



Annual  
Report  
Summary  
2005/06

  
Westland  
District Council

## **ANNUAL REPORT SUMMARY – YEAR ENDED JUNE 2006**

This summary is prepared in accordance with the Local Government Act 2002 (S:98(4) & (5)) and represents an overview of Westland District Council's operation and performance in the year from 1 July 2005 to 30 June 2006.

The purpose of this summary is to inform the reader at a glance of the major matters dealt with in the Annual Report, dated 31 October 2006, adopted and authorised for issue by Council on 1 November 2006. It is designed to inform you about the significant highlights for the year as well as any key variances from the Community Plan adopted by Council in June 2005. The full annual report is available on the Westland District Council website at [www.westland.govt.nz](http://www.westland.govt.nz), and can also be obtained at Council offices at 36 Weld Street, Hokitika.

This summary of the Annual Report has been reviewed by Audit New Zealand, on behalf of the Office of the Auditor-General, to ensure it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. The audit opinion is included in this summary as required by S: 99 of the Local Government Act 2002.

The Local Government Act 2002, section 98(3), requires the full Annual Report to be completed and adopted by 31 October 2005. This was not achieved as the Audit Report was received late on Tuesday 31 October and a quorum of Councillors required for a meeting to adopt the Annual Report was not available until 9am on Wednesday November 1. This summary of information is required to be made publicly available within one month of Council adopting its Annual Report.

All residents and ratepayers are encouraged to view the full Annual Report document, which is the Council's key accountability document. It provides the reader with information on how the organisation is performing and how the very important assets of Westland District are being maintained and improved. It also shows where rates levied have been applied during the year. This summary cannot be expected to provide as complete an understanding of the Council's financial and service performance, financial performance and cash flows as the annual report.

### **Summary**

A summary of Council's service performance and major projects from the 2005/2006 year follows:

#### **Governance**

- On 29 August 2006 Council adopted its first fully audited Long Term Council Community Plan (LTCCP) for the 2006-2016 financial years. This was outside the statutory deadline of 30 June 2006. The LTCCP outlines the services provided by Council and the cost of these services, planning and projects for the District and forecast financial commitments for the next ten years. The LTCCP is required to be reviewed every three years.
- 201 submissions were received from the members of the community and key stakeholders on the content of the LTCCP which were all considered by Council.
- Several meetings were held with local Runanga with the aim of forming a joint forum of local Maori for consultation purposes.

#### **Planning & Regulatory**

- The Building Act of 2004 is now enacted and work is being undertaken towards Council's accreditation as a Building Consent Authority.
- 380 building consents (429 in 2005) were processed with the average processing time being 18 days. 65% of applications were actioned within the 20 day statutory timeframe.
- 351 Land Information Memoranda (472 in 2005) were issued, with the average processing being 2 days. 100% (96% 2005) of LIMS applications received were issued within the statutory timeframe of 10 days.
- 147 non notified Resource Consents (151 in 2005) were processed to a decision. The average processing time for these consents was 20.52 days (20.39 in 2005) with the statutory timeframe being 20 days.

**Roading**

- The formation of new approaches at the Arawhata Bridge improved sight distance and road widening works at Stafford Street, Hokitika and Stafford Loop Road were completed.
- The 2005/06 Seal Extension programme saw 1 kilometre of new seal at Greens Road, Franz Josef.

**Water Supplies**

- A new reservoir with 600 cubic metre capacity was completed in Franz Josef/Waiiau to increase the storage capacity to the township.
- Water main upgrades were completed in Tancred Street, Hokitika, Kumara and Franz Josef/Waiiau.

**Sewerage & Wastewater**

- The monitoring of Council's Sewerage and Wastewater treatment facilities resulted in many occasions when resource consent limits were exceeded. Measures are being developed to alleviate these problems such as desludging or new circuit development.

**Solid Waste Management**

- Targets for the reduction of the volumes of waste to landfills were not achieved although the amount of material recycled rose. These increases were offset by the increased volumes of waste being delivered to landfills.
- Kerbside collection of newspapers for recycling was implemented during the year in Hokitika and has been very successful at 400-1200 kilograms per week.
- Progress has been made toward the Hokitika Refuse site becoming a transfer station. The site has a new shed and bailer, and a weighbridge has been installed.

**Other Operational Activities**

- Council received vested assets totalling \$1,000,600 from subdivisions mainly in the form of roading.
- Stage One of the Hokitika Concept Plan, the beautification and development of Weld Lane, was nearly completed at year end.
- Traffic calming devices were installed in Beach Street, Hokitika.
- New 'pay to use' public toilets were installed in Franz Josef/Waiiau and opened in February.
- The Lake Matheson Safety Footpath was completed in Fox Glacier.
- Council worked with the West Coast DHB to establish the new Hokitika Dental Services.

**Community Services**

- The Wildfoods Festival continued to be well patronised with 15,267 (18,389 in 2005) people at the event.
- Council grants to community organisations totaled \$222,421 and included \$76,500 to Tourism West Coast, \$25,000 to St. John Ambulance, Hokitika to assist with building the new ambulance station and \$31,000 to Sport West Coast.
- The Hokitika indoor swimming pool has new pod covers and repairs have been made to the showers and pod fittings.
- The Library installed new shelving and seating to improve its facilities and services and upgraded its systems during the year.
- Aerial photos were taken of the smaller townships to enhance our Information Services.

**Westland Holdings Limited and Group**

- Council controlled trading organisations operated better than budgeted with Westroads returning an after tax surplus of \$428,000 (estimate \$410,000) and Hokitika Airport Limited broke even (estimate \$57,000 deficit).

## Financial Summary

Council reported a Net Surplus after tax of \$374,000, for the year ended 30 June 2006, more than \$347,000 above that estimated, while the group net operating surplus of \$663,000 reflected the positive trading results of the Council owned companies. The surplus was mainly due to Council receiving infrastructural assets vested in it from land subdivisions and revenues from activities associated with the building and subdivision processes which had higher levels of activity than anticipated. Costs associated with maintaining and improving Sewerage and Wastewater Systems and provided Waste Management facilities were all greater than estimated.

\$3,783,000 was expended on purchases of fixed assets and capital/renewals expenditure during the year which was funded from rates and reserves. No external loans were raised by Council during the period.

Parent Actual 2004/05 \$,000		Parent		Group	
		Actual 2005/06 \$,000	Budget 2005/06 \$,000	Actual 2005/06 \$,000	Actual 2004/05 \$,000
	<b>Statement of Financial Performance</b>				
11,417	Total Operating Revenue	12,031	10,071	17,234	15,973
11,131	Total Operating Expenditure	11,767	10,044	16,182	15,416
286	Net Surplus before Tax	264	27	1,052	557
99	Income Tax Receivable/(Expense)	110	0	(389)	(53)
<b>385</b>	<b>Net Surplus after Taxation for the period ended 30 June 2006</b>	<b>374</b>	<b>27</b>	<b>663</b>	<b>504</b>
	<b>Statement of Movements in Equity</b>				
274,548	<b>Equity at Start of Year</b>	274,933	267,688	274,799	274,275
385	Net Surplus for the year	374	27	663	504
0	*Increase in Revaluation Reserve	21,616	2,000	21,616	0
385	Total Recognised Revenue and Expense	21,990	2,027	22,279	504
<b>274,933</b>	<b>Equity at End of Year</b>	<b>296,923</b>	<b>269,715</b>	<b>297,078</b>	<b>274,779</b>
	*This increase is due to the revaluation, at net current value, of land and buildings as at 30 June 2006 for accounting purposes.				
	<b>Statement of Financial Position</b>				
5,951	Current Assets	3,717	9,739	5,063	7,367
278,228	Non Current Assets	301,583	269,265	302,170	278,102
<b>284,179</b>	<b>Total Assets</b>	<b>305,300</b>	<b>279,004</b>	<b>307,233</b>	<b>285,469</b>
3,085	Current Liabilities	5,260	3,092	6,400	4,127
6,161	Non Current Liabilities	3,117	6,197	3,775	6,563
9,246	<b>Total Liabilities</b>	<b>8,377</b>	<b>9,289</b>	<b>10,175</b>	<b>10,690</b>
<b>274,933</b>	<b>Total Ratepayer Equity</b>	<b>296,923</b>	<b>269,715</b>	<b>297,058</b>	<b>274,779</b>
	<b>Statement of Cashflows</b>				
1,651	Net Cashflow from Operating Activities	2,169	5,359	3,711	2,333
(5,134)	Net Cashflow from Investing Activities	(3,682)	(3,111)	(5,202)	(6,110)
(6)	Net Cashflow from Financing Activities	(1,207)	(1,232)	(918)	266
(3,489)	Net Increase/(Decrease) In Cash Held	(2,720)	1,016	(2,409)	(3,511)
7,910	Opening Cash Balance	4,421	7,523	4,635	8,146
<b>4,421</b>	<b>Closing Cash Balance</b>	<b>1,701</b>	<b>8,539</b>	<b>2,226</b>	<b>4,635</b>

The above figures have been taken from the full audited Annual Report of the Westland District Council for the year ended 30 June 2006 which was adopted and approved for issue by Council on 1 November 2006. An unqualified audit opinion was received.

## **Accounting Policies**

### **Reporting Entity**

The Westland District Council is a territorial local authority governed by the Local Government Act 2002. The reporting entity consists of the parent, Westland District Council, while the group also includes the activities of Westland Holdings Limited which is owned 100% by the Council, and owns Westroads Limited, Westroads Greymouth Limited and Hokitika Airport Limited.

The Financial Statements and Group Financial Statements of the Westland District Council have been prepared in accordance with the requirements of section 98 of the Local Government Act 2002 which includes the requirement to comply with generally accepted accounting practice. The results of Westland Holdings Limited and Hokitika Airport Limited included in the consolidated financial statements have not been audited but Council does not believe they contain any material mis-statement that may affect the understanding of the consolidated financial statements.

### **Measurement Base**

Council has adopted historical cost as the measurement base, modified by the revaluation of certain assets.

### **Changes in Accounting Policies**

There have been no changes in accounting policies since the date of the last audited financial statements. The policies have been applied on a basis consistent with prior years.

### **Contingent Liabilities**

Council has obtained judgment against FT Manufacturing for a sum of approximately \$628,000. While Council is pursuing the debt through a liquidator it is not able to estimate with any certainty the timing and quantum of any recoverable amount.

The group has the following contingent liabilities at 30 June 2006: Performance Bonds \$60,000, Mining Bonds \$18,000.

### **Commitments**

Council commitment to projects where contracts have been entered into but goods or services have not yet been received total \$1,562,000 (2005 \$2,867,000) and were made up of operating leases \$159,000 (2005 \$132,000), non-cancelable contracts related to operating contracts with Westroads Limited for roading, water, sewerage and stormwater maintenance were \$1,403,000 (2005 \$2,735,000) and no capital commitments (2005 Nil).

Commitments for the Group totaled \$232,000 (2005 \$802,000) made up non-cancelable operating leases and no capital commitments or non-cancelable contracts (2005 \$569,000 capital commitments).

### **Post Balance Date Events**

Neither Council nor any of the Companies in the group are aware of any events occurring after balance date that could significantly affect the financial statements.

**AUDIT REPORT  
TO THE READERS OF WESTLAND DISTRICT COUNCIL AND GROUP'S. SUMMARY  
ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2006**

We have audited the summary annual report.

**Unqualified opinion**

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-39: Summary Financial Reports and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 31 October 2006, on:

- the full financial statements; and
- the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

**Basis of opinion**

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which include New Zealand Auditing Standards. Other than the audit and in conducting the audit of Long Term Council Community Plan, we have no relationship with or interests in the District Council.

**Responsibilities of the Council and the Auditor**

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.



KJ Boddy, Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
10 November 2006