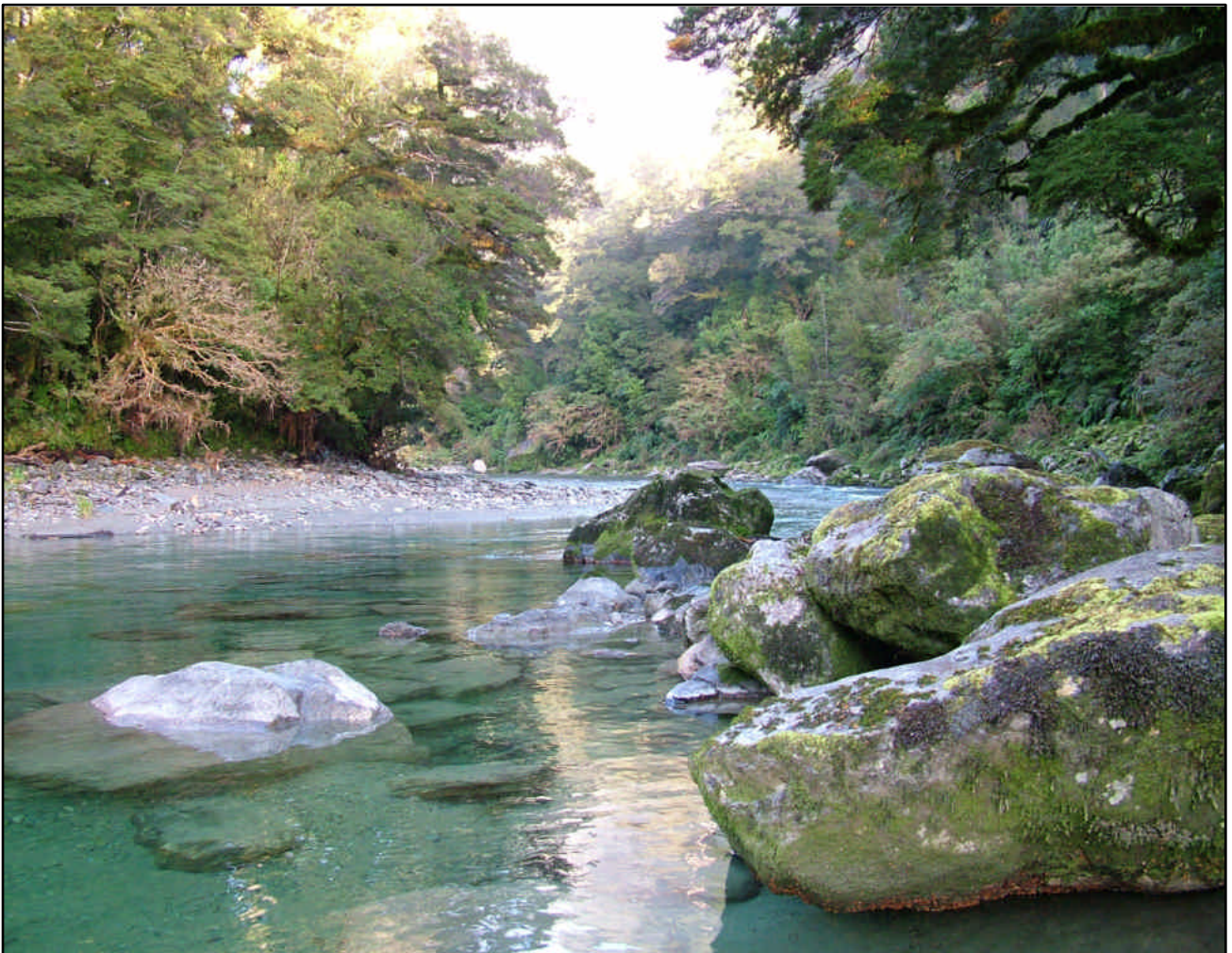




Annual Report



Jackson River, Haast

2005/2006

SUBJECT	PAGE
<u>Mayor's Report</u>	1 - 2
<u>Role of the Annual Report of Council</u>	3 - 5
<u>Introduction to Long Term Council Community Plan</u>	6 - 7
<u>Elected Members & Staff</u>	8
<u>Statistical Data</u>	9
<u>Council Financial Statistics</u>	10
<u>Report of the Audit Office</u>	11 - 12
<u>Statement of Compliance and Responsibility</u>	13
<u>Financial Statements</u>	
Statement of Accounting Policies	14 - 17
Statement of Financial Performance	18
Statement of Movements in Equity	19
Statement of Financial Position	20
Statement of Cashflows	21
Notes to the Accounts	22 - 30
<u>Statement of Service Performance</u>	
Governance	31 - 32
Planning and Regulatory	33 - 36
Roading	37 - 39
Water Supplies	40 - 42
Sewerage and Wastewater	43 - 44
Solid Waste Management	45 - 47
Other Operational Activities	48 - 50
Community Services	51 - 57
Westland Holdings Limited and Group	58 - 59
<u>Equal Employment Opportunity Policy</u>	60
<u>Assets of The District</u>	61

MAYOR'S REPORT

Thank you for your interest in reading this Annual Report for the 2005/06 financial year. Council has completed its first fully audited Long Term Council Community Plan (LTCCP) which sees us forecasting our financial commitments for the next ten years. The LTCCP process proved to be an intense administrative experience but we are now confident that we have good planning systems in place that have been scrutinised in depth by Audit New Zealand. The Activity Management Plans, which form the backbone of the LTCCP, attracted 201 submissions from members of the community and key stakeholders which demonstrated the high level of interest our community has in the future direction of Westland.

Changes to the Building Act have seen our Building and Compliance staff learn to manage the new regulations. Council is aware that the higher level of compliance means an added cost to the industry and extra work for staff. This equates to added time involved in processing applications.

In a partnership between the West Coast DHB, Westland District Council and Jeremy Stevens a new dental clinic was established in Hokitika. Jeremy Stevens began his practice early in 2006 to fill a cavity in the services available in the town. The support of the locals will be critical in the long term viability of the practice.

The Cook Flat Road in Fox Glacier was sealed this year. During the tourist season this path is well used by pedestrians.

Changes to the Hokitika landfill are progressing with the construction of a new barn used for the recycling operations. This sees Hokitika move closer towards becoming a transfer station. The proposed new site at Butlers has been tested for suitability and Resource Consent applications are currently being actioned.

The development of Weld Lane in Hokitika was part of the Hokitika Concept Plan. It has provided an easy and attractive access between the business area and the beachfront. This project was started during this financial year and completed by the end of September. A photo of the completed project is on Page 2.

The Library continues to improve its facilities and service. New shelving and seating was purchased and the old shelving used by our rural libraries.

Council conducted a review of all community facilities throughout the district. This document will help guide Councillors in planning for the future amenities to be provided and funded in the long term in all of our towns.

Councillors have contributed a huge amount of time and effort over the year and have supported their respective communities with commitment. Thank you.

Regards



Maureen Pugh
Mayor

31 October 2006



**Stage One of Hokitika Concept Plan: Development of Weld Lane –
Access from Township to Beachfront**

ROLE OF THE ANNUAL REPORT OF COUNCIL

Purpose of this Annual Report.

The purpose of this annual report for the year ended 30 June 2006 is to compare the actual performance of Council for the year against what was forecast in the Community Plan adopted by Council on the 20 June 2005.

As the Community Plan for 2005/06 was prepared and adopted under section 93 of the Local Government Act 2002, the Act requires that the Annual Report for 2005/06 be prepared under section 98 of that Act. Section 111 of the Local Government Act 2002 includes the requirement to comply with generally accepted accounting practice.

Relationship to Key Documents.

Under the Act, a local authority must prepare and adopt these key documents:

- Revenue and Financing Policy (sec:102:4(a))
- Investment Policy (sec:102: 4 (c))
- Liability Management Policy (sec: 102: 4 (b))
- Annual plan (sec: 95)
- Annual report (sec: 98)
- Long Term Council Community Plan (sec: 93)
- Policy on Development Contributions or Financial Contributions (sec: 102: 4 (d))
- Policy on Partnerships with the Private Sector (sec: 102: 4 (e))
- Policy on the Remission and Postponement of Rates on Maori Freehold Land (sec: 102: 4 (f))
- Rates Remission and Postponements Policies (sec: 102: 5 (a),(b))

Overview

Council made significant progress during 2005/2006 toward the achievement of objectives and policies as set out in the Community Plan relating to its Revenue and Financing Policy Investment Policy and Liability Management Policy.

Details of achievement against the objectives and policy are set out below.

Revenue and Financing Policy

The Revenue and Financing Policy identifies significant activities of the Council and provides for the associated estimated future expenses, revenues, cash flows and other movements in the statement of financial position.

The general aim of the policy is to ensure that the Council has adequately considered and accounted for its future operations in accordance with the following six principles:

- prudent management of Council activities in the interest of the district and its inhabitants
- adequate provision for expenditure needs of the Council
- adequate consideration and assessment of benefits and costs of different options
- lawful funding mechanisms that on reasonable grounds can be considered as appropriate
- maintaining prudent levels of debt in accordance with borrowing management policy
- operating revenue to cover all projected operating expenses.

In 2005/2006 the Council was in year five of the Revenue and Financing Policy adopted in 2001/2002. The Policy will be reviewed as part of the 2006-2016 LTCCP.

The development of the Revenue and Financing Policy followed a three step process which, after setting out the functions that the Council performs, addressed the following issues:

- Why Council is involved in each activity and whether there are any alternatives to the way the service can be provided;
- Who benefits from each of the services provided;
- Who should pay for each of the services i.e., how much should come from user charges and how much from rates.

The following table summarises the level of public funding achieved for the year ended 30 June 2006.

The total level of funding, whether split between public and private, will always equal 100%. The table below discloses the public portion (or rate portion) of the funding of each significant activity, as a percentage of total revenue for the year for that activity.

Activity	Public		
	Target	Result	Note
Planning & Regulatory			
Animal Control	17%	13%	
Inspectorate & Regulatory	66%	52%	1
Resource Management	80%	60%	2
Civil Defence	100%	95%	
Community Services			
Elected Representative	100%	97%	
Reserves	90%	18%	3
Cemeteries	60%	55%	
Swimming Pool	100%	80%	4
Museum/Information Office	100%	99%	
Library	92%	92%	
Elderly Housing	0%	0%	
Operations			
Roading	98%	63%	5
Drainage	99%	100%	
Water Supplies	60%	100%	6
Waste Management	50%	66%	7
Sewerage Schemes	90%	72%	8
Rural Fire	100%	97%	
Town Amenities	100%	100%	
Toilets – Hokitika	100%	100%	
Toilets – Rural Townships	100%	100%	
Jackson Bay Wharf	20%	62%	9
Property - Commercial	0%	28%	10
- Community	95%	76%	11

1. **Inspectorate & Regulatory** – The 2005/06 Annual Plan budgeted for the public portion to be 46% due to increased revenue earned due to increased activity throughout the region.
2. **Resource Management** – Resource Consent fees totalled \$35,150 against a budget of \$16,000 for the financial year.
3. **Reserves** - Actual revenue of \$213,867 was greater than the estimate of \$23,000 due to the receipt of Reserve Contributions related to new subdivisions in the District of \$190,621.
4. **Swimming Pool** – Management of the pool is carried out by Council staff for the 2005/06 season, where previously the pool was operated by a contractor.
5. **Roading** - Expenditure on Roothing is subsidised by Land Transport New Zealand and operates under an approved programme. The revenue and financing policy has been adjusted as part of the LTCCP process.
6. **Water Supplies** - Metered Water Rates are levied are included in Targeted Rates. Metered Water Rates were considered to be operating revenue when the Revenue and Finance Policy was developed in 2002.
7. **Waste Management** – Cost associated with refuse site operation throughout the District were greater than budgeted.
8. **Sewerage Schemes** – Capital contributions received for new properties connecting to the Kaniere system totalled \$46,337 on a budget of \$14,000.
9. **Jackson Bay Wharf** – Revenue earned from wharf activities was significantly less than estimated when the Revenue and Finance Policy was developed.
10. **Commercial Property** - Costs associated with the initial set-up of Hokitika Dental Services and a loss on the disposal of property was the reason for this increase.
11. **Community Property** – Expenditure was greater than budgeted due to the painting of the RSA Building in Hokitika and increased insurance costs.

Investment Policy

This policy outlines why the Council holds various investments, what it does with the proceeds and how the investments are to be managed.

Equity Investments

Civic Assurance Limited

Shares are held in the above Companies to ensure that adequate investment arrangements are available at the lowest available cost.

Westland Holdings Limited

Westland Holdings is a wholly owned Council Controlled Organisation (CCO) formed on 24 July 2002; it holds 100% of the shares and assets in Hokitika Airport Limited and Westroads Limited.

Westroads Limited

Council will support the Westroads Board of Directors in the operation and management of the Company and to maximise its investment.

Hokitika Airport

To operate the Airport for the benefit of all users and obtain a competitive return on the leased land and buildings.

Financial Investment

Council's primary objective is the protection of its investment.

Credit risk is minimised by limiting investments to local authorities, registered banks, strongly rated SOE's and corporate entities within prescribed issuer and portfolio limits, while Business Development loans are secured over the assets of recipients.

Foreign Exchange Policy

Council does not borrow or enter into incidental arrangements within or outside New Zealand in currency other than NZ currency.

Cash Management

Surplus monies are placed on call or term deposits and operational, special and trust funds are clearly reflected in the general ledger.

Performance

Council reviews its commitment to the scheme annually.

Council supports the directors in the management of the company with the aim to maximise the benefits to Council and the ratepayers of Westland.

Council continues to consider Westroads Limited as an important investment.

Hokitika Airport Limited was formed from 1 July 2002 to operate the airport on a commercial and competitive basis.

As at 30 June 2006 Council's investments were as follows:

ASB Bank. \$7,941,439

Westland's Working Loans \$ 243,333. A provision for doubtful debts of \$232,336 is included in the financial statements related to the Forever Beech and W & K Logging loans.

Council invested surplus funds in 30 – 131 days call investments as required.

INTRODUCTION TO LONG TERM COUNCIL COMMUNITY PLAN (LTCCP)

The Local Government Act 2002 requires all local authorities to develop a LTCCP for their districts. These plans identify the directions or outcomes chosen by the community and the role of Council in achieving these outcomes. The plan also details the cost of Council's activities over the next 10 years. When developing and adopting a LTCCP the community must be consulted.

The Act requires Council to carry out a process once every 6 years of identifying the desired priorities of the residents and ratepayers of Westland for the current and future social, economic, environmental, and cultural well being of Westland District.

The outcomes identified will outline the expectation of the residents and communities within the District on how the activities of Council can assist in achieving the goal of developing and maintaining the social, economic, environmental, and cultural well being of Westland District both currently and in the future.

Council is required to consult widely with the Community and organisations within the District to identify these outcomes which will be the basis for the LTCCP covering the period commencing 1 July 2006 to 30 June 2016.

In the meantime legislation required Council to prepare a LTCCP for the year beginning 1 July 2004. Management have identified "interim community outcomes" which reflect our understanding of the community expectations based on Westland Districts existing "*A Vision for Westland Statement*". This plan is a transitional document covering the two years to 30 June 2006.

Community Outcomes

The five interim community outcomes that Westland District will aspire to 30 June 2006 were:

1. **AN EDUCATED, HEALTHY AND SAFE WESTLAND**
People who possess the skills and ability to achieve their goals in a District where crime and city pressures are less significant.
2. **LIVE IN A VIBRANT COMMUNITY AND THRIVING ECONOMY**
People who are proud of their District, their quality of life and possess a strong community spirit. Westland's economy provides a wide range of business and employment opportunities. A robust economy assists the community to develop and expand.
3. **NATURAL VALUED ENVIRONMENT**
Westland possesses healthy indigenous ecosystems with locations where the environment is pristine. Caring for this environment balances the rights of individuals with sustainable development. Parts of our environment are protected because they are so special.
4. **SERVICED AND SUPPORTED COMMUNITIES**
The provision of services that enable the community and economy to function effectively. Council and other agencies provide these services. The provision of an effective transportation system throughout the District with reliable infrastructure systems that support inhabitants, community groups and visitors alike.
5. **ACCESSIBLE LEADERS WORKING TOGETHER**
Decision making of representation is in support of our communities. Decision makers are accessible to the people and community groups of Westland.

COUNCIL'S ROLE IN ACHIEVING THESE OUTCOMES

The plan sets out Westland District Council's contribution in creating an environment where the District can achieve the stated mission of making Westland a better place to live in for its residents and ratepayers.

The plan sets out what Council is planning over the next 10 years and provided additional detail on the planned activities for the 2005/06 years and the costs associated with these activities.

Interim community outcomes are achieved when Council and other organisations within the district undertake activities that provide a community service or output.

Westland District Council will contribute to achieving the interim community outcomes by undertaking the following services or outputs:

<u>Interim Community Outcomes</u>	<u>Service/Output</u>	<u>Current Activities of Council</u>
1. An educated, healthy and safe Westland.	Provision of Community Facilities.	Parks and reserves, community buildings, museum, swimming pools, library, safer community council.
	Provide housing for the elderly in the community.	Elderly housing.
	Be prepared in case of emergency.	Civil Defence, rural fire, flood warning systems foreshore and river protection.
	Promotion of a working relationship with local Runanga	Support for Te Runanga O Makaawhio and Ngati Waewae
2. Live in a vibrant community and thriving economy.	Provision of funding that will assist in the development of Westland.	Tourism West Coast, Community promotion groups, Business Development Unit, Events Department, and Information Office.
	Participate in strategic investments.	Council owned companies, Jackson Bay Wharf, Airports.
3. Natural valued environment.	Provision of regulatory services reflecting the needs of the community.	Environmental health, building and resource management, monitoring of consents and licences.
	Provision of open spaces.	Parks and reserves, Foreshore, Westland Nature Trust.
	Animal Control.	Dog Registration, stray animals.
4. Serviced and supported communities.	Provision of a sound and improving infrastructure.	Roads, Water Supplies, Sewerage and Wastewater, Stormwater, Solid Waste Management, Public Conveniences, Cemeteries, Commercial Property, Footpaths and Street Lights.
5. Accessible leaders working together.	Provision of sound democratic processes.	Local Government, Community Groups, Policy Development, Meeting and Advocacy.

Several outputs may contribute to one outcome and similarly one output may contribute to the achievement of more than one outcome.

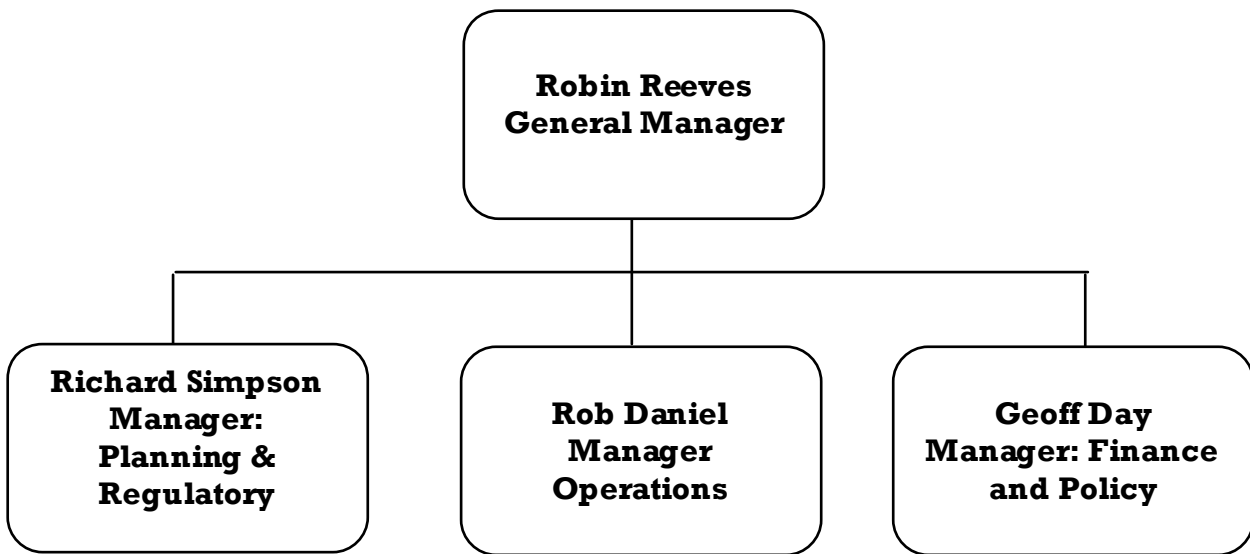
ELECTED MEMBERS & STAFF

MAYOR (elected by District residents)	<i>Maureen Pugh</i>	<i>(03)736 9843</i>
---	---------------------	---------------------

DEPUTY MAYOR	<i>Bryce Thomson</i> (Southern Ward)	<i>(03) 753 3138</i>
---------------------	---	----------------------

COUNCILLORS (elected by Ward residents)		
Northern Ward	<i>Neil Bradley</i> <i>Allan Payn</i> <i>Ian Hustwick</i> <i>Barbara Duckett</i>	<i>(03) 755 7279</i> <i>(03) 736 9878</i> <i>(03) 755 8003</i> <i>(03) 755 6467</i>
Hokitika Ward	<i>Sue Fraser</i> <i>Russell Gugich</i> <i>Peter Davidson</i> <i>Kyle Scott</i>	<i>(03) 755 7257</i> <i>(03) 755 6559</i> <i>(03) 755 7461</i> <i>(03) 755 6581</i>
Southern Ward	<i>Gary Blackburn</i> <i>Tony Condon</i> <i>Kerry Eggeling</i>	<i>(03) 523 9859</i> <i>(03) 751 0895</i> <i>(03) 750 0848</i>

MANAGEMENT TEAM



STATISTICAL DATA

Date of Constitution of District	⇒	1 November 1989
District Office	⇒	36 Weld Street Hokitika
Postal Address	⇒	Private Bag 704 HOKITIKA
Communications	⇒ ⇒ ⇒ ⇒	Phone (03) 756 9010 Fax (03) 756 9045 Email: council@westlanddc.govt.nz Website: www.westland.co.nz
Auditor	⇒	Audit New Zealand on behalf of the Auditor-General
Bankers	⇒	ASB Bank - Hokitika
Solicitors	⇒	Elcock & Johnston, Hokitika
Insurance Broker	⇒	Jardine Risk Consultants Ltd
Population - Census Night (2001)	⇒	10,200
- Resident in District	⇒	7,940
Area	⇒	1,140,000 ha
No. of Rateable Assessments	⇒	5,988
Rateable Capital Value as at 30 June 2006	⇒	\$1,534,962,750
Rateable Land Value as at 30 June 2006	⇒	\$840,476,950
Date of Last Valuation	⇒	1 September 2005
Date of Next Valuation	⇒	1 September 2008
System of Rating		
General	⇒	Land Value
Waste Management	⇒	Capital Value
Public Debt Outstanding at 30 June 2006	⇒	\$5,897,274

COUNCIL FINANCIAL STATISTICS

	Actual 2005/06	Estimate 2005/06	Actual 2004/05
Proportion of general rates to total income	29%	34%	29%
Average general rates per rateable property	\$594	\$595	\$573
Public Debt (as a percentage of fixed assets)	2.04%	2.73%	2.67%
*Public Debt (per rateable property)	\$988	\$1,225	\$1,214

* The loan raised to capitalise Westland Holdings Limited of \$5,800,000 inflates this amount. Actual loans raised for infrastructure improvements amount to \$16 per rateable property.

COUNCIL FIVE-YEAR FINANCIAL PERFORMANCE SUMMARY

	2005/06 \$'000	2004/05 \$'000	2003/04 \$'000	2002/03 \$'000	2001/02 \$'000
Rates – General	3,545	3,353	3,320	3,268	3,203
Net surplus (deficit)	374	385	1,895	(1,984)	(2,058)
Working Capital	(1,543)	2,866	6,780	7,486	1,246
Public Debt	5,897	7,104	7,110	7,116	1,321
Total Assets	305,300	284,179	284,166	277,401	271,925

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

The Auditor-General is the auditor of Westland District Council (the District Council) and group. The Auditor-General has appointed me, K J Boddy, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2006, including the financial statements.

Unqualified opinion

In our opinion:

- The financial statements of the District Council and group on pages 14 to 59:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the District Council and group's financial position as at 30 June 2006; and
 - the results of operations and cash flows for the year ended on that date.
- The service provision information of the District Council and group on pages 31 to 59 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 31 October 2006, and 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 the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2006. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for preparing the information in the other requirements. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, and financial accounting assistance in the preparation of the consolidated financial statements of Westland Holdings Limited, we have no relationship with or interests in the District Council or any of its subsidiaries.



K J Boddy
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Westland District Council for the year ended 30 June 2006 included on Westland District Council's web site. The Council is responsible for the maintenance and integrity of the Westland District Council's web site. We have not been engaged to report on the integrity of the Westland District Council's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 31 October 2006 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

1. The Mayor and General Manager certify on behalf of Council that all statutory requirements relating to the Annual Report have been complied with.

Responsibility

2. The Council and management of Westland District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.
3. The Council and management of Westland District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
4. In the opinion of the Council and management of Westland District Council, the annual Financial Statements for the year ended 30 June 2006 fairly reflect the financial position and operations of Westland District Council.



Mayor
Maureen Pugh
Date: 31 October 2006



General Manager
Robin Reeves
Date: 31 October 2006

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Westland District Council ("Council") is a Territorial Local Authority governed by the Local Government Act 2002. It was formed in November 1989 from the amalgamation of Westland County Council and Hokitika Borough Council.

Council's operations are divided into the following areas:

- Governance
- Planning & Regulatory Services
- Roading Services
- Water Supplies
- Sewerage and Wastewater
- Solid Waste Management
- Other Operational Activities
- Community Services

The Group comprises: Westland District Council, Westland Holdings Limited, Westroads Limited, Westroads Greymouth Limited, and Hokitika Airport Limited.

On 1 January 1995, Westroads Limited was established as a Council Controlled Trading Organisation. Westroads Greymouth Limited is a wholly owned subsidiary of Westroads Limited.

Hokitika Airport Limited was established as a Council Controlled Trading Organisation in March 2002.

Westland Holdings Limited was capitalised in 2003 and the shares and assets of Westroads Limited and Hokitika Airport Limited transferred from Council ownership. The operations of these Council Controlled Trading Organisations have been consolidated into the financial statements.

Westland Holdings Limited is owned 100% by Council.

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.

Measurement Base

Council has adopted Historical Cost as the measurement base, modified by the revaluation of certain assets, where appropriate.

Basis of Consolidation

The consolidated financial statements are prepared by adding together the corresponding assets, liabilities, revenues and expenses on a line by line basis. All significant inter-entity transactions are eliminated on consolidation.

Budget Figures

The budget figures are those approved by Council at the beginning of the year as part of the Community Plan process. They are prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Revenue

Rates and levies are recognised by Council as being income on the due date of each instalment. Other revenue is recognised when it is invoiced. Dividends are recognised net of imputation credits.

Cost Allocation Policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

- **Criteria for Direct and Indirect Costs**
“Direct Costs” are those costs directly attributable to a significant activity.

“Indirect Costs” are those costs which cannot be identified in an economically feasible manner with a specific significant activity.
- **Cost Drivers for Allocation of Indirect Costs**
The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as staff numbers, items processed, and/or based on level of support provided to each activity.

Investments

All investments, including managed funds, are valued at the lower of cost and net realisable value with the exception of Civic Assurance Ltd shares which are stated at net asset backing.

Taxation Expense

Income tax expense is charged in the Statement of Financial Performance in respect of the current year's surplus after allowing for permanent differences.

Deferred taxation is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or income tax losses are only recognised when there is virtual certainty of realisation.

Fixed Assets

Fixed assets consist of the following categories:

1. Operational Assets

These include land, buildings, improvements, motor vehicles, plant and equipment, library collections, museum artefacts and Jackson Bay Wharf.

2. Restricted Assets

Restricted assets are those assets that cannot be disposed of because of legal or other restrictions and that provide a benefit of service to the community. These include land vested under the Reserves Act and endowments or other property held in trust for specific purposes.

3. Infrastructural Assets

Infrastructural assets are the fixed utility systems owned by the Council. These include the roading, water, sewer, stormwater networks. Land under roads has been recognised in the financial statements.

All assets are valued at historical cost, except for the following:

Valuation

All valuations are carried out on a five yearly cycle by independent qualified valuers.

1. Land and Buildings

Operational, restricted and infrastructural land has been valued at net current value by Quotable Value NZ as at 30 June 2006. Council buildings, excluding pump stations, Treatment Plant buildings and other infrastructure assets, have been valued at net current value at 30 of June 2006 by Quotable Value NZ. This has been confirmed by Quotable Value NZ as being appropriate for external accounting purposes.

2. Infrastructural Assets

Roading infrastructural assets (including bridges) have been valued by Montgomery Watson registered valuers at depreciated replacement cost as at 30 June 2003. Sewerage, Water Supply and Stormwater infrastructural assets have been valued by BECA Valuations Ltd registered valuers at depreciated replacement cost as at 30 June 2004.

Land under roads was valued by Quotable Value New Zealand Ltd at 30 June 2002 based on the value and use of adjoining land.

Depreciation

Museum artefacts, operational land, restricted land and infrastructural land are not depreciated. Depreciation has been provided on a straight line basis on all other assets (except computer equipment and Motor Vehicles) at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Motor Vehicles and computer equipment are depreciated on a diminishing value basis.

Assets depreciated are as follows:

Assets	Depreciable life (years)
Operational	
Buildings	50
Furniture & Fittings	10
Motor Vehicles	5
Plant & Equipment (including computers)	3 – 10
Library Collection	8
Jackson Bay Wharf	30
Restricted	
Buildings	50
Infrastructural	
Roads	
Formation	N/A
Sub-base	N/A
Base Course	20-75
Surfacing (sealed)	5-15
Surfacing (unsealed)	5
Bridges	40-100
Box culverts/channels	50-100
Footpaths	40
Streetlights	10
Signs	8
Water	
Pipeline	60-80
Connections	60
Reservoirs & Tanks	20-50
Pump Stations	15-20
Sewer	
Pipeline	60-80
Manholes	50-60
Pump Stations	15-20
Oxidation Ponds	60-100
Stormwater	
Pipeline	60-80
Bank Protection	50-100
Manholes	50-60
Pump Stations	15-20
Runway	0-67

Account Receivable

Accounts receivables (debtors) are stated at expected realisable value after providing for doubtful and uncollectible debts.

Inventories and Work in Progress

Inventories and work in progress are valued at the lower of cost and net realisable value.

Employee Entitlements

Provision is made in respect of the group's liability for annual leave, long service leave and retirement gratuities. All provisions have been calculated on an actual entitlement basis at current rates of pay.

Operating Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Payments under these leases are charged as expenses in the period in which these are incurred.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council or group invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the group and record the cash payments made for the supply of goods and services.

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

Financing activities comprise activities that result in a change in the equity and debt capital structure of the Council and group.

Cost of Service Statements

The Cost of Service Statements, as provided in the Statement of Service Performance, report the net cost of services for significant activities of the Council and are represented by the costs of providing the service less all revenue that can be allocated to those activities.

Financial Instruments

The Council and group is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors and creditors and loans. All of these are recognised in the Statement of Financial Position. Revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Except for loans, which are recorded at cost and those items covered by a separate accounting policy, all financial instruments are shown at their fair value.

Goods and Services Tax

All amounts shown in the financial statements are exclusive of Goods and Services Tax, except for accounts receivable and accounts payable which are inclusive of GST.

Changes in Accounting Policy

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.

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2006

	Notes	Parent			Consolidated	
		Actual 2005/06 \$'000	Budget 2005/06 \$'000	Actual 2004/05 \$'000	Actual 2005/06 \$'000	Actual 2004/05 \$'000
Revenue						
Rates - General	15	3,545	3,450	3,353	3,480	3,240
- Targeted	15	1,164	1,143	994	1,164	994
- Metered Water	15	755	558	483	755	483
Petrol Tax		95	80	98	95	98
Interest		632	180	603	632	603
Dividends		95	270	202	0	2
Elected Representatives		17	0	30	17	30
Planning and Regulatory		393	356	492	393	492
Roading		2,238	2,283	2,039	2,238	2,039
Water Supplies		10	0	76	10	76
Sewerage and Wastewater		91	52	81	91	81
Solid Waste Management		165	152	138	165	138
Other Operational Activities		477	393	498	477	498
Community Services		1,345	1,154	1,238	1,345	1,238
Westland Holdings Limited		8	0	7	3	2
Hokitika Airport		0	0	0	231	167
Westroads		0	0	0	5,137	4,707
Vested Assets		1,001	0	1,085	1,001	1,085
Total Operating Revenue		12,031	10,071	11,417	17,234	15,973
Expenditure						
Interest Paid and Bank Charges		493	0	414	493	414
Elected Representatives		665	533	650	665	650
Planning and Regulatory		836	794	954	836	954
Roading		3,661	3,454	3,510	3,661	3,510
Water Supplies		972	987	977	972	977
Sewerage and Wastewater		453	416	417	453	417
Solid Waste Management		738	532	621	738	621
Other Operational Activities		1,145	1,027	1,183	1,145	1,183
Community Services		2,796	2,301	2,398	2,796	2,398
Westland Holdings Limited		8	0	7	26	7
Hokitika Airport Ltd		0	0	0	185	230
Westroads Ltd		0	0	0	4,212	4,055
Total Operating Expenditure		11,767	10,044	11,131	16,182	15,416
Total Surplus / (Deficit) Before Tax		264	27	286	1,052	557
Less Tax Expenses	10	110	0	99	(389)	(53)
Net Surplus / (Deficit) After Tax		374	27	385	663	504

STATEMENT OF MOVEMENTS IN EQUITY
For the year ended 30 June 2006

	Notes	Parent			Consolidated	
		Actual	Budget	Actual	Actual	Actual
		2005/06	2005/06	2004/05	2005/06	2004/05
		\$'000	\$'000	\$'000	\$'000	\$'000
Equity at Start of Year		274,933	267,688	274,548	274,779	274,275
Net Surplus / (Deficit) After Tax		374	27	385	663	504
Movement in Revaluation Reserve	6	21,616	2,000	0	21,616	0
Total Recognised Revenue and Expenses		21,990	2,027	385	22,279	504
Equity at End of Year		296,923	269,715	274,933	297,058	274,779

STATEMENT OF FINANCIAL POSITION As at 30 June 2006		Parent			Consolidated	
		Actual 2005/06 \$'000	Budget 2005/06 \$'000	Actual 2004/05 \$'000	Actual 2005/06 \$'000	Actual 2004/05 \$'000
<u>RATEPAYERS EQUITY</u>	Notes					
General Reserves	2	159,206	149,352	157,724	159,341	157,570
Special Funds	3	1,465	1,723	1,665	1,465	1,665
Separate Funds	4	(5,306)	(4,030)	(4,641)	(5,306)	(4,641)
Trusts and Bequests	5	219	210	212	219	212
Asset Revaluation Reserve	6	141,339	122,460	119,973	141,339	119,973
TOTAL RATEPAYERS EQUITY		296,923	269,715	274,933	297,058	274,779
Made up as follows:						
<u>ASSETS</u>						
<u>Current Assets</u>						
Bank		544	339	336	786	358
Short Term Bank Investments		822	7,897	3,772	1,152	4,064
Accounts Receivable	7	2,009	1,200	1,330	2,515	2,126
Inventories		0	0	0	268	306
Loan - Business Development		7	0	200	7	200
Waiho Relocation Investment		335	303	313	335	313
Total Current Assets		3,717	9,739	5,951	5,063	7,367
<u>Non Current Assets</u>						
Loans - Business Development	8	4	625	50	4	50
Work in Progress - Capital Projects		456	0	238	498	238
Investments	8	12,336	8,785	12,035	6,268	5,967
Fixed Assets	9	288,787	259,855	265,905	295,282	271,674
Deferred Tax	10	0	0	0	(4)	33
Total Non Current Assets		301,583	269,265	278,228	302,048	277,962
<u>INTANGIBLE ASSETS</u>						
Goodwill		0	0	0	31	35
Mining Licences		0	0	0	91	105
INTANGIBLE ASSETS		0	0	0	122	140
TOTAL ASSETS		305,300	279,004	284,179	307,233	285,469
<u>LIABILITIES</u>						
<u>Current Liabilities</u>						
Bank Overdraft		0	0	0	47	100
Accounts Payable and Accruals	11	1,747	1,780	1,585	1,838	1,877
Landfill Closure and Monitoring		240	0	91	240	91
GST		(50)	50	(19)	(50)	(19)
Employee Entitlements	12	227	0	157	492	404
Taxation Provision		0	0	0	74	0
Flexible Finance Loan		0	0	0	600	350
Current Portion Term Debt	13	3,032	1,207	1,207	3,094	1,232
Rates Received in Advance		64	55	56	64	56
Other Revenue in Advance		0	0	8	1	36
Total Current Liabilities		5,260	3,092	3,085	6,400	4,127
<u>Non-Current</u>						
Deferred Tax Liability		0	0	0	0	0
Term Debt	13	2,865	5,897	5,897	3,364	6,144
Employee Entitlements	12	61	100	74	220	229
Landfill Closure and Monitoring		191	200	190	191	190
Total Non-Current		3,117	6,197	6,161	3,775	6,563
TOTAL LIABILITIES		8,377	9,289	9,246	10,175	10,690
NET ASSETS		296,923	269,715	274,933	297,058	274,779

Maureen Pugh, Mayor
31 October 2006



Robin Reeves, General Manager
31 October 2006



STATEMENT OF CASHFLOWS
For the year ended 30 June 2006

	Actual 2005/06 \$'000	Parent Budget 2005/06 \$'000	Actual 2004/05 \$'000	Consolidated Actual 2005/06 \$'000	Consolidated Actual 2004/05 \$'000
<u>Cash Flow from Operating Activities</u>					
Cash was provided from:					
Rates	5,344	5,151	4,316	5,279	4,203
Grants & Other Sources	4,565	4,470	5,032	9,942	9,655
Income Tax Refunded	0	0	0	0	0
Interest Received	632	180	616	632	635
Dividends	95	270	202	0	2
Total Cash Inflows from Operating Activities	10,636	10,071	10,166	15,853	14,495
Cash was disbursed to:					
Suppliers & Employees	(7,890)	(4,172)	(7,774)	(11,223)	(11,441)
Interest Paid on Long Term Debt	(490)	(440)	(677)	(563)	(717)
Income Tax Expenses	1	0	0	(278)	60
Net GST Movement	(88)	(100)	(64)	(78)	(64)
Total Cash Outflows from Operating Activities	(8,467)	(4,712)	(8,515)	(12,142)	(12,162)
Net Cash Inflow from Operating Activities	2,169	5,359	1,651	3,711	2,333
<u>Cash Flow from Investing Activities</u>					
Cash was provided from:					
Disposal of Fixed Assets	356	250	801	621	692
Miscellaneous Sale of Investments	46	0	0	64	0
Total Cash Inflows from Investing Activities	402	250	801	685	692
Cash was disbursed to:					
Purchase of Fixed Assets	(3,783)	(3,361)	(3,188)	(5,786)	(4,055)
Miscellaneous Purchase of Investments	(301)	0	(2,747)	(101)	(2,747)
Total Cash Outflows from Investing Activities	(4,084)	(3,361)	(5,935)	(5,887)	(6,802)
Net Cash Outflow from Investing Activities	(3,682)	(3,111)	(5,134)	(5,202)	(6,110)
<u>Cash Flow from Financing Activities</u>					
Cash was provided from:					
Issue of Share	0	0	0	0	0
New Loans Raised	0	0	0	345	275
Contributions from Owners	0	0	0	0	0
Total Cash Inflows from Financing Activities	0	0	0	345	275
Cash was disbursed to:					
Cancellation of Shares	0	0	0	0	0
Repayment of Loans	(1,207)	(1,232)	(6)	(1,263)	(9)
Dividends Paid	0	0	0	0	0
Total Cash Outflows from Financing Activities	(1,207)	(1,232)	(6)	(1,263)	(9)
Net Cash Outflow from Financing Activities	(1,207)	(1,232)	(6)	(918)	266
Net Decrease in Cash	(2,720)	1,016	(3,489)	(2,409)	(3,511)
Add Opening Balance	4,421	7,523	7,910	4,635	8,146
Closing Cash Balance	1,701	8,539	4,421	2,226	4,635
Represented by:					
Cash and Bank	544	339	336	786	258
Short Term Deposits	1,157	8,200	4,085	1,487	4,377
Bank Overdraft	0	0	0	(47)	0
Total Closing Bank Balance	1,701	8,539	4,421	2,226	4,635

1. RECONCILIATION OF SURPLUS/(DEFICIT) TO OPERATING CASHFLOWS

	Parent		Consolidated	
	Actual 2005/06 \$'000	Actual 2004/05 \$'000	Actual 2005/06 \$'000	Actual 2004/05 \$'000
Net Surplus / (Deficit) After Tax	374	385	663	504
Add / (Less) Non Cash Items				
Amortisation of Goodwill	0	0	0	0
Assets Vested in Council - (Increase) / Decrease	(1,001)	(1,085)	(1,001)	(1,085)
Deferred Tax - (Increase) / Decrease	0	0	37	53
Depreciation	3,155	2,999	3,826	3,532
Employee Entitlement - Increase / (Decrease)	(13)	(28)	(9)	(168)
Investments Revaluation - (Increase) / Decrease	0	0	0	0
Total Non-Cash Items	2,141	1,886	2,853	2,332
Add / (Less) Movements in Working Capital				
Accounts Receivable - (Increase) / Decrease	(410)	(196)	(353)	(441)
Inventories - (Increase) / Decrease	0	0	38	(64)
Accounts Payable and Accruals - Increase / (Decrease)	87	(316)	313	(81)
GST - Increase / (Decrease)	(88)	(64)	(78)	(64)
Other Revenue in Advance - Increase / (Decrease)	8	0	(27)	47
Subvention Payment Payable - Increase / (Decrease)	0	0	140	0
Taxation Provision - Increase / (Decrease)	0	0	74	142
Working Capital Movement - Net	(403)	(576)	107	(461)
Add / (Less) Items Classified as Investing Activities				
Net (Gain) / Loss on Asset Sales	57	(44)	88	(42)
Movement in Fixed Asset Related Accounts Payable	0	0	0	0
Westroads Ltd	0	0	0	0
Hokitika Airport Ltd	0	0	0	0
Total Investing Activities Items	57	(44)	88	(42)
Net Cash Inflows from Operating Activities	2,169	1,651	3,711	2,333

	Notes	Parent		Consolidated	
		Actual 2005/06 \$'000	Actual 2004/05 \$'000	Actual 2005/06 \$'000	Actual 2004/05 \$'000
2. GENERAL RESERVES					
Opening Balance		157,724	155,872	157,570	155,599
Surplus/ (Deficit)		374	385	663	504
Transfers to Special Funds	3	(366)	(188)	(366)	(188)
Transfer from Special Funds	3	566	320	566	320
Transfers to Separate Funds	4	(3,515)	(2,856)	(3,515)	(2,856)
Transfer from Separate Funds	4	4,180	3,688	4,180	3,688
Transfers to Trusts and Bequests	5	(66)	(95)	(66)	(95)
Transfer from Trusts and Bequests	5	59	104	59	104
Transfer from Revaluation Reserve - Disposals	6	250	494	250	494
Closing Balance		159,206	157,724	159,341	157,570

3. SPECIAL FUNDS

Council Policy is to set aside funds during the year for special purposes e.g. a major construction project. These funds are distinguished from other Council funds and called 'Special Funds'. Movements in Special Funds for the year are analysed as follows:

Opening Balance		1,665	1,797	1,665	1,797
Transfers from General Reserves		366	188	(566)	188
Transfers to General Reserves		(566)	(320)	366	(320)
Closing Balance		1,465	1,665	1,465	1,665

4. SEPARATE FUNDS

Separate Funds are those which have been designated as being "self funding accounts". Revenue is charged by way of separate rates or user charges. Refuse, Pensioner Flats, Sewerage and Water Supply Accounts make up Council's separate funds. Council's Separate Fund Balances are currently overdrawn in aggregate. These have been funded from General Reserve Funds.

Movements in Separate Funds for the year are analysed as follows:

Opening Balance		(4,641)	(3,809)	(4,641)	(3,809)
Transfers from General Reserves		3,515	2,856	3,515	2,856
Transfers to General Reserves		(4,180)	(3,688)	(4,180)	(3,688)
Closing Balance		(5,306)	(4,641)	(5,306)	(4,641)

5. TRUST AND BEQUESTS FUNDS

Trust and Bequest funds relate to donation and bequest funds provided to Council by various people and organisations for specific projects. Each account has been set up as a separate account in the ledger to maintain a degree of independence from general Council funds. Payments made from these funds during the year are in accordance with the conditions of the trust or bequest.

Movements in Trust and Bequest Funds for the year are analysed as follows:

Opening Balance		212	221	212	221
Transfers from General Reserves		66	95	66	95
Transfers to General Reserves		(59)	(104)	(59)	(104)
Closing Balance		219	212	219	212

	Parent		Consolidated	
	Actual 2005/06 \$'000	Actual 2004/05 \$'000	Actual 2005/06 \$'000	Actual 2004/05 \$'000
6. ASSET REVALUATION RESERVE				
Opening Balance	119,973	120,467	119,973	120,467
Infrastructural Assets Revaluation	1,266	0	1,266	0
Other Assets Revaluation	20,350	0	20,350	0
Transfer to General Reserves - Disposals	(250)	(494)	(250)	(494)
Closing Balance	141,339	119,973	141,339	119,973
Made up as follows:				
Operational Assets Revaluation	16,608	3,087		
Infrastructural Assets Revaluation	116,736	115,470		
Restricted Assets Revaluation	7,995	1,416		
	141,339	119,973		
7. ACCOUNTS RECEIVABLE				
Other Receivables	440	222	1,061	1,033
Rates	858	738	858	738
Land Transport New Zealand	691	371	691	371
Westland Holdings Ltd	0	0	0	0
Hokitika Airport Ltd	0	0	0	0
Tax Loss Transfer Receivable	110	99	0	84
Provision for Doubtful Debtors	(90)	(100)	(95)	(100)
Total Receivables	2,009	1,330	2,515	2,126
8. LOANS AND INVESTMENTS				
ASB Managed Funds	6,241	5,940	6,241	5,940
Blue Spur Gold Mine Ltd	0	0	0	0
Civic Assurance Ltd	25	25	25	25
Forestry	2	2	2	2
Business Development Loans	243	832	243	832
Westland Holdings Ltd - Hokitika Airport Ltd	2,718	2,718	0	0
Westland Holdings Ltd - Westroads Ltd	3,350	3,350	0	0
Total Investments	12,579	12,867	6,511	6,799
Less Provisions for Loans	(232)	(582)	(232)	(582)
Total Non Current Investments	12,347	12,285	6,279	6,217
Less Current Assets				
Business Development Loans	7	200	7	200
Total Non Current Investments	12,340	12,085	6,272	6,017
Total Non Current Investments is represented by:				
Business Development Loans	4	50	4	50
Investments	12,336	12,035	6,268	5,967
Total	12,340	12,085	6,272	6,017

9. FIXED ASSETS AND DEPRECIATION

	Parent				Consolidated			
	Gross Carrying Value	Accumulated Depreciation	Net Carrying Value	Net Carrying Value	Gross Carrying Value	Accumulated Depreciation	Net Carrying Value	Net Carrying Value
	2005/06 \$'000	2005/06 \$'000	2005/06 \$'000	2004/05 \$'000	2005/06 \$'000	2005/06 \$'000	2005/06 \$'000	2004/05 \$'000
Operational Assets								
Land (Leased)	5,817	0	5,817	1,340	5,817	0	5,817	1,340
Land (Leased Airport)	3,292	0	3,292	819	3,292	0	3,292	819
Land (Operational)	6,274	0	6,274	1,576	6,274	0	6,274	1,576
Buildings	5,154	8	5,146	2,856	5,962	63	5,899	3,450
Furniture & Fittings	320	126	194	47	320	126	194	47
Plant & Machinery	0	0	0	0	6,604	3,125	3,479	2,848
Motor Vehicles	194	137	57	63	194	137	57	63
Computer Equipment	567	460	107	139	567	460	107	140
Office Equipment	361	274	87	92	601	473	128	143
Library Collections	716	561	155	147	716	561	155	147
Hokitika Airport	0	0	0	0	2,459	237	2,222	2,275
Jackson Bay Wharf	664	60	604	617	664	60	604	617
Museum Artefacts	158	0	158	158	158	0	158	158
	23,517	1,626	21,891	7,854	33,628	5,242	28,386	13,623
Infrastructural Assets								
Land	1,773	0	1,773	497	1,773	0	1,773	497
Buildings	304	4	301	260	304	4	301	260
Roading Network	178,816	3,883	174,933	173,634	178,816	3,883	174,933	173,634
Bridges	53,708	2,332	51,376	51,797	53,708	2,332	51,376	51,797
Water Supply	14,782	628	14,154	14,110	14,782	628	14,154	14,110
Drainage/Stormwater	6,503	390	6,113	6,184	6,503	390	6,113	6,184
Sewerage/Wastewater	6,726	319	6,407	6,516	6,726	319	6,407	6,516
	262,612	7,556	255,057	252,998	262,612	7,556	255,057	252,998
Restricted Assets								
Land	957	0	957	264	957	0	957	264
Public Buildings	1,787	0	1,787	1,176	1,787	0	1,787	1,176
Cemetery Buildings	40	2	38	29	40	2	38	29
Cemetery Land	861	0	861	160	861	0	861	160
Reserve/Recreation Land	5,385	0	5,385	1,095	5,385	0	5,385	1,095
Reserve/Recreation Buildings	1,946	22	1,924	1,591	1,946	22	1,924	1,591
Swimming Pools	905	18	887	738	905	18	887	738
	11,881	42	11,839	5,053	11,881	42	11,839	5,053
Total	298,011	9,224	288,787	265,905	308,124	12,840	295,282	271,674

	Parent		Consolidated	
	Actual 2005/06 \$'000	Actual 2004/05 \$'000	Actual 2005/06 \$'000	Actual 2004/05 \$'000
10. TAXATION				
Surplus/(Deficit) before tax	264	286	1,052	557
Prima facie tax @ 33%	87	94	347	184
Plus (less) tax effect:				
Permanent Differences	(200)	(125)	(225)	(228)
Tax losses not previously recognised	0	(20)	0	(20)
Prior Year Tax Losses Utilised	(110)	(99)	0	(0)
Prior Year Adjustment	6	117	6	117
Loss Benefit Not Recognised	138	(66)	261	0
Imputation Credit Adjustment	(31)	0	0	0
Tax Expense	(110)	(99)	389	53
Comprising:				
Current Tax	(110)	(99)	352	0
Deferred Tax	0	0	37	53
Tax (Credit)/Expense	(110)	(99)	389	53
Deferred Taxation				
Opening balance 1 July 2005	0	0	33	86
Current year movements	0	0	(37)	(53)
Closing balance 30 June 2006	0	0	(4)	33

The Group has tax imputation credits of \$424,000 available for use (2005: \$590,000).

11. ACCOUNTS PAYABLE AND ACCRUALS

Other Payables	595	923	1,322	1,494
Waiho Relocation Grants	303	303	303	303
Accrued Expenses	213	24	213	80
Westroads Ltd	636	335	0	0
Total Payables and Accruals	1,747	1,585	1,838	1,877

12. EMPLOYEE ENTITLEMENTS

Annual Leave	110	124	327	287
Long Service Leave	41	33	85	60
Retirement Gratuities	61	74	224	286
Redundancies	0	0	0	0
Accrued Salaries & Wages	76	0	76	0
Total Entitlements	288	231	712	633
Made up as follows:				
Current	227	157	492	404
Non Current	61	74	220	229
	288	231	712	633

13. TERM DEBT

Public Debt at Beginning of Year
 Loan Raised During the Year
 Loan Repayments Made During the Year

Total Entitlements

Made up as follows:

< 1 Year
 < 2 Years
 < 3 Years
 < 4 Years
 < 5 Years
 > 5 Years

	Parent		Consolidated	
	Actual 2005/06 \$'000	Actual 2004/05 \$'000	Actual 2005/06 \$'000	Actual 2004/05 \$'000
Public Debt at Beginning of Year	7,104	7,110	7,375	7,110
Loan Raised During the Year	0	0	345	275
Loan Repayments Made During the Year	(1,207)	(6)	(1,261)	(9)
Total Entitlements	5,897	7,104	6,459	7,376
Made up as follows:				
< 1 Year	3,032	1,207	3,093	1,232
< 2 Years	2,808	3,032	2,874	3,279
< 3 Years	44	2,808	116	2,808
< 4 Years	9	44	84	44
< 5 Years	4	9	190	9
> 5 Years	0	4	102	4
	5,897	7,104	6,459	7,376

Interest rates of between 3.5% and 10.5% are incurred. A full breakdown of Term Debt is attached as follows:

Security

Council loans are secured over either general rates of the District or Council assets.

A first debenture exists over the assets of the Westroads Limited Group. The debenture is held by the BNZ to secure the company's current and term lending facilities, amounting to \$1,330,000. There is also a mortgage over some of the land and buildings held in the subsidiary Westroads Limited. A Chattel Security has been granted to the BNZ over a Landfill Compactor owned by Westroads Limited.

	Parent		Consolidated	
	Actual 2005/06 \$'000	Actual 2004/05 \$'000	Actual 2005/06 \$'000	Actual 2004/05 \$'000
The group has the following facilities:				
Overdraft Facility	0	0	300	300
Committed Cash Advance Facility	0	0	755	755

Statement of Public Debt 30 June 2006

Loan Name	Maturity Date	Interest Rate	Balance 1 July 2005	New Loans Raised	Principal Repaid	Balance 30 June 2006
Hokitika Pensioner Housing						
Pensioner Flat 1957 - \$79,347.80	20-Feb-10	8.70%	37,387		6,262	31,125
Ross Pensioner Housing						
Pensioner Flat 1977 - \$14,000	15-Nov-17	3.50%	6,372		222	6,150
Hokitika Sewerage						
Sewerage 1971 - \$170,530	1-Feb-09	6.25%	25,000			25,000
Sewerage 1976 - \$273,360	1-Aug-06	9.50%	25,000			25,000
			<u>50,000</u>			<u>50,000</u>
Hokitika Water Supply						
Water Supply 1977	1-Nov-08	10.50%	10,000			10,000
Westland Water Supplies						
2001	15-Apr-06	6.60%	1,200,000		1,200,000	0
Westland Holding Ltd						
Capitalisation 2002	15-Feb-07	6.90%	3,000,000			3,000,000
	15-Aug-07	7.00%	2,800,000			2,800,000
			<u>5,800,000</u>			<u>5,800,000</u>
Total Council			7,103,759	0	1,206,484	5,897,275
Westroads Limited			271,739	345,000	54,543	562,196
Total Group			<u>7,375,498</u>	<u>345,000</u>	<u>1,261,027</u>	<u>6,459,471</u>

14. EXPENDITURE	Parent		Consolidated	
	Actual 2005/06	Actual 2004/05	Actual 2005/06	Actual 2004/05
Auditors - Annual Report Audit	84	48	154	78
- LTCCP Audit	33	0	33	0
- Other Services	0	0	3	0
Councillors Fees and Expenses	643	195	643	195
Interest Expenses	464	673	563	722
Rental & Operating Lease Costs	497	251	565	365
Lease Payments	163	108	163	108
Donations and Grants	203	238	203	238
Doubtful Loans Provision Movement	(360)	35	(357)	23
Bad Debts Written Off	582	21	583	21
Rates Written Off and Remitted	41	51	41	51
Depreciation	3,155	2,999	3,826	3,532
Loss/(Gain) on Asset Sales	57	(44)	88	(92)
Directors Fees	0	0	51	44

15. RATES

For the year ended 30 June 2006, Council's total rates income was \$5,466,600 (exclusive of GST). This amount is made up of:

	Actual 2005/06 \$'000	Actual 2004/05 \$'000
General Rates and Penalties	3,545	3,353
Targeted Rates – Solid Waste Management	386	368
- Water Supplies	454	343
- Sewerage	324	283
- Metered Water	755	1,477
Total Rates Levied	5,464	4,830

16. RATES DEBTORS

At 30 June 2006 rates debtors amounted to \$ 857,722 (inclusive of GST) as follows:

	Actual 2005/06 \$'000	Actual 2004/05 \$'000
Opening Balance at 1 July	738	704
Net Rates invoiced 2005/06 (including penalties)	5,309	4,914
	6,047	5,618
Cash in advance at 30 June 2006	64	56
Cash received 2005/06	5,125	4,824
	5,189	4,880
Closing Balance at 30 June 2006	858	738

17. CONTINGENT ASSETS AND LIABILITIES

Council has obtained judgement against a loan guarantor for a sum of approximately \$628,000. While Council is pursuing recovery, it is unlikely that any portion of the debt will be recovered. (2005 - \$628,000).

Contingent Liabilities Nil. (2005 – Nil).

The group had the following contingent liabilities as at 30 June 2006:

Performance Bonds	60
Mining Bonds	18

The group has no contingent assets beyond that shown for Council.

	Parent		Consolidated	
	Actual 2005/06 \$'000	Actual 2004/05 \$'000	Actual 2005/06 \$'000	Actual 2004/05 \$'000
18. COMMITMENTS				
<u>Capital commitments approved and contracted</u>	0	0	0	569
<u>Non-cancellable operating lease commitments</u>				
Not later than one year	60	64	104	108
Later than one year and not later than two years	42	34	70	62
Later than two years and not later than five years	57	33	58	61
Later than five years	0	1	0	2
	<u>159</u>	<u>132</u>	<u>232</u>	<u>233</u>
<u>Other non-cancellable contracts</u>				
The Council has entered into non-cancellable contracts with Westroads Ltd for roading, water, sewerage, and stormwater maintenance. Details of the commitments under these contracts are as follows:				
Not later than one year	234	1,274	0	0
Later than one year and not later than two years	234	239	0	0
Later than two years and not later than five years	701	611	0	0
Later than five years	234	611	0	0
	<u>1,403</u>	<u>2,735</u>	<u>0</u>	<u>0</u>
Total Commitments	1,562	2,867	232	802

All figures are shown as GST inclusive.

19. STATEMENT OF SEVERANCE

No severance payments were paid by Council during the year ended 30 June 2006 (2004/05 nil).

20. FINANCIAL INSTRUMENTS

Credit Risk

The Westland District Council has minimal credit risk in its holdings of financial instruments. These financial instruments include bank balances and accounts receivable.

The maximum exposure to credit risk at balance date is the fair value of the instruments as stated in the Statement of Financial Position. The major contribution of credit risk with respect to debtors is the amount due from Land Transport New Zealand of \$643,623.14 (inclusive of GST) for roading subsidies. This has been fully received subsequent to balance date. Significant concentrations of credit risk apply in respect of cash. Westland District Council reduces the risk by investing with high credit rating institutions.

Fair Value

The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Currency Risk

The Council has minimal currency risk given that financial instruments are transacted in New Zealand dollars.

Interest Risk

Interest rate risk is minimal as term liabilities have fixed interest rates. In the case of Housing for the Elderly loans however, interest rates are reviewable at either annual or three yearly intervals and will be reviewed to market interest rates current at that time. Interest rate risk on investments is minimal as prudent rates have been obtained.

21. REMUNERATION SCHEDULE

General Manager

The General Manager of the Westland District Council appointed under Section 42 (1) of the Local Government Act 2002 received a salary of \$140,500(2005 \$130,500).

In terms of his contract, he also received the following additional benefits:

	\$
Telephone Rental	431
Expenses Allowance	1,000
Professional Allowances/Fees	410
Motor Vehicle (including Fringe Benefit Tax)	10,248

For the period ended 30 June 2006 the total annual cost to the Westland District Council is calculated at \$152,589(2005 \$147,050).

Mayor and Councillors

Name of Elected Representative	Position	Total Salary & Allowances
M H Pugh (includes mileage paid of \$15,523)	Mayor	66,731
B Thomson	Deputy Mayor	21,002
A P Condon	Councillor	12,355
A Payn	Councillor	8,740
B Duckett	Councillor	8,662
G M Blackburn	Chairperson	12,550
I W Hustwick	Councillor	9,540
K J Eggeling	Councillor	11,845
K R Scott	Councillor	9,458
A N Bradley	Councillor	9,220
P J Davidson	Councillor	9,418
R F Gugich	Chairperson	9,490
S J Fraser	Chairperson	<u>9,470</u>

TOTALS 2005/2006 YEAR

\$198,481

22. TRANSACTION WITH RELATED PARTIES

The major related parties' transactions are with Westroads Limited and Hokitika Airport Limited. The value of transactions between the Council and these companies are as follows:

	2005/06 \$'000	2004/05 \$'000
<u>Westroads Limited</u>		
Revenue earned	50	115
Expenditure charged	3,367	3,449
Accounts payable at 30 June 2006	636	335
Accounts receivable at 30 June 2006	4	103
Tax losses utilised	99	99
<u>Hokitika Airport Limited</u>		
Revenue earned	12	11
Expenditure charged	0	0
Accounts payable at 30 June 2006	0	0
Accounts receivable at 30 June 2006	0	0
<u>Westland Holdings Limited</u>		
Revenue earned	8	11
Expenditure Charged	0	0
Accounts payable as at 30 June 2006	0	0
Accounts receivable at 30 June 2006	0	0
Dividends received	80	200

EXPENDITURE

There were no related parties transactions with Councillors for the year ended 30 June 2006.

The group had the additional related party transactions as shown below:

	Transaction Amount		Transaction Balance	
	Actual	Actual	Actual	Actual
	2005/06 \$'000	2004/05 \$'000	2005/06 \$'000	2004/05 \$'000
M. J Fahey (Director, Westroads Limited)	1	7	1	0
P. M Cuff (Director, Westroads Limited)	7	9	7	9
D.M.J Havill (Director, Westroads Limited)	318	206	274	162
M.F. Bowes (Director, Hokitika Airport Limited)	1	0	1	0

23. EVENTS OCCURRING AFTER BALANCE DATE:

Council is not aware of any events occurring after the balance date that could significantly affect the financial statements.

GOVERNANCE

NATURE AND SCOPE

Council's elected representatives consist of the Mayor, and 12 Councillors; four each from the ridings of Northern, Hokitika and Southern. Council met on a monthly basis during the 2005/06 year. Because of the large area of the District, committee meetings are kept to a minimum where practicable.

All scheduled meetings are advertised in the West Coast Times and Greymouth Evening Star. Meetings are open to the public, except when occasional 'public excluded' matters are being discussed. Minutes and reports are available to the public on request.

OBJECTIVE

To hold all Council meetings in accordance with the Local Government Official Information and Meetings Act 1987.

Performance Indicator

Performance Result

Public notification of Council meetings at least 10 working days before each meeting.

⇒

Council meetings were advertised in the Grey Evening Star and West Coast Times in accordance with the Local Government Information and Official Meetings Act 1987.

Availability of agendas and reports from the District Council Office at least three working days prior to each meeting.

⇒

All Council and Committee Meetings agendas and reports were available to members at least three (3) working days prior to each meeting.

OBJECTIVE

To ensure Council meets its annual planning and reporting requirements as set out by the Local Government Act 2002.

Performance Indicator

Performance Result

Adoption of the 2004/05 Annual Report by 31 October 2005.

⇒

Not achieved due to delays in obtaining the information required to complete the financial statements. The 2004/05 Annual Report was adopted by Council on 17 November 2005.

Adoption of the Long Term Council Community Plan by 30 June 2006.

⇒

Not achieved. The Long Term Council Community plan was adopted by Council on 29 August 2006. Delays occurred in obtaining the Audit Opinion while information requested was being provided.

OBJECTIVE

Complete the operation of Council's activities within the approved budget for the 2005/06 year.

Performance Indicator

Performance Result

To operate Council's activities within the general rate requirement of \$532,568.

⇒

Not achieved. The cost to operate Council's activities was \$648,231 for the 2005/06 year with the administration costs associated with supporting Council \$115,663 greater than budgeted due to the servicing of Council meetings and workshops, and the preparation and audit of the LTCCP.

GOVERNANCE
COST OF SERVICE STATEMENT

	Actual 2005/06 \$'000	Budget 2005/06 \$'000	Actual 2004/05 \$'000
Operating Revenue			
Donations and Other Revenue	17.0	0.0	2.5
Elections	0.0	0.0	28.0
Total Revenue	17.0	0.0	30.5
Operating Expenditure			
Consultants and Legal Fees	63.8	10.0	17.8
Council and Meeting Expenses	412.0	337.0	392.7
Council Website	20.1	12.5	13.2
Elections	0.1	1.0	44.2
Honorarium and Fees	167.0	170.0	177.9
Other Operating Expenses	2.3	2.5	4.7
Total Expenditure	665.3	533.0	650.5
Net Cost of Activity	648.3	533.0	620.0
Capital Expenditure	0.3	0.0	5.6
Renew als Expenditure	0.0	0.0	0.0
Loan Repayments	0.0	0.0	0.0
Total Funds Required	648.6	533.0	625.6
Source of Funds			
Transfer (to) from Reserves	0.0	0.0	0.5
Loan Raised	0.0	0.0	0.0
Depreciation	1.2	0.0	1.1
General Rates/Other Income	647.4	533.0	624.0
Total Source of Funds	648.6	533.0	625.6

PLANNING AND REGULATORY

NATURE AND SCOPE

The major functions of the Planning & Regulatory Department are found within the Resource Management Act, Building Act, Health Act, Sale of Liquor Act and Local Government Act.

Day to day planning matters are dealt with by Council's staff and where a specialist expertise is necessary, the Council utilises the services of a Resource Management Consultant.

Council ensures that its statutory obligations to separate regulatory functions from non-regulatory functions are met by an extensive range of delegations to an Elected Member. The Councillor concerned has experience in Public Hearings and is responsible for all hearings associated with the provisions of the Resource Management Act and the Sale of Liquor Act. The delegations include provisions for co-opting others (elected and otherwise) to assist.

The provisions of the Building Act require the Department to undertake various inspections to ensure compliance with the New Zealand Building Code. Staff have appropriate knowledge and experience within the Building Industry. The Building Act 2004 is now enacted and work has been undertaken towards Council's accreditation as a Building Consent Authority. The Department is responsible for issuing Land Information Memoranda under the provisions of Section 44A of the Local Government Official Information and Meetings Act 1987.

The Council has various statutory obligations in terms of Environmental Health and has a contractual arrangement with Community and Public Health to undertake these responsibilities. Particular responsibilities undertaken relate to the inspection and assessment of premises registered under the provisions of the Health Act and the giving of advice to a wide range of service users. The Contractor also undertakes monitoring procedures relating to District Planning functions, in particular, noise. A new contract was not put in place and the terms and conditions of the existing contract continue to apply by agreement.

The District Licensing Agency is a statutory function under the provisions of the Sale of Liquor Act. The District Licensing Agency has a comprehensive delegation regime in place and a close liaison is maintained with other agencies such as the Police, community health personnel and the Liquor Licensing Authority.

The Department is responsible for dog control and registration under the Dog Control Act 1996. Dog control inputs will be from an external contractor with appropriate staff resources. Dog control is funded through dog registration fees. Dog owners in Hokitika and Kaniere paid \$55 to register each of their dogs while dog owners in other parts of the District paid \$40 for each dog. The different fee reflects the higher level of service requested and available in Hokitika and Kaniere. A sum of \$5,000 will come from general rates in recognition that dog control has district wide benefits. A new contract for the dog control service was put in place from 1 July 2004.

The Planning & Regulatory Department also manages the Westland District Civil Defence Organisation, employs a part-time Civil Defence Officer, and has access to a wide range of Civil Defence Volunteers. Civil Defence and Emergency Management Legislation has changed and a Regional Emergency Management Group has been formed. The District Council will continue to have a Civil Defence preparation and planning role. The Community Plan did not make any provision for the continuation of an enhanced monitoring regime at Franz Josef/Waiiau.

Funding continues to be held for the assessment of significant Natural Areas. It is not likely that there will be any identification and assessment of such areas until the proposed National Policy Statement on Biodiversity has been released to the public, understood by Council and adopted by Government.

PLANNING AND REGULATORY

OBJECTIVE

To conduct the quasi-judicial affairs of the Council in a clear and proper manner.

Performance Indicator

That the requirements of Section 39C of the Local Government Act 2002 will be met by keeping the Council's regulatory functions separate by comprehensive delegations to a specified experienced Councillor who has particular duties and delegations relating to hearings and certain decisions pursuant to the provisions of both the Sale of Liquor Act 1989, and the Resource Management Act 1991.

⇒

Performance Result

There were no hearings required to be held in relation to the provisions of the sale of Liquor Act 1989. There were 4 public hearings relating to Resource Consent applications. Three of those matters were dealt with by the Councillor appointed as a Hearings Commissioner. On each occasion the Councillor concerned heard the application alone. The fourth matter was dealt with by an independent Commissioner appointed for the purposes of hearing and determining an application for a Resource Consent in the name of the Council. The decision on this application was appealed to the Environment Court by a submitter. The appeal was settled by consent.

OBJECTIVE

To have 80% of Resource Consent applications determined within the statutory time limit.

Performance Indicator

That the time between the receipt and determination of 80% of all Resource Consent applications received, as shown on the Resource Consent tracking data, does not exceed 20 working days for non-notified applications and the various statutory time limits for notified applications.

⇒

Performance Result

147 non-notified Resource Consents (151 for the previous year) were processed to a decision during the year. 82 of those applications were dealt within the statutory time frame of 20 working days with the average number of processing days being 20.52 days (20.39 for the previous year). In addition, there were 9 applications that were subject to notification procedures. Five were completed within the statutory time frames. 56% of non-notified applications were determined in the statutory time frame and 55% of notified applications were dealt with in the statutory time frames.

OBJECTIVE

To have 95% of all Building Consent applications determined within the statutory time frame.

Performance Indicator

That the time between the receipt and determination of 95% of all Building Consent applications received, as shown on the Building Consent tracking data, does not exceed the criteria outlined in Regulation 6(1) of the Building Regulations 1992.

⇒

Performance Result

A total of 380 Building Consent applications (429 for the previous year) were dealt with during the year. 247 were dealt with in the statutory time frame of 20 working days (282 in the previous year). The average number of processing days was 18 working days with 65% determined within the statutory time frame. The year under review is the first complete year of working under the provisions of the Building Act 2004.

OBJECTIVE

To have 100% of Land Information Memoranda (LIM Reports) issued within the statutory time frame.

Performance Indicator

That the time between the receipt of an application for a Land Information Memorandum and the issue thereof does not exceed the time limit of 10 working days imposed by Section 44A of the Local Government Official Information and Meetings Act 1987.

⇒

Performance Result

A total of 351 Land Information Memoranda (472 for the previous year) were issued. The average processing time was 2 days (4 days for previous year) with 100% issued within the statutory time frame (96% for the previous year).

OBJECTIVE

To complete the activities of the Department for the 2005/2006 year within the approved budget.

Performance Indicator

That the Departmental activities will be completed without exceeding the total net budgeted cost of the activity of \$438,000.

⇒

Performance Result

The cost of operating the Department was \$443,436 for the year.

PLANNING AND REGULATORY
COST OF SERVICE STATEMENT

	Actual	Budget	Actual
	2005/06	2005/06	2004/05
<u>Revenue</u>			
Animal Control	62.2	56.0	59.6
Civil Defence	1.6	0.0	6.7
District Plan	0.0	0.0	115.4
Inspectorate and Regulatory	252.0	260.0	239.1
Land Planning and Resource Management	77.0	40.0	71.1
Total Revenue	392.8	356.0	491.9
<u>Expenditure</u>			
Animal Control	71.6	62.0	66.8
Civil Defence	34.2	31.0	46.7
District Plan	19.0	48.0	158.4
Inspectorate and Regulatory	520.5	479.0	446.8
Land Planning and Resource Management	190.9	174.0	234.9
Total Expenditure	836.2	794.0	953.6
<u>Net Cost of Activities</u>			
Animal Control	9.4	6.0	7.2
Civil Defence	32.6	31.0	40.0
District Plan	19.0	48.0	43.0
Inspectorate and Regulatory	268.5	219.0	207.7
Land Planning and Resource Management	113.9	134.0	163.8
Net Cost of Activity	443.4	438.0	461.7
Capital Expenditure	0.4	0.0	8.6
Renew als Expenditure	0.0	0.0	0.0
Loan Repayments	0.0	0.0	0.0
Total Funds Required	443.8	438.0	470.3
<u>Source of Funds</u>			
Transfer (to) from Reserves	3.9	40.0	8.6
Loans Raised	0.0	0.0	0.0
Depreciation	3.1	0.0	3.8
General Rates/Other Income	436.8	398.0	457.9
Total Source of Funds	443.8	438.0	470.3

ROADING

NATURE AND SCOPE

The Council maintains 706 kilometres of road and 269 bridges which have a total length of 3.7 kilometres. The total length of urban roads is 53 kilometres and rural roads are 653 kilometres. Fifty eight percent (58%) of roads are sealed.

Many of the roads have kerb and channel, footpaths, road marking, signage and streetlights which are administered by Council.

Land Transport subsidises around 65% of the Council's roading programme. (Note that the State Highway network is administered by Land Transport New Zealand, not Westland District Council).

Council continued to fund unsubsidised seal extension with \$60,000 budgeted for this year.

Westland District Council has approximately 299 kilometres of unsealed road pavement (42 % of Council's total length of road).

The Manager Operations, a Professional Engineer, manages the overall roading programme with the assistance of the Professional Services Business Unit for design, contract preparation and supervision. All road maintenance and construction is carried out by contractors. Contracted works are inspected to ensure compliance with standards specified in the contract.

External consultants are engaged to carry out analysis of the roading network under the RAMM system.

OBJECTIVE

To maintain, to at least current condition, Westland's roading system including road carriageways, bridges, kerbs, footpaths, sealing, signage, street lighting and any other roading furniture.

Performance Indicator

Maintain an ongoing complaints register which records all reported roading faults and remedies.

⇒

Performance Result

A directory of all reported roading faults was maintained by Business Unit staff detailing investigations and remedies taken.

Maintain a detailed inventory of bridges with all bridges inspected biannually.

⇒

A detailed inventory is maintained. All bridges are inspected every two years or following a significant flooding or seismic event. The last biannual inspection of bridges was completed in November 2005. All bridge inspections have been completed.

OBJECTIVE

To improve rough seal on roads where this can be economically justified.

Performance Indicator

To complete 0.5 kilometres of thin asphaltic surfacing in the Hokitika Central Business District, at a total cost of \$103,000 with \$61,800 being subsidised by Land Transport New Zealand and \$41,200 financed from rates.

⇒

Performance Result

No asphaltic surfacing was completed this year as this funding was used to complete additional maintenance chip sealing.

ROADING

OBJECTIVE

To carry out the maintenance of roads and bridges in accordance with the maintenance programme approved by Land Transport New Zealand.

Performance Indicator

Performance Result

Local Road Reseals

Maintenance chip sealing of 30 kilometres within the budget of \$412,000. Land Transport New Zealand share to be \$247,000 and the amount financed from rates \$165,000.

⇒ 26.70 kilometres of road formation was resealed in 2005/06 at a cost of \$413,328. Funding was from Land Transport New Zealand at \$247,200 and rates \$166,128.

Routine bridge repairs to be carried out within the budget of \$206,000. Land Transport New Zealand share to be \$123,600 and the amount financed from rates \$82,400.

⇒ The total cost of bridge maintenance was \$236,542. Funding was from Land Transport New Zealand at \$123,600 and rates \$112,942.

General pavement maintenance to be carried out within the budget of \$1,133,000. Land Transport New Zealand's share to be \$679,800 with \$453,200 financed from rates.

⇒ General pavement maintenance costs for the year totalled \$1,015,795. Funding was from Land Transport New Zealand at \$679,800 and rates \$335,995.

OBJECTIVE

To improve the safety of Council's roads throughout the District.

Performance Indicator

Performance Result

Minor safety projects work totalling \$192,280 to be performed on local roads with Land Transport New Zealand's share (70%) being \$134,596 and \$57,684 financed from rates.

⇒ Expenditure on minor safety on local roads totalled \$191,800 for the year. Funding was from Land Transport New Zealand at \$144,100 and rates \$47,700.

Minor safety project of \$34,960 carried out on special purpose roads and funded 100% by Land Transport New Zealand.

⇒ Expenditure on minor safety on special purpose roads totalled \$32,800. Funding was from Land Transport New Zealand.

Special Purpose Roads: Haast-Jackson Bay

General pavement maintenance totalling \$155,000 to be carried out within budget. To be 100% subsidised by Land Transport New Zealand.

⇒ The cost of general pavement maintenance on Haast Jackson Bay road was \$157,638 and was funded from Land Transport New Zealand.

Routine bridge repairs totalling \$62,000 to be carried out within budget. To be 100% subsidised by Land Transport New Zealand.

⇒ Bridge repairs on the Haast Jackson Bay road cost \$59,331 and was funded by Land Transport New Zealand.

Maintenance chip sealing of 5 kilometres totalling \$113,000 to be carried out within budget. To be 100% subsidised by Land Transport New Zealand.

⇒ 5.0 kilometres of road formation was resealed in 2005/06 at a cost of \$128,540 and was funded by Land Transport New Zealand.

ROADING
COST OF SERVICE STATEMENT

	Actual	Budget	Actual
	2005/06	2005/06	2004/05
	\$'000	\$'000	\$'000
Revenue			
Government Subsidies	2,212.6	2,283.0	2,013.8
Other Revenue	25.5	0.0	25.2
Total Revenue	2,238.1	2,283.0	2,039.0
Operating Expenditure			
Maintenance of Local Roads	1,061.2	966.0	883.5
Maintenance of Special Purpose Roads	65.9	195.0	93.5
Minor Safety Projects	0.0	227.0	0.0
Passenger Safety Subsidies	14.6	15.0	15.0
Loss of Service Potential	2,185.5	1,929.0	2,051.3
Professional Service Fees	330.7	0.0	282.3
Business Unit Deficit	3.2	122.0	184.8
Total Expenditure	3,661.1	3,454.0	3,510.4
Net Cost of Activity	1,423.0	1,171.0	1,471.4
*Capital Expenditure	424.2	60.0	319.0
Renew als Expenditure			
- Local Roads	1,203.9	1,644.0	1,172.6
- Special Purpose	401.1	285.0	246.3
Total Funds Required	3,452.2	3,160.0	3,209.3
Source of Funds			
Depreciation	2,185.5	1,929.0	2,062.3
Transfer from County Fund Reserve	60.3	60.0	0.0
General Rates/Other Income	1,206.4	1,171.0	1,147.0
Total Source of Funds	3,452.2	3,160.0	3,209.3

*Capital expenditure for 2005/06 relates to the installation of new culverts, the installation of guardrails on four bridges, the formation of new approaches to improve sight distance at the Arawhata Bridge and road widening at Stafford Street, Hokitika and Stafford Loop Road. All works were performed under Land Transport New Zealand approved programme to increase traffic safety throughout the District. Rural seal extension works of \$60,291 were also completed. This expenditure was included in the 2005/06 Annual Plan estimates under Minor Safety Projects and as part of the estimates for maintenance of Local and Special Purpose Roads.

WATER SUPPLIES

NATURE AND SCOPE

Ten water supplies are operated and maintained in Westland District. Council also provides non-potable reticulated water at Hannah's Clearing.

The Manager Operations, a Professional Engineer, manages the Water Supply programme with the assistance of the Professional Services Business Unit on design and supervision of work. Maintenance and construction work is carried out under contract.

The Hokitika, Franz Josef/Waiiau, Fox Glacier and Whataroa Water Supplies are treated and monitored for compliance with the Drinking Water Standards of New Zealand 2000.

Other supplies which are currently sourced from bush catchments or shallow underground wells or bores are not yet treated.

Strategy for Assessments of Water and Sanitary Services

Reason

The Council is required to carry out assessments of water and sanitary services within the District to the extent it considers the exercise provides value for money and meets the community outcomes desired.

Background

Council has good information on Council owned and operated assets and services, but limited information relating to those services privately owned and operated.

Council has already identified a number of smaller communities where it needs to investigate the quality of service to the area and the health risks associated either with the servicing being provided, or as a result of the absence of a public service in the area.

Council considers there is little value for the community by carrying out exhaustive assessments of all services across the district. It has therefore adopted the following strategy for assessments.

Service Being Assessed	Approach to be taken
Public water supplies	Assessed individually
Private water supplies across property boundaries	Assessed individually, except in the case of schools where government departments are responsible for assessments.
Absence of water supplies	Assessment of the risk associated with the absence of public water supply will be carried out in smaller communities where this has already been identified as a concern and other clusters of dwelling where a genuine concern can be substantiated.
Wastewater services	Assessment of the publicly owned and operated services will be carried out.
Absence of wastewater services	Assessment of the risk associated with the absence of a wastewater service will be carried out in smaller communities where a genuine concern can be substantiated.
Stormwater services	Assessment of all publicly owned and operated systems will be carried out. An assessment of the risk to the community through the absence of a system will be conducted if problems are brought to the attention of Council and considered significant.
Public conveniences	An assessment of all public conveniences across the district will be carried out.
Swimming pools and Dressing sheds	An assessment of publicly owned swimming pools and dressing sheds across the District will be carried out.
Cemeteries	An assessment of all publicly owned and operated cemeteries will be carried out. An inventory of privately managed cemeteries will be established.
Refuse collection and disposal services	No assessment of these services will be carried out as these are adequately covered under the Solid Waste Management Plan.

Assessments have been carried out as above and published as part of the Long Term Council Community Plan, which was adopted by Council on 28 August 2006.

Provision of Assessments

Assessments on Council owned and operated services will be provided as part of Council’s management service.

Collection of information and assessment of non Council services will be carried out by staff to a preliminary level. Communities are seeking in depth assessments of services, including detailed options, consultants will be engaged to carry out this work at additional cost to the community.

OBJECTIVE

To provide reliable water supply systems which meet accepted health standards.

Performance Indicator

Performance Result

Test all water supply systems monthly in accordance with the 2000 Drinking Water Standards for New Zealand.

⇒ All supply systems were tested at least monthly in accordance with the 2000 Drinking Water Standards for New Zealand.

Maintain 99% compliance with the bacterial requirements for the 2000 Drinking Water Standards for New Zealand on the Hokitika supply on a weekly basis. Other treated supplies to be tested monthly.

⇒ Hokitika Water Supply was tested weekly with Franz Josef, Fox Glacier and Whataroa supplies tested monthly for compliance with the 2000 Drinking Water Standards for New Zealand. All tests resulted in 100% compliance with the standards for T Coli and E Coli.

Samples taken from untreated water supplies tested in accordance with the 2000 Drinking Water Standards for New Zealand on a monthly basis.

⇒ Untreated supplies were tested monthly for compliance with the 2000 Drinking Water Standards. Results of these tests for 2005/06 were:

<u>Supply</u>	<u>Compliance</u>	
	<u>T Coli</u>	<u>E Coli</u>
Kumara	9%	100%
Arahura	27%	100%
Ross	9%	100%
Harihari	0%	18%
Haast	55%	82%

Maintain a log of all water supply faults and disruptions and remedies.

⇒ Business Unit staff maintained a log of all disruptions reported and the remedies taken for the year.

Restore water supply within 12 hours of disruption being reported or notified.

⇒ 14 disruptions occurred to the District’s Water Supplies during the 2005/06 financial year. All disruptions to supplies were restored within 12 hours.

To maintain water supplies in the District within the budgeted operating expenditure of \$987,723.

⇒ The cost of maintaining water supplies in the District was \$972,106 for the 2005/06 financial year.

WATER SUPPLIES
COST OF SERVICE STATEMENT

	Actual 2005/06 \$'000	Budget 2005/06 \$'000	Actual 2004/05 \$'000
Operating Revenue			
Revenue	10.1	0.0	75.6
Total Operating Revenue	10.1	0.0	75.6
Operating Expenditure			
Arahura	15.8	15.0	13.7
Fox Glacier	98.0	98.0	90.4
Franz Josef	119.3	121.0	95.1
Haast	23.5	30.0	20.4
Hannah's Clearing	50.4	32.0	29.9
Harihari	41.6	43.0	40.5
Hokitika	516.0	511.0	562.6
Kumara	26.6	35.0	29.0
Ross	34.4	35.0	32.3
Whataroa	44.5	67.0	63.2
Whataroa Rural	2.0	0.0	0.0
Total Operating Expenditure	972.1	987.0	977.1
Net Cost of Activity	962.0	987.0	901.5
*Capital Expenditure	363.0	175.0	589.1
Renew als Expenditure	0.0	240.0	81.7
Loan Repayment	1,200.0	95.0	0.0
Total Funds Required	2,525.0	1,497.0	1,572.3
Source of Funds			
Transfer (to) from Reserves	634.1	(232.0)	0.0
Loans Raised – Internal	363.0	415.0	437.9
Depreciation	318.8	305.0	308.6
Targeted Rates	453.7	451.0	343.1
Metered Water Rates	755.4	558.0	482.7
Total Source of Funds	2,525.0	1,497.0	1,572.3

*Capital expenditure includes a new reservoir at Franz Josef (\$144,600) to ensure the increasing demand from community continues to be met and the upgrade of the Tancred Street, Hokitika water main replacing obsolete pipes at a cost of \$75,000. Water main upgrades in Kumara and Franz Josef included the purchase and installation of new pipe work at a cost of \$56,000. All capital expenditure was carried out to increase the reliability of the District's supplies and ensure that health regulations are met. Water main replacements were shown as renewals in the estimates but are included in capital expenditure.

SEWERAGE AND WASTEWATER

NATURE AND SCOPE

The Council operates sewerage systems in Hokitika, Franz Josef, Fox Glacier and Haast. Sewage is treated by oxidation ponds before discharge to natural water.

The Manager Operations, a Professional Engineer, manages the sewerage systems programme with the assistance of the Professional Services Business Unit on design and supervision of work. Operation and maintenance is carried out by contractors.

OBJECTIVE

To collect and dispose of sewage in a manner which is environmentally acceptable and does not endanger public health.

Performance Indicator

Restore sewage disposal within 12 hours of a disruption being reported or notified.

⇒

8 disruptions to sewerage disposal facilities occurred in the District during 2005/06. All were repaired within 12 hours.

Monitor effluent from sewage treatment and disposal systems for compliance with resource consent conditions.

⇒

Monitoring was carried out on Council's sewerage treatment facilities throughout the year. Results of these which exceed the resource consent requirements were:

<u>Site</u>	<u># of Tests</u>	<u>Exceeded Limits</u>	<u>05/06</u>	<u>04/05</u>
Hokitika	48	17	35%	39%
Fox Glacier	43	14	33%	39%
Franz Josef	45	24	53%	35%
Haast	36	26	72%	69%

Testing is performed as requires by the resource consent held for each site.

At Hokitika, failures were associated with the heavy loading around the Wildfoods Festival and the increasing load associated with population growth. Measures to alleviate these problems are being developed at present (e.g. de-sludging of ponds, new circuit developments).

At the other three sites, suspended solids, ammonia and biological oxygen demand parameters exceed consents limited due to growth and increasing tourism demand. Designing additional facilities for growth and removing stormwater infiltration are both underway to improve the effluent quality at these sites.

Take action to alleviate a sewage overflow within two hours of pump failure alarm or notification.

⇒

0 sewerage over-flows occurred during the 2005/06 year.

Maintain a record of all faults, disruption and remedies.

⇒

Maintained by Business Unit staff as part of maintenance contract requirements.

To operate and maintain the Council's sewerage systems within the approved operating expenditure budget of \$415,567.

⇒

The cost to operate and maintain Council's Sewerage Systems for the 2005/06 financial year was \$361,709.

SEWERAGE AND WASTEWATER
COST OF SERVICE STATEMENT

	Actual 2005/06 \$'000	Budget 2005/06 \$'000	Actual 2004/05 \$'000
Operating Revenue			
Other Income	90.8	52.0	81.1
Total Revenue	90.8	52.0	81.1
Operating Expenditure			
Fox Glacier	30.3	33.0	26.1
Franz Josef	53.1	50.0	38.0
Haast	27.3	29.0	26.3
Hokitika	261.2	255.0	264.3
Kaniere	61.9	49.0	62.2
Ross	18.7	0.0	0.0
Total Expenditure	452.5	416.0	416.9
Net Cost of Activity	361.7	364.0	335.8
Capital Expenditure	26.1	0.0	0.0
Renew als Expenditure	26.0	45.0	45.9
Loan Repayments	0.0	25.0	0.0
Total Funds Required	413.8	434.0	381.7
Source of Funds			
Transfer (to) from Reserves	(101.6)	(85.0)	(80.1)
Loans Raised - Internal	26.1	45.0	0.0
Depreciation	165.1	161.0	178.4
Targeted Rates - General	308.2	282.8	270.7
- Kaniere Sew erage	16.0	30.2	12.7
Total Source of Funds	413.8	434.0	381.7

SOLID WASTE MANAGEMENT

NATURE AND SCOPE

Council aims to protect and safeguard Westland District's environment by ensuring refuse is reduced, managed and disposed of in a safe, efficient and sustainable manner. Council operates under a Waste Management Plan which was adopted on 21 March 2002. Westland District is a Zero Waste Council, and aims for zero waste to landfill by 2015.

A weekly kerbside refuse collection service is undertaken in Hokitika by contractors. A yearly oversized collection is also undertaken by contractors in Hokitika. These services are funded by a combination of targeted rates and user fees, including a charge per refuse bag.

Disposal of solid waste is to a number of landfills sited throughout the District. Sites are situated at Kumara, Hokitika, Harihari, Whataroa, Franz Josef/Waiiau and Haast. Refuse transfer stations utilising a bin system operate at Ross and Fox Glacier while free maxi bins are located at Otira and Lake Kaniere. All these bins are emptied by contractors, as required. All landfills and transfer stations are manned, gated and open for limited hours. All have current resource consents.

Recycling facilities are provided at Kumara, Hokitika, Ross, Harihari, Whataroa, Franz Josef/Waiiau and Fox Glacier and are being upgraded as finances allow. Council transports recyclable materials to Hokitika for baling and consignment to markets in Christchurch.

Council provides "pay to dispose" bins in Franz Josef/Waiiau and Fox Glacier, and free recycling bins in Franz Josef/Waiiau and Whataroa. These facilities are aimed at passing tourist traffic.

Waste diversion focuses on green waste, cardboard and plastic at Hokitika, the largest site in the district. At other smaller recycling facilities, cardboard and plastics are the main recycling focus, along with providing a free service for the collection and safe disposal of potentially hazardous materials.

Newspaper recycling by kerbside collection occurs in the Hokitika Township in association with the weekly refuse collection. A similar cardboard collection will commence in October of 2006. The kerbside collection will be extended to cover the area between Ross and Kumara at the same time.

OBJECTIVE

To use all appropriate means to advance Council's commitment toward a target of Zero Waste Landfill by 2015 and to divert as much waste as possible from landfills through the implementation of refuse and recycling systems.

Performance Indicator

Reduce the volumes of waste disposed of at the district landfills by 10%.

Introduce the kerbside collection of newspapers for recycling for the 2005/2006 year in Hokitika.

Develop existing recycling facilities so they form an integral part of the waste disposal procedures at these sites.

Performance Result

⇒ Probably not achieved. Growth in the District is offsetting the savings from recycling and waste diversion, but actual amounts are very difficult to quantify. A weighbridge is being installed at Hokitika, but even when this is in place, this will only record a proportion of the total waste within the District.

⇒ Implemented and successful at 400 – 1200 kilograms per week from July 2005.

⇒ In progress. The Hokitika facility has a new shed and bailer. Progress has been made towards the development of a new green waste facility in Hokitika and the development of collection and transport systems to get recyclables to Hokitika from throughout the District.

SOLID WASTE MANAGEMENT

OBJECTIVE

Provide kerbside refuse collection in Hokitika.

Performance Indicator

Weekly service provided by contractor plus one annual non-standard collection.

⇒

Performance Result

Weekly collection maintained. A non standard collection was undertaken and was very well patronised in December 2005.

OBJECTIVE

Provide solid waste disposal facilities in Kumara, Harihari, Whataroa, Franz Josef/Waiiau, Haast and Hokitika.

Performance Indicator

Ensure all refuse sites are available to the public with Haast, Kumara, Hokitika, Harihari, Whataroa, Franz Josef/Waiiau open at published hours. No site will be open without the operator present.

⇒

Performance Result

All refuse sites throughout the District were available to the public at the published hours. Operators were present at all sites at all times. Few complaints were received about timing and availability of service provided.

OBJECTIVE

Provide transfer station facilities in Ross, Fox Glacier, Otira and Lake Kaniere.

Performance Indicator

Ensure facilities are available to the public at published hours and are serviced regularly.

⇒

Performance Result

Sites operated as described, few complaints received about timing and availability of services provided. Opening hours were adjusted as required to meet seasonal demand.

OBJECTIVE

To operate within the budget approved by Council

Performance Indicator

Manage the collection and disposal of waste in the District within the budgeted operating expenditure of \$531,787.

⇒

Performance Result

Operating expenditure to provide refuse services in the District totalled \$588,023.

SOLID WASTE MANAGEMENT
COST OF SERVICE STATEMENT

	Actual 2005/06 \$'000	Budget 2005/06 \$'000	Actual 2004/05 \$'000
Operating Revenue			
Other Income	165.3	152.0	137.5
Total Operating Revenue	165.3	152.0	137.5
Operating Expenditure			
Hokitika Collection and Disposal	247.2	215.0	236.6
Waste Management Implementation	211.7	76.0	144.5
Rural Townships (see below)	265.8	232.0	239.5
Zero Waste	13.3	9.0	0.0
Total Operating Expenditure	738.0	532.0	620.6
Net Cost of Activity	572.7	380.0	483.1
Capital Expenditure:			
Rural Sites	41.3	24.0	46.7
Hokitika Refuse Site	117.2	100.0	0.0
Site Replacement Investigation	280.0	100.0	0.0
Total Funds Required	1,011.2	604.0	529.8
Source of Funds			
Transfer (to) from Reserves	184.1	0.0	106.7
Loan Raised - Internal	438.5	224.0	0.0
Depreciation	2.9	0.0	0.8
Targeted Rates	385.7	380.0	367.7
General Rates/Other Income	0.0	0.0	54.6
Total Source of Funds	1,011.2	604.0	529.8
Rural Townships:			
Fox Glacier	58.5	45.0	55.7
Franz Josef'/Waiau	72.4	58.7	62.9
General/Zero Waste	0.1	1.0	0.3
Haast	0.0	1.1	17.5
Haast – Denis Road	26.7	23.5	23.0
Hannah's Clearing	0.2	6.2	0.2
Harihari	36.8	14.8	16.6
Kumara	15.1	15.6	13.8
Lake Kaniere	8.3	3.2	4.7
Neil's Beach	9.2	4.2	4.9
Okarito	0.4	0.6	0.5
Otira	4.3	3.9	4.0
Ross	21.5	20.1	20.5
Whataroa	12.3	14.1	14.9
Reduction in Waste on State Highways	0.0	20.0	0.0
	265.8	232.0	239.5

OTHER OPERATIONAL ACTIVITIES

NATURE AND SCOPE

1. Council maintains reticulated stormwater disposal systems in Hokitika and the rural towns. Hokitika is also protected by a river stop bank and sea erosion works which are maintained by Council. The Manager Operations, a Professional Engineer, manages the stormwater works programme with the assistance of the Professional Services Business Unit on design and supervision of work. Operation and maintenance is carried out by contractors.
2. Council also maintains the following activities:
 - Non-subsidised Street works
 - Town Clock
 - Roadside Berms
 - Footpaths
 - Driveways on Road Reserve
 - Public Seating
 - Kerb and Channel
 - Vehicle Crossings
 - Jackson Bay Wharf
 - Rural Fire Fighting
 - Streetlights
3. Council maintains and rents out the Hokitika Headquarters Building, Depots at Hokitika, Kaniere, Harihari, Whataroa, Fox Glacier and Haast and houses at Harihari and Fox Glacier(2). Land is also rented out at commercial rates by Council. Licences to Occupy road reserve are issued and managed by Council staff in relation to bach owners in South Westland.

Council property is maintained by contractors under supervision of Council Professional Services Staff.

STORMWATER

OBJECTIVE

To remove stormwater from urban properties by maintaining Council's pump stations and drainage systems to present standards or better.

Performance Indicator

Performance Result

No accumulation of stormwater in rainfall events of less than two year return period.

⇒

No accumulation of stormwater occurred in a rainfall event of less than two years during the 2005/06 year.

Water not to enter premises, above floor level, in rainfall/river flow events of less than 10 years return period.

⇒

No water entered premises in a rainfall/river flow event of less than 10 years return period during the 2005/06 year.

Maintain a record of stormwater blockages and pump failures with remedies achieved.

⇒

A register was maintained of all blockages and pump failures in accordance with maintenance contract requirements by Westroads Limited.

Maintain the Hokitika Stormwater drainage system within the approved maintenance budget of \$341,750.

⇒

The net cost of maintaining the Hokitika Stormwater system was \$295,572 for the 2005/06 year.

OTHER OPERATIONAL ACTIVITIES cont...

COMMERCIAL PROPERTIES

OBJECTIVE

To maintain properties to adequate levels of serviceability.

Performance Indicator

Inspect and report on condition and maintenance requirements of all commercial buildings once per year.

Act on any complaints or notification of necessary repairs by lessees, within 20 working days.

Performance Result

⇒ All Council buildings are inspected annually and hold a current building warrant of fitness under the Building Act 1991.

⇒ All complaints or notification of repairs requires by lessees were acted on within 20 working days.

OBJECTIVE

To operate the commercial property account at no cost to ratepayers.

Performance Indicator

Income from commercial property to exceed costs by the budgeted surplus of \$95,407, which includes land and property sales of \$100,000.

Performance Result

⇒ The commercial property account returned a deficit of \$65,281 for the 2005/06 financial year.

JACKSON BAY WHARF

OBJECTIVE

To maintain and operate the Wharf within approved estimates.

Performance Indicator

Operate the wharf complex within the net budget cost of \$44,795.

Performance Result

⇒ Achieved. The net cost of operating the wharf for the 2005/06 financial year was \$15,943.

OTHER OPERATIONAL ACTIVITIES
COST OF SERVICE STATEMENT

	Actual 2005/06 \$'000	Budget 2005/06 \$'000	Actual 2004/05 \$'000
Operating Revenue			
User Charges	476.2	393.0	489.1
Other Income	1.4	0.0	9.2
Vested Assets – New Subdivisions	1,000.6	0.0	1,084.6
Total Operating Revenue	1,478.2	393.0	1,582.9
Operating Expenditure			
Drainage	293.0	342.0	298.0
Rural Township Works	29.2	18.0	21.0
Hokitika Works	95.0	103.0	132.4
Commercial Property	495.7	288.0	465.1
Other Activities	231.7	276.0	266.1
Total Operating Expenditure	1,144.6	1,027.0	1,182.6
Net Cost/(Surplus) of Activity	(333.6)	634.0	(400.3)
Capital Expenditure	973.0	364.0	45.3
Renewals Expenditure	0.0	102.0	24.2
Loan Repayments	0.0	7.0	0.0
Total Funds Required	639.4	1,107.0	(330.8)
Source of Funds			
Transfer (to) from Reserves	1.0	(33.0)	92.8
Loans Raised - Internal	560.0	332.0	0.0
Depreciation	282.7	251.0	250.5
Disposal of Land and Property (Deficit)	(55.7)	200.0	(112.1)
General Rates/Other Income	852.0	357.0	523.4
Vested Assets – New Subdivisions	(1,000.6)	0.0	(1,084.6)
Total Source of Funds	639.4	1,107.0	(330.8)

*Capital expenditure for 2005/06 is made up:

	<u>Actual</u>	<u>Budget</u>
New Public Toilets at Franz Josef	256,260	247,000
Lake Matheson Safety Footpath – Fox Glacier 02/03	94,883	102,500
Drainage Mains Replacement – Rolleston Street, Hokitika	46,666	75,000
Drainage Mains Replacement – Kaniere	6,045	10,000
Rural Township Works	29,500	32,000

Other capital expenditure includes the purchase of premises and equipment for the Hokitika Dental Services facility at \$267,780 and contributions made toward access to subdivisions throughout the District. The safety footpath at Fox Glacier was carried over from the 2002/03 Annual Plan. All works were performed to improve or maintain services and facilities in Westland.

COMMUNITY SERVICES

NATURE AND SCOPE

Council provides a range of amenities and services for the recreational, cultural and social demands of the Districts communities:

1. Cass Square in Hokitika is owned by Council, along with 26 other reserve sites in Hokitika, as well as numerous rural reserves.
The Hokitika and Environs Reserves Management Committee have completed a Reserves Management Plan, adopted by Council on 20 April 2000, to assist in the management of Council's reserves.
Reserves are either maintained by contractors or administered under management agreements by local community groups.
2. The Hokitika Cemetery is administered by Council and maintained by a contractor. Rural cemeteries are also maintained at Kumara and Ross.
3. Council owns one indoor heated swimming pool in Hokitika and an outdoor pool in Ross, which is managed by the local community.
4. The Hokitika Pool is open from October until April, while the Ross Pool is a 'summer only' pool.
5. Council operates a District Library in Hokitika, and supports community libraries throughout the District. The District Library is open 43 hours per week and currently holds 23,500 catalogued items including books, periodicals and video/audio tapes. Various newspapers, magazines and other items, such as puzzles and computer CD's are available for use within the Library.
6. The West Coast Historical Museum and Information Office are owned by Council and operated by a contractor. Situated in the Carnegie Building the complex is open seven days a week.
7. Council is responsible for several Reserve and Hall Boards which are managed by local community groups.
8. Council's Community Buildings include the Memorial Hall, Carnegie Building complex and Bandrooms in Hokitika and the Memorial Hall in Ross.
9. Public conveniences in Hokitika at Cass Square and the West Coast Historical Museum are maintained, along with the Rest Rooms in Ross. Financial assistance is given to the Okarito, Kumara, Harihari, Haast and Whataroa communities to maintain their public conveniences.
10. Council owns and maintains 42 Pensioner Flats in Hokitika and four in Ross.
11. Council's Events Co-ordination Department is primarily responsible for the organisation of the Wildfoods Festival which 15,267 people attended in 2006.
12. The Department also assists with other events as required throughout the District which are approved by Council.
13. The Community Services Department, assists, liaises and co-ordinates discussion and action between Council and Community Groups.
14. Council grants and contributions are approved by Council and include grants and discretionary grants. Tourism West Coast and Sport West Coast receive annual grants from Council to ensure they can function effectively in the District.
15. Consultation with Maori:
Council had 3 meetings with local runanga in 2005/06, Te Runanga o Makaawhio and Ngati Waewae with the intention of being able to establish a joint forum, along with other Maori in the District, for consultation where required but no further meetings were held in 2005/06. Local Runanga are included as key stakeholders in Council's LTCCP adopted on 28 August 2006 and received a CD copy of the draft LTCCP for consultation purposes. No submissions were received on the LTCCP from local Runanga.

INFORMATION OFFICE/MUSEUM

OBJECTIVE

To provide an accessible and professional information service to visitors and local residents of district and a professional environment to house research, preserve, conserve and display the regions social and natural history and communicate through exhibitions and displays.

Performance Indicator

Maintain opening hours at not less than current level:

Summer hours: 8.30am - 6.00pm
(7 days)

Off-season hours: 8.30am – 5.00pm
(Monday to Friday)
10.00am - 2.00pm
(Saturdays)

To be a member and adhere to the standards of the Visitor Information Network (VIN) co-ordinated by the New Zealand Tourism Board.

Operation of the Information Office and Museum within the approved budget of \$186,532.

Performance Result

⇒ The Information Office was open throughout the 2005/2006 year as indicated.

The office responded to 58,406 (2004/05 60,129) recorded enquiries for the period, a decrease of 2.4%.

⇒ The Westland Information Office is a fully accredited member of the Visitor Information Network (VIN) and adhered to the standards as specified.

⇒ The cost to Council of operating the Information Office and Museum was \$189,244 for the year ended 30 June 2006.

EVENTS CO-ORDINATION

OBJECTIVE

To undertake successful and cost effective events for both Council and local community groups.

Performance Indicator

Conduct the 2006 Wildfoods Festival at a similar size to 2005:

Number of stalls: 90

Festival Attendance: 18,300

Dance Attendance: 3,955

Surplus 2005 Event \$200,000

Operation of the Events Department at no cost to the Westland Ratepayers.

Performance Result

⇒ Achieved Statistics for the 2006 Wildfoods Festival held on 11 March were:

Number of Stalls 80

Festival Attendance 15,267

Dance Attendance 3,369

Surplus 2006 Event \$149,387

⇒ Not achieved. The Events Department operated at a deficit of \$65,985 for the year ended 30 June 2006. This was due to the surplus achieved from the Wildfoods Festival and Hokitika Township management being \$110,075 less than that originally estimated.

COUNCIL GRANTS AND CONTRIBUTIONS**OBJECTIVE***Allocates grants in accordance with Council guidelines and within budget.*

<i>Performance Indicator</i>		<i>Performance Result</i>	
St John Ambulance	25,000	St John Ambulance	25,000
Tourism West Coast	76,500	Tourism West Coast	76,500
Creative New Zealand	10,000	Creative New Zealand	12,566
Promotion and Community Groups	70,000	Promotion and Community Groups	71,654
Sport West Coast	31,000	Sport West Coast	31,000
Free Books for Schools	6,500	Free Books for Schools	5,701
TOTAL	<u>\$219,000</u>	TOTAL	<u>\$222,421</u>

CEMETERIES**OBJECTIVE***To provide cemetery plots for interment as required.*

<i>Performance Indicator</i>		<i>Performance Result</i>												
All requests for interment warrants actioned immediately within one working day.	⇒	Office Systems ensure one working day response for interment warrants. No complaints were received about delays from funeral directors or families of the deceased.												
Recover 40% of cemetery operation and maintenance costs with user charges.	⇒	Burial Warrants issued in the District for the 2005/06 year were: <table border="0" style="margin-left: 40px;"> <thead> <tr> <th></th> <th><u>2005/06</u></th> <th><u>2004/05</u></th> </tr> </thead> <tbody> <tr> <td>Hokitika</td> <td>37</td> <td>35</td> </tr> <tr> <td>Ross</td> <td>2</td> <td>2</td> </tr> <tr> <td>Kumara</td> <td>2</td> <td>2</td> </tr> </tbody> </table> <p>\$26,978 or 45% of total expenditure of \$60,215 was recovered from user charges. This was greater than indicated as revenue associated with the 2004/2005 year was not received until after that Annual Report was prepared.</p>		<u>2005/06</u>	<u>2004/05</u>	Hokitika	37	35	Ross	2	2	Kumara	2	2
	<u>2005/06</u>	<u>2004/05</u>												
Hokitika	37	35												
Ross	2	2												
Kumara	2	2												
Provide the facilities within the approved net cost of \$34,753.	⇒	The cost of providing the facilities for the year ended 30 June 2006 was \$33,237.												

ELDERLY HOUSING

OBJECTIVE

To complete the year with a 95% Pensioner Flat occupancy level.

Performance Indicator

That vacated flats are refurbished and re-tenanted quickly with no more than 5% of rent paying days being lost due to non-occupancy.

Occupancy

⇒ Hokitika Pensioner Flats 95%
⇒ Ross Pensioner Flats 95%

Performance Result

⇒ Vacated Flats were refurbished and re-tenanted quickly with rent days lost kept to a minimum.

Occupancy Achieved

⇒ Hokitika Pensioner Flats 97%
⇒ Ross Pensioner Flats 98%

OBJECTIVE

To manage the pensioner flats within the budget determined by the adopted Asset Management Plan.

Performance Indicator

Operate the pensioner flats within the approved budget (including renewals expenditure):

Hokitika Pensioner Flats \$34,068 deficit
Ross Pensioner Flats \$3,481 surplus

Performance Result

⇒ Operating surpluses resulted from the provision of pensioner housing were:

Hokitika Pensioner Flats \$5,014 deficit
Ross Pensioner Flats \$1,324 surplus

Renewals expenditure totalled \$20,400 for the Hokitika Pensioner Flats for the year.

RESERVES

OBJECTIVE

To provide well-maintained reserves for recreational use in the District.

Performance Indicator

Inspect all reserves on at least a monthly basis to ensure that maintenance work performed by contractors is done in accordance with the agreed standard.

Provide the Reserves within the approved estimates of:

Cass Square	78,706
Hokitika Reserve Maintenance	118,884
Ross Reserves	11,800
Rural Reserves	17,936
TOTAL	<u>\$227,326</u>

Performance Result

⇒ Inspections were performed by Business Unit Staff for compliance with the maintenance contract requirements and the Reserves and Environs Committee as part of their regular meetings.

⇒ The net cost of maintaining Council's reserves for the 2005/06 year was:

Cass Square	105,312
Hokitika Reserve Maintenance	110,435
Ross Reserves	3,343
Rural Reserves	19,209
TOTAL	<u>\$238,299</u>

COMMUNITY SERVICES**OBJECTIVE**

To operate within the budget approved by Council.

Performance Indicator***Performance Result***

Operate Community Services within the approved budget of \$198,893. ⇒ The cost of operating the department for the year 30 June 2006 was:

Community Services Dept	202,262
Glader Country Promotions	39,744
Tai Poutini Arts Project	223
TOTAL	<u>242,229</u>

LIBRARY**OBJECTIVE**

To continue to provide resources and access to a comprehensive range of library services to meet the community's learning and recreational needs.

Performance Indicator***Performance Result***

Maintain lending rate at not less than current level of 4 issues per capita. ⇒ The lending rate for the 2005/06 year was 7.48 (5.98 04/05) issues per capita, total issues were 59,407 (47,494 2004/05).

Maintain opening hours at not less than current level of 40.5 hours per week. ⇒ The Library opening hours increased to 43 hours per week.

Maintain the average cost per issue not more than the current level of \$3.80. ⇒ The average cost per issue for 2005/06 was \$4.05 (\$4.54 2004/05).

Maintain the acquisitions at no less than the current level of \$2.00 per capita. ⇒ Acquisitions averaged \$3.54 per capita for the year (\$3.33 2004/05).

Purchase new Library Books within the approved budget at \$26,500 ⇒ Not achieved. Cost of new Library Books was \$28,132.

Operate the Library within the net rate requirement of \$234,010. ⇒ Achieved. The net cost of operating the library was \$222,434 for the year ended 30 June 2006.

COMMUNITY SERVICES
COST OF SERVICE STATEMENT

	Actual 2005/06 \$'000	Budget 2005/06 \$'000	Actual 2004/05 \$'000
Operating Revenue			
Community Assistance Fund	12.2	53.0	6.0
Cemeteries	27.0	23.0	22.3
Community Buildings	23.7	9.0	13.3
Community Halls – Vested Assets and other	0.0	0.0	0.0
Community Services Department	0.0	20.0	50.7
Council Grants and Contributions	18.8	17.0	20.2
Elderly Housing	110.1	98.0	109.7
Events Co-ordination	672.6	759.0	755.1
Information Services	95.5	107.0	6.0
Library	18.2	18.0	18.2
Museum/Information Office	1.1	0.0	17.3
Reserves	213.9	23.0	169.8
Safer Community Council	88.7	27.0	48.2
Swimming Pools	43.5	0.0	1.4
Westland Nature Trust	19.9	0.0	0.0
Total Operating Revenue	1,345.2	1,154.0	1,238.2
Operating Expenditure			
Community Assistance Fund	265.7	9.0	39.3
Cemeteries	60.2	58.0	91.9
Community Buildings	94.0	62.0	72.3
Community Halls – Vested Assets	6.5	0.0	4.2
Community Services Department	242.2	199.0	256.2
Council Grants and Contributions	202.9	219.0	234.5
Elderly Housing	103.7	129.0	112.9
Events Co-ordination	738.6	672.0	642.8
Information Services	95.5	107.0	103.6
Library	240.7	234.0	217.9
Museum/Information Office	190.4	187.0	188.1
Reserves	260.6	227.0	227.3
Safer Community Council	51.6	35.0	59.4
Swimming Pools	221.8	163.0	133.5
Westland Nature Trust	21.6	0.0	14.1
Total Operating Expenditure	2,796.0	2,301.0	2,398.0
Net Cost of Activity	1,450.8	1,147.0	1,159.8

COMMUNITY SERVICES CONT...

	Actual 2005/06 \$'000	Budget 2005/06 \$'000	Actual 2004/05 \$'000
Capital Expenditure			
- Cass Square Drainage	0.0	0.0	26.9
- Library New Books	28.1	26.5	23.8
- Library – Tinted Windows	0.0	0.0	2.5
- Library – Shelving & Seating	29.8	26.0	0.0
- Hokitika Pool - Covers	13.7	14.0	0.0
- Hokitika Swimming Pool – Repaint	0.0	0.0	8.0
- Hokitika Swimming Pool – Replace Filter	0.0	0.0	37.6
- Hokitika Swimming Pool - Showers and Pool Fittings	11.5	15.0	0.0
- Hokitika Skatepark	0.0	0.0	100.7
- Aerial Photos	10.8	10.0	0.0
- Heritage Walkway Extension	4.4	5.0	0.0
Renewals Expenditure and Capital Expenditure	22.6	30.5	38.5
Community Services Department	1.7	0.0	1.0
Loan Repayments	6.5	0.0	6.0
Total Funds Required	1,579.9	1,274.0	1,404.8
Source of Funds			
Loans Raised	0.0	0.0	0.0
Depreciation	125.7	66.0	143.5
Transfers (to) from Reserves:	.0	0.0	22.0
Museum Assistance Fund	0.1	1.0	0.0
Business Development Fund	253.5	0.0	47.3
Pensioner Housing Reserve	(6.3)	5.0	3.2
Wildfoods Festival Reserve	66.0	(54.0)	(85.4)
Reserves Development Fund	29.5	89.0	49.5
General Rates/Other Income	1,111.4	1,167.0	1,224.7
Total Source of Funds	1,579.9	1,274.0	1,404.8

WESTLAND HOLDINGS LIMITED

NATURE AND SCOPE

Council resolved on 18 April 2002, to establish a holding company, Westland Holdings Limited, to consolidate its Council Controlled Trading Organisations (CCTO's), Westroads Limited and Hokitika Airport Limited, under one reporting entity to Council.

Council raised loans of \$5,800,000, being the combined valuation of the assets of the two companies, to finance the transfer of the shares and assets of the CCTO to the Holding Company. The actual transfer of shares and assets was completed in November 2003.

The funds raised will be used to finance improvements to Council's infrastructural asset network, signaled in the Annual Plan and the Long Term Financial Strategy, and to pay Council's existing loans.

Westroads Limited's activities are those of a general contractor offering goods and services for sale and plant and equipment for sale.

Hokitika Airport Limited operates the airport which is the principal regional airport on the West Coast and aim to extend and develop the airport activities.

The Annual Reports of Westland Holdings Limited for the years ended 30 June 2004, 2005 and 2006 were completed after the statutory deadlines of 30 September.

A Statement of Intent for Hokitika Airport Limited was not presented to Westland Holdings Limited for the year ended 30 June 2006.

WESTLAND HOLDINGS LIMITED AND SUBSIDIARIES

COST OF SERVICE STATEMENT

	Actual 2005/06 \$'000	Budget 2005/06 \$'000	Actual 2004/05 \$'000
Operating Revenue			
Westroads Limited	8,504	7,300	7,823
Hokitika Airport Limited	231	212	201
Westland Holdings Limited	183	0	202
Total Operating Revenue	8,918	7,512	8,226
Operating Expenditure			
Westroads Limited	7,741	6,850	7,300
Hokitika Airport Limited	204	249	248
Westland Holdings Limited	26	0	7
Total Operating Expenditure	7,971	7,099	7,555
Net Surplus Before Taxation	947	413	671
Tax Expense	362	60	53
Net Surplus After Taxation	585	353	618

WESTLAND HOLDINGS LIMITED cont...

WESTROADS LIMITED

OBJECTIVE

Operate a successful business by meeting market requirements in terms of quality, excellence in service and pricing on a commercial competitive basis and ensure a reasonable rate of return to the ratepayers of Westland.

Performance Indicator

Performance Achieved

Tax paid return on shareholders funds of 8.9%.

⇒

The net surplus after tax of \$428,000 represented a 12% return on shareholders funds of \$3,448,000 at 1 July 2005.

Net after tax profit of \$301,000 for the year ended 30 June 2006.

⇒

The company earned a net profit after tax of \$428,000 for the year ended 30 June 2006.

HOKITIKA AIRPORT LIMITED

OBJECTIVE

Maintain usage by commercial airlines at the 2004/2005 level.

Performance Indicator

Performance Achieved

Revenue from commercial landing fees is at a similar level to 2004/2005.

⇒

Revenue earned from landing fees of \$107,755 was 52% (\$36,931) **above** the fees earned in 2004/05.

OBJECTIVE

Ensure that the rental of land and buildings is reviewed in accordance with existing agreement.

Performance Indicator

Performance Achieved

Revenue from the rental of land and buildings remains at existing levels.

⇒

Revenue earned from land and buildings rental of \$51,111 was 26% (\$13,349) **below** rental earned in 2004/05.

HOKITIKA AIRPORT LIMITED

	Actual 2005/06 \$'000	Target 2005/06 \$'000	Actual 2004/05 \$'000
Gross Revenue	231	212	201
Less Operating Expenditure	204	249	248
Net Surplus (Deficit) Before Taxation	27	(37)	(47)
Taxation Expense	27	20	7
Net Surplus (Deficit) After Taxation	0	(57)	(54)
Equity at 1 July 2005	2,556	2,610	2,610
Contributions From Owners	0	0	0
Dividends	0	0	0
Equity At 30 June 2006	2,556	2,553	2,556
Tax Paid Return on Shareholders Funds	0%	0	-3%
Percentage On Shareholders Funds To Total Assets	96.6%	40-100%	96%
Dividends As A Percentage Of After Tax Profits	0.0%	0.0%	0%

EQUAL EMPLOYMENT OPPORTUNITY POLICY

GOAL

To be a good employer

OBJECTIVES

Employment Opportunities –
Preference will be given to the person who is best suited to the position.

Staff Development -
Staff will be encouraged to plan and to attend appropriate training to better themselves.

Monitoring -
*All job descriptions, advertisements, specification and related information will be checked to ensure conformity with the principles of EEO.
i.e.: is non-sexist, non-racist and does not discriminate against the disabled.*

DISTRICT ASSETS

INCLUDES:

CEMETERIES

- Arawhata
- Harihari
- Hokitika
- Kumara
- Okarito
- Ross
- Stafford
- Whataroa

CIVIC AMENITIES

- Harihari War Memorial Rooms
- Franz Josef Toilets
- Haast Township Toilets
- Museum - Hokitika
- Ross Restrooms

DWELLINGS

- Fox Glacier
- Harihari
- Nurse's House Fox Glacier

HALLS

- Bruce Bay
- Haast
- Kaniere
- Kokatahi
- Okuru
- Ross
- Three Mile
- Waitaha

LAND AND BUILDINGS

- Bandrooms Hokitika
- Heritage Historical Park
- Council Headquarters, 36 Weld Street
- Garage – Railway Terrace
- Carnegie Building
- RSA Building
- 46 Pensioner Flats – Hokitika (42)
Ross (4)
- Dental Surgery - Hokitika
- Jackson Bay Wharf
- Pavilion – Cass Square
- Public Car Park – Revell Street

LIBRARIES

- Hokitika Public Library

PARKS AND RESERVES

- Cass Square
- Harihari Domain
- Harper Park
- Heritage Area
- Kokatahi Reserve
- Kowhitirangi Reserve
- Kumara Sports Field
- Lazar Park
- Pierson Esplanade
- Prossers Bush
- Robbins Park
- Ross Domain
- Wadeson Island
- Walker Park
- Whitcombe Park
- Whataroa Reserve

PLAYGROUNDS

- Cass Square
- Lazar Park
- Whitcombe Park

STATUES AND MONUMENTS

- Cannon – Heritage Area
- Cenotaph – Cass Square
- Obelisk – Hokitika Cemetery
- Obelisk – Okarito
- Pioneer Statue – Hokitika
- Robbie Burns Statue – Cass Square
- Summer Statue - Museum
- Tambo – Hokitika
- Town Clock - Hokitika

SWIMMING POOLS

- Hokitika
- Ross

WORKS DEPOTS - LEASED

- Fox Glacier
- Haast
- Harihari
- Whataroa