponed rates for the 2014/2015 year (2014: 7.75%). Future interest rates are notified annually in the Long-Term Plan or Annual Plan.

Postponed rates are secured by statutory land charges over the rating units on which rates have been postponed.

# Notes to the Financial Statements

## Note 13 - Receivables (continued)

### Impairment

The Council does not provide for any impairment on rates receivable, except on Maori Freehold Land as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts.

These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their net present value of future payments if the impact of discounting is material.

The carrying amount of receivables that would otherwise be past due or impaired and whose terms have been renegotiated is \$363,028 (2014: \$171,334)

The ageing profile of receivables at year-end is detailed below:

	2015			2014		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Not past due	3,368		3,368	3,248	0	3,248
Past due 1-30 days	103		103	190	0	190
Past due 31-60 days	33		33	21	0	21
Past due >61 days	6,268	(2,258)	4,010	5,709	(2,049)	3,660
<b>Total current portion</b>	<b>9,772</b>	<b>(2,258)</b>	<b>7,514</b>	<b>9,168</b>	<b>(2,049)</b>	<b>7,119</b>

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of specific overdue receivables.

	2015 Actual \$000's	2014 Actual \$000's
Individual impairment	2,258	2,049
<b>Total provision for impairment</b>	<b>2,258</b>	<b>2,049</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	2015 Actual \$000's	2014 Actual \$000's
Past due >61 days	2,258	2,049
<b>Total individual impairment</b>	<b>2,258</b>	<b>2,049</b>



# Notes to the Financial Statements

## Note 13 - Receivables (continued)

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

	2015 Actual \$000's	2014 Actual \$000's
<b>At 1 July</b>	2,049	1,879
Additional provisions made during the year	464	404
Receivables written off during the period	(255)	(234)
<b>At 30 June</b>	<b>2,258</b>	<b>2,049</b>

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

## Note 14 - Derivative Financial Instruments

	2015 Actual \$000's	2014 Actual \$000's
<b>Assets</b>		
<b>Current asset portion</b>		
Interest rate swaps - cash flow hedges	0	0
<b>Total current asset portion</b>	<b>0</b>	<b>0</b>
<b>Non-current asset portion</b>		
Interest rate swaps - cash flow hedges	0	0
<b>Total current asset portion</b>	<b>0</b>	<b>0</b>
<b>Total derivative financial instrument assets</b>	<b>0</b>	<b>0</b>

	2015 Actual \$000's	2014 Actual \$000's
<b>Liabilities</b>		
<b>Current liability portion</b>		
Interest rate swaps	852	373
<b>Total current liability portion</b>	<b>852</b>	<b>373</b>
<b>Non-current liability portion</b>		
Interest rate swaps	3,367	1,330
<b>Total current liabilities portion</b>	<b>3,367</b>	<b>1,330</b>
<b>Total derivative financial instrument liabilities</b>	<b>4,219</b>	<b>1,703</b>

## Fair value

### Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to their present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

# Notes to the Financial Statements

## Note 14 - Derivative Financial Instruments (continued)

### Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$56.5 million (2014: \$50.5 million). \$12 million of these interest rate swaps have start dates after year-end and are in line with forecasted borrowing requirements. At 30 June 2015, the fixed interest rates of cash flow hedge interest rate swaps varied from 4.52% to 6.24% (2014: 4.17% to 6.85%).

## Note 15 - Other Financial Assets

	2015 Actual \$000's	2014 Actual \$000's
<b>Current portion</b>		
Short-term deposits with maturities of 4-12 months	83	89
<b>Total current portion</b>	<b>83</b>	<b>89</b>
<b>Non-current portion</b>		
<b>Investment in CCOs and similar entities:</b>		
Local Government Funding Agency	660	660
Local Authority Shared Services Limited	131	131
<b>Total investment in CCOs and similar entities</b>	<b>791</b>	<b>791</b>
<b>Investment in other entities:</b>		
New Zealand Local Government Insurance Corporation Limited	9	8
Cooks Beach Wall Limited	18	19
<b>Total investment in other entities</b>	<b>27</b>	<b>27</b>
<b>Total non-current portion</b>	<b>817</b>	<b>818</b>
<b>Total other financial assets</b>	<b>900</b>	<b>907</b>

### Fair Value

#### Term Deposits

The carrying amount of term deposits approximates their fair value.

#### Unlisted Shares

Local Authority Shared Services Limited

The fair value of Local Authority Shared Services Limited has not been disclosed because its fair value cannot be reliably measured, as there is no active market for this type of equity instrument. Therefore, this investment is held at cost.

New Zealand Local Government Insurance Corporation Limited (Civic Assurance)

The fair value of the Council's investment in NZ Local Government Insurance Corporation (trading as Civic Assurance) is \$8,544 (2014: \$7,974). This is based on the Council's share, currently 0.065% (2014: 0.065%), of the assets less liabilities of the company. Any changes in value are taken to fair value through other comprehensive revenue and expense. Civic Assurance provides insurance products and other financial services principally to New Zealand local government.

# Notes to the Financial Statements

## Note 15 - Other Financial Assets (continued)

New Zealand Local Government Funding Agency

Due to the immaterial size and nature of the Council's investment in the LGFA, the Council has estimated the fair value of this investment based on the LGFA's net asset backing as at 30 June.

### Impairment

There are no impairment provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

## Note 16 - Inventory

	2015 Actual \$000's	2014 Actual \$000's
<b>Held for distribution inventory:</b>		
Water and sewerage reticulation spare parts	180	193
<b>Total inventory</b>	<b>180</b>	<b>193</b>

Inventory held for distribution or consumption are spare parts that have arisen from the decommissioning of the Whitianga, Whangamata and Pauanui wastewater treatment plants. The Council intends to hold these spare parts as inventory until they can be utilised in the future.

The write-down of inventory during the year was \$13,422 (2014: \$6,898). There have been no reversals of write-downs (2014: Nil).

No inventory is pledged as security for liabilities (2014: Nil).

## Notes to the Financial Statements

### Note 17 - Property, Plant and Equipment

Movements in the carrying value for each class of property, plant and equipment are as follows:

2015	1 July 2014									30 June 2015		
	Cost / valuation \$000's	Accumula ted depreciatio n and impairment charges \$000's	Carrying amount \$000's	Current year additions \$000's	Current year disposals \$000's	Current year disposals depreciati on \$000's	Assets reclassified \$000's	Current year depreciation \$000's	Revaluati on surplus \$000's	Cost / revaluation \$000's	Accumulate d depreciation and impairment charges \$000's	Carrying amount \$000's
<b>Operational assets</b>												
Buildings	26,734	(948)	25,786	662	0	0	(22)	(934)	88	26,515	(934)	25,581
Computer hardware	3,120	(2,707)	413	216	(64)	64	0	(324)	0	3,272	(2,967)	305
Furniture and fittings	2,024	(1,387)	637	67	(7)	5	22	(149)	0	2,105	(1,532)	573
Land	27,619	0	27,619	357	0	0	37,391	0	2,697	68,065	0	68,065
Library collections	1,723	(984)	739	120	0	0	0	(137)	0	1,843	(1,121)	722
Plant and machinery	3,105	(1,643)	1,462	295	(241)	192	0	(298)	0	3,160	(1,749)	1,411
Solid waste	4,429	(186)	4,243	78	0	0	0	(198)	159	4,480	(198)	4,282
<b>Total operational assets</b>	<b>68,754</b>	<b>(7,855)</b>	<b>60,899</b>	<b>1,795</b>	<b>(312)</b>	<b>261</b>	<b>0</b>	<b>(2,040)</b>	<b>40,336</b>	<b>109,440</b>	<b>(8,500)</b>	<b>100,939</b>
<b>Infrastructural assets</b>												
Bridges and culverts	16,917	(338)	16,579	99	0	0	0	(341)	(255)	16,423	(341)	16,082
Footpaths	18,310	(735)	17,575	503	(18)	1	0	(758)	185	18,245	(756)	17,489
Harbour facilities	7,321	(171)	7,150	98	(6)	0	0	(179)	(11)	7,231	(178)	7,053
Reserves improvements	14,380	(916)	13,464	611	(30)	2	0	(969)	427	14,472	(967)	13,505
Roads	584,568	(4,688)	579,880	5,191	(849)	131	0	(4,587)	14,405	598,627	(4,455)	594,172
Stormwater	89,246	(1,337)	87,909	1,088	(12)	0	0	(1,375)	7,502	96,488	(1,375)	95,113
Wastewater	158,211	(4,563)	153,648	1,066	(249)	19	0	(4,587)	2,936	157,401	(4,567)	152,834
Water	103,480	(2,637)	100,843	1,512	(73)	28	0	(2,747)	2,322	104,604	(2,719)	101,884
<b>Total infrastructural assets</b>	<b>992,433</b>	<b>(15,385)</b>	<b>977,048</b>	<b>10,169</b>	<b>(1,236)</b>	<b>182</b>	<b>0</b>	<b>(15,542)</b>	<b>27,512</b>	<b>1,013,492</b>	<b>(15,360)</b>	<b>998,133</b>
<b>Restricted assets</b>												
Reserves land	243,521	0	243,521	93	0	0	(37,391)	0	(1,767)	204,455	0	204,455
<b>Total restricted assets</b>	<b>243,521</b>	<b>0</b>	<b>243,521</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>(39,391)</b>	<b>0</b>	<b>(1,767)</b>	<b>204,455</b>	<b>0</b>	<b>204,455</b>
<b>Capital work in progress</b>												
Tangible work in progress	738	0	738	2,230	(17)	0	0	0	0	2,951	0	2,951
<b>Total tangible work in</b>	<b>738</b>	<b>0</b>	<b>738</b>	<b>2,230</b>	<b>(17)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,951</b>	<b>0</b>	<b>2,951</b>
<b>Total Council</b>	<b>1,305,446</b>	<b>(23,240)</b>	<b>1,282,206</b>	<b>14,287</b>	<b>(1,565)</b>	<b>443</b>	<b>0</b>	<b>(17,582)</b>	<b>28,689</b>	<b>1,330,338</b>	<b>(23,860)</b>	<b>1,306,478</b>

## Notes to the Financial Statements

### Note 17 - Property, Plant and Equipment (continued)

Movements in the carrying value for each class of property, plant and equipment are as follows:

2014	1 July 2013									30 June 2014		
	Cost / valuation \$000's	Accumulat ed depreciation and impairment charges \$000's	Carrying amount \$000's	Current year additions \$000's	Current year disposals \$000's	Current year disposals depreciation \$000's	Assets reclassified \$000's	Current year depreciation \$000's	Revaluati on surplus \$000's	Cost / revaluation \$000's	Accumulated depreciation and impairment charges \$000's	Carrying amount \$000's
<b>Operational assets</b>												
Buildings	23,430	(829)	22,601	3,601	(44)	1	0	(949)	576	26,734	(948)	25,786
Computer hardware	3,049	(2,303)	746	83	(12)	12	0	(416)	0	3,120	(2,707)	413
Furniture and fittings	2,162	(1,349)	813	57	(195)	155	0	(193)	0	2,024	(1,387)	637
Land	27,561	0	27,561	58	0	0	0	0	0	27,619	0	27,619
Library collections	1,612	(837)	775	111	0	0	0	(147)	0	1,723	(984)	739
Plant and machinery	3,062	(1,387)	1,675	114	(71)	42	0	(298)	0	3,105	(1,643)	1,462
Solid waste	4,370	(189)	4,181	197	(18)	1	0	(187)	69	4,429	(186)	4,243
<b>Total operational assets</b>	<b>65,246</b>	<b>(6,894)</b>	<b>58,352</b>	<b>4,221</b>	<b>(340)</b>	<b>211</b>	<b>0</b>	<b>(2,190)</b>	<b>645</b>	<b>68,754</b>	<b>(7,855)</b>	<b>60,899</b>
<b>Infrastructural assets</b>												
Bridges and culverts	17,166	(340)	16,826	54	0	0	0	(338)	37	16,917	(338)	16,579
Footpaths	18,693	(726)	17,967	716	(10)	0	0	(735)	(363)	18,310	(735)	17,575
Harbour facilities	6,963	(183)	6,780	640	(146)	5	0	(176)	47	7,321	(171)	7,150
Reserves improvements	12,962	(865)	12,097	1,576	(40)	3	0	(919)	747	14,380	(916)	13,464
Roads	578,714	(4,734)	573,980	6,117	(987)	221	0	(4,909)	5,458	584,568	(4,688)	579,880
Stormwater	85,473	(1,265)	84,208	1,863	(6)	0	0	(1,337)	3,181	89,246	(1,337)	87,909
Wastewater	158,717	(4,393)	154,324	2,203	(60)	12	0	(4,575)	1,744	158,211	(4,563)	153,648
Water	101,851	(2,548)	99,303	2,011	(41)	5	0	(2,642)	2,207	103,480	(2,637)	100,843
<b>Total infrastructural assets</b>	<b>980,539</b>	<b>(15,054)</b>	<b>965,485</b>	<b>15,180</b>	<b>(1,290)</b>	<b>246</b>	<b>0</b>	<b>(15,631)</b>	<b>13,058</b>	<b>992,433</b>	<b>(15,385)</b>	<b>977,048</b>
<b>Restricted assets</b>												
Reserves land	241,909	0	241,909	1,612	0	0	0	0	0	243,521	0	243,521
<b>Total restricted assets</b>	<b>241,909</b>	<b>0</b>	<b>241,909</b>	<b>1,612</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>243,521</b>	<b>0</b>	<b>243,521</b>
<b>Capital work in progress</b>												
Tangible work in progress	11,298	0	11,298	(6,617)	(3,924)	0	(19)	0	0	738	0	738
<b>Total tangible work in</b>	<b>11,298</b>	<b>0</b>	<b>11,298</b>	<b>(6,617)</b>	<b>(3,924)</b>	<b>0</b>	<b>(19)</b>	<b>0</b>	<b>0</b>	<b>738</b>	<b>0</b>	<b>738</b>
<b>Total Council</b>	<b>1,298,992</b>	<b>(21,948)</b>	<b>1,277,044</b>	<b>14,396</b>	<b>(5,554)</b>	<b>457</b>	<b>(19)</b>	<b>(17,821)</b>	<b>13,703</b>	<b>1,305,44</b>	<b>(23,240)</b>	<b>1,282,20</b>

# Notes to the Financial Statements

## Note 17 - Property, Plant and Equipment (continued)

Core infrastructure asset disclosure

Included within the Council infrastructure assets above are the following core Council assets:

	Closing book value	Additions: constructed by Council	Additions: transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000's	\$000's	\$000's	\$000's
<b>2015</b>				
<b>Water</b>				
treatment plants and facilities	20,704	784	0	34,680
other assets (such as reticulation system)	81,181	724	3	129,812
<b>Wastewater</b>				
treatment plants and facilities	77,938	794	0	103,548
other assets (such as reticulation system)	74,895	225	47	123,374
<b>Stormwater</b>				
treatment plants and facilities	2,205	51	578	2,708
other assets (such as reticulation system)	92,908	460	0	134,789
<b>Roads and footpaths</b>				
Roads and footpath assets	627,743	5,189	2	727,638
<b>2014</b>				
<b>Water</b>				
treatment plants and facilities	20,383	1,314	0	32,157
other assets (such as reticulation system)	80,460	617	80	126,836
<b>Wastewater</b>				
treatment plants and facilities	78,849	1,608	0	100,846
other assets (such as reticulation system)	74,799	472	123	120,546
<b>Stormwater</b>				
treatment plants and facilities	2,421	0	0	3,210
other assets (such as reticulation system)	85,488	1,517	346	122,719
<b>Roads and footpaths</b>				
Roads and footpath assets	614,034	6,542	346	712,380

## Valuation

### *Land (operational, restricted, and infrastructural)*

The most recent valuation of land was performed by an independent registered valuer, QV Valuations, Hamilton. The valuation is effective as at 1 July 2014.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

# Notes to the Financial Statements

---

## Note 17 - Property, Plant and Equipment (continued)

### *Buildings (operational and restricted)*

The most recent valuation of buildings was performed by an independent registered valuer, Curnow Tizard Limited, Hamilton. The valuation is effective as at 1 July 2014.

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- Where buildings are not readily tradable, such as public toilets, the valuer has assessed their value within the context of fair value being the price that they would expect the Council to pay for such a facility, if that situation had arisen.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

Independent valuer, Curnow Tizard Limited (Registered Valuers) Hamilton, performed the most recent valuation of buildings and the valuation is effective as at 1 July 2014.

### *Infrastructural asset classes*

Wastewater, water, stormwater, harbours, solid waste, parks and roads, footpaths and bridges are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset;
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets. Where this information was not available, rates have been calculated based on those used in the last valuation adjusted by the appropriate cost adjustment factor.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

AECOM of Hamilton was commissioned by Council to carry out an independent review of the methodology used to complete Council's infrastructure asset valuation as at 1 July 2014.

Opus International Consultants Limited of Paeroa performed the most recent valuation for all roading assets (including footpaths, bridges and land under roads), and the valuation is effective as at 1 July 2014.



# Notes to the Financial Statements

## Note 17 - Property, Plant and Equipment (continued)

### Disposals

Current year disposals amounted to \$4.92 million.

There were no significant disposal of work in progress for the year.

The net loss on disposal of property, plant and equipment (\$1.21 million) has been recognised in the statement of comprehensive revenue and expense in the line item "expenses".

### Impairment

There have been no impairment losses recognised for plant and equipment (2014: nil).

### Work in progress

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

	2015 Actual \$000's	2014 Actual \$000's
Cemeteries	10	0
Water	147	137
Wastewater	848	0
Roading	912	129
Harbours	103	0
Parks & Reserves	696	370
Buildings	161	98
Hardware	0	4
Solidwaste	6	0
Planning for the Future	67	0
<b>Total work in progress</b>	<b>2,951</b>	<b>738</b>

### Leasing

The net carrying amount of photocopiers held under finance leases is \$Nil (2014: \$3,743).

### Security

No property, plant or equipment has been pledged as security for any liability.

### Restrictions

Land in the "Restricted Asset" category is subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land under a bequest or donation that restricts the purpose for which the assets can be used).

## Notes to the Financial Statements

### Note 17a - Property, Plant and Equipment (continued)

The following information relates to the insurance of Council assets as at 30 June:

	2015 Actual \$000's	2014 Actual \$000's
The total value of all Council assets covered by insurance contracts	463,299	444,676
The maximum amount to which insured assets are insured	186,901	177,141
The total value of all Council assets covered by financial risk sharing arrangements	155,412	153,497
Maximum amount available to the Council under financial risk sharing arrangements	151,901	152,140
Total value of assets that are self-assured	0	0
The value of funds maintained for self-insurance	0	0

In the event of a natural disaster, central government may contribute up to 60% towards the restoration of water, drainage and sewerage assets, and provide a subsidy towards the restoration of roads.

## Notes to the Financial Statements

### Note 18 - Intangible Assets

Movements in the carrying value for each class of intangible asset are as follows:

	1 July 2014								30 June 2015		
	Cost \$000's	Accumulated amortisation and impairment \$000's	Carrying amount \$000's	Current year additions \$000's	Current year disposals \$000's	Disposal accumulated amortisation \$000's	Amortisation charge \$000's	Cost \$000's	Accumulated amortisation and impairment \$000's	Carrying amount \$000's	
<b>2015</b>											
<b>Intangible assets</b>											
Computer software	3,682	(2,973)	709	533	0	0	(281)	4,215	(3,254)	961	
Aerial photography	443	(443)	0	0	0	0	0	443	(443)	0	
Resource consents	5,925	(1,291)	4,634	74	0	0	(355)	5,999	(1,646)	4,352	
Work in progress	876	0	876	21	(136)	0	0	761	0	761	
<b>Total intangible assets</b>	<b>10,926</b>	<b>(4,707)</b>	<b>6,219</b>	<b>628</b>	<b>(136)</b>	<b>0</b>	<b>(635)</b>	<b>11,417</b>	<b>(5,342)</b>	<b>6,074</b>	

	1 July 2013							30 June 2014		
	Cost \$000's	Accumulated amortisation and impairment \$000's	Carrying amount \$000's	Current year additions \$000's	Current year disposals \$000's	Disposal accumulated amortisation \$000's	Amortisation charge \$000's	Cost \$000's	Accumulated amortisation and impairment \$000's	Carrying amount \$000's
<b>2014</b>										
<b>Intangible assets</b>										
Computer software	3,519	(2,724)	795	198	(35)	35	(284)	3,682	(2,973)	709
Aerial photography	443	(441)	2	0	0	0	(2)	443	(443)	0
Resource consents	5,359	(797)	4,562	566	0	0	(494)	5,925	(1,291)	4,634
Work in progress	1,935	0	1,935	(721)	(338)	0	0	876	0	876
<b>Total intangible assets</b>	<b>11,256</b>	<b>(3,962)</b>	<b>7,294</b>	<b>43</b>	<b>(373)</b>	<b>35</b>	<b>(780)</b>	<b>10,926</b>	<b>(4,707)</b>	<b>6,219</b>

# Notes to the Financial Statements

## Note 18 - Intangible Assets (continued)

There are no restrictions over the title of intangible assets. No intangible assets are placed as security for liabilities.

The remaining amortisation period for resource consents is 3 to 35 years and for computer software is 1 to 5 years.

### Computer software assets

Computer software licences are carried at cost (which represents the fair value) less accumulated amortisation. These intangible assets have been assessed as having a finite life and are amortised using the straight-line method over a five year period. The amortisation expense has been recognised in the statement of comprehensive revenue and expense.

### Resource consents

Resource consents are carried at cost less accumulated amortisation and accumulated impairment losses. These intangible assets have been assessed as having a finite life and are amortised using the straight-line method to allocate the cost of the resource consent over the period for which the consent is granted. The amortisation expense has been recognised in the statement of comprehensive revenue and expense. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

### Work in progress

The total amount of intangible assets in the course of construction is \$0.7 million (2014: \$0.9 million).

The negative movement of \$0.2 million is WIP disposed.

## Note 19 - Depreciation and Amortisation Expense by Group of Activity

	2015 Actual \$000's	2014 Actual \$000's
<b>Directly attributable depreciation and amortisation by group of activity</b>		
Community leadership	12	10
Planning for the future	0	0
Healthy and safe communities	53	62
Roads and footpaths	5,673	5,987
Community spaces	2,072	2,039
Community development	53	52
Stormwater	1,380	1,342
Wastewater	4,869	4,853
Land use	0	21
Water supply	2,839	2,860
Solid waste	198	188
<b>Total directly attributable depreciation and amortisation by group of activity</b>	<b>17,151</b>	<b>17,414</b>
Depreciation and amortisation not directly related to a group of activities	1,067	1,192
<b>Total depreciation and amortisation expense</b>	<b>18,218</b>	<b>18,606</b>

# Notes to the Financial Statements

## Note 20 - Forestry

	2015 Actual \$000's	2014 Actual \$000's
<b>Balance at 1 July</b>	2,331	2,784
Increases due to purchases	0	0
Gains / (losses) arising from changes attributable to physical changes	202	160
Gains / (losses) arising from changes attributable to price changes	398	(405)
Decreases due to harvest	0	(209)
<b>Balance at 30 June</b>	<b>2,931</b>	<b>2,331</b>

The Council owns the trees standing on approximately 286 hectares of Crown land in Whangamata and Tairua consisting predominately of Pinus Radiata at various stages of maturity ranging from 1 to 40 years.

The land is owned by the Crown as State Forest and is leased to Rayonier (Matariki Forests) under a Crown Forests License. The Council occupies this land under the terms of a separate Crown Forest License. The land continues to be Crown owned until such time as the Crown disposes of it.

A licence fee is payable in respect of the Tairua forest and is based on the market value of the land. The Council has provided a guarantee to the Crown for the amount of \$45,000 to cover the part of the Tairua Crown Forest subject to a Crown Forest Licence. The Council guarantee is noted as a contingent liability.

No trees have been harvested during the year (2014: 11.3 hectares).

There are no restrictions over the title of the forestry assets. No forestry assets are pledged as security for liabilities.

### Valuation assumptions

Independent registered valuers, Hammond Resource Management Ltd have valued the forestry assets as at 30 June 2015. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- The forestry has been valued on a going concern basis and includes only the value of the existing crops on a single rotation basis.
- No allowance for inflation has been provided.
- Costs are current average costs. No allowance has been made for cost improvements in future operations.
- Log prices are based on a 3-year historical rolling average.
- The value is of standing timber only, exclusive of the value of the underlying land.
- A compound interest rate of 3% (2014: 3%) has been adopted as an appropriate compounding rate.
- A discount rate of 6% (2014: 6%) has been used in discounting the present value of expected cash flows.

The Council has not incurred any deforestation obligations (as defined in the New Zealand Emissions Trading Scheme (ETS)) as at 30 June 2015.

Council is not entitled to apply for a one off allocation of New Zealand Carbon Credit Units (NZUs) from the Government as it does not own the land the trees are situated on. As such, should any future obligations arise under the ETS, Council will be unable to offset these with NZUs and will instead be required to settle these with cash.

## Notes to the Financial Statements

### Note 20 - Forestry (continued)

Financial risk management strategies

Council is exposed to financial risks arising from changes in timber prices. Council intends to hold the forestry long-term and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

### Note 21 - Joint Venture

The Council's interest in the Thames Valley Emergency Operating Area is accounted for as a jointly controlled operation.

The Council's interests in the jointly controlled operation are as follows:

	2015 Actual \$000's	2014 Actual \$000's
Current assets	88	125
Non-current assets	33	28
Current liabilities	(28)	(62)
Non-current liabilities	0	0
<b>Net assets</b>	<b>93</b>	<b>91</b>
Revenue	280	301
Expenses	277	286
<b>Share of surplus/(deficit)</b>	<b>2</b>	<b>15</b>
Council's capital commitments in relation to the joint venture	0	0
Share of joint venture's commitments	0	0
Council's contingent liabilities incurred in relation to the joint venture	0	0
Share of joint venture's contingent liabilities	0	0
Other venturers' contingent liabilities the Council is liable for	0	0

The Council has a 40% interest in the Thames Valley Emergency Operating Area. This committee is run as a joint venture with Matamata-Piako and Hauraki District Council, each of whom have a 34% and 26% interest in the venture, respectively. Its balance date is 30 June. The Council is the administering body of the joint venture.

# Notes to the Financial Statements

## Note 22 - Payables and deferred revenue

	2015 Actual \$000's	2014 Actual \$000's
<b>Payables and deferred revenue under exchange transactions</b>		
Trade payables and accrued expenses	11,732	13,440
Amounts due to associates and joint venture	0	0
<b>Total</b>	<b>11,732</b>	<b>13,440</b>
<b>Payables and deferred revenue under non-exchange transactions</b>		
Revenue in advance	2,125	941
Income tax payable	0	0
Other tax payable (e.g. GST and FBT)	1	0
Grants payable	0	0
Other grants and bequests received subject to substantive conditions not yet met	160	0
<b>Total</b>	<b>2,286</b>	<b>941</b>
<b>Total payables and deferred revenue</b>	<b>14,018</b>	<b>14,381</b>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms (excluding contract retentions). Therefore, the carrying value of creditors and other payables approximates their fair value.

## Note 23 - Borrowings and other financial liabilities

	2015 Actual \$000's	2014 Actual \$000's
<b>Current portion</b>		
Finance leases	0	2
Secured loans	3,000	38
<b>Total current portion</b>	<b>3,000</b>	<b>40</b>
<b>Non-current portion</b>		
Finance leases	0	2
Secured loans	38,100	45,400
<b>Total non-current portion</b>	<b>38,100</b>	<b>45,402</b>
<b>Total borrowings and other financial liabilities</b>	<b>41,100</b>	<b>45,442</b>

### Interest terms for secured loans

The following facilities are issued at floating rates of interest and reset quarterly based on the 90-day bill rate plus a margin for credit risk.

### Security

The overdraft facility is unsecured. The maximum amount that can be drawn down against the overdraft facility is \$250,000 (2014: \$250,000). There are no restrictions on the use of this facility.

Council's term loans are secured through a debenture, which grants security to the lender by way of a charge over the Council's general rates and rates revenue.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Council's term loan with EECA is not secured.



## Notes to the Financial Statements

### Note 23 - Borrowings and other financial liabilities (continued)

#### Fair value

The fair value of finance leases are \$Nil (2013: \$3,743). Fair value has been determined using contractual cash flows discounted at the market-borrowing rate at balance date of 9.7% for 2014.

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximate their fair value.

	2015 Actual \$000's	2014 Actual \$000's
<b>Analysis of finance leases</b>		
<b>Total minimum lease payments payable</b>		
Not later than one year	0	2
Later than one year and not later than five years	0	2
Later than five years	0	0
<b>Total minimum lease payments</b>	<b>0</b>	<b>4</b>
Future finance charges	0	0
<b>Present value of minimum lease payments</b>	<b>0</b>	<b>4</b>
<b>Present value of minimum lease payments payable</b>		
Not later than one year	0	2
Later than one year and not later than five years	0	2
Later than five years	0	0
<b>Total present value of minimum lease payments</b>	<b>0</b>	<b>4</b>

#### Description of leasing arrangements

The Council does not have any current finance leases.

# Notes to the Financial Statements

## Note 23 - Borrowings and other financial liabilities (continued)

	Balance at 1 July	Borrowings	Repayments	Balance at 30 June	Interest paid
Internal borrowings	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Internal borrowings per activity group for the financial year ended 30 June 2015</b>					
Community leadership	1,535	473	(410)	1,598	118
Planning for the future	420	129	(112)	437	33
Healthy and safe communities	116	36	(31)	121	8
Roads and footpaths	4,113	1,267	(1,098)	4,282	223
Community spaces	4,461	1,374	(1,191)	4,645	429
Community development	0	0	0	0	8
Stormwater	4,354	1,341	(1,162)	4,533	273
Wastewater	42,797	13,178	(11,421)	44,554	2,965
Land use	301	93	(80)	313	20
Water	8,026	2,471	(2,142)	8,356	426
Solid waste	2,032	626	(542)	2,116	159
<b>Total</b>	<b>68,156</b>	<b>20,986</b>	<b>(18,188)</b>	<b>70,954</b>	<b>4,662</b>
<b>Internal borrowings per activity group for the financial year ended 30 June 2014</b>					
Community leadership	1,522	567	(555)	1,535	115
Planning for the future	416	155	(152)	420	27
Healthy and safe communities	115	43	(42)	116	8
Roads and footpaths	4,080	1,519	(1,486)	4,113	249
Community spaces	4,426	1,648	(1,612)	4,461	402
Community development	0	0	0	0	0
Stormwater	4,319	1,608	(1,573)	4,354	274
Wastewater	42,455	15,808	(15,466)	42,797	2,951
Land use	299	111	(109)	301	20
Water	7,962	2,965	(2,900)	8,026	551
Solid waste	2,016	751	(734)	2,032	137
<b>Total</b>	<b>67,610</b>	<b>25,175</b>	<b>(24,630)</b>	<b>68,156</b>	<b>4,735</b>

### Internal borrowings

Information on internal borrowings is provided above. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

### Loan to finance interest expense

Included in internal borrowings for the year under review is the amount of \$664,393 (2014: \$3,650,210) which was raised to fund the interest on additional capacity loans which were not met by developer's contributions. This is in accordance with the Council's Development Contributions Policy.

# Notes to the Financial Statements

## Note 24 - Employee Entitlements

	2015 Actual \$000's	2014 Actual \$000's
<b>Current portion</b>		
Accrued pay	116	49
Annual leave	1,297	1,136
Retirement and long service leave	104	92
Sick leave	36	48
<b>Total current portion</b>	<b>1,553</b>	<b>1,325</b>
<b>Non-current portion</b>		
Retirement and long service leave	185	185
<b>Total non-current portion</b>	<b>185</b>	<b>185</b>
<b>Total employee entitlements</b>	<b>1,738</b>	<b>1,510</b>

### Key assumptions in measuring retirement and long service leave obligations

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. An average discount rate of 4.98% (2014: 5.27%) and a salary inflation factor of 3.00% (2014: 3.50%) were used.

## Note 25 - Provisions

	2015 Actual \$000's	2014 Actual \$000's
<b>Current portion</b>		
Landfill aftercare	63	553
Weathertightness claims	2,580	1,827
Reserve contribution credits	44	44
<b>Total current provisions</b>	<b>2,688</b>	<b>2,424</b>
<b>Non-current portion</b>		
Landfill aftercare	738	1,148
Weathertightness claims	0	0
Reserve contribution credits	5,098	5,098
<b>Total non-current portion</b>	<b>5,836</b>	<b>6,246</b>
<b>Total provisions</b>	<b>8,524</b>	<b>8,670</b>

# Notes to the Financial Statements

## Note 25 - Provisions (continued)

Movements for each class of provision are as follows:

	Landfill aftercare liability \$000's	Weather- tightness claims \$000's	Reserve contribution credits \$000's	Total \$000's
<b>2015</b>				
Balance at 1 July 2014	1,701	1,827	5,142	8,670
Additional provisions made		878	0	878
Amounts used	(709)	(125)	0	(834)
Unused amounts reversed	(418)		0	(418)
Discount unwind	228		0	228
<b>Balance at 30 June 2015</b>	<b>801</b>	<b>2,581</b>	<b>5,142</b>	<b>8,524</b>
<b>2014</b>				
Balance at 1 July 2013	2,464	2,190	5,179	9,833
Additional provisions made	0	277	0	277
Amounts used	(639)	(640)	(37)	(1,315)
Unused amounts reversed	(78)	0	0	(78)
Discount unwind	(46)	0	0	(46)
<b>Balance at 30 June 2014</b>	<b>1,701</b>	<b>1,827</b>	<b>5,142</b>	<b>8,670</b>

### Landfill aftercare costs

As the owner of various closed landfills around the district, the Council has a legal obligation to ensure these sites are rehabilitated to a standard that minimises any negative impact on the environment. The Council has obtained resource consents for the closure of the following landfills:

- Mercury Bay landfill - granted until 30 June 2037;
- Coromandel landfill - granted until 1 January 2035;
- Whangamata landfill - granted until 1 September 2042; and
- Thames landfill - granted until 30 September 2044.

The Council has a responsibility under the resource consent to provide long-term maintenance and monitoring until such time that Waikato Regional Council is satisfied that the leachate quality has improved to a level that does not have a negative impact on the environment.

Draft resource consent applications and an Assessment of Environmental Effects (AEE) for the on-going discharges (air, water and ground) at the Tairua and Purangi landfill sites were submitted to Waikato Regional Council (WRC) in October 2014.

A resource consent will also be required for the Whitianga (RTS) site and Council has commissioned AECOM to assist with this consent application. WRC have requested at least 2 years' worth of monitoring data prior to preparing the resource consent application. Council is now in the process of undertaking this work.

The full conditions of the consents are unknown until the consents are granted. However, it is probable that the Council will be responsible for the provision of on-going maintenance and monitoring of the landfill after the site is closed. The expected term of the maintenance and monitoring services that will be required is 25 to 35 years.

Until these consents are processed, Waikato Regional Council has approved, in the interim, a 'Monitoring and Management Plan' for all closed landfills located around the peninsula. These plans are intended to formalise Council's current sampling regimes and help with the preparation of the 'remediation and aftercare plan' for each site. These plans will be based on the results from the samples taken. Expenditure on rehabilitation works will be funded by an internal loan, which is serviced by the general rate. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

# Notes to the Financial Statements

---

## Note 25 - Provisions (continued)

The provision has been estimated taking into account existing technology and known changes to legal requirements. The gross provision before discounting is \$1.54 million (2014: \$3.12 million).

The following major assumptions have been made in calculating the provision:

- The discount rate used to arrive at the present value is 6.77% (2014: 6.69%).
- The aftercare has been estimated to continue until 2044. The annual inflation factor applied to the estimated aftercare costs for 2013/2014 to 2021/2022 is the October 2011 Local Government price level change forecast. An annual inflation rate of 3.23% has been applied to years 2025/2026 to 2043/2044 (2014: an annual inflation rate of 3.49% was applied to years 2022/2023 to 2043/2044 ).
- Estimates of the life and future expenditure are based on the 2015-2025 Long-term Plan.

### Provision for weathertightness claims

This provision is based on the Council's most likely exposure to notified claims. As at 30 June 2015, Council was aware of 12 unsettled notified claims (2014:12).

See Note 29 Contingent Liabilities for further disclosure and comment.

### Reserve contribution credits

Council has negotiated with a developer to purchase 10 hectares of land situated in Whitianga for the development of a Multi-Sports Complex Centre. As part of this purchase agreement, Council entered into a development contributions deed with the developer, which outlined when development and reserve contributions credits would be considered payable to the Council. It also outlined the staged arrangement in which the Council would purchase the land from the developer.

The agreement stated that Council would purchase the three individual parcels of land (totalling \$6.5 million) on the following dates:

- Lot 1 DP 440527 on 30 April 2011
- Lot 2 DP 440527 on 30 September 2011; and
- Lot 3 DP 440527 on 30 September 2012.

The agreement also stated that the developer would be invoiced for:

- 314 Development/Reserve Contribution Credits on 30 April 2011
- 155 Development Contribution Credits on 30 September 2011; and
- A further 155 Development Contributions on 30 September 2012.

As at 30 June 2015, all parcels of land had been purchased from the developer and all corresponding development and reserve contributions had been invoiced. However, as at 30 June 2015 only \$1,401,750 of the reserve contribution credits have been applied and therefore recognised within Council's accounts as revenue. As such, a provision of \$5,098,252 was recognised within Council's balance sheet reflecting that at balance date these contribution credits were effectively revenue received in advance by Council. As further development contributions credits fall due, the provision will be used to offset any further liability established by the developer.

In addition to the above, a further provision of \$44,058 has been recognised for historic reserve contribution credits as a result of subdivision's vesting of reserves prior to the introduction of the development contribution policy in October 2004. Applications to recognise these historic reserve credits under the Local Government Act 2002 (LGA) are being addressed by Council on a case-by-case basis.

# Notes to the Financial Statements

## Note 25 - Provisions (continued)

In the past, a reserve contribution credit has been provided to a number of developers for additional reserves land vested in the Council that was over and above the requirement under the Resource Management Act 1991. The reserve contribution requirement under the transitional provisions of the Resource Management Act 1991 was 130m2. The credit was then available for developers to apply against reserve contributions required on any subsequent subdivisions. In order to ascertain the development contributions payable, the Local Government Act 2002 and our Development Contributions Policy, require Council to calculate the average market value of each 15m2 additional allotment. Usually this is done by way of an external valuation. For this reason, the conversion of these historic reserve credits issued under the Resource Management Act 1991 are difficult to measure and quantify under the Local Government Act 2002.

The provision recognises that these credits will result in an outflow of resources embodying economic benefits to Council. However, estimating the value of these credits is uncertain because it relies on factors such as the future development potential of any residual land, future land values, the value of the land when vested, the zoning of the land and any other district plan mechanism (such as structure plans) and the reasons for the land being vested at the time.

See Note 29 Contingent Liabilities for further disclosure and comment.

## Note 26 - Equity

	2015 Actual \$000's	2014 Actual \$000's
<b>Accumulated funds</b>		
Balance at 1 July	374,679	377,703
Net movement in restricted reserves	0	0
Net movement in Council created reserves	(1,463)	(1,877)
Transfers from property revaluation reserves on disposal	452	497
Surplus/(deficit) for the year	(2,585)	(1,644)
<b>Balance at 30 June</b>	<b>371,083</b>	<b>374,679</b>
<b>Restricted reserves</b>		
Balance at 1 July	33,357	33,357
Transfers to accumulated funds	0	
Transfers from accumulated funds	0	0
<b>Balance at 30 June</b>	<b>33,357</b>	<b>33,357</b>
<b>Council created reserves</b>		
Balance at 1 July	55,415	53,538
Transfers to accumulated funds	20,093	22,906
Transfers from accumulated funds	(18,630)	(21,029)
<b>Balance at 30 June</b>	<b>56,878</b>	<b>55,415</b>
<b>Property revaluation reserves</b>		
Balance at 1 July	765,492	753,586
Net revaluation gains	28,689	12,403
Transfer to accumulated funds on disposal of property	(452)	(497)
<b>Balance at 30 June</b>	<b>793,730</b>	<b>765,492</b>
<b>Fair value through other comprehensive revenue and expense reserve</b>		
Balance at 1 July	(6)	0
Net revaluation gains/(losses)	1	(6)
<b>Balance at 30 June</b>	<b>(5)</b>	<b>(6)</b>
<b>Total equity</b>	<b>1,255,042</b>	<b>1,228,937</b>

# Notes to the Financial Statements

## Note 26a - Restricted Reserves

### Purpose of restricted reserves and the activity it relates to

Restricted reserves are reserves that are subject to specific conditions of use and whether under statute or accepted as binding by Council, may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met. Restricted reserves relate to the district leadership activity.

Reserve Name	Opening	Transfers in	Transfers out	Closing
	\$000's	\$000's	\$000's	\$000's
<b>2015</b>				
<b>Reserve land</b>				
Restricted by title	31,616	0	0	31,616
<b>Endowment farms</b>				
Endowment farms trust property - restricted imposed by statute	1,741	0	0	1,741
<b>Total restricted reserves</b>	<b>33,357</b>	<b>0</b>	<b>0</b>	<b>33,357</b>
<b>2014</b>				
<b>Reserve land</b>				
Restricted by title	31,616	0	0	31,616
<b>Endowment farms</b>				
Endowment farms trust property - restricted imposed by statute	1,741	0	0	1,741
<b>Total restricted reserves</b>	<b>33,357</b>	<b>0</b>	<b>0</b>	<b>33,357</b>

## Note 26b - Council Created Reserves

Purpose of council created reserves and the activities they relate to

Council created reserves are reserves created at the discretion of the Council.

The accumulated surpluses do not represent cash available to offset future rate increases, rather they represent the community's investment in publicly owned assets resulting from past surpluses.

Council created reserves consist of:

- Depreciation reserves;
- Local Government Act contribution reserves;
- Retained revenue reserves
- Special reserves

### Depreciation reserves

Depreciation reserves contain funds equivalent to funded depreciation to be used to fund capital renewals work. Depreciation reserves relate to the community leadership, solid waste, wastewater, water, stormwater, public conveniences, district transportation, building control, cemeteries and all other activities not separately rated.

### Local Government Act contribution reserves

These reserves contain funds collected and distributed under the Council's Development Contributions Policy. These funds may only be applied to the funding of additional capacity capital expenditure for activities for which they were levied. Local Government Act contribution reserves relate to community leadership, solid waste, wastewater, water, stormwater, public conveniences, district transportation, cemeteries, parks and reserves, libraries, local transportation, halls, airfields and swimming pools activities.



# Notes to the Financial Statements

---

## Note 26b - Council Created Reserves (continued)

### Retained revenue reserves

These reserves contain unspent revenue from a previous year that was raised through rates or fees and charges to fund the Council activities. Under our fiduciary duty, we have an obligation to account for the funds collected and spent for each of these activities. At the end of the year, we reconcile what we received against what we spent. The shortfall or surplus either comes out of or goes into the retained earnings for the relevant activity. Retained revenue reserves relate to community leadership, solid waste, wastewater, water, stormwater, harbour and all Council activities not separately rated.

### Special reserves

Special reserves are council created reserves set aside for a special purpose as follows:

**Power New Zealand reserve** - funded by proceeds from the sale of Power NZ shares to fund internal borrowing. The corresponding interest earned subsidises the UAGC rate requirement. The Power New Zealand reserve relates to the district leadership activity.

**Disaster reserve fund** - funds repairs to infrastructure caused by natural disasters. The disaster reserve fund relates to all infrastructure activities.

**General purpose** - funds any one off, unbudgeted, Community Board projects as approved by the Council. The general purpose reserve relates to all community spaces activities.

**Property** - funds the acquisition cost of any future strategic purchases of the same type of assets, when and where required, funded by amounts realised from the sale of surplus land and buildings.

**Insurance excess** - funds the insurance excess of any legal settlements within building control, community health & safety, land use management and land information memoranda activities.

**Special projects** - funds special 'one-off' community board projects as approved by the Council. The special projects reserve relates to all community spaces activities.

**Wastewater headworks** - funds the increased level of service component of various wastewater projects within the wastewater activity, funded by contributions collected under the Resource Management Act.

**Solid waste levy refunds** - funds any waste minimisation initiative in the solid waste activity.

**Rates postponement** - funds any shortfall between the amount realised on the sale of a property and any amounts outstanding for postponed rates (and accrued charges) at the time of sale. The rates postponement reserve relates to the district leadership activity.

**Roading subdivision** - helps fund various roading projects and other initiatives within the roading activity, funded by contributions collected under the Resource Management Act.

**Thames** - general purpose - funds non-infrastructure asset purchases within the Thames-urban area activities.

**Land subdivision** - funds the acquisition, or development of parks and reserves within the relevant catchment areas, funded by reserve contributions collected under the Resource Management Act. Land subdivision reserves relate to the parks and reserves activities.

**Water headworks** - fund the increased level of service component of projects within the water activity within the relevant catchment areas, funded by reserve contributions collected under the Resource Management Act.

**Off-street parking** - funds the acquisition, or development of, parking areas within the relevant catchment areas, funded by reserve contributions collected under the Resource Management Act. The off-street parking reserve relates to the local roading and parks and reserves activities.

**Water unused loan** - balance of loan raised to fund water extension, relates to the water activity.

## Notes to the Financial Statements

### Note 26b - Council Created Reserves (continued)

The following tables show information about Council created reserves held for a specific purpose:

Reserve Name	Opening	Transfers in	Transfers out	Closing
Depreciation reserves	\$000's	\$000's	\$000's	\$000's
<b>2015</b>				
District	4,116	12,196	(9,270)	7,042
Thames	2,044	1,154	(933)	2,264
Coromandel	161	259	(184)	236
Mercury Bay	767	1,338	(1,140)	965
Tairua/Pauanui	841	654	(484)	1,011
Whangamata	510	567	(535)	543
<b>Total depreciation reserves</b>	<b>8,439</b>	<b>16,168</b>	<b>(12,546)</b>	<b>12,062</b>
<b>2014</b>				
District	4,439	12,766	(13,089)	4,116
Thames	1,596	1,166	(719)	2,044
Coromandel	269	257	(364)	161
Mercury Bay	532	1,307	(1,073)	767
Tairua/Pauanui	554	634	(347)	841
Whangamata	231	550	(270)	510
<b>Total depreciation reserves</b>	<b>7,621</b>	<b>16,680</b>	<b>(15,863)</b>	<b>8,439</b>

Reserve Name	Opening	Transfers in	Transfers out	Closing
LGA contribution reserves	\$000's	\$000's	\$000's	\$000's
<b>2015</b>				
District	(275)	374	(368)	(268)
Thames	242	29	(48)	222
Coromandel	305	19	(8)	316
Mercury Bay	222	278	(240)	261
Tairua/Pauanui	38	26	(97)	(33)
Whangamata	1,302	79	(11)	1,371
<b>Total special LGA contribution reserves</b>	<b>1,834</b>	<b>806</b>	<b>(771)</b>	<b>1,869</b>
<b>2014</b>				
District	(490)	943	(727)	(275)
Thames	213	45	(17)	242
Coromandel	305	13	(13)	305
Mercury Bay	104	279	(161)	222
Tairua/Pauanui	(101)	211	(72)	38
Whangamata	1,170	150	(17)	1,302
<b>Total special LGA contribution reserves</b>	<b>1,200</b>	<b>1,641</b>	<b>(1,007)</b>	<b>1,834</b>

## Notes to the Financial Statements

### Note 26b - Council Created Reserves (continued)

Reserve Name	Opening	Transfers in	Transfers out	Closing
Retained revenue reserves	\$000's	\$000's	\$000's	\$000's
<b>2015</b>				
District	6,710	369	(2,294)	4,784
Thames	837	24	(11)	850
Coromandel	368	47	(120)	295
Mercury Bay	1,163	834	(324)	1,673
Tairua/Pauanui	1,427	0	(523)	904
Whangamata	706	111	(150)	666
<b>Total retained revenue reserves</b>	<b>11,211</b>	<b>1,384</b>	<b>(3,422)</b>	<b>9,173</b>
<b>2014</b>				
District	7,393	1,663	(2,346)	6,710
Thames	1,035	44	(242)	837
Coromandel	340	39	(11)	368
Mercury Bay	1,209	362	(408)	1,163
Tairua/Pauanui	1,379	150	(102)	1,427
Whangamata	632	110	(36)	706
<b>Total retained revenue reserves</b>	<b>11,987</b>	<b>2,368</b>	<b>(3,144)</b>	<b>11,211</b>

# Notes to the Financial Statements

## Note 26b - Council Created Reserves (continued)

Reserve Name	Opening	Transfers in	Transfers out	Closing	
	\$000's	\$000's	\$000's	\$000's	
<b>Special reserves</b>					
<b>2015</b>					
Power New Zealand reserve	23,928	0	0	23,928	
Disaster reserve	1,691	0	(412)	1,280	
General Purpose	206	0	0	206	
Property	787	0	0	787	
Insurance excess	833	1,124	(881)	1,077	
Special projects	0	0	0	0	
Wastewater headworks	2	26	0	29	
Solid waste levy refunds	100	91	(47)	145	
Rates postponement	10	3	0	13	
Roading subdivision	12	1	0	13	
Thames water headworks	9	0	0	9	
Coromandel - water headworks	203	0	0	203	
Coromandel - water unused loan	9	0	0	9	
Whangamata - water headworks	307	0	0	307	
Thames general purpose	2,189	322	(203)	2,308	
Land subdivision	3,513	55	(349)	3,220	
Off street parking	103	8	0	111	
Hot Water Beach parking	28	51	0	79	
Whitianga Harbours		53	0	53	
<b>Total - special reserves</b>	<b>33,932</b>	<b>1,735</b>	<b>(1,891)</b>	<b>33,776</b>	
<b>2014</b>					
Power New Zealand reserve	23,928	0	0	23,928	
Disaster reserve	1,286	700	(295)	1,691	
General Purpose	206	0	0	206	
Property	787	0	0	787	
Insurance excess	35	1,121	(323)	833	
Special projects	128	0	(128)	0	
Wastewater headworks	0	2	0	2	
Solid waste levy refunds	49	82	(31)	100	
Rates postponement	9	1	0	10	
Roading subdivision	12	0	0	12	
Thames water headworks	9	0	0	9	
Coromandel - water headworks	203	0	0	203	
Coromandel - water unused loan	29	0	(19)	9	
Whangamata - water headworks	307	0	0	307	
Thames general purpose	1,906	283	0	2,189	
Land subdivision	3,687	0	(173)	3,513	
Off street parking	148	0	(44)	103	
Hot Water Beach parking	0	28	0	28	
<b>Total - special reserves</b>	<b>32,730</b>	<b>2,218</b>	<b>(1,016)</b>	<b>33,932</b>	
<b>Total Council created reserves</b>					
	<b>2014</b>	<b>53,538</b>	<b>22,906</b>	<b>(21,029)</b>	<b>55,415</b>
	<b>2015</b>	<b>55,415</b>	<b>20,093</b>	<b>(18,630)</b>	<b>56,878</b>

## Notes to the Financial Statements

### Note 26c - Property Revaluation Reserves

	2015 Actual \$000's	2014 Actual \$000's
<b>Property revaluation reserves for each asset class consist of</b>		
Buildings	13,833	13,745
Footpaths	7,217	7,039
Harbour facilities	2,993	3,007
Land	231,480	230,550
Reserve improvements	5,481	5,061
Bridges and culverts	6,477	6,732
Roads	351,027	336,991
Solid waste	2,037	1,878
Stormwater	62,818	55,323
Wastewater	47,913	45,000
Water	62,453	60,166
<b>Closing property revaluation reserves</b>	<b>793,730</b>	<b>765,492</b>

### Note 27 - Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	2015 Actual \$000's	2014 Actual \$000's
<b>Surplus/(deficit) after tax</b>	<b>(2,585)</b>	<b>(1,644)</b>
<b>Add/(less) non-cash items</b>		
Vested assets	(631)	(1,178)
Amortisation	635	782
Depreciation	17,583	17,824
(Gains)/losses in fair value of forestry assets	(600)	453
Net (gains)/losses on interest rate swaps	2,516	(1,455)
Movement in weathertight buildings provision	753	(364)
Movement in reserve contribution credits	0	(36)
Movement in landfill aftercare provision	(1,128)	(718)
Impairment of receivables	209	170
Impairment of spare parts	13	7
Interest unwind on landfill aftercare	228	(45)
<b>Total non-cash items</b>	<b>19,578</b>	<b>15,440</b>
<b>Add/(less) movements in working capital items</b>		
Increase/(decrease) in accounts payable	(795)	301
Increase/(decrease) in employee entitlements	228	73
(Increase)/decrease in receivables	(567)	(709)
<b>Net movement in working capital items</b>	<b>(1,134)</b>	<b>(335)</b>
<b>Add/(less) items classified as investing activities</b>		
(Gains)/losses on sale of property, plant and equipment	1,036	4,136
Share of joint venture's surplus	(2)	(15)
<b>Total items classified as investing activities</b>	<b>1,034</b>	<b>4,121</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>16,893</b>	<b>17,582</b>

# Notes to the Financial Statements

## Note 28 - Capital commitments and operating leases

	2015 Actual \$000's	2014 Actual \$000's
<b>Capital commitments</b>		
Buildings	12	0
Roads and footpaths	363	0
Wastewater	722	0
Water	319	52
<b>Total capital commitments</b>	<b>1,416</b>	<b>52</b>

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

### Operating leases as lessee

The Council leases property, plant and equipment in the normal course of business. The lease has a non-cancellable term of 12 months. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015 Actual \$000's	2014 Actual \$000's
<b>Operating leases as lessee</b>		
Not later than one year	0	12
<b>Total non-cancellable operating leases</b>	<b>0</b>	<b>12</b>

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2014: \$nil). The Council cannot assign or sublet the property without prior written consent of the lessor.

The lease can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition. The Council does not have the option to purchase the asset at the end of the lease term.

### Operating leases as lessor

The Council leases some properties held for future strategic purposes under operating leases. Lease terms range anywhere from 12 months to 21 years (with lease reviews every 3 years). The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2015 Actual \$000's	2014 Actual \$000's
<b>Operating leases as lessor</b>		
Not later than one year	661	670
Later than one year and not later than five years	2,113	2,250
Later than five years	2,306	3,029
<b>Total non-cancellable operating leases</b>	<b>5,080</b>	<b>5,949</b>

No contingent rents have been recognised during the period.

# Notes to the Financial Statements

## Note 29 - Contingencies

	2015 Actual \$000's	2014 Actual \$000's
<b>Contingent liabilities</b>		
Miscellaneous non-insured claims	800	750
Weather tightness claims	9,262	10,328
Council guarantees	1,896	1,896
<b>Total contingent liabilities</b>	<b>11,958</b>	<b>12,974</b>

### Weather-tightness claims

The weather tightness problem, commonly known as “leaky homes” or “leaky buildings”, refers to those buildings where water has penetrated the building envelope or cladding system and is not able to drain or dry for some time. The problem affects apartments, townhouses and stand-alone homes, mostly built between 1992 and 2005.

The term “leaky homes claims” refers to claims against the Council for damages relating to a leaky building. Risk and liability related to Council’s building control functions such as building consent processing, inspections and issuing code compliance certificates cannot be avoided. Where the Council has failed to discharge its duty of care when providing building control services and loss has been suffered as a result, the Council may be found negligent. This is the basis for claims for damages against the Council.

The term "leaky homes claims" has also been extended to include cases where owners have opted for the Government's financial assistance package scheme. The Government has established a financial assistance package (FAP) for owners of leaky homes to get their homes fixed outside of the weathertightness tribunal or courts processes. Under the FAP, central government meets 25% of eligible homeowners' agreed repair costs, with local authorities contributing 25% and homeowners funding the remaining 50%, with a loan guarantee underwritten by the Crown, provided applicants can meet bank lending criteria.

The Council is a participating local authority in the scheme. Homeowners who participate in the scheme would forgo the right to sue the Council or the Crown. Ultimately, it is the choice of homeowners to sue or otherwise participate in the financial assistance package.

Where claimants elect to sue, the Council must accordingly defend whilst maintaining a preference, where possible, to settle claims without the need for hearing and thereby avoiding the uncertainty, cost and stress of protracted litigation.

When we last measured, across the country anecdotal evidence suggests that the average settlement amount in such cases is around 40% of the original amount claimed; the Council's track record is around 16%. This difference is likely attributable to two factors: our insurance arrangements and the staff mandate to minimise the financial impact of such claims on the Council's ratepayers.

Council's insurance arrangements cover legal costs capped at a maximum indemnity aggregate of \$500,000 for each insurance year/period which covers all claims notified in that particular year. Council's excess is \$100,000 per claim. Settlement amounts for leaky homes claims are not covered by insurance.

There are 16 current claims; 11 of these are part of the FAP scheme. All 16 claims were registered on the Ministry of Business, Innovation and Employment website as active as at 30 June 2015 (2014: 12 claims) The amounts sought by the claimants of these unsettled claims total to \$11,842,253 including five unknown amounts (2014: \$12,155,430 including eight unknown amounts).

A provision for \$2,580,095 has been recognised for accounting purposes for the potential settlement of claims that have been notified to Council at balance date (for further information see Note 25 Provisions) (2014: \$1,826,897). However, based on the information obtained during this financial year (and that of previous years), the Council has estimated that it may be liable for a further \$9,262,158 in settlement costs (2014: \$10,328,533).



# Notes to the Financial Statements

---

## Note 29 - Contingencies (continued)

### Council guarantees

The Council is listed as a guarantor to a number of sporting and community organisation bank loans. The Council is obligated under the guarantee to make loan payments in the event the organisation defaults on a loan arrangement. The exercising of guarantees will be dependent on the financial stability of the community organisations, which will vary over time.

The terms and conditions of the guarantee require:

- The organisation to provide the Council with a copy of their annual report and proposed budget to enable the financial stability to be assessed on an annual basis, and
- An indemnity to the Council that transfer's ownership of the assets to the Council in the event of the guarantee being called up.

The Council's exposure to any risk is therefore mitigated and considered minimal.

Council guarantees have not been recognised as liabilities in the statement of financial position as the Council consider there is very little probability that any expenditure will be incurred to settle them.

### Native lands agreement

In 1877 the Thames Borough Council entered an agreement with local iwi for the purchase of land required for the Paeroa-Thames highway. As part of the agreement the Council agreed that any land owned by iwi would be exempt from rates indefinitely. The Maori Land Court subsequently ruled that the agreement was ultra vires Council's statutory powers. The Council has assessed rates on properties affected by the agreement for a number of years.

In 1999, the Council reviewed the background to this issue and agreed to enter into discussions with iwi to explore ways of settling the grievance issues that they have with the Council in relation to this matter. These discussions are continuing and may lead to the need to refund some rates previously assessed. The extent of any contingent liability cannot be determined and forms part of the current discussions.

### Hauraki Rail Trail

The Council, along with Hauraki District Council (HDC) and Matamata-Piako District Council (MPDC) are party to a trust deed which has formed the Hauraki Rail Trail Charitable Trust (the Trust). The deed, signed on 2 March 2012, allows the Trust to own, operate, maintain, repair, develop and facilitate the use and enjoyment of a cycleway within the region.

Upon formation of the Trust, it also entered into a "Management Agreement" to manage the cycleway. As part of that agreement, the Trust is required to obtain income from the cycleway to provide funding for its 'management obligations'. If the Trust is unable to obtain sufficient income from the Cycleway to meet its management obligations, the Council, HDC and MPDC have agreed to contribute additional funding to the Trust (as set out in the management agreement).

If Council is notified that a shortfall exists, then Council is required to pay to the Trust the lesser of:

- One third of the shortfall specified in the relevant Trust's notice; or the following amount.
- \$57,500 for the year ended 30 June 2015; or
- \$60,000 for the year ended 30 June 2016.

### New Zealand Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

# Notes to the Financial Statements

---

## Note 29 - Contingencies (continued)

The Council is one of 30 local authority shareholders and 8 local authority guarantors of the LGFA. In that regard it has uncalled capital of \$1.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2015, LGFA had borrowings totalling \$4.955 billion (2014: \$3.695 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

### Reserve contribution credits

Reserve contribution credits result from historical vesting of reserve land which was over and above the required reserve area for the particular subdivision. Applications to recognise any potential historic reserve credits will be assessed on a case-by-case basis when and if a further Resource Consent is granted for the property to which the credits relate. However estimating the value of these credits is uncertain because it relies on factors such as the future development potential of any residual land, future land values, the value of the land when vested, the zoning of the land and any other District Plan mechanism such as structure plans and the reasons for the land being vested at the time.

Council has recognised that there are two developers that have reserve contribution credits available to them as at 30 June 2015 should they proceed with any further development at a later date. However, at the time of writing this report, there were no current land-use consents utilising these reserve contribution credits.

### Employer contributions to defined contribution plans

Council is a participating employer in the DBP Contributors Scheme (the scheme), which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the scheme, the Council could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, the Council could be responsible for an increased share of any deficit.

As at 31 March 2015, the scheme had a past service surplus of \$14.7 million (8% of the liabilities). This amount is exclusive of Employer Superannuation Contribution Tax. This surplus was calculated using a discount rate equal to the expected return on net assets, but otherwise the assumptions and methodology were consistent with requirements of PBE IPSAS 25.

The actuary of the scheme recommended that the employer's contributions remain suspended.

### Contingent assets

The Council has no contingent assets (2014: \$nil).

# Notes to the Financial Statements

## Note 30 - Related Party Transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council (such as funding and financing flows for TVEOA), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such transactions.

	2015 Actual \$000's	2014 Actual \$000's
<b>Key management personnel compensation</b>		
<b>Councillors</b>		
Remuneration	365	391
Full-time equivalent members	9	9
<b>Senior Management Team, including the Chief Executive</b>		
Remuneration	1,944	1,879
Full-time equivalent members	10	10
<b>Total key management personnel remuneration</b>	<b>2,309</b>	<b>2,270</b>
<b>Total full-time equivalent personnel</b>	<b>19</b>	<b>19</b>

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

### Related party transactions required to be disclosed

There are no other related party transactions that are required to be disclosed in accordance with PBE IPSAS 20 Related Party Disclosures. However, the Council has elected to recognise its relationship with both the Hauraki Rail Trail Charitable Trust and Destination Coromandel as related parties.

	2015 Actual \$000's	2014 Actual \$000's
<b>Transactions with associates</b>		
<b>Payments to associates</b>		
<b>Destination Coromandel:</b>		
Contribution for services provided by Destination Coromandel	375	365
Contribution for iSite relocation costs	36	0
<b>Hauraki Rail Trail Charitable Trust:</b>		
Contribution for services provided by Hauraki Rail Trail Charitable Trust	178	58
<b>Total payments made to associates</b>	<b>589</b>	<b>423</b>

# Notes to the Financial Statements

## Note 31 - Remuneration

Chief Executive

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$273,533 (2014: \$293,903)

	2015 Actual \$000's	2014 Actual \$000's
<b>Elected representatives received the following remuneration:</b>		
Mayor Glenn Leach	113	115
Deputy Mayor Peter French	43	41
Councillor Tony Brljevic	30	36
Councillor Diane Connors	30	29
Councillor Tony Fox	31	36
Councillor Wyn Hoadley QSO	0	6
Councillor Murray McLean JP	29	35
Councillor Jack Wells	29	29
Councillor Sandra Goudie	29	35
Councillor Jan Bartley	30	29
<b>Total elected representatives remuneration</b>	<b>364</b>	<b>391</b>

	2015 Actual \$000's
<b>Total annual remuneration by band for employees as at 30 June 2015</b>	
< \$60,000	99
\$60,000-\$79,999	55
\$80,000-\$99,999	32
\$100,000-\$119,999	7
\$120,000-\$139,999	6
\$140,000-\$179,999	8
\$180,000-\$299,999	4
<b>Total employees</b>	<b>211</b>

	2014 Actual \$000's
<b>Total annual remuneration by band for employees as at 30 June 2014</b>	
< \$60,000	99
\$60,000-\$79,999	48
\$80,000-\$99,999	26
\$100,000-\$119,999	9
\$120,000-\$159,999	7
\$160,000-\$189,999	5
\$280,000-\$299,999	1
<b>Total employees</b>	<b>195</b>

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 164 (2014: 158) full-time employees, with the balance of staff representing 27 (2014: 21) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

# Notes to the Financial Statements

## Note 32 - Severance Payments

There were no severance payments made to employees by the Council for the year ended 30 June 2015 (2014: one totalling \$10,000).

## Note 33 - Events after the Balance Date

The Council settled an outstanding weather-tight claim on 23 September 2015. The amount of settlement was provided for in note 25. There have been no other post balance date events up to the date of adoption of the Annual Report that are known to have material effect on the financial statements and notes to the financial statements of the Council.

## Note 34 - Financial Instruments

### Note 34a - Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below

	2015 Actual \$000's	2014 Actual \$000's
<b>Financial assets</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents	95	1,215
Receivables	7,889	7,481
<i>Other financial assets</i>		
Borrower notes from Local Government Funding Agency	560	560
Term deposits	83	89
<b>Total loans and receivables</b>	<b>8,627</b>	<b>9,345</b>
<b>Fair value through other comprehensive revenue and expense</b>		
<i>Other financial assets</i>		
Unlisted shares	259	258
<b>Total fair value through other comprehensive revenue and expense</b>	<b>259</b>	<b>258</b>
<b>Financial liabilities</b>		
<b>Fair value through surplus or deficit - held for trading</b>		
Derivative financial instrument liabilities	4,219	1,703
<b>Total fair value through surplus or deficit - held for trading</b>	<b>4,219</b>	<b>1,703</b>
<b>Financial liabilities at amortised cost</b>		
Payables	12,895	13,440
<i>Borrowings</i>		
Finance lease liabilities	0	4
Secured loans	41,100	45,438
<b>Total financial liabilities at amortised cost</b>	<b>53,995</b>	<b>58,882</b>

# Notes to the Financial Statements

## Note 34b - Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value on the statement of financial position:

	Total \$000's	Valuation technique		
		Quoted market price \$000's	Observable inputs \$000's	Non-observable inputs \$000's
<b>2015</b>				
<b>Financial assets</b>				
Shares	259	0	0	259
<b>Financial liabilities</b>				
Derivatives	4,219	0	4,219	0
<b>2014</b>				
<b>Financial assets</b>				
Shares	258	0	0	258
<b>Financial liabilities</b>				
Derivatives	1,703	0	1,703	0

There were no transfers between the different levels of the fair value hierarchy.

### Valuation techniques with significant non-observable inputs (level 3)

The table below provides reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	2015 Actual \$000's	2014 Actual \$000's
<b>Balance at 1 July</b>	<b>258</b>	<b>239</b>
Gains and losses recognised in the surplus or deficit	0	0
Gains and losses recognised in other comprehensive revenue and expense	1	0
Purchases	0	19
Sales	0	0
Transfers into level 3	0	0
Transfers out of level 3	0	0
<b>Balance at 30 June</b>	<b>259</b>	<b>258</b>

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

# Notes to the Financial Statements

---

## Note 34c - Financial Instrument Risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Council has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established Council-approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market Risk

#### *Price risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Council is not exposed to equity securities price risk on its investments.

#### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Council may purchase plant and equipment associated with the construction of certain infrastructural assets from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is the Council's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above \$100,000 by entering into forward foreign exchange contracts to manage the foreign currency risk exposure. This means the Council is able to fix the New Zealand dollar amount payable prior to delivery of the plant and equipment from overseas.

#### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. The Council's liability management policy outlines the level of borrowing that is considered acceptable using fixed rate instruments. In the normal course of business, any long-term debt is at floating interest rates. Short-term borrowing and investments are subject to normal market fluctuations.

#### *Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council to cash flow interest rate risk.

Generally, the Council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

### Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Council causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits which give rise to credit risk. The Council also provides financial guarantees, which gives risk to credit risk.



# Notes to the Financial Statements

## Note 34c - Financial Instrument Risks (continued)

The Council's investment policy limits the amount of credit exposure to any one financial institution or organisation. The Council reduces its exposure to credit risk by only placing investments in accordance with its investment policy which ensures dispersion and minimisation of risk. The Council invests funds only with entities that have a Standard and Poor's credit rating of at least A1 for short-term and A+ for long-term investments.

The Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

### Maximum exposure to credit risk

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

	2015 Actual \$000's	2014 Actual \$000's
Cash at bank and term deposits	178	1,304
Receivables	7,889	7,481
Financial guarantees	1,250	1,298
<b>Total maximum exposure to credit risk</b>	<b>9,317</b>	<b>10,083</b>

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in Note 29 Contingent Liabilities.

### Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired have been assessed by reference to Standard and Poor's credit rating's (if available) or to historical information about counterparty default rates:

	2015 Actual \$000's	2014 Actual \$000's
<b>Counterparties with credit ratings</b>		
<b>Cash at bank and term deposits</b>		
AA	178	1,304
<b>Total cash at bank and term deposits</b>	<b>178</b>	<b>1,304</b>

Receivables mainly arise from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

## Liquidity Risk

### Management of liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which includes a liability management policy.

The Council has a maximum amount that can be drawn down against its overdraft facility of \$250,000 (2014: \$250,000). There are no restrictions on the use of this facility.

## Notes to the Financial Statements

### Note 34c - Financial Instrument Risks (continued)

#### *Contractual maturity analysis of financial liabilities, excluding derivatives*

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount \$000's	Contract ual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
<b>2015</b>					
Payables	12,895	12,895	12,895	0	0
Secured loans	41,100	41,100	3,000	30,100	8,000
Finance leases	0	0	0	0	0
Financial guarantees	1,250	1,250	1,250		
<b>Total</b>	<b>55,245</b>	<b>55,245</b>	<b>17,145</b>	<b>30,100</b>	<b>8,000</b>
<b>2014</b>					
Payables	13,440	13,440	13,440	0	0
Secured loans	45,438	45,438	38	37,400	8,000
Finance leases	4	4	2	2	0
Financial guarantees	1,298	1,298	1,298	0	0
<b>Total</b>	<b>60,180</b>	<b>60,180</b>	<b>14,778</b>	<b>37,402</b>	<b>8,000</b>

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 29 Contingent Liabilities.

#### *Contractual maturity analysis of derivative financial instrument liabilities*

The table below analyses the Council's derivative financial instrument liabilities that are settled on a net basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Liability carrying amount	Asset carrying amount \$000's	Contract ual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
<b>2015</b>						
Nett settled derivative liabilities	4,219	0	4,219	852	2,538	829
<b>Total</b>		<b>0</b>	<b>4,219</b>	<b>852</b>	<b>2,538</b>	<b>829</b>
<b>2014</b>						
Nett settled derivative liabilities	1,703	0	1,703	373	1,108	222
<b>Total</b>		<b>0</b>	<b>1,703</b>	<b>373</b>	<b>1,108</b>	<b>222</b>

# Notes to the Financial Statements

## Note 34c - Financial Instrument Risks (continued)

### Contractual maturity analysis of financial assets

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows, and include interest receipts.

	Carrying amount \$000's	Contractual cashflows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
<b>2015</b>					
Cash and cash equivalents	95	95	95	0	0
Receivables	7,889	7,889	7,514	0	375
<i>Other financial assets</i>					
Term deposits	83	83	83	0	0
Unlisted shares	0	0	0	0	0
<b>Total</b>	<b>8,067</b>	<b>8,067</b>	<b>7,692</b>	<b>0</b>	<b>375</b>
<b>2014</b>					
Cash and cash equivalents	1,215	1,215	1,215	0	0
Receivables	7,481	7,481	7,119	0	362
<i>Other financial assets</i>					
Term deposits	89	89	89	0	0
Unlisted shares	142	142	0	0	142
<b>Total</b>	<b>8,785</b>	<b>8,785</b>	<b>8,423</b>	<b>0</b>	<b>362</b>

### Sensitivity Analysis

The table below illustrates the potential surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at the balance date.

	-100bps		+100bps	
	Surplus \$000's	Other equity \$000's	Surplus \$000's	Other equity \$000's
<b>Interest rate risk</b>				
<b>2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(1)	0	2	0
<b>Financial liabilities</b>				
Derivatives - held for trading	(2,419)	0	2,252	0
<i>Borrowings</i>				
Bank overdraft	0	0	0	0
Term loans	(1)	0	1	0
<b>Total sensitivity</b>	<b>(2,421)</b>	<b>0</b>	<b>2,255</b>	<b>0</b>
<b>2014</b>				
<b>Financial assets</b>				
Cash and cash equivalents	0	0	0	0
<b>Financial liabilities</b>				
Derivatives - held for trading	(2,043)	0	1,920	0
<i>Borrowings</i>				
Bank overdraft	0	0	0	0
Term loans	0	0	0	0
<b>Total sensitivity</b>	<b>(2,043)</b>	<b>0</b>	<b>1,920</b>	<b>0</b>

# Notes to the Financial Statements

---

## Note 34c - Financial Instrument Risks (continued)

### Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2014: -100bps/+100bps).

## Note 35 - Capital Management

The Council's capital is its equity (or ratepayer's funds), which comprise retained earnings, asset revaluation reserves and fair value through comprehensive income reserves. Equity is represented by net assets.

The Local Government Act 2002 (LGA) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

The Council has the following Council-created reserves:

- Specifically named reserves available to fund activities
- Retained revenue reserves available to fund activities
- Funded depreciation reserves to fund capital items
- Special LGAC reserves to fund capital items

# Notes to the Financial Statements

---

## Note 36 - Explanations of Major Variances

### Statement of comprehensive revenue and expense

#### Revenue

<b>Rates revenue, excluding targeted water supply rates</b>	Rates revenue decreased \$0.6 million to budget. The main reason for the variance is that the budgeted figure does not take into consideration remissions of \$0.6 million.
<b>Fees and charges</b>	Fees and charges decreased \$0.7 million to budget. Compared to budget there has been a reclassification of revenue of \$0.7 million from petrol tax, fines and infringements to other revenue.
<b>Other revenue</b>	Other revenue is greater than budget by \$1.4 million. Compared to budget there has been a reclassification of revenue of \$0.7 million from fees and charges for petrol tax, fines and infringements. Valuation of the forestry asset produced a gain of \$0.6 million mainly due to increase in price. Other gains from the valuation of property plant and equipment of \$0.2 million.

#### Expenses

<b>Depreciation and amortisation expenses</b>	Depreciation and amortisation expenses decreased to budget by \$1.1 million. This is due to lower capital expenditure in the current and preceeding financial year, resulting in a lower than budget depreciation charge. The main areas were in roading and parks and reserves. Refer note 19 for full details.
---	--

#### Other comprehensive revenue and expense

<b>Gains on property plant and equipment revaluations</b>	Gains were above budget by \$3.5 million. The asset revaluation movements were lower than budgeted. The cost adjustment factors (derived from the CPI, PPI and labour adjustment indexes) were all lower than that originally anticipated when the budget was prepared.
---	---

### Statement of changes in equity

<b>Total comprehensive income</b>	Total comprehensive income was \$4.8 million more than budgeted. The increase in equity was under budget by \$4.5 million. This was made up of a lower than forecast operating deficit of (\$1.3) million plus the higher than budget movement in other comprehensive income of \$3.5 million and the opening budgeted equity being lower than actual opening equity by \$9.2 million. Major variances are explained within the statement of comprehensive revenue and expenses.
-----------------------------------	--

---

# Notes to the Financial Statements

## Note 36 - Explanations of Major Variances (continued)

### Statement of financial position

#### Assets

<b>Receivables</b>	Receivables is over budget by \$1.1 million. Rates debtors, net of impairments, have increased by \$1.1 million. This is due to timing differences and the budget have allowance for the settlement of the 1877 land agreement, as discussed in Note 29 contingent liabilities, and the settlement of a major dispute of rates arrears, where settlement has been reached after balance date.
<b>Intangible assets</b>	Intangible assets were under budget by \$2.4 million. The budget is made up of the opening book value as at 1 July 2013 (\$7.3 million) plus the budgeted intangible additions for the 2013/2014 financial year and the 2014/2015 financial year of \$1.1 million. The majority of the additions budget (\$1.1 million) related to the Coromandel Harbour facility feasibility study and resource consent application. Costs to date for this project have been treated as operating expense and thus not capitalised.
<b>Property, plant and equipment</b>	Property, plant and equipment was under budget by \$19.0 million. The budget is made up of the opening book value as at 1 July 2013 (\$1,277.0 million) plus the budgeted tangible additions and revaluation surplus for the 2013/2014 financial year and the 2014/2015 financial year of \$37.2 million and \$49.1 million, respectively. This total was offset by budgeted depreciation of \$37.7 million. The total additions over this time however, only amounted to \$28.7 million. This produced a shortfall compared to budget of \$16.6 million. During the year we had a serious look at our capital works programme. We prioritised what we can afford to do and applied greater scrutiny and rigour to planned projects. As a result budgets were reduced, and projects that were not considered a priority this year have been carried forward to future years. Asset revaluation movements were also lower than that originally anticipated by approximately \$11.5 million. The cost adjustment factors (derived from the CPI, PPI and labour adjustment indexes) were all lower than that originally anticipated.

#### Liabilities

<b>Creditors</b>	Creditors were over budget by \$0.8 million. Accruals for invoices relating to June but invoiced in July totalled \$0.6 million. Rates received in advance increased by \$0.1 million and grants received for projects to commence in 2015/16, namely Ferry landing restoration at Cooks Beach and the Thames skate park totalled \$0.2 million.
<b>Derivative financial instruments</b>	Derivative financial instruments was 1.1 million above budget. Changes in the quantum and value of derivatives have led to the variance. Due to the inherent difficulties in predicting valuations derivatives are difficult to budget for but there is no funding impact.
<b>Borrowings</b>	The difference between that budgeted in the balance sheet for borrowings and actual borrowings is \$17.1 million. The difference is due to Council having a lower debt requirement due to scaling back capital expenditure and placing tighter controls on operational expenditure.

## Notes to the Financial Statements

### Note 37 - Adjustments to the Comparative Year Financial Statements

The Council has adjusted its comparative year financial statements for the year ended 30 June 2014 due to reclassification adjustments and the transition to the new PBE accounting standards. The adjustments are shown in the table below:

	Notes	Actual 2014		After adjustments \$000's
		Before adjustments \$000's	Reclassification on adjustments \$000's	
<b>Revenue</b>				
Targeted rates for water supply	(a)	0	1,486	1,486
Fees, charges and targeted rates for water supply	(a)	10,440	(10,440)	0
Fees and charges	(a), (c)	0	8,779	8,779
Other revenue	(c), (d)	1,711	1,625	3,336
Gains	(b)	1,455	(1,455)	0
Development and financial contributions	(c)	1,710	5	1,715
<b>Expenditure</b>				
Losses	(d)	4,589	(4,589)	0
Other expenses	(d)	36,757	4,589	41,346
<b>Statement of cash flows</b>				
Receipts from rates revenue, excluding targeted water supply rates	(e)	54,341	(54,341)	0
Targeted rates for water supply	(e)	1,453	(1,453)	0
Receipts from rates revenue	(e)	0	55,794	55,794
Goods and services tax received	(e)	(310)	310	0
GST (net)	(e)	0	(1,326)	(1,326)
Payments to suppliers and employees	(e)	(51,371)	1,016	(50,355)
Finance costs	(f)	2,927	(2,927)	0
Interest paid	(f)	0	2,927	0



# Notes to the Financial Statements

---

## Note 37 - Adjustments to the Comparative Year Financial Statements (continued)

### Explanatory notes

#### Reclassification adjustments

- a) Targeted rates for water supply of \$1.49 million have been reclassified from fees and charges and disclosed as a separate line in the statement of comprehensive revenue and expense.
- b) Derivative financial investment gains of \$1.45 million have been reclassified to other revenue, as the Council has decided to no longer distinguish between gains and other revenue on transition to the new PBE accounting standards.
- c) Fees and charges revenue of \$170,000 and \$5,000 have been reclassified to other revenue and development and financial contributions respectively as this revenue category is considered more appropriate under the new PBE accounting standards.
- d) Forestry asset revaluation and property, plant and equipment and intangible asset disposal losses of \$4.6 million have been reclassified to other expenses, as the Council has decided to no longer distinguish between losses and other expenses on transition to the new PBE accounting standards.
- e) The presentation of items within the operating cash flow section of the statement of cash flows has been changed to:
  - o Reflect the changes in classification of revenue items described above; and
  - o Disclose the GST as a net figure as this category is considered more appropriate under the new PBE accounting standards.
- f) The finance cost category has been changed to interest paid as the interest paid category is considered more appropriate under the new PBE accounting standards.

# Council Controlled Organisations





# Council Controlled Organisations

## Information on Council-Controlled Organisations

Council Controlled Organisations (CCOs) are any organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

Council has an interest the following CCOs:

- Local Authority Share Services Limited; and
- The New Zealand Local Government Funding Agency.

Council resolved to exempt Destination Coromandel, Hauraki Rail Charitable Trust and the Thames Valley Emergency Operating Area as a CCO in accordance with Section 7 of the Local Government Act 2002.

Outlined below are the significant policies and objectives, nature and scope of activities, key performance targets and outcomes for the 2014-15 year for each organisation.

The key performance targets disclosed in the tables below for Local Authority Shared Services Limited and the New Zealand Local Government Funding Agency Limited may be slightly different compared to the targets disclosed in the Long Term Plan (LTP) 2012-22. This either is due to the organisations having developed additional targets or modified the way in which they present the targets, since the LTP was prepared.

## Local Authority Shared Services Limited (LASS)

### Ownership

Council has a one-twelfth ordinary shareholding in LASS (one share at \$1,000). The Council also holds service shares in the Waikato Region Aerial Photography Service (6,476 shares at \$1), the Shared Valuation Data Service (108,015 shares at \$1) and the Waikato Regional Transport Model (2,250 shares at \$10) activities of the company. These service shareholdings give no rights to a share in the distribution of surplus assets, nor do they provide voting rights. The balance of the remaining shares is owned by other Local Authorities.

### Representation (total members)

1(12)

### Significant policies and objectives

The objectives of LASS is to make a regional leadership contribution and seek opportunities to operate more efficiently by participating with the region's local authorities on shared services, particularly in respect of information collection and management, with the aim of reducing the cost of those activities, streamlining of work processes and improved level and quality of service.

Gains have been realised by shareholders in the Shared Valuation Data Service (SVDS), the Waikato Regional Transport Model (WRTM) and through joint procurement contacts.

### Nature and scope of activities

The company is used as an umbrella company to investigate opportunities for future development of shared services. The specific objectives of the company are agreed each year in accordance with the constitution and the Statement of Intent.

During past year, the Company has been particularly focused on demonstrating value for the shareholder councils through procurement, facilitation of Waikato Mayoral Forum work streams and improving efficiency of the existing shared services operating under LASS.

The Company has continued to pursue contracts for additional shared services. These include a number of shared insurance policies, a contract for computer generated print, mail and E-services, a contract for accessing online economic profile data, a contract for postal and courier services, legal services and another for fleet tracking systems. A joint information technology strategic planning process was progressed during the year and a decision will be reached soon on the composition of a professional services panel for four of the shareholding councils.

# Council Controlled Organisations

## Key performance targets

Performance targets are specified in the LASS Statement of Intent for 2014-15 and are summarised with the actual results below:

Performance Measure	Actual Outcome
The Statement of Intent is informed by the annual survey and independent benefits review	Achieved: A draft Statement of Intent (SOI) for 2015/2016 was distributed to all shareholding councils for comment and feedback on 26 February 2015. The annual survey of shareholders was completed and presented to the Board at their meeting on 22 May. The draft benefits review was presented to the Board at their meeting on 22 May. The final SOI was adopted by the Board on 26 June 2015 and distributed to all shareholders on 29 June.
Costs Control: Administration expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the Directors.	Achieved: Actual expenditure was \$16,439 favourable to budget.
Cashflow: The Company maintains an overall positive cashflow position.	Not achieved this year as cashflow was intentionally operated at a negative level in order to use up surpluses. The Company still maintains a safe cash position with the cash, cash equivalents and bank accounts balances at the end of June 2015 being \$693,617.
Reporting: The Board will provide a written report on the business operations and financial position of the LASS on a six monthly basis.	Achieved: The 2013/2014 Annual Report was sent to all shareholders on 22 September 2014. a 6-month report was sent to all shareholders on 26 February 2015.
Statutory adherence: There will be an annual report to directors that all statutory requirements of the LASS are being adhered to.	Achieved. All parties have confirmed that there were no legislative breaches during the year, and this will be reported to the LASS Board at their August meeting when the Annual Report is presented.
SVDS availability: That SVDS is available to users at least 99% of normal working hours.	Achieved: SVDS was available to users 99.8% of normal working hours.
SVDS sales data delivery: That at least 98% of agreed timelines are met for sale and property files that have been delivered to the FTP server for access to customers.	Achieved: 100% of agreed timelines were met.
SVDS major enhancement development hours: All capital enhancement development work is supported by a business case approved by the advisory group.	Not applicable this year, as only minor work items of \$5,000 or less have been undertaken as per the road map approved by the SVDS Advisory Group.
WRTM: that all required modelling reports are actioned within the required timeframe.	Achieved: All modelling services were delivered within the required timeframe, or time extensions were agreed with the model partner / 3rd party concerned.
WRTM: That the base model adheres to "Screenline Validation Standards" as set out in the NZTA Economic Evaluation Manual (EEM) as indicated by an external independent peer review.	Achieved: The WRTM is going through an update process to bring it up to the 2013 census base. The peer reviewer has reviewed all technical notes and has advised that the revised base model meets the EEM standards. This has been documented in the peer reviewer's report. The modelling services undertaken were all done using WRTM version 7, which was last peer reviewed in 2013. No changes have been made to the model since that time.
WRTM: That a full report on progress of the model be provided to the LASS Board twice each year.	Achieved: The WRTM contract manager reported to the LASS Board in September 2014, October 2014, December 2014 and May 2015.
Insurance: The key performance indicators from appendix 4 of the brokerage contract are met.	All four KPI's were achieved.

## Council Controlled Organisations

Performance Measure	Actual Outcome
<p>Joint procurement: That any joint procurement projects deliver as per project approved objectives.</p>	<p>Achieved: A joint procurement initiative was completed as per the project's objectives for a professional services panel for four of the shareholding councils.</p>
<p>In response to requests from shareholders, the Company will provide regular reports and updates to the Waikato Mayoral Forum group regarding progress with shared service initiatives.</p>	<p>Updates are provided at all Mayoral Forums, the most recent being June 2014.</p>
<p>Advice to the Waikato Mayoral Forum: In response to requests from shareholders, the Company will provide regular reports and updates to the Waikato Mayoral Forum regarding progress with shared service initiatives.</p>	<p>Achieved: Written and verbal reports were provided to the Mayoral Forum at their meetings on 30 July, 15 September and 4 November 2014, 23 February, 20 April and 15 June 2015.</p>
<p>Independent Benefit Review Plan update: The independent benefit review plan will be reviewed, updated and signed off by the LASS board by 31 May.</p>	<p>Achieved: As part of preparing the 2015/2016 Statement of Intent, a new performance measure to assess the benefits being achieved by LASS was developed and included in the SOI's revised set of performance measures.</p>
<p>Independent Benefit Reviews: Those reviews timetabled in the plan for the current year be completed by the end of the year.</p>	<p>Achieved: The draft benefits review was presented to the Board at their meeting on 22 May. A copy of the final benefits report will be sent to shareholders with this Annual Report.</p>
<p>LGFA's average cost of funds relative to the average cost of funds for New Zealand Government Securities (NZGS) for the period to 30 June 2015 will be less than 0.50% higher.</p>	<p>The average costs of funds of all issuance since 2012 relative to NZGS has reduced by 1 bps from June 2014 to 0.83%. The margin contraction has occurred despite the disproportionate amount of longer dated LGFA bonds issued (and hence a wider margin) over the past twelve months. The historical average cost of funds calculation is also influenced by securities issued in 2012 at issuance margins in excess of 1.00% which have yet to mature.</p>
<p>The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to 30 June 2015 will be no more than 0.15%.</p>	<p>The average base on lending margin above LGFA's cost of funds was achieved at 0.13%</p>
<p>LGFA's annual issuance and operating expenses for the period to 30 June 2015 will be less than \$4.67 million.</p>	<p>Issuance and operating expenses for the 2014-15 year was achieved at \$4.67 million.</p>
<p>Total lending to participating local authorities at 30 June 2015 will be at least \$4,400 million.</p>	<p>Lending to participating councils was achieved at \$4,979 million</p>

# Council Controlled Organisations

## New Zealand Local Government Funding Agency Limited (LGFA)

### Ownership

0.4%

### Representation (total members)

1(31)

### Significant policies and objectives

The primary objective of LGFA is to optimise debt funding terms and conditions for participating Councils.

*Other objectives include:*

To enhance the certainty of access to debt markets for participating Councils;

Provided estimated savings in annual interest costs for all participating Councils of at least 30 basis points;

Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated dividend policy;

Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency; and

### Nature and scope of activities

LGFA raises debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand Local Authorities, and may undertake any other activities considered by the Board to be reasonably related or incidental to, or in connection with, that business.

The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (participating local authorities) and comply with the LGFA's lending policies.

### Key performance targets

Performance targets are specified in the LGFA Statement of Intent for 2014-2015 and are summarised with the actual results below:

Performance Measure	Actual Outcome
LGFA's average cost of funds relative to the average cost of funds for New Zealand Government Securities (NZGS) for the period to 30 June 2015 will be less than 0.50% higher.	The average costs of funds of all issuance since 2012 relative to NZGS has reduced by 1 bps from June 2014 to 0.83%. The margin contraction has occurred despite the disproportionate amount of longer dated LGFA bonds issued (and hence a wider margin) over the past twelve months. The historical average cost of funds calculation is also influenced by securities issued in 2012 at issuance margins in excess of 1.00% that have yet to mature.
The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to 30 June 2015 will be no more than 0.15%.	The average base on lending margin above LGFA's cost of funds was achieved at 0.13%
LGFA's annual issuance and operating expenses for the period to 30 June 2015 will be less than \$4.67 million.	Issuance and operating expenses for the 2014-15 year was achieved at \$4.67 million.
Total lending to participating local authorities at 30 June 2015 will be at least \$4,400 million.	Lending to participating councils was achieved at \$4,979 million



# Council Policies





## COUNCIL POLICIES

### Development of Maori Capacity to Participate in Council Decision Making

#### Purpose

The Local Government Act 2002 requires Local Authorities to facilitate participation by Māori in the Council's decision making processes.

The Long Term Plan outlines how the Council might help Māori to participate in the Council decision-making. The Council has adopted the following policy to assist Māori participation in such decision making:

Policy	Achievements
<ol style="list-style-type: none"> <li>1. Council will compile a database of those who wish to be considered Māori for the purposes of the Local Government Act 2002. Council will maintain a process to ensure this database is current and up to date.</li> <li>2. Those persons who have identified themselves as Māori are specifically targeted for consultation when Council decides that it wishes to consult. Where specific legislation requires specific consultation with Māori or tangata whenua, then the requirements of that specific legislation will over-ride this policy.</li> <li>3. Council will identify key issues of particular interest to Māori.</li> <li>4. Council will gather information on Māori perspectives about Council activities.</li> <li>5. Council will consciously build on the good quality relationships that have already been established. Examples include the development of further Memorandums of Understanding and relationships developed through other processes such as the Resource Management Act, and Council's strategic work programme and signature projects such as the Coromandel Great Walks and Coromandel Harbour Facilities Project.</li> <li>6. Council will identify a work programme to progress items 1-5 above.</li> <li>7. Council will progress the above work programme as staff time and funding allows.</li> </ol>	<ol style="list-style-type: none"> <li>1. In anticipation of the settlement of the Treaty of Waitangi claims for Hauraki Iwi, and in recognition of the importance that the settlement will have across all of the four well-beings that the Council is charged with promoting, local government agencies within the rohe of Hauraki Iwi are, at the invitation of the Crown, participating in the settlement negotiations process. This participation includes:               <ul style="list-style-type: none"> <li>• Governance level meetings with the Chief Crown Negotiator, staff from the Office of Treaty Settlements, and the Hauraki Iwi Collective;</li> <li>• Participation at officer level in the Crown Technical Working Group in developing governance and operational processes including:                   <ul style="list-style-type: none"> <li>○ Co-governance arrangement for the Waihou and Piako river catchments and for the Coromandel Peninsula;</li> <li>○ Co-governance arrangements for key Crown Reserves passing to individual Hauraki Iwi as cultural redress;</li> <li>○ Addressing TCDC specific matters arising through the Treaty settlement process.</li> </ul> </li> </ul> </li> <li>2. A contact list for consultation purposes is held by the Council and updated in July of each year. This has been used frequently for the District Plan review.</li> <li>3. Appointment of iwi sanctioned commissioners to agency resource consent hearing panels where development proposals have the potential to impact natural resource of significance to Hauraki Iwi. A contact list for consultation purposes is held by the Council and updated in July of each year.</li> <li>4. Those persons who have identified themselves as Māori for the purposes of the Local Government Act 2002 have been added to the Council contact list.</li> </ol>

## COUNCIL POLICIES

### Development of Maori Capacity to Participate in Council Decision Making

Policy	Achievements
	<ol style="list-style-type: none"><li>Iwi authorities for Ngāti Hei and Ngāti Maru have been afforded greater participation and interaction with the Council under agreed protocols relating to input into resource consent decisions. The Iwi have access to a consent tracking database that alerts them to every application received in the District. Iwi then alert the Council planning officers to any issues that are considered to be relevant.</li><li>Broadband access has been supplied to Ngāti Hei to allow greater participation and interaction with the Council under the Memorandum of Understanding.</li><li>Staff are available to attend the Ngāti Hei Charitable Trust's monthly meeting for liaison purposes.</li><li>The Council is holding governance level meetings on a semi-regular basis with the chairs of the Hauraki Iwi Rūnanga.</li><li>The Council will scope further the work programme for policies 1-5 once the Deed of Settlement between the Crown and Hauraki Iwi is signed - possibly by mid-2016 - to ensure alignment with the new environment that this will create. The draft work programme will estimate timing and costs</li></ol>