

# Annual Report 2006/07



*for the wild at heart*

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## MAYOR'S REPORT

Thank you for your interest in reading this Annual Report for the 2006/07 financial year. The full 2006/07 Annual Report is the first prepared under the New Zealand International Financial Reporting Standards. The introduction of these standards has made it almost impossible to compare the previously published 2005/06 report with the 2006/07 report. A substantial amount of time, effort and cost has gone into developing this report in terms of these new standards, with little or no perceived benefit to the community and the general public. The 2006/07 Annual Report, reviewed by Audit New Zealand, is accessible via the Council website, and can also be obtained at the Council office.

Over the 2006/2007 year, Council's Building Control Department has spent countless hours preparing for the new accreditation regime as established under the 2004 Building Act. All local authorities were required to be accredited by November 2007; however that date has now been pushed out to June 2008.

The development of the Town Entrance to Hokitika has progressed as part of the Hokitika Concept Plan. The project has since been completed with positive feedback from the local community and has succeeded in creating a visually aesthetic drawcard to locals and the visiting public. The beachfront is also being upgraded and landscaped in order to provide a sense of continuity of design throughout the town.

Other projects which have added to the safety of the community are traffic calming devices on Beach Street, Hokitika, and guard railing constructed on the Turnbull Bridge in Haast, to improve sight distance.

The Library continues to grow in membership and in maintaining and developing its facilities and resources throughout the District. This includes the addition of toilet facilities in the Hokitika library.

A successful application was lodged for a Tourism Demand Subsidy Scheme for Franz Josef. During this year a new 600m<sup>3</sup> reservoir was installed to increase the water storage capacity for the town. Further work in upgrading infrastructure is planned to utilise the subsidy.

Council continues to work with local communities in reviewing their facilities, and planning for possible use of Major District Initiative funding through Development West Coast.

Councillors have contributed a huge amount of time and effort over the year and have supported their respective communities with commitment. The national representation review was consulted on throughout Westland, and some ward boundary adjustments were made, and a reduction in the number of Councillors from twelve to ten. This will be effective from the triennial elections in October 2007.

Regards



**Maureen Pugh**  
**Mayor**

## ROLE OF THE ANNUAL REPORT OF COUNCIL

### **Purpose of this Annual Report**

The purpose of this annual report for the year ended 30 June 2007 is to compare the actual performance of Council for the year against what was forecast in the 2006-2016 Long Term Council Community Plan (LTCCP) adopted by Council on the 29 August 2006.

As the LTCCP was prepared and adopted under section 93 of the Local Government Act 2002, the Act requires that the Annual Report for 2006/2007 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 2006/2007 toward the achievement of objectives and policies as set out in the LTCCP 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 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 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 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 2006/2007 Council was in year one of the Revenue and Financing Policy reviewed and adopted as part of the development of the LTCCP.

The development and review of the Revenue and Financing Policy followed a three step process which, after setting out the functions that 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 2007.

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
<b>Planning &amp; Regulatory</b>			
Animal Control	6%	2%	
Inspectorate & Regulatory	45%	46%	
Resource Management	76%	67%	
Civil Defence	98%	75%	
Community/Township Planning	100%	96%	
<b>Community Services</b>			
Library	94%	89%	
Museum/Carnegie Centre Gallery	100%	95%	
Visitor Information Centre	100%	100%	
Safer Community Council	24%	0%	
Events Management	0%	0%	
Community Halls and Buildings	80%	68%	
Hokitika Heritage Walkway	5%	0%	
Parks and Reserves	90%	43%	
Land and Buildings	0%	0%	
Public Toilets	89%	92%	<b>1</b>
Swimming Pools	80%	92%	<b>2</b>
Cemeteries	62%	97%	<b>3</b>
Elderly Housing	0%	0%	
Governance	100%	100%	
<b>Operations</b>			
Transportation	35%	47%	<b>4</b>
Water Supplies	30%	91%	<b>5</b>
Wastewater	82%	70%	
Stormwater	100%	100%	
Waste Management	62%	83%	<b>6</b>
Rural Fire	100%	0%	<b>7</b>

**1. Public Toilets** – Income from the user pays toilet in Franz Josef/Waiau was \$12,200 below budget. In addition, a \$4,000 grant was awarded to Fox Glacier.

**2. Swimming Pools** – Swimming pool expenditure was 29% above the estimate due to urgent maintenance required to maintain the health and safety of the facility. Additional expense was also a result of the longer season and subsequently the staff and utilities required to operate, but was partially offset by the additional income which was \$73,373 on a budget of \$46,000.

**3. Cemeteries** – Income was not as high as estimated due to a higher number of cremations than previous years. There was also an increase in expenditure as compared to budget due to improvements needed to car parks and drainage.

**4. Transportation** – Depreciation of Roding and Bridges is climbing as the asset values are increasing. The amount of depreciation exceeds the amount of renewals required to maintain the roading network. The depreciation rates for these assets will be reviewed in the LTCCP process in 2009.

**5. Water Supplies** – Metered Water income is included as a Targeted Rate, which differs from the Revenue and Finance Policy developed in 2002. This ratio will be reviewed in the LTCCP process in 2009.

**6. Waste Management** – The cost of Waste Management services in Fox Glacier and Franz Josef was \$43,000 higher than estimated due to increased transport and rubbish removal costs.

**7. Rural Fire** - A grant from the Kokatahi Rural Fire Party of \$35,555 was received in June 2007 to purchase a new fire engine.

## **Investment Policy**

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

### **Equity Investments**

### **Performance**

#### ***Civic Assurance Limited***

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

- Council reviews its commitment to the scheme annually.

#### ***Westland Holdings Limited***

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

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

#### ***Westroads Limited***

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

- Council continues to consider Westroads Limited as an important investment.

#### ***Hokitika Airport***

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

- Hokitika Airport Limited was formed from 1 July 2002 to operate the airport on a commercial and competitive basis taking into account the strategic nature of this key infrastructural link.

### **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.

- As at 30 June 2007 Council's investments were as follows:  
ASB Bank. \$8,611,903  
Westland's Working Loans \$ 36,113. A provision for doubtful debts of \$32,335 is included in the financial statements related to the W & K Logging loan.

### **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.

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



## THE 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. Council's first LTCCP was adopted by Council on 4 August 2006 for the 2006-2016 periods.

The outcomes identified and included in the LTCCP 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 was required to consult widely with the Community and organisations within the District to identify the outcomes which form the basis for the LTCCP covering the period commencing 1 July 2006 to 30 June 2016.

In subsequent years, Council is required to report against the targets and forecasts set out in the LTCCP.

### **Community Outcomes**

The six community outcomes that Westland District will aspire to for the 2006-2016 period were:

1. **HEALTH**
  - Healthy communities with access to quality facilities and services.
  - Opportunities for participation in recreational, sporting and leisure activities.
2. **EDUCATION**
  - A region that values and supports learning with accessible relevant education and training opportunities.
  - Opportunities for participation in arts, culture and heritage activities.
3. **SAFETY**
  - A region that is a safe place to live.
4. **ECONOMY**
  - A thriving, resilient and innovative economy creating opportunities for growth and employment.
  - Services and infrastructure systems to support economic growth and development.
5. **ENVIRONMENT**
  - The distinctive character of the environment is appreciated and retained.
6. **IDENTITY**
  - A 'happening' region with a strong community spirit and distinctive lifestyle.
  - Accessible leaders working together.
  - Opportunities for all to contribute to and participate in decision-making affecting Westland District.

**Council's Role in Achieving these Outcomes**

The LTCCP set 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.

It also sets out what Council is planning over the next 10 years to 2016 and provides additional detail on the planned activities for the 2006/07 year and the costs associated with these activities.

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

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

Westland District Council will contribute to achieving the community outcomes outlined in the LTCCP by undertaking the activities as summarised in the following table. The rationale for carrying out these activities and services is outlined more fully in the LTCCP.



Activity Relationships to Community Outcomes																											
Community outcomes that the activity primarily contributes to:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1. HEALTH			√	√	√		√						√	√		√	√	√				√	√	√	√	√	
2. EDUCATION			√		√	√	√	√	√	√			√				√									√	√
3. SAFETY	√	√	√	√	√					√				√	√				√		√	√	√	√	√	√	√
4. ECONOMY			√		√	√			√		√					√			√		√	√	√	√	√	√	
5. ENVIRONMENT	√		√	√	√	√		√						√		√						√	√	√	√	√	√
6. IDENTITY			√		√						√	√	√							√						√	√

# KEY:

1. Animal Control
2. Civil Defence
3. Resource Management
4. Inspections and Compliance
5. Community Township Planning
6. Biodiversity Strategy
7. Library
8. Museum
9. Visitor Information Centre
10. Westland District Safer Community Council

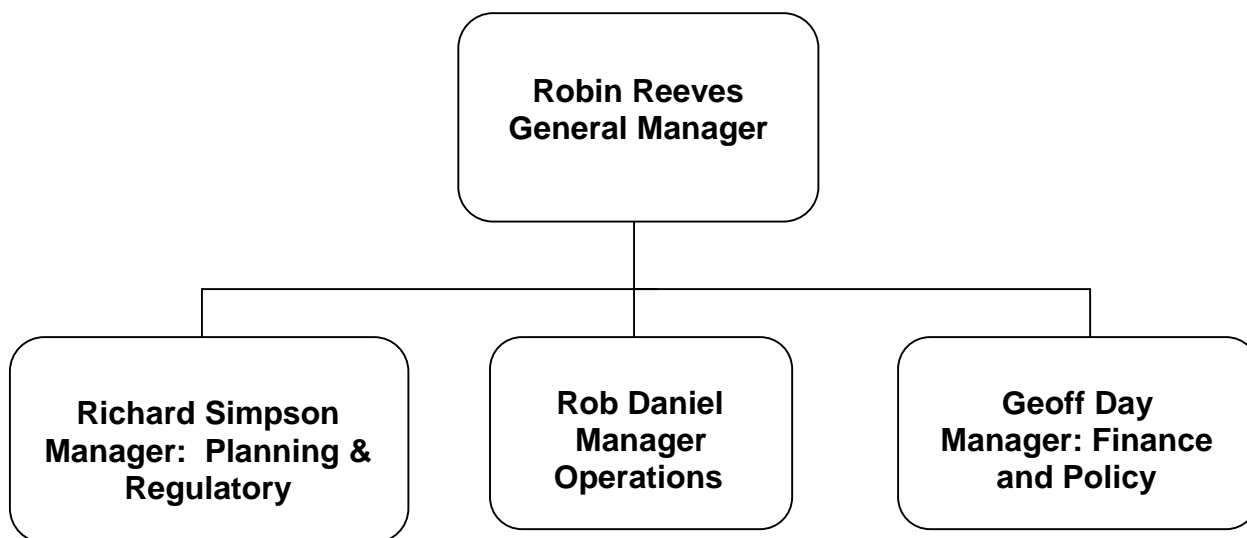
11. Events Management
12. Community Halls and Buildings
13. Hokitika Heritage Trails
14. Parks and Reserves
15. Land and Buildings
16. Public Toilets
17. Swimming Pools
18. Cemeteries
19. Elderly Housing
20. Governance

21. Council Controlled Organisations
22. Transportation
23. Water Supply
24. Waste Water
25. Stormwater
26. Waste Management
27. Rural Fire

## ELECTED MEMBERS & STAFF

Mayor (elected at large)	Maureen Pugh	(03)736 9843
Deputy Mayor	Bryce Thomson (Southern Ward)	(03) 753 3138
Councillors (elected by Ward)		
Northern Ward	Neil Bradley Allan Payn Ian Hustwick Barbara Duckett	(03) 755 7279 (03) 736 9878 (03) 755 8003
Hokitika Ward	Sue Fraser Russell Gugich Peter Davidson Kyle Scott	(03) 755 6559 (03) 755 7461 (03) 755 6581
Southern Ward	Gary Blackburn Tony Condon Kerry Eggeling	(03) 750 0848

## MANAGEMENT TEAM



## STATISTICAL DATA

<b>Date of Constitution of District</b>	⇒	1 November 1989
<b>District Office</b>	⇒	36 Weld Street Hokitika
<b>Postal Address</b>	⇒	Private Bag 704 Hokitika
<b>Communications</b>	⇒	Phone (03) 756 9010
	⇒	Fax (03) 756 9045
	⇒	Email: <a href="mailto:council@westlanddc.govt.nz">council@westlanddc.govt.nz</a>
	⇒	Website: <a href="http://www.westland.co.nz">www.westland.co.nz</a>
<b>Auditor</b>	⇒	Audit New Zealand on behalf of the Auditor-General
<b>Bankers</b>	⇒	ASB Bank - Hokitika
<b>Solicitors</b>	⇒	Elcock & Johnston, Hokitika
<b>Insurance Broker</b>	⇒	Fraser Macandrew Ryan
<b>Population - Census Night (2006)</b>	⇒	11,202
<b>Resident in District</b>	⇒	8,403
<b>Total Area</b>	⇒	1,188,017 ha
<b>Rateable Area (12.4%)</b>	⇒	141,409 ha
<b>No. of Rateable Assessments</b>	⇒	6,133
<b>Rateable Capital Value as at 30 June 2007</b>	⇒	\$1,542,834,250
<b>Rateable Land Value as at 30 June 2007</b>	⇒	\$866,803,050
<b>Date of Last Valuation</b>	⇒	1 September 2005
<b>Date of Next Valuation</b>	⇒	1 September 2008
<b>System of Rating</b>		
<b>General</b>	⇒	Land Value
<b>Waste Management</b>	⇒	Capital Value
<b>Public Debt Outstanding at 30 June 2007</b>	⇒	\$5,864,474

## COUNCIL FINANCIAL STATISTICS

	<b>Actual 2006/07</b>	<b>Estimate 2006/07</b>	<b>Actual 2005/06</b>
Proportion of general rates to total income	32%	34%	30%
Average general rates per rateable property	\$649	\$631	\$594
Public Debt (as a percentage of fixed assets)	1.74%	1.99%	2.04%
*Public Debt (per rateable property)	\$956	\$980	\$988

\* The loan raised to capitalise Westland Holdings Limited of \$5,800,000 inflates this amount.  
Actual loans raised for infrastructure improvements amount to \$12 per rateable property.

## COUNCIL FIVE-YEAR FINANCIAL PERFORMANCE SUMMARY

	<b>2006/07 \$'000</b>	<b>2005/06 \$'000</b>	<b>2004/05 \$'000</b>	<b>2003/04 \$'000</b>	<b>2002/03 \$'000</b>
Rates – General	3,979	3,586	3,353	3,320	3,268
Net surplus (deficit)	686	231	385	1,895	(1,984)
Working Capital	5,220	4,740	2,866	6,780	7,486
Public Debt	5,864	5,897	7,104	7,110	7,116
Total Net Assets	337,906	296,559	284,179	284,166	277,401

The figures listed for 2006/07 and 2005/06 are reported under NZ IFRS while the other years comply with previous NZ GAAP.

**AUDIT REPORT**  
**TO THE READERS OF**  
**WESTLAND DISTRICT COUNCIL AND GROUP'S**  
**FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2007**

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 2007, including the financial statements.

**Unqualified Opinion**

In our opinion:

- The financial statements of the District Council and group on pages 14 to 56:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect :
    - the District Council and group's financial position as at 30 June 2007; 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 57 to 110 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 29 October 2008, 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, performance information 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, performance information 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, performance information 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, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information 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 2007. 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 meeting the other requirements of Schedule 10 and including that information in the annual report. 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, performance information 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, we have no relationship with or interests in the District Council or any of its subsidiaries.

A handwritten signature in black ink, appearing to read "K J Boddy".

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, Performance Information and the Other Requirements**

This audit report relates to the financial statements, performance information and the other requirements of Westland District Council and group for the year ended 30 June 2007 included on Westland District Council's website. The Westland District Council is responsible for the maintenance and integrity of Westland District Council's website. We have not been engaged to report on the integrity of Westland District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, performance information and the other requirements. 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, performance information and the other requirements as well as the related audit report dated 29 October 2008 to confirm the information included in the audited summary annual presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information 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 of section 88 of the Local Government Act 2002 have been complied with, with the exception that the Council did not complete and adopt its Annual Report by 31 October 2007, as required by section 98(3) of the Local Government Act 2002. All other statutory requirements relating to the Annual Report have been complied with.

### Responsibility

2. Council and management of Westland District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.
3. 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 Council and management of Westland District Council, the annual Financial Statements for the year ended 30 June 2007 fairly reflect the financial position and operations of Westland District Council.



Mayor  
Maureen Pugh  
Date: 29 October 2008



General Manager  
Robin Reeves  
Date: 29 October 2008



# STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2007	2007	2006	2007	2006
		\$000	\$000	\$000	\$000	\$000
<b>Income</b>						
Rates revenue	4	5,944	5,866	5,464	5,938	5,399
Other revenue	5	6,419	5,408	6,510	11,520	11,747
Other gains/(losses)	6	(45)	0	57	(38)	88
Total income		12,318	11,274	12,031	17,420	17,234
<b>Expenditure</b>						
Employee benefit expenses	7	1,939	1,878	2,185	4,906	4,923
Depreciation and amortisation	16 17	3,359	3,153	3,155	4,116	3,832
Other expenses	8	5,975	5,654	5,958	6,686	6,958
Finance costs	9	366	408	493	483	493
Total operating expenditure		11,639	11,093	11,791	16,191	16,206
<b>Surplus/(deficit) before tax</b>		679	181	240	1,229	1,028
Income tax expense	10	(7)	0	9	244	508
<b>Surplus/(deficit) after tax</b>		<b>686</b>	<b>181</b>	<b>231</b>	<b>985</b>	<b>520</b>

Explanations of significant variances against budget are detailed in note 34.

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2007	2007	2006	2007	2006
		\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 July</b>		296,559	296,263	274,710	296,693	274,555
<i>Property, plant and equipment</i>						
Revaluation gains/(losses)	24	40,827	6,807	21,601	40,827	21,601
<i>Financial assets at fair value through equity</i>						
Revaluation of assets held for resale	24	(166)	0	17	(166)	17
Total income/(expense) recognised directly in equity		40,661	6,807	21,618	40,661	21,618
Surplus/(deficit) for the year		686	181	231	985	520
Total recognised revenue/(expense) for the year ended 30 June		41,347	6,988	21,849	41,646	22,138
<b>Balance at 30 June</b>		<b>337,906</b>	<b>303,251</b>	<b>296,559</b>	<b>338,339</b>	<b>296,693</b>

The accompanying notes form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2007

		Actual 2007 \$000	Council Budget 2007 \$000	Actual 2006 \$000	Group Actual 2007 \$000	Group Actual 2006 \$000
<b>Assets</b>						
<b>Current assets</b>	<b>Note</b>					
Cash and cash equivalents	11	2,119	2,000	1,701	2,785	2,273
Trade and other receivables	12	1,847	1,401	2,009	2,489	2,515
Inventories	13	0	0	0	213	268
Other financial assets	14	6,541	6,547	6,290	6,541	6,290
Stock work in progress		0	0	0	139	42
<b>Total current assets</b>		<b>10,507</b>	<b>9,948</b>	<b>10,000</b>	<b>12,167</b>	<b>11,388</b>
<b>Non-current assets</b>						
Property, plant and equipment	16	329,316	295,000	288,787	337,123	295,282
Intangible assets	17	0	0	0	142	122
Work in progress	18	952	310	456	952	456
Other financial assets	14	6,106	6,051	6,074	38	6
Derivative financial instruments	15	62	0	0	62	0
<b>Total non-current assets</b>		<b>336,436</b>	<b>301,361</b>	<b>295,317</b>	<b>338,317</b>	<b>295,866</b>
<b>Total assets</b>		<b>346,943</b>	<b>311,309</b>	<b>305,317</b>	<b>350,484</b>	<b>307,254</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	19	2,041	1,405	1,697	2,340	1,788
Deferred income	20	73	0	64	73	65
Provisions	21	123	200	240	123	240
Employee benefit liabilities	22	242	200	227	557	492
Borrowings	23	2,808	8	3,032	3,186	3,741
Tax payable		0	0	0	18	75
<b>Total current liabilities</b>		<b>5,287</b>	<b>1,813</b>	<b>5,260</b>	<b>6,297</b>	<b>6,400</b>
<b>Non-current liabilities</b>						
Provisions	21	308	130	191	308	191
Employee benefit liabilities	22	198	250	206	350	365
Borrowings	23	3,056	5,865	2,865	4,991	3,364
Deferred tax liability	10	188	0	236	199	240
<b>Total non-current liabilities</b>		<b>3,750</b>	<b>6,245</b>	<b>3,498</b>	<b>5,848</b>	<b>4,160</b>
<b>Total liabilities</b>		<b>9,037</b>	<b>8,058</b>	<b>8,758</b>	<b>12,145</b>	<b>10,561</b>
<b>Equity</b>						
Retained earnings	24	158,747	158,434	158,825	159,180	158,959
Restricted reserves	24	(2,718)	(3,510)	(3,622)	(2,718)	(3,622)
Revaluation reserve	24	181,877	148,327	141,356	181,877	141,356
<b>Total equity</b>		<b>337,906</b>	<b>303,251</b>	<b>296,559</b>	<b>338,339</b>	<b>296,693</b>

Maureen Pugh



Mayor

Robin Reeves



General Manager

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2007

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2007	2007	2006	2007	2006
		\$000	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>						
Receipts from rates revenue		5,910	5,866	5,357	5,907	5,292
Interest received		520	563	632	559	632
Dividends received		284	160	95	2	0
Grants and Other Sources		5,546	4,684	4,285	10,411	9,875
Payments to suppliers and employees		(7,491)	(7,394)	(7,856)	(10,524)	(11,729)
Interest paid		(428)	(408)	(493)	(545)	(493)
Income tax paid		(41)	0	110	(342)	(279)
<b>Net cash from operating activities</b>	<b>25</b>	<b>4,300</b>	<b>3,471</b>	<b>2,130</b>	<b>5,468</b>	<b>3,298</b>
<b>Cash flows from investing activities</b>						
Proceeds from sale of property, plant and equipment		255	250	470	389	88
Proceeds from sale of investments		0	0	0	0	0
Purchase of intangible assets		0	0	0	(40)	0
Purchase of property, plant and equipment		(3,821)	(4,689)	(4,050)	(6,094)	(5,064)
Purchase of investments		(283)	0	(63)	(283)	(63)
<b>Net cash from investing activities</b>		<b>(3,849)</b>	<b>(4,439)</b>	<b>(3,643)</b>	<b>(6,028)</b>	<b>(5,039)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings		3,000	0	0	4,595	345
Repayment of borrowings		(3,033)	(32)	(1,207)	(3,476)	(1,013)
<b>Net cash from financing activities</b>		<b>(33)</b>	<b>(32)</b>	<b>(1,207)</b>	<b>1,119</b>	<b>(668)</b>
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>		<b>418</b>	<b>(1,000)</b>	<b>(2,720)</b>	<b>559</b>	<b>(2,409)</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year		1,701	3,000	4,421	2,226	4,635
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>11</b>	<b>2,119</b>	<b>2,000</b>	<b>1,701</b>	<b>2,785</b>	<b>2,226</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2007

#### **Reporting Entity**

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. The Westland District Council group (Group) consists of Westland District Council and its subsidiaries, Westland Holdings Ltd (100% owned), and its 100% owned subsidiaries Westroads Ltd and Hokitika Airport Ltd. Westroads Limited owns 100% of the share capital of Westroads Greymouth Limited.

All Group entities are incorporated in New Zealand and have a financial year ended 30 June. The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefits entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements were authorised for issue by the Mayor and General Manager on 29 October 2008.

#### **Basis of preparation**

The financial statements of Council and Group have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

This is the first set of financial statements prepared using NZ IFRS and comparatives for the year ended 30 June 2006 have been restated to NZ IFRS accordingly. Reconciliations of equity and net surplus/ (deficit) for the year ended 30 June 2006 under NZ IFRS to the balances reported in the 30 June 2006 financial statements are detailed in note 2.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS Statement of Financial Position as at 1 July 2005 for the purposes of the transition to NZ IFRS.

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

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

The functional currency of Council and Group is New Zealand dollars.

#### **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.
- 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

### **Subsidiaries**

Council consolidates as subsidiaries in the group financial statements all entities where Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

### **Basis of consolidation**

The purchase method is used to prepare the consolidated financial statements, which NZ IAS involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intra-group balances, transactions, income and expenses are eliminated on consolidation.

Council's investments in its subsidiaries are carried at cost in Council's own "parent entity" financial statements.

### **Revenue**

Revenue is measured at the fair value of consideration received.

#### ➤ **Rates revenue**

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

#### ➤ **Other revenue**

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at yearend, is accrued on an average usage basis.

Council receives government grants from Land Transport New Zealand, which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Council also from time to time receives grants from other parties.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. The stage of completion is assessed by reference to surveys of work performed.

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns or allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

Assets vested in Council are recognised as revenue when control over the asset is obtained.

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest income is recognised using the effective interest method.

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

## NOTES TO THE FINANCIAL STATEMENTS

### **Construction contracts**

When the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the statement of financial performance in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of financial performance.

### **Borrowing costs**

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

### **Income Tax**

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

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

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

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

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

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Council and Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the Statement of Financial Performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.



## NOTES TO THE FINANCIAL STATEMENTS

### **Leases**

#### ➤ **Finance leases**

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

At the commencement of the lease term, the Council and Group recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

#### ➤ **Operating leases**

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

### **Cash and cash equivalents**

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

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

### **Trade and other receivables**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans, including loans to community organizations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment.

They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Financial Performance as a grant.

A provision for impairment of receivables is established when there is objective evidence that the Council and Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

### **Inventories**

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

### **Financial assets**

The Council and Group classifies its financial assets into the following four categories: financial assets at fair value through the statement of financial performance, held-to-maturity investments, loans and receivables, and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through the statement of financial performance in which case the transaction costs are recognised therein.



## NOTES TO THE FINANCIAL STATEMENTS

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council and Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

➤ **Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Statement of Financial Performance.

Financial assets in this category include investments in managed funds.

➤ **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Financial Performance. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

➤ **Held to maturity investments**

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Council and Group has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Financial Performance.

The Council and Group does not currently have any assets that have been classified as held to maturity investments.

➤ **Financial assets at fair value through equity**

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that the Council and Group intends to hold long-term but which may be realized before maturity;
- Shareholdings that the Council and Group holds for strategic purposes.

## NOTES TO THE FINANCIAL STATEMENTS

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the Statement of Financial Performance.

In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in Statement of Financial Performance even though the asset has not been derecognised.

On de-recognizing the cumulative gain or loss previously recognised in equity is recognised in the Statement of Financial Performance.

Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost as allowed by NZ IAS 27 *Consolidated and Separate Financial Statements*.

### **Impairment of financial assets**

At each balance sheet date, the Council and Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Financial Performance.

### **Accounting for derivative financial instruments and hedging activities**

The Council and Group uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. The Council and Group does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The movement in the fair value of the derivative contracts is recognised in the Statement of Financial Performance.

### **Property, plant and equipment**

Property, plant and equipment consists of:

- **Operational assets** — These include land, buildings, improvements, museum artifacts, Jackson Bay Wharf, library books, plant and equipment, and motor vehicles.
- **Restricted assets** — Restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions. These include land vested under the Reserves Act 1977 and endowments or other property held in trust for specific purposes.
- **Infrastructure assets** — Infrastructural assets are the fixed utility systems owned by Council. These include land vested under the Reserves Act 1977 and endowments or other property held in trust for specific purposes.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. Assets carried at a valuation are detailed below.

### **Additions**

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

## NOTES TO THE FINANCIAL STATEMENTS

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets. Gains and losses on disposals are included in the Statement of Financial Performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### Subsequent Costs

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

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and museum artefacts, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### **Revaluation**

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

All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

#### ➤ **Land and buildings**

Council's 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 as at 30 June 2006 by Quotable NZ.

#### ➤ **Infrastructural asset classes**

Roading infrastructural assets (including bridges) have been valued by MWH Limited registered at depreciated replacement cost as at 30 June 2007. Sewerage, Water Supply and Stormwater infrastructural assets have been valued by BECA Valuations Ltd, registered valuers at depreciated replacement cost as at 30 June 2007.

#### ➤ **Land under roads**

Land under roads was valued based on fair value determined by MWH Limited effective 30 June 2003. Under NZ IFRS Council has elected to use the fair value of land under roads as at 30 June 2003 as deemed cost. Land under roads is no longer re-valued.

#### ➤ **Accounting for revaluations:**

The Council and Group accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Financial Performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### **Intangible assets**

#### *Mining licences*

Mining licences that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated remaining useful lives for the mining licences is 6 years.

### **Impairment of non-financial assets**

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

## NOTES TO THE FINANCIAL STATEMENTS

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Financial Performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Financial Performance.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Statement of Financial Performance.

### **Employee benefits**

#### ➤ **Short-term benefits**

Employee benefits that the Council and Group expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date and retiring and long service leave entitlements expected to be settled within 12 months.

The Council and Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

#### ➤ **Long-term benefits**

*Long service leave and retirement leave*

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave; have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the estimated future cash flows. A discount rate of between 6.13 and 6.4%, and an inflation factor of 2.1% were used.

The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

### **Superannuation schemes**

*Defined contribution schemes*

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Financial Performance as incurred.

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the board of trustees of National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

### **Provisions**

The Council and Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

## NOTES TO THE FINANCIAL STATEMENTS

### **Trade and Other Payables**

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost using the effective interest method.

### **Borrowings**

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

### **Equity**

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Separate Funds
- Special Funds
- Trusts and bequests
- Asset revaluation reserves

### **Council created reserves**

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

Special funds relate to funds that Council has set aside during the year for a special purpose e.g. a major construction project.

Separate funds are those which have been designated as being "self funding accounts". Revenue is charged by way of separate rates, user charges. Refuse, pensioner flats, sewerage and water supply accounts make up Council's separate funds.

Trust and Bequest funds provided to Council by various people and organizations 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.

Council's objectives, policies and processes for managing capital are described in note 33.

### **Good and Service Tax (GST)**

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the Statement of Financial Position.

### **Budget figures**

The budget figures are those approved by Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

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

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

### **Landfill aftercare provision**

Note 21 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

### **Infrastructural assets**

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets.

These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modeling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Financial Performance

To minimize this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and has been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modeling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

### **Critical judgments in applying Council's accounting policies**

Management do not consider that there are any material critical judgments in applying Council's accounting policies for the period ended 30 June 2007.

### **New standard and interpretation adopted and not yet adopted**

Council has chosen to early adopt NZ IFRS 7 *Financial Instruments: disclosures*. This requires extensive disclosures on the nature and extent of risks with respect to the Group's financial instruments.

A number of new interpretations and standards are not yet effective for the year ended 30 June 2007, and have not been applied in preparing these financial statements. The most significant likely to apply to the Council and Group are:



## NOTES TO THE FINANCIAL STATEMENTS

NZ IFRIC 10 Interim Financial Reporting and Impairment prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. NZ IFRIC 10 will become mandatory for Council's 2008 financial statements, and will apply to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date that Council first applied the measurement criteria of NZ IAS 36 and NZ IAS 39 respectively. It is not anticipated that this interpretation will impact on the financial statements as Council does not currently prepare interim financial statements.

NZ IFRS 8 *Operating Segments* supercedes NZ IAS 14 *Segment Reporting* and provides guidance on the disclosure requirements in respect of the operating segments of entities and will become mandatory for Council's 2010 financial statements. Council has not yet determined the potential effect of the interpretation.

NZ IAS 23 *Borrowing Costs (revised 2007)* replaces NZ IAS 23 *Borrowing Costs (issued 2004)* and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The revised standard will also require borrowing costs to be considered when revaluing property, plant and equipment to fair value based on depreciated replacement cost. Any necessary adjustments to depreciated replacement cost carrying values will have flow on effects to depreciation expense.

NZ IAS 1 *Presentation of Financial Statements (revised 2007)* replaces NZ IAS 1 *Presentation of Financial Statements (issued 2004)* and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The Council intends to adopt this standard for the year ending 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. EXPLANATION OF TRANSITION TO NZ IFRS

#### **Transition to NZ IFRS**

As stated above in note 1: 'Basis of preparation', these are Council's first financial statements prepared in accordance with NZ IFRS.

The accounting policies set out have been applied in preparing the financial statements for the year ended 30 June 2007, the comparative information for the year ended 30 June 2006 and in the preparation of an opening NZ IFRS balance sheet at 1 July 2005 (the Council's and Group's date of transition).

In preparing its opening NZ IFRS balance sheet, the Council and Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (previous GAAP). An explanation of how the transition from previous GAAP to NZ IFRS has affected the Council's and Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

#### **Exemptions from full retrospective application elected by the Council and Group**

The Council and Group has elected to apply the following optional exemptions from full retrospective application:

##### **Business combinations exemption**

The Council and Group has applied the business combinations exemption in NZ IFRS 1. It has not restated business combinations that took place prior to the 1 July 2005 transition date.

##### **Fair value as deemed cost exemption**

Under NZ IFRS the Council and Group has elected to use the fair value of land under roads as at 30 June 2003 and use that fair value as the deemed cost at that date. Land under roads is no longer re-valued.

#### **Reconciliation of equity**

The following table shows the changes in equity, resulting from the transition from previous NZ GAAP to NZ IFRS at 1 July 2005 and 30 June 2006.

## NOTES TO THE FINANCIAL STATEMENTS

Council	Effect on			Effect on			
	Previous	Transition		Previous	Transition		
	NZ GAAP	to NZ IFRS	NZ IFRS	NZ GAAP	to NZ IFRS	NZ IFRS	
	1-Jul-05	1-Jul-05	1-Jul-05	30-Jun-06	30-Jun-06	30-Jun-06	
Note	\$000	\$000	\$000	\$000	\$000	\$000	
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	4,421		4,421	1,701		1,701	
Trade and other receivables	1,330		1,330	2,009		2,009	
Other financial assets	a	200	5,981	6,181	7	6,283	6,290
Total current assets		5,951	5,981	11,932	3,717	6,283	10,000
<b>Non-current assets</b>							
Work in progress		237	0	237	456	0	456
Property, plant and equipment		265,905	0	265,905	288,787	0	288,787
Other financial assets	a	12,085	(5,965)	6,120	12,340	(6,266)	6,074
Total non-current assets		278,227	(5,965)	272,262	301,583	(6,266)	295,317
<b>Total assets</b>		<b>284,178</b>	<b>16</b>	<b>284,194</b>	<b>305,300</b>	<b>17</b>	<b>305,317</b>
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Trade and other payables		1,566		1,566	1,697		1,697
Deferred income		64		64	64		64
Provisions		91		91	240		240
Employee benefit liabilities		157		157	227		227
Borrowings		1,207		1,207	3,032		3,032
Total current liabilities		3,085	0	3,085	5,260	0	5,260
<b>Non-current liabilities</b>							
Provisions		190		190	191		191
Employee benefit liabilities	b	74	121	195	61	145	206
Borrowings		5,897		5,897	2,865		2,865
Deferred Tax	c	0	117	117	0	236	236
Total non-current liabilities		6,161	238	6,399	3,117	381	3,498
<b>Total liabilities</b>		<b>9,246</b>	<b>238</b>	<b>9,484</b>	<b>8,377</b>	<b>381</b>	<b>8,758</b>
<b>Equity</b>		<b>274,932</b>	<b>(222)</b>	<b>274,710</b>	<b>296,923</b>	<b>(364)</b>	<b>296,559</b>
Retained earnings	b	157,724	(238)	157,486	159,206	(381)	158,825
Other reserves	a	117,208	16	117,224	137,717	17	137,734
<b>Total equity attributable to The Council</b>		<b>274,932</b>	<b>(222)</b>	<b>274,710</b>	<b>296,923</b>	<b>(364)</b>	<b>296,559</b>

## NOTES TO THE FINANCIAL STATEMENTS

Group	Note	Previous	Effect on	NZ	Previous	Effect on	NZ
		NZ GAAP 1-Jul-05 \$000	Transition to NZ IFRS 1-Jul-05 \$000		NZ GAAP 30-Jun-06 \$000	Transition to NZ IFRS 30-Jun-06 \$000	
				IFRS 1-Jul-05 \$000			IFRS 30-Jun-06 \$000
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents		4,735		4,735	2,273		2,273
Trade and other receivables		2,126		2,126	2,515		2,515
Inventories		306		306	268		268
Other financial assets	a	200	5,981	6,181	7	6,283	6,290
<b>Total current assets</b>		<b>7,367</b>	<b>5,981</b>	<b>13,348</b>	<b>5,063</b>	<b>6,283</b>	<b>11,346</b>
<b>Non-current assets</b>							
Work in progress		238		238	498		498
Property, plant and equipment		271,674		271,674	295,282		295,282
Intangible assets		140		140	122		122
Other financial assets	a	6,017	(5,965)	52	6,272	(6,266)	6
Deferred tax asset		33	(33)	0	0		0
<b>Total non-current assets</b>		<b>278,102</b>	<b>(5,998)</b>	<b>272,104</b>	<b>302,174</b>	<b>(6,266)</b>	<b>295,908</b>
<b>Total assets</b>		<b>285,469</b>	<b>(17)</b>	<b>285,452</b>	<b>307,237</b>	<b>17</b>	<b>307,254</b>
<b>Current Liabilities</b>							
Trade and other payables		1,950		1,950	1,788		1,788
Deferred income		0		0	65		65
Provisions		91		91	240		240
Employee benefit liabilities		404		404	492		492
Borrowings		1,682		1,682	3,741		3,741
Tax payable		0		0	75		75
<b>Total current liabilities</b>		<b>4,127</b>	<b>0</b>	<b>4,127</b>	<b>6,401</b>	<b>0</b>	<b>6,401</b>
<b>Non-current liabilities</b>							
Provisions		190		190	191		191
Employee benefit liabilities	b	229	121	350	220	145	365
Borrowings		6,144		6,144	3,364		3,364
Deferred tax liability	c	0	86	86	4	236	240
<b>Total non-current liabilities</b>		<b>6,563</b>	<b>207</b>	<b>6,770</b>	<b>3,779</b>	<b>381</b>	<b>4,160</b>
<b>Total liabilities</b>		<b>10,690</b>	<b>207</b>	<b>10,897</b>	<b>10,179</b>	<b>381</b>	<b>10,560</b>
<b>Equity</b>		<b>274,779</b>	<b>(224)</b>	<b>274,555</b>	<b>297,058</b>	<b>(364)</b>	<b>296,690</b>
Retained earnings	b	157,570	(240)	157,330	159,341	(381)	158,960
Other reserves	a	117,209	16	117,225	137,717	17	137,734
<b>Total equity</b>		<b>274,779</b>	<b>(224)</b>	<b>274,555</b>	<b>297,058</b>	<b>(364)</b>	<b>296,693</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Reconciliation of Surplus for the year ended 30 June 2006

Reconciliation of Surplus for the year ended 30 June 2006		Council			Group		
		Effect on			Effect on		
		Previous	Transition to		Previous	Transition to	
		NZ GAAP	NZ IFRS	NZ IFRS	NZ GAAP	NZ IFRS	NZ IFRS
Note	30-Jun-06	30-Jun-06	30-Jun-06	30-Jun-06	30-Jun-06	30-Jun-06	
<b>Income</b>							
Rates revenue							
Other revenue	a	5,464	5,464	5,399		5,399	
Other gains		6,510	6,510	11,747		11,747	
		57	57	88		88	
Total income		12,031	0	12,031	17,234	0	17,234
<b>Expenditure</b>							
Depreciation and amortisation		3,155	3,155	3,832		3,832	
Employee benefits expense	b	2,161	24	2,185	4,899	24	4,923
Other expenses		5,958	5,958	6,958		6,598	
Finance costs		493	493	493		493	
Total operating expenditure		11,767	24	11,791	16,182	24	16,206
<b>Operating surplus before tax</b>		264	(24)	240	1,052	(24)	1,028
Surplus before tax		264	(24)	240	1,052	(24)	1,028
Income tax (credit) expense	c	(110)	119	9	389	119	508
<b>Surplus after tax</b>		<b>374</b>	<b>143</b>	<b>231</b>	<b>663</b>	<b>(143)</b>	<b>520</b>

### Explanatory notes

#### a. Financial assets

In accordance with NZ IFRS, short term investments comprising ASB Bonds and shares in Civic Assurance have been reclassified as other financial assets stated at fair value. The effect of measuring available for sale investments at fair value is to increase current assets by \$5,981,000 at 1 July 2005 and \$6,283,000 at 30 June 2006. The effect on the available for sale reserve is an increase of \$16,000 and \$17,000 at 30 June 2006.

#### b. Employee benefit liabilities

Under previous GAAP employee benefits relating to long service leave and retirement gratuity were accrued based on estimates. Under NZ IFRS an actuarial calculation has been performed to estimate the future liabilities relating to long service leave and retirement gratuity. The effect is to increase employee benefits by \$121,000 at 1 July 2005 and \$145,000 at 30 June 2006. The impact on the profit and loss account is to decrease profit by \$24,000 in 2006.

#### c. Taxation

The Council and Group now have to account for deferred taxation on a 'probable' basis; this differs from previous GAAP, which requires a test of virtual certainty.

### Statement of cash flows

There have been no material adjustments to the statement of cash flows for the year ended 30 June 2006, on transition to NZ IFRS.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SUMMARY COST OF SERVICES

	Council		
	Actual	Budget	Actual
	2007	2007	2006
	\$000	\$000	\$000
<b>Income</b>			
Governance	5	0	17
Planning and Regulatory	470	406	393
Roading	2,418	2,284	2,238
Water Supplies	19	22	10
Sewerage and Waste Water	98	68	91
Solid Waste Management	264	270	165
Other Operational Activities	46	9	1,478
*Community Services	1,963	1,351	1,345
<b>Total Activity Income</b>	<b>5,283</b>	<b>4,410</b>	<b>5,737</b>
Westland Holdings Limited	11	0	8
Petrol Tax	109	90	95
Interest	520	563	632
Dividends	319	160	95
General Rates	3,928	3,778	3,545
Targeted Rates	1,260	1,361	1,164
Metered Water	756	727	755
Other income	132	185	
<b>Total income</b>	<b>12,318</b>	<b>11,274</b>	<b>12,031</b>
<b>Expenditure</b>			
Interest paid and bank charges	366	408	493
Governance	624	558	665
Planning and Regulatory	1,018	999	836
Roading	3,918	3,817	3,661
Water Supplies	946	1,022	972
Sewerage and Waste Water	438	353	453
Solid Waste Management	808	717	738
Other Operational Activities	426	826	1,169
*Community Services	3,085	2,393	2,796
Westland Holdings Limited	10	0	8
<b>Total operating expenditure</b>	<b>11,639</b>	<b>11,093</b>	<b>11,791</b>

\* Governance is shown separately of Community Services in this note.

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer to note 4). In order to fairly reflect the total external operations for the Council in the Statement of Financial Performance, these transactions are eliminated as shown above.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. RATES

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
<b>General rates</b>	3,979	3,586	3,973	3,521
<b>Targeted rates attributable to activities</b>				
Solid waste management	474	386	474	386
Water supplies	459	454	459	454
Sewerage	327	324	327	324
Metered water	756	755	756	755
<b>Total revenue from rates</b>	<b>5,995</b>	<b>5,505</b>	<b>5,989</b>	<b>5,440</b>

### Rates remissions

Rates revenue is shown net of rates remissions. The Council's rates remission policy allows the Council to remit rates on:

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
<b>Total rates revenue</b>	5,995	5,505	5,989	5,440
<b>Rates remissions</b>				
Community and sports organizations full remission	11	11	11	11
Community and sports organizations half remission	9	9	9	9
Unoccupied Maori land	5	5	5	5
Other remissions	26	16	26	16
<b>Total remissions</b>	<b>51</b>	<b>41</b>	<b>51</b>	<b>41</b>
<b>Rates revenue net of remissions</b>	<b>5,944</b>	<b>5,464</b>	<b>5,938</b>	<b>5,399</b>

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under the Council's rates remission policy.



## NOTES TO THE FINANCIAL STATEMENTS

### 5. OTHER REVENUE

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
User charges	381	266	363	266
Land transport NZ government grants	2,174	2,213	2,174	2,213
Regulatory revenue	470	393	470	393
Infringements and fines	6	5	6	5
Rendering of services	1,963	1,345	1,963	1,345
Petrol tax	109	95	109	95
Vested assets	202	1,001	202	1,001
Interest	520	632	525	632
Dividend income from available for sale assets	2	0	2	0
Dividends	282	95	0	0
Subvention receipt	132	147	0	0
Other	178	318	5,706	5,797
Total other revenue	6,419	6,510	11,520	11,747

There are no unfulfilled conditions and other contingences attached to government grants recognised.

### 6. OTHER GAINS/(LOSSES)

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
(Loss)/ gain on disposal of property, plant and equipment	(45)	57	(38)	88
Total gains/(losses)	(45)	57	(38)	88

### 7. EMPLOYEE BENEFIT EXPENSES

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
Salaries and wages	1,856	2,000	4,795	4,704
Employer contributions to multi-employer defined benefit plans	104	104	133	131
Increase/(decrease) in employee benefit liabilities	(21)	81	(22)	88
Total employee benefit expenses	1,939	2,185	4,906	4,923

## NOTES TO THE FINANCIAL STATEMENTS

### 8. OTHER EXPENSES

#### *Fees to principal auditor:*

Audit fees for financial statement audit

Audit fees for NZ IFRS transition

LTCCP Audit

Donations and grants

Lease payments

Rates written off

\*Doubtful debts provision

Provision for loans

Other operating expenses

Total other expenses

Council		Group	
Actual	Actual	Actual	Actual
2007	2006	2007	2006
\$000	\$000	\$000	\$000
69	84	121	154
15	0	15	0
0	33	0	33
145	203	145	203
36	163	36	163
195	41	195	41
123	713	133	718
(232)	(360)	(232)	(360)
5,624	5,081	6,273	6,006
5,975	5,958	6,686	6,958

\* In 2006, Council obtained a judgement against a loan guarantor for a sum of approximately \$628,000. This was included in the provision.

### 9. FINANCE COSTS

#### **Interest expense**

Interest on bank borrowings

#### **Fair value (gains)/losses on derivatives**

(Gain)/loss on changes in fair value of interest rate swaps (note 15)

Total finance costs

Council		Group	
Actual	Actual	Actual	Actual
2007	2006	2007	2006
\$000	\$000	\$000	\$000
428	493	545	493
(62)	0	(62)	0
366	493	483	493

## NOTES TO THE FINANCIAL STATEMENTS

### 10. TAX

#### Components of tax expense

	Council		Group	
	Actual 2007	Actual 2006	Actual 2007	Actual 2006
Current tax expenses	13	(110)	251	354
Adjustments to current tax in prior year	(7)	-	(7)	0
Deferred tax expenses	6	119	20	154
Deferred tax adjustment - tax rate	(19)		(20)	0
Income tax expense	(7)	9	244	508

#### Relationship between tax and accounting profit

Surplus/(deficit) before tax	679	240	1,229	1,029
Tax @ 33%	224	79	406	339
Plus/(less) tax effect of permanent differences	(337)	(214)	(138)	25
Group loss offset	132	-	-	-
Tax loss not recognised	(7)	138	(4)	138
Prior year adjustment	0	6	0	6
Deferred tax adjustment - tax rate	(19)		(20)	0
<b>Tax expense/(credit)</b>	<b>(7)</b>	<b>9</b>	<b>244</b>	<b>508</b>

#### Deferred tax assets/(liabilities)

	Property, Plant & Equipment	Financial Instruments	Employee Entitlements	Tax Losses	Other Provisions	Total
<u>Westland District Council</u>						
Balance at 1 July 2005	(117)	0	0	0	0	(117)
Charged to Profit & Loss	(119)	0	0	0	0	(119)
Charged to Equity	0	0	0	0	0	0
Balance at 1 July 2006	(236)	-	-	-	-	(236)
Charged to Profit & Loss	(6)	0	0	35	0	29
Charged to Equity	0	0	0	0	0	0
Deferred tax adjustment - tax rate	22	0	0	(3)	0	19
Balance at 30 June 2007	(220)	0	0	32	0	(188)
<u>Group</u>						
Balance at 1 July 2005	(223)	0	114	12	11	(86)
Charged to Profit & Loss	(155)	0	7	(11)	5	(154)
Charged to Equity	0	0	0	0	0	0
Balance at 1 July 2006	(378)	0	121	2	16	(240)
Charged to Profit & Loss	(30)	0	14	41	(5)	21
Deferred tax adjustment - tax rate	37		(12)	(4)	(1)	20
Charged to Equity	-	-	-	-	-	-
Balance at 30 June 2007	(371)	0	123	39	10	(199)

## NOTES TO THE FINANCIAL STATEMENTS

### 11. CASH AND CASH EQUIVALENTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Cash at bank and in hand	332	544	566	786
Short term deposits maturing three months or less from date of acquisition	1,787	1,157	2,219	1,487
Total cash and cash equivalents	2,119	1,701	2,785	2,273

The carrying value of short-term deposits with maturity dates of three months or less approximates to their fair value.

Refer to note 14 for weighted average effective interest rate for cash and cash equivalents.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

The carrying value of trade and other receivables (excluding loans to related parties) approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Cash at bank and in hand	332	544	566	786
Short term bank deposits maturing within three months	1,787	1,157	2,219	1,487
Bank overdrafts (note 23)	0	0	0	(47)
	2,119	1,701	2,785	2,226

### 12. TRADE AND OTHER RECEIVABLES

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Rates receivables	892	854	892	858
Other receivables	537	440	1,321	1,061
Land Transport New Zealand	405	691	405	691
Amounts due from subsidiaries	4	4	0	0
Tax loss transfer receivable	132	110	0	0
	1,970	2,099	2,618	2,610
Less provision for impairment of receivables	(123)	(90)	(129)	(95)
	1,847	2,009	2,489	2,515

## NOTES TO THE FINANCIAL STATEMENTS

Provision for impairment of receivables includes a rates component covering pre 7 year debts, unoccupied Maori land rates and abandoned land rates. Council has various powers under the Local Government (Rating) Act 2002 to recover other outstanding rates. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments.

These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

The age of rates receivable overdue, whose payment terms have been renegotiated, are as follows:

	Group	
	Actual	Actual
	2007 \$000	2006 \$000
0 to 3 months	196	194
3 to 6 months	70	90
6 to 9 months	70	90
9 to 12 months	70	90
> 12 months	486	394
Carrying amount	892	858

As of 30 June 2007 and 2006, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

### 13. INVENTORIES

	Council		Group	
	Actual	Actual	Actual	Actual
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Metal stocks	0	0	148	149
Other suppliers	0	0	65	131
	0	0	213	280
Less provision for obsolescence	0	0	0	(12)
Total inventories	0	0	213	268

Policy is to store a small amount of inventory, and purchase supplies as required. The decrease in inventory over the year is due to a reduction in the water pipe stock, which is steadily being depleted.

## NOTES TO THE FINANCIAL STATEMENTS

### 14. OTHER FINANCIAL ASSETS

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
<b>Current portion</b>				
<i>Loans and receivables</i>				
Loan business development	0	7	0	7
<i>Assets available for resale</i>				
Civic Assurance	48	42	48	42
ASB Bonds	6,493	6,241	6,493	6,241
Total current portion	6,541	6,290	6,541	6,290
<b>Non-current portion</b>				
<i>Loans and receivables</i>				
Loan business development	36	236	36	236
Less provision for loans	0	(232)	0	(232)
<i>Fair value through equity</i>				
Forestry	2	2	2	2
<i>Cost</i>				
Westland Holdings Ltd - Hokitika Airport Ltd	2,718	2,718	0	0
Westland Holdings Ltd - Westroads Ltd	3,350	3,350	0	0
Total non-current portion	6,106	6,074	38	6

There were no impairment provisions for other financial assets.

#### Assets available for resale

The assets available for resale are valued at fair value, based on the published price of the assets.

#### Maturity analysis and effective interest rates

The maturity dates for all other financial assets with the exception of equity investments, and advances to, subsidiaries and associates are short term deposits for the Council and Group of \$6,492,603 (2006: \$6,241,359), with a weighted average effective interest rate of 6.39%-6.99% (2006: 6.39%-8.00%).

### 15. DERIVATIVE FINANCIAL INSTRUMENTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Interest rate swaps	62	0	62	0
<b>Total current portion</b>	<b>62</b>	<b>0</b>	<b>62</b>	<b>0</b>

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2007 were \$3,000,000 (2006 nil).

At 30 June 2007, the fixed interest rate of the interest rate swap is 7.45%.

The interest rate swap has been included at fair value. The termination date of the interest rate swap agreement of \$3,000,000 at 30 June 2007 is 15 March 2012. Under this agreement the Council does have the option of changing the term if there are movements in interest rates, or other events. The terms can be changed at any time.

# NOTES TO THE FINANCIAL STATEMENTS

## 16. PROPERTY, PLANT AND EQUIPMENT

2007 Parent and Group	Cost/ revaluation 1-Jul-06	Accumulated depreciation 1-Jul-06	Carrying amount 1-Jul-06	Current year additions	Current year disposals cost	Current year impairment	Current year depreciation	Current year disposals depreciation	Transfer to investment property	Revaluation surplus/(loss)	Cost/ revaluation 30-Jun-07	Accumulated depreciation 30-Jun-07	Carrying amount 30-Jun-07
<b>Council operational assets</b>													
Land (leased)	5,818	0	5,818	7	(127)		0	0		0	5,698	0	5,698
Land (leased airport)	3,292	0	3,292	0	0		0	0		0	3,292	0	3,292
Land (operational)	6,274	0	6,274	0	(7)		0	0		0	6,267	0	6,267
Buildings	5,154	(8)	5,146	130	(21)		(103)	0		0	5,263	(111)	5,152
Furniture and fittings	320	(126)	194	49	(105)		(24)	0		0	264	(150)	114
Library collections	716	(561)	155	39	0		(23)	0		0	755	(584)	171
Museum Artefacts	158	0	158	0	0		0	0		0	158	0	158
Computer equipment	567	(460)	107	104	(5)		(57)	0		0	666	(517)	149
Office equipment	361	(274)	87	2	0		(17)	0		0	363	(291)	72
Motor vehicles	195	(138)	57	115	0		(33)	0		0	310	(171)	139
Jacksons Bay Wharf	664	(60)	604	0	0		(13)	0		0	664	(73)	591
	23,519	(1,627)	21,892	446	(265)	0	(270)	0	0	0	23,700	(1,897)	21,803
<b>Council infrastructural assets</b>													
Land	1,773	0	1,773	80	0		0	0		0	1,853	0	1,853
Buildings	304	(4)	300	0	0		(6)	0		0	304	(10)	294
Roading network	124,677	(3,883)	120,794	2,071	(35)		(1,531)	0		20,617	147,330	(5,414)	141,916
Land under roads	54,139	0	54,139	0	0	0	0	0		0	54,139	0	54,139
Bridges	53,708	(2,332)	51,376	431	0		(785)	0		12,245	66,384	(3,117)	63,267
Water Supply	14,783	(629)	14,154	119	0		(326)	0		3,421	18,323	(955)	17,368
Drainage/Stormwater	6,504	(391)	6,113	108	0		(204)	0		2,589	9,201	(595)	8,606
Sewerage/Wastewater	6,726	(319)	6,407	60	0		(162)	0		1,955	8,741	(481)	8,260
Total infrastructural assets	262,614	(7,558)	255,056	2,869	(35)	0	(3,014)	0	0	40,827	306,275	(10,572)	295,703
<b>Restricted assets</b>													
Land	957	0	957	0	0		0	0		0	957	0	957
Public buildings	1,869	(82)	1,787	0	0		(34)	0		0	1,869	(116)	1,753
Cemetery buildings	41	(3)	38	0	0		(1)	0		0	41	(4)	37
Cemetery land	861	0	861	0	0		0	0		0	861	0	861
Reserve/recreation land	5,385	0	5,385	0	0		0	0		0	5,385	0	5,385
Reserve/recreation buildings	1,946	(22)	1,924	41	0		(21)	0		0	1,987	(43)	1,944
swimming pools	905	(18)	887	5	0		(19)	0		0	910	(37)	873
Total restricted assets	11,964	(125)	11,839	46	0	0	(75)	0	0	0	12,010	(200)	11,810
<b>Total Council assets</b>	<b>298,097</b>	<b>(9,310)</b>	<b>288,787</b>	<b>3,361</b>	<b>(300)</b>	<b>0</b>	<b>(3,359)</b>	<b>0</b>	<b>0</b>	<b>40,827</b>	<b>341,985</b>	<b>(12,669)</b>	<b>329,316</b>
<b>Subsidiaries property, plant and equipment</b>													
Buildings	808	(55)	753	137	0		(25)	0		0	945	(80)	865
Plant and machinery	6,604	(3,125)	3,479	1,995	(480)		(626)	353		0	8,119	(3,398)	4,721
Office equipment	240	(199)	41	28	0		(22)	0		0	268	(221)	47
Hokitika Airport	2,459	(237)	2,222	16	0		(64)	0		0	2,475	(301)	2,174
Total subsidiaries	10,111	(3,616)	6,495	2,176	(480)	0	(737)	353	0	0	11,807	(4,000)	7,807
<b>Total Group assets</b>	<b>308,208</b>	<b>(12,926)</b>	<b>295,282</b>	<b>5,537</b>	<b>(780)</b>	<b>0</b>	<b>(4,096)</b>	<b>353</b>	<b>0</b>	<b>40,827</b>	<b>353,792</b>	<b>(16,669)</b>	<b>337,123</b>



## NOTES TO THE FINANCIAL STATEMENTS

<b>2006 Parent and Group</b>	Cost/ revaluation 1-Jul-05	Accumulated depreciation 1-Jul-05	Carrying amount 1-Jul-05	Current year additions	Current year disposals cost	Current year impairment	Current year depreciation	Current year disposals depreciation	Transfer to investment property	Revaluation surplus/(loss)	Cost/ revaluation 30-Jun-06	Accumulated depreciation 30-Jun-06	Carrying amount 30-Jun-06
<b>Council operational assets</b>													
Land (leased)	1,340	0	1,340	4	(88)		0	0		4,562	5,818	0	5,818
Land (leased airport)	819	0	819	0	0		0	0		2,473	3,292	0	3,292
Land (operational)	1,576	0	1,576	324	(548)		0	0		4,922	6,274	0	6,274
Buildings	3,018	(162)	2,856	244	(45)		(62)	216		1,937	5,154	(8)	5,146
Furniture and fittings	160	(112)	48	160	0		(14)	0		0	320	(126)	194
Library collections	687	(540)	147	29	0		(21)	0		0	716	(561)	155
Museum Artefacts	158	0	158	0	0		0	0		0	158	0	158
Computer equipment	528	(389)	139	39	0		(71)	0		0	567	(460)	107
Office equipment	349	(258)	91	12	0		(16)	0		0	361	(274)	87
Motor vehicles	178	(115)	63	30	(13)		(28)	5		0	195	(138)	57
Jacksons Bay Wharf	664	(47)	617		0		(13)	0		0	664	(60)	604
	9,477	(1,623)	7,854	842	(694)	0	(225)	221	0	13,894	23,519	(1,627)	21,892
<b>Council infrastructural assets</b>													
Land	497	0	497	13	0		0	0		1,263	1,773	0	1,773
Buildings	273	(13)	260	0	0		(5)	14		31	304	(4)	300
Roading network	121,973	(2,478)	119,495	2,783	(95)		(1,405)	0		16	124,677	(3,883)	120,794
Land under roads	54,139	0	54,139	0	0		0	0		0	54,139	0	54,139
Bridges	53,349	(1,552)	51,797	359	0		(780)	0		0	53,708	(2,332)	51,376
Water Supply	14,419	(309)	14,110	364	0		(320)	0		0	14,783	(629)	14,154
Drainage/Stormwater	6,373	(190)	6,183	131	0		(201)	0		0	6,504	(391)	6,113
Sewerage/Wastewater	6,674	(158)	6,516	52	0		(161)	0		0	6,726	(319)	6,407
Total infrastructural assets	257,697	(4,700)	252,997	3,702	(95)	0	(2,872)	14	0	1,310	262,614	(7,558)	255,056
<b>Restricted assets</b>													
Land	264	0	264	0	0		0	0		693	957	0	957
Public buildings	1,233	(57)	1,176	338	0		(25)	0		298	1,869	(82)	1,787
Cemetery buildings	32	(2)	30	0	0		(1)	0		9	41	(3)	38
Cemetery land	160	0	160	0	0		0	0		701	861	0	861
Reserve/recreation land	1,095	0	1,095	12	0		0	0		4,278	5,385	0	5,385
Reserve/recreation buildings	1,625	(34)	1,591	0	0		(18)	30		321	1,946	(22)	1,924
swimming pools	783	(45)	738	25	0		(14)	41		97	905	(18)	887
Total restricted assets	5,192	(138)	5,054	375	0	0	(58)	71	0	6,397	11,964	(125)	11,839
<b>Total Council assets</b>	<b>272,366</b>	<b>(6,461)</b>	<b>265,905</b>	<b>4,919</b>	<b>(789)</b>	<b>0</b>	<b>(3,155)</b>	<b>306</b>	<b>0</b>	<b>21,601</b>	<b>298,097</b>	<b>(9,310)</b>	<b>288,787</b>
<b>Subsidiaries property, plant and equipment</b>													
Buildings	632	(38)	594	176	0		(17)	0		0	808	(55)	753
Plant and machinery	5,696	(2,848)	2,848	1,445	(537)		(555)	278		0	6,604	(3,125)	3,479
Office equipment	224	(172)	52	16	0		(27)	0		0	240	(199)	41
Hokitika Airport	2,452	(177)	2,275	7	0		(60)	0		0	2,459	(237)	2,222
Total subsidiaries	9,004	(3,235)	5,769	1,644	(537)	0	(659)	278	0	0	10,111	(3,616)	6,495
<b>Total Group assets</b>	<b>281,370</b>	<b>(9,696)</b>	<b>271,674</b>	<b>6,563</b>	<b>(1,326)</b>	<b>0</b>	<b>(3,814)</b>	<b>584</b>	<b>0</b>	<b>21,601</b>	<b>308,208</b>	<b>(12,926)</b>	<b>295,282</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 16. PROPERTY, PLANT AND EQUIPMENT (continued)

All valuations are carried out on a cyclical basis by independent qualified valuers. A detailed valuation was performed by QV Valuations at 30 June 2006 for land and buildings. Infrastructural assets valued by BECA Valuations Ltd and MWH Ltd as at 30 June 2007.

### 17. INTANGIBLE ASSETS

	Group Mining licences \$000	Group Total \$000
Balance at 1 July 2005	140	140
Cost	0	0
Accumulated amortisation and impairment	(18)	(18)
Opening carrying amount	122	122
Balance at 1 July 2006	122	122
Additions	40	40
Amortisation charge	(20)	(20)
Closing carrying amount	142	142

### 18. WORK IN PROGRESS

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
Capital projects	952	456	952	456
Balance at 30 June	952	456	952	456

Capital work in progress is valued annually at cost effective 30 June.

### 19. TRADE AND OTHER PAYABLES

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
Other payables	1,198	595	1,924	1,322
Waiho relocation grants	303	303	303	303
Accrued expenses	113	163	113	163
Amounts due to subsidiaries	427	636	0	0
Subvention payment	0	0	0	0
Total trade and other payables	2,041	1,697	2,340	1,788

Trade and other payables are non-interest bearing and are normally settled on 30-day terms; therefore the carrying value of trade and other payables approximates their fair value.

## NOTES TO THE FINANCIAL STATEMENTS

### 20. DEFERRED INCOME

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Rates and other revenue received in advance	73	64	73	65
Total deferred income	73	64	73	65

### 21. PROVISIONS

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
<b>Current provisions are represented by:</b>				
Landfill closure and monitoring	123	240	123	240
Total current provisions	123	240	123	240
<b>Non-current provisions are represented by:</b>				
Landfill closure and monitoring	308	191	308	191
Total non-current provisions	308	191	308	191

### Movement in provisions

	Council and Group	
	Actual	Actual
	2007	2006
	\$000	\$000
Provision at 1 July	431	281
Additions in year	0	150
Amount used in year	0	0
Provision at 30 June	431	431

## NOTES TO THE FINANCIAL STATEMENTS

### Provision for landfill aftercare costs

The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. The responsibilities include fencing, drainage, signage, planting, coverage and monitoring the site for a set number of years after closure.

The cash outflows for landfill post-closure are expected to occur in one to thirty four years time. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 6%, and an inflation rate of 3%.

The following major assumption has been made in the calculation of the provision:

- The Council plans to close remaining sites by 2010

### **Insurance risk**

The Council has an insurance plan in place for damages as a result of personal bodily injury by an employee over the course of employment that is not covered by the ACC New Zealand.

## **22. EMPLOYEE BENEFIT LIABILITIES**

	<b>Council</b>		<b>Group</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Accrued pay	80	76	82	76
Annual leave	117	110	382	327
Long service leave	99	93	139	137
Retirement gratuities	144	154	304	317
Total employee benefit liabilities	440	433	907	857
Comprising:				
Current	242	227	557	492
Non-current	198	206	350	365
Total employee benefit liabilities	440	433	907	857

## NOTES TO THE FINANCIAL STATEMENTS

### 23. BORROWINGS

	Council		Group	
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
<b>Current</b>				
Bank overdraft	0	0	0	47
Secured loans	0	0	220	600
Term debt	2,808	3,032	2,966	3,094
Total current borrowings	2,808	3,032	3,186	3,741
<b>Non-current</b>				
Secured loans	0	0	1,935	0
Term debt	3,056	2,865	3,056	3,364
Total non-current borrowings	3,056	2,865	4,991	3,364
<b>Total borrowings</b>	<b>5,864</b>	<b>5,897</b>	<b>8,177</b>	<b>7,105</b>

#### Fixed-rate debt

The Council's secured debt of \$5,864,000 (2006 \$5,897,000) is issued at variable rates of interest. At 30 June 2007 there was \$3,000,000 on an interest rate swap agreement for a face value of \$3,000,000 for 5 years at 7.45%, from 15 March 2007. This was replaced with a 2 year agreement at 7.19% for 2 years from 2 August 2007. In addition, an interest rate swap with a face value of \$2,800,000 was due for repayment on 15 August 2007 and replaced with a swap agreement on 1 October 2007 at 8.41% for 2 years, see note 15.

#### Statement of Public Debt

30 June 2007

Loan Name	Maturity date	Interest rate	Balance at 1 July 2006	New loans raised	Principal Repaid	Balance at 30 June 2007
			\$	\$	\$	\$
Hokitika Pensioner Housing	10/02/2010	8.70%	31,125		6,818	24,307
Ross Pensioner Housing	15/11/2017	3.50%	6,150		983	5,167
Hokitika Sewerage 1971	1/02/2009	6.25%	25,000			25,000
Hokitika Sewerage 1976	1/08/2006	9.50%	25,000		25,000	0
Hokitika Water Supply	1/11/2008	10.50%	10,000			10,000
Westland Holding Limited	15/02/2007	6.90%	3,000,000		3,000,000	0
Westland Holding Limited	15/08/2007	7.00%	2,800,000			2,800,000
Westland Holding Limited	15/03/2012	7.45%	0	3,000,000		3,000,000
<b>Total Council</b>			<b>5,897,275</b>	<b>3,000,000</b>	<b>3,032,801</b>	<b>5,864,474</b>
Westroads Limited overdraft		9.95%	47,000	9,000	56,000	0
Westroads Limited - cash advance facility		variable	600,000		380,000	220,000
Westroads Limited	2010	8.70%	246,000		20,000	226,000
Westroads Limited	2010	9.25%	315,000		35,000	280,000
Westroads Limited	2012	8.76%		297,000		297,000
Westroads Limited	2012	9.15%		1,289,000		1,289,000
<b>Total Group</b>			<b>7,105,275</b>	<b>4,595,000</b>	<b>3,523,801</b>	<b>8,176,474</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Security

The Council's loans are secured over either separate or general rates of the district. 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.

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.

### Refinancing

Under the terms of its Revenue and Financing policy the Council refinanced its term debt as follows:

The \$3,000,000, due to mature on 15/03/2012, was refinanced by way of an interest swap agreement on 2 August 2007 for a term of 24 months terminating on 15 March 2009 at a rate of 7.19%. This replaced the original swap agreement which for 5 years at 7.45%. The current portion of term debt being the loan of \$2,800,000 at 7% which matured on 15 August 2007 was refinanced for a term of 2 years at a rate of 8.41% from 1 October 2007.

### Maturity analysis and effective interest rates

The following is a maturity analysis of the Council's borrowings. There are no early repayment options.

#### 2007

	<b>Council</b>	<b>Group</b>
Less than one year	2,808	2,966
Later than one year but not more than five years	3,056	5,210
Later than five years	0	0
	<u>5,864</u>	<u>8,176</u>

#### 2006

	<b>Council</b>	<b>Group</b>
Less than one year	3,032	3,740
Later than one year but not more than five years	2,865	3,263
Later than five years	0	102
	<u>5,897</u>	<u>7,105</u>

### **Fair values of non-current borrowings**

The carrying amounts and the fair values of non-current borrowings are as follows:

	<b>Council</b>		<b>Group</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Term debt	3,056	2,865	4,991	3,364
Total	<u>3,056</u>	<u>2,865</u>	<u>4,991</u>	<u>3,364</u>

## NOTES TO THE FINANCIAL STATEMENTS

The carrying amounts of borrowings repayable within one year approximate their fair value. The fair values have been calculated by reference to the market value of the loans. The interest rate swaps relating to these loans, have been included at fair value as a derivative financial instrument (see note 15).

### 24. EQUITY

	<b>Council</b>		<b>Group</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Retained earnings</b>	158,825	157,486	158,959	157,330
As at 1 July				
Transfers to:				
Restricted reserves	(5,064)	(3,947)	(5,064)	(3,947)
Transfers from:				
Restricted reserves	4,160	4,805	4,160	4,805
Revaluation reserve - disposals	140	250	140	250
Surplus/(deficit) for the year	686	231	985	521
As at 30 June	158,747	158,825	159,180	158,959
<b>Restricted reserves</b>				
As at 1 July	(3,622)	(2,764)	(3,622)	(2,764)
Transfers to Retained Earnings:				
Special funds	(156)	(566)	(156)	(566)
Separate funds	(3,954)	(4,180)	(3,954)	(4,180)
Trusts and bequests	(50)	(59)	(50)	(59)
Transfers from Retained Earnings:				
Special funds	540	366	540	366
Separate funds	4,140	3,515	4,140	3,515
Trusts and bequests	384	66	384	66
As at 30 June	(2,718)	(3,622)	(2,718)	(3,622)
Restricted reserves consist of:				
Special funds	1,849	1,465	1,849	1,465
Separate funds	(5,120)	(5,306)	(5,120)	(5,306)
Trusts and bequests	553	219	553	219
<b>Asset revaluation reserves</b>				
As at 1 July	141,356	119,988	141,356	119,988
Revaluation gains/(losses)	40,827	21,601	40,827	21,601
Revaluation of assets held at fair value through equity	(166)	17	(166)	17
Transfer of revaluation reserve to retained earnings on disposal of property, plant and equipment	(140)	(250)	(140)	(250)
As at 30 June	181,877	141,356	181,877	141,356



## NOTES TO THE FINANCIAL STATEMENTS

### 25. RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
<b>Surplus/(deficit) after tax</b>	686	231	985	520
<b>Non-cash items:</b>				
Vested assets	(202)	(1,001)	(202)	(1,001)
Depreciation and amortisation	3,359	3,155	4,116	3,832
Employee entitlements (LT)	(8)	11	(15)	15
Deferred tax	(48)	119	(41)	154
Movement in fair value of interest rate swap	(62)	0	(62)	0
<b>Investing or financing activities:</b>				
Sale of assets	45	(57)	38	(88)
<b>Movements in working capital items:</b>				
Trade and other receivables	162	(679)	26	(388)
Inventories	0	0	55	38
Trade and other payables	344	131	551	(162)
Deferred income	9		8	65
Current and non-current provisions	0	150	0	150
Employee entitlements (ST)	15	70	65	88
Taxation provision	0	0	(56)	75
Subvention payment	0	0	0	0
<b>Net cash inflow/(outflow) from operating activities</b>	<b>4,300</b>	<b>2,130</b>	<b>5,468</b>	<b>3,298</b>

### 26. CAPITAL COMMITMENTS AND OPERATING LEASES

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
<b>Capital commitments</b>				
Capital commitments approved and contracted	388	0	1,237	95
<b>Total capital commitments</b>	<b>388</b>	<b>0</b>	<b>1,237</b>	<b>95</b>
<b>Operating leases as lessee</b>				
The following non-cancelable operating lease commitments of the Council and Group are as follows:				
Not later than one year	32	60	62	104
Later than one year and not later than two years	32	42	46	70
Later than two years and not later than five years	19	57	43	58
	<b>83</b>	<b>159</b>	<b>151</b>	<b>232</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Operating leases as lessee

The Council has entered into non-cancellable contracts with Westroads Ltd for roading, water, sewerage, stormwater maintenance. Details of the commitments under these contracts are as follows:

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
<b>Non-cancellable operating leases as lessee</b>				
Not later than one year	1,830	234	0	0
Later than one year and not later than two years	482	234	0	0
Later than two years and not later than five years	802	701	0	0
Later than five years	0	234	0	0
Total non-cancellable operating leases	3,114	1,403	0	0

Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on the Council by any of the leasing arrangements.

## 27. CONTINGENCIES

### Contingent liabilities

	Council		Group	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Performance bonds	0	0	20	10
Mining bonds	0	0	18	18
Total contingent liabilities	0	0	38	28

The Council has no contingent liabilities. In 2006 the Council had a judgment of \$628,000 over a business development loan, but this has since been written off.

The Group has contingent liabilities relating to performance Bonds in favour of Grey District Council.

### Contingent assets

The Council and Group have no contingent assets.

## NOTES TO THE FINANCIAL STATEMENTS

### 28. RELATED PARTY TRANSACTIONS

Related parties' transactions are with Westland Holdings Limited, Westroads Limited and Hokitika Airport Limited, (being subsidiaries of the Council). Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated. The value of transactions between the Council and these companies are as follows:

	Actual 2007 \$000	Actual 2006 \$000
<b>Westroads Ltd</b>		
Revenue earned	180	50
Expenditure charged	3,350	3,367
Accounts payable at 30 June	380	636
Accounts receivable at 30 June	4	4
Tax losses utilized	0	99
Subvention payable	132	0
<b>Hokitika Airport Ltd</b>		
Revenue earned	22	12
Expenditure charged	2	0
Accounts payable at 30 June	0	0
Accounts receivable at 30 June	0	0
<b>Westland Holdings Ltd</b>		
Revenue earned	11	8
Expenditure charged	10	0
Accounts payable at 30 June	0	0
Accounts receivable at 30 June	0	0
Dividends received	280	80

### Key management personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council, shown as follows:

	Transaction amount		Transaction Balance	
	Council		Group	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
B Duckett - spouse contract for construction services	21	0	0	0
	21	0	0	0

## NOTES TO THE FINANCIAL STATEMENTS

### Key management personnel compensation

	Council	
	2007	2006
	\$000	\$000
Salaries and other short term employee benefits	680	624
Post employment benefits	37	39
Other long term benefits	0	0
Termination benefits	0	0

Key management personnel include the Mayor, Councillors, General Manager and senior managers.

## 29. REMUNERATION

### General Manager

The General Manager of the Council appointed under section 42 (1) of the Local Government Act 2002 received a salary of \$145,413 (2006 \$140,500). In terms of his contract, he also received the following additional benefits:

	Cost during the financial year	
	2007	2006
	\$	\$
Telephone rental	431	431
Expenses allowance	1,000	1,000
Professional allowances/fees	420	410
Motor vehicle (including fringe benefit tax)	10,962	10,248

For the year ended 30 June 2007, the total annual cost including fringe benefit tax to the Council of the remuneration package being received by the General Manager is calculated at \$158,226 (2006 \$152,589).

## NOTES TO THE FINANCIAL STATEMENTS

Name of elected representative	Position	Total remuneration					
		2007			2006		
		Salaries	Allowances	Total	Salaries	Allowances	Total
		\$000	\$000	\$000	\$000	\$000	\$000
M H Pugh	Mayor	50,707	16,035	66,742	51,209	15,522	66,731
B Thompson	Deputy Mayor	18,511	3,605	22,116	18,986	2,016	21,002
G M Blackburn	Chairperson	10,942	3,822	14,764	9,198	3,352	12,550
S J Fraser	Chairperson	13,690	0	13,690	9,470	0	9,470
A P Condon	Councilor	10,294	4,725	15,019	8,393	3,962	12,355
A Payn	Councilor	9,710	0	9,710	8,740	0	8,740
B Duckett	Councilor	10,831	742	11,573	8,606	56	8,662
I W Hustwick	Councilor	11,144	448	11,592	9,036	504	9,540
K J Eggeling	Councilor	9,486	2,741	12,227	7,165	4,680	11,845
K R Scott	Councilor	11,113	17	11,130	9,458	0	9,458
A N Bradley	Councilor	10,230	0	10,230	9,220	0	9,220
P J Davidson	Councilor	10,361	115	10,476	9,418	0	9,418
R F Gugich	Councilor	11,736	224	11,960	9,490	0	9,490
		<b>188,755</b>	<b>32,474</b>	<b>221,229</b>	<b>168,389</b>	<b>30,092</b>	<b>198,481</b>

### 30. SEVERANCE PAYMENTS

The Council has made no severance payments to employees, for the year ended 30 June 2007 (2006 nil).

### 31. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after balance date.

### 32. FINANCIAL INSTRUMENT RISKS

The Council and group is party to financial instruments as part of its normal operations.

These instruments relate to the hedging of interest on loans and bank debt.

The interest rates on the Council's investments are disclosed in note 14 and on the Council's borrowings in note 23.

#### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Borrowing issued at fixed rates expose the Council to fair value interest rate risk. The Council's Liability Management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to cover the fair value interest rate risk arising where the Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose the Council to fair value interest rate risk.

If interest rates on borrowings at 30 June 2007 had fluctuated by plus or minus 1%, the effect would have been to decrease/increase the surplus after tax by less than \$2,200 (2006 less than \$6,470) as a result of higher/lower interest expense on floating rate borrowings.

## NOTES TO THE FINANCIAL STATEMENTS

### **Cash flow interest rate risk**

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council and Group to cash flow interest rate risk.

The Council and Group manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if the Council and Group borrowed at fixed rates directly. Under the interest rate swaps, the Council and Group agrees with other parties to exchange at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

### **Credit risk**

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss. The Group has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

The group invests funds only in deposits with registered banks and local authority stock and its Investment policy limits the amount of credit exposure to any one institution or organization to \$1,000,000. The Council's investment policy only allows investment in financial institutions with a Standard and Poor's credit rating of A minus and above.

### **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a liquid portfolio of investments that can be liquidated on short notice as required.

The Council manages its borrowings in accordance with its revenue and financing policy, which includes a Liability Management policy.

These policies have been adopted as part of the Council's Long Term Council Community Plan.

The Council has a maximum amount that can be drawn down against its overdraft facility of \$500,000 (2006 \$500,000). There are no restrictions on the use of this facility. At 30 June 2007 this facility was not drawn down.

The maturity profiles of the Council and Group's interest bearing investments and borrowings are disclosed in notes 14 and 23 respectively.

## NOTES TO THE FINANCIAL STATEMENTS

### 33. CAPITAL MANAGEMENT

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilizing the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the revenue and financing policy in the Council's LTCCP.

The Council has the following Council created reserves:

- Reserves for different areas of benefit;
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate.

Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.



## NOTES TO THE FINANCIAL STATEMENTS

### 34. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Council's estimated figures in the 2006/2016 Long Term Council Community Plan are as follows:

#### **Statement of Financial Performance**

Variances which occurred in other revenue were:

##### **Revenue**

- Revenue from Planning and Regulatory Services was \$36,000 greater than budgeted which reflected the higher than anticipated levels of building activity and resource consent applications in the District.
- Dividend and subvention payments from Westland Holdings totalled \$412,000, which include a \$132,000 subvention payment for related to the 2005/06 year but received in 2006/07.
- Reserves Contributions totaling \$296,412 were received for 2006/07, and reflected in Rendering of Services as against \$190,621 in 2005/06.
- Income from admittance fees to Hokitika Pool of \$73,373 was an increase of \$30,000 on the previous year with the pool operating under a different management structure.
- A grant from the Kokatahi Rural Fire Party of \$35,555 was received in June 2007 to purchase a new fire engine.
- A payment of \$200,000 was received from Development West Coast in full settlement of a loan made to Forever Beech Limited. A provision had been made for non payment of this loan in 2005/06.

##### **Expenditure**

- Other operating expenses variances were Cass Square maintenance which was \$30,000 greater than estimated.
- The cost of Waste Management services in Fox Glacier and Franz Josef was \$43,000 higher than estimated.
- Hokitika Pool operating expenses were \$75,000 greater than estimated, which was due to the longer opening season and offset somewhat by increased revenue.
- Expenses related to land purchase and development totalled \$116,479, which was \$78,000 above the estimate. This included losses on disposals totaling \$45,000 which were related to a revaluation of Council's land and buildings posted back to 30 June 2006.

## NOTES TO THE FINANCIAL STATEMENTS

#### **Statement of Financial Position**

- Property Plant and Equipment totaling \$329,316,000, is significantly greater than the estimate due to the revaluation of Roding, Water Supplies, Wastewater and Drainage Systems completed as at 30 June 2007.
- Borrowing of \$2,808,000 in Current Liabilities is the amount of loans which will mature in the 2007/08 year.

## 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. Council's application for accreditation was lodged with the Accreditation Authority on 30 June 2007. 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 with a different service provider was put in place in August 2007.

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 \$63 to register each of their dogs while dog owners in other parts of the District paid \$48 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 August 2007 replacing the current contract effective 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/Waiau.

Funding continues to be held for the assessment of Significant Natural Areas. Council has now been apprised of the Government policy concerning biodiversity and it is likely that progress associated with the assessment of significant natural areas will be made in 2008.

## PLANNING AND REGULATORY ACTIVITIES

### ANIMAL CONTROL

#### OBJECTIVE

*Council provides a service for both animal and dog control.*

#### **Performance Measure**

#### **Performance Result**

Animal control personnel are available to urban areas in the northern part of the District 24 hours a day.

⇒ A contract continues to be in place for the provision of a dog control service throughout the District. The contract provides for 24 hour coverage in the northern part of the District. Animal Control is provided for on an as required basis.

Inspection and surveillance occur across the whole District every year.

⇒ Both service providers are available on a 24 hour 7 days a week basis.

The differential between urban and rural dog registration fees is maintained.

⇒ As at 1 July 2006 the dog registration fee was set at \$63 and \$48 for urban and rural dogs respectively.

Records are accurate and comply with the requirements of the National Dog Database.

⇒ Records are updated to the NDDDB every working day and any discrepancies are corrected the next working day.

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2006/2007	2006/2007	2005/2006
<b>ANIMAL CONTROL</b>			
Activity Income	75,268	70,600	62,200
Activity Expenditure	76,761	77,639	71,600
Net Cost/Surplus (-) of Activity	<b>1,493</b>	<b>7,039</b>	<b>9,400</b>
Capital Expenditure	0	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>1,493</b>	<b>7,039</b>	<b>9,400</b>
Funded by:			
General Rates	0	5,000	5,511
Targeted Rates	0	0	0
Depreciation	0	0	0
Loans Raised	0	0	0
Transfers from / to (-) Reserves	1,493	2,039	3,889
Total Source of Funds	<b>1,493</b>	<b>7,039</b>	<b>9,400</b>

## PLANNING AND REGULATORY ACTIVITIES

### CIVIL DEFENCE

#### OBJECTIVE

*The Council plans and provides for the Civil Defence Emergency Management in the District.*

#### **Performance Measure**

The Council has an approved Civil Defence Emergency Management Plan for the District.

The Council has an approved Franz Josef/Waiau Sector Plan.

The Council maintains an up to date list of volunteers who are available for emergency work.

The Council employs a part-time Civil Defence Officer who is appropriately qualified in the Coordinated Information Management System.

The Council maintains Standard Operating Procedures which are reviewed regularly as situations change.

#### **Performance Result**

⇒ The District Civil Defence Plan was approved for adoption on 22 May 2006.

⇒ The Franz Josef Glacier Sector Plan was reviewed in July 2006.

⇒ The Standard Operating Procedures and the Franz Josef Glacier Sector Plan both have an appendix that lists names and contact details of volunteers who are available for emergency work. The details are current as at the time of the adoption of the Plans.

⇒ A Staff member is appointed to fill the position of Civil Defence Officer. The appointee has a CIMS qualification.

⇒ The Standard Operating Procedures were reviewed in August 2006.

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
CIVIL DEFENCE	2006/2007	2006/2007	2005/2006
Activity Income	13,239	500	1,600
Activity Expenditure	49,497	35,281	34,200
Net Cost/Surplus (-) of Activity	<b>36,258</b>	<b>34,781</b>	<b>32,600</b>
Capital Expenditure	0	0	0
Renewals Expenditure	0	1,000	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>36,258</b>	<b>35,781</b>	<b>32,600</b>
Funded by:			
General Rates	35,997	33,781	32,339
Targeted Rates	0	0	0
Depreciation	261	2,000	261
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
Total Source of Funds	<b>36,258</b>	<b>35,781</b>	<b>32,600</b>

## PLANNING AND REGULATORY ACTIVITIES

### RESOURCE MANAGEMENT

#### OBJECTIVE

***Provide day to day advice and assistance regarding Resource Consents and the District Plan.***

#### ***Performance Measure***

Queries are addressed as they arise.

#### ***Performance Result***

⇒ Suitably qualified staff are employed by Council to service the Department.

#### OBJECTIVE

***Provision of a Councillor Hearing Commissioner.***

#### ***Performance Measure***

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 3 public hearings relating to Resource Consent applications and dealt with by the Councillor appointed as a Hearings Commissioner. On each occasion the Councillor concerned heard the application alone.

#### OBJECTIVE

***Provide and maintain a District Plan.***

#### ***Performance Measure***

The current plan is always accessible via the Council web-site and the District Library.

#### ***Performance Result***

⇒ The District Plan can be accessed via the Council website and the District Library. During the year the District Plan was chosen as a finalist in the Ministry for The Environment "Quality Planning Awards". The document did not win an award but was the subject of helpful advice which assisted in developing the web based document.

## PLANNING AND REGULATORY ACTIVITIES

### OBJECTIVE

#### *Process applications for Resource Consents.*

##### **Performance Measure**

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**

⇒ 174 non-notified Resource Consents (147 in 2005/06) were processed to a decision during the year. 80 (82 in 2005/06) of these applications were dealt with in the statutory time frame of 20 working days with the average number of processing days being 25 days (20.52 in 2005/06).

In addition, there were 10 (9 in 2005/06) applications that were subject to notification procedures. 6 (5 in 2005/06) were completed within the statutory time frames.

45% (56% in 2005/06) of non-notified applications were determined in the statutory time frame and 60% (55% in 2005/06) of notified applications were dealt with in the statutory time frames.

### OBJECTIVE

#### *Provide a service for issuing Land Information Memoranda.*

##### **Performance Measure**

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 Information and Meetings Act 1987.

##### **Performance Result**

⇒ A total of 309 Land Information Memoranda (351 in 2005/06) were issued. The average processing time was 2 days (2 in 2005/06) with 100% issued within the statutory time frame (100% in 2005/06).

100% of fast-track Land Information Memoranda are issued within 3 working days.

⇒ A total of 30 fast track Land Information memoranda were issued. The average processing time was 1 day with 100% issued within 3 days.

## PLANNING AND REGULATORY ACTIVITIES

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
RESOURCE MANAGEMENT	2006/2007	2006/2007	2005/2006
Activity Income	61,899	47,850	77,000
Activity Expenditure	189,656	223,291	209,900
Net Cost/Surplus (-) of Activity	<b>127,757</b>	<b>175,441</b>	<b>132,900</b>
Capital Expenditure	0	0	410
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>127,757</b>	<b>175,441</b>	<b>133,310</b>
Funded by:			
General Rates	127,120	154,941	132,753
Targeted Rates	0	0	0
Depreciation	637	500	557
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	20,000	0
Total Source of Funds	<b>127,757</b>	<b>175,441</b>	<b>133,310</b>



## PLANNING AND REGULATORY ACTIVITIES

### INSPECTIONS AND COMPLIANCE

#### OBJECTIVE

*To provide an Inspections and Compliance Service that is applicable for the District.*

#### **Performance Measure**

Provide day to day advice and assistance regarding proposals and application by employing and contracting suitably qualified staff.

That the time between the receipt and determination of compliance with the Building Code, of 95% of all Building Consent applications received, as shown on the Building Consent tracking data, does not exceed the criteria provided in the Building Act 2004.

Gain accreditation as a Building Consent Authority.

Council continues to have a relevant liquor strategy.

#### **Performance Result**

⇒ The Council employs 3 Building Compliance Officers and their individual competencies have been assessed against specific building code criteria. The Environmental Health Service was provided by Community and Public Health on an historical contractual arrangement.

⇒ As at 30 June 2007, 64% of the 392 (380 in 2005/06) Building Consent applications received had been determined within the statutory time frames.

⇒ The Council continues to be a member of the "Mainland" group of Councils. The Department has been the subject of a "pilot study" to test accreditation procedures. The results of the study are now available. Council's application for accreditation as Building Consent Authority was forwarded to IANZ (the accreditation body) on 30 June 2007. The application has not yet been determined.

⇒ The Council's liquor strategy has not been reviewed since it was adopted in April 2000. Staff are involved in the work of the Inter-agency Liquor Advisory Group.

## PLANNING AND REGULATORY ACTIVITIES

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
INSPECTION AND COMPLIANCE	2006/2007	2006/2007	2005/2006
Activity Income	315,236	286,740	252,000
Activity Expenditure	575,643	528,254	520,500
Net Cost/Surplus (-) of Activity	<b>260,407</b>	<b>241,514</b>	<b>268,500</b>
Capital Expenditure	0	0	0
Renewals Expenditure	2,018	2,500	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>262,425</b>	<b>244,014</b>	<b>268,500</b>
Funded by:			
General Rates	260,794	240,514	266,226
Targeted Rates	0	0	0
Depreciation	1,631	1,000	2,274
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	2,500	0
Total Source of Funds	<b>262,425</b>	<b>244,014</b>	<b>268,500</b>

## PLANNING AND REGULATORY ACTIVITIES

### COMMUNITY AND TOWNSHIP PLANNING

#### OBJECTIVE

*To provide a mechanism for purposeful community improvements and upgrades.*

#### **Performance Measure**

#### **Performance Result**

Implement and review the Glacier Country Strategy.	⇒	As at 30 June 2007, staff capacity is such that this work has not been able to proceed.
Develop a District-wide monitoring strategy, covering environmental and District Plan outcomes as well as recording information on Community Outcomes, to be in place by 30 June 2009.	⇒	As at 30 June 2007, staff capacity is such that this work has not been able to proceed.
Ensure that premises in Westland comply with Councils adopted Gambling Venue policy.	⇒	The gambling policy is required to be reviewed by July 2007.
Develop an Aviation Strategy to be in place by 30 June 2009.	⇒	As at 30 June 2007, staff capacity is such that this work has not been able to proceed.
Progress the completion of projects identified in the adopted Hokitika Concept Plan.	⇒	As at 5 April 2007, a contract has been let for Hokitika Town Centre Entrance works.

#### OBJECTIVE

*To complete the activities of the Department for the 2006/2007 year within the approved budget.*

#### **Performance Measure**

#### **Performance Result**

That the Departmental activities will be completed without exceeding the total net budgeted cost of \$138,295.	⇒	Achieved. The cost of operating the Department was \$121,756 for the year.
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### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
COMMUNITY TOWNSHIP PLANNING	2006/2007	2006/2007	2005/2006
Activity Income	4,762	0	0
Activity Expenditure	126,518	138,295	124,256
Net Cost/Surplus (-) of Activity	<b>121,756</b>	<b>138,295</b>	<b>124,256</b>
Capital Expenditure	105,300	172,000	29,500
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>227,056</b>	<b>310,295</b>	<b>153,756</b>
Funded by:			
General Rates	226,775	290,295	124,256
Targeted Rates	0	0	0
Depreciation	281	0	0
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	20,000	29,500
Total Source of Funds	<b>227,056</b>	<b>310,295</b>	<b>153,756</b>

## PLANNING AND REGULATORY - SUMMARY

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
PLANNING & REGULATORY	2006/2007	2006/2007	2005/2006
Activity Income	470,403	405,690	392,800
Activity Expenditure	1,018,076	1,002,760	836,200
Net Cost/Surplus (-) of Activity	<b>547,673</b>	<b>597,070</b>	<b>443,400</b>
Capital Expenditure	105,300	172,000	410
Renewals Expenditure	2,018	3,500	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>654,991</b>	<b>772,570</b>	<b>443,810</b>
Funded by:			
General Rates	650,687	724,531	436,829
Targeted Rates	0	0	0
Depreciation	2,811	3,500	3,092
Loans Raised	0	0	0
Transfers from / to (-) Reserves	1,493	44,539	3,889
Total Source of Funds	<b>654,991</b>	<b>772,570</b>	<b>443,810</b>

Capital expenditure consists of Hokitika Concept Plan projects costs (\$105,300) and new computer equipment for the Inspections and Compliance department (\$2,018). The remaining budget is related to money identified in the LTCCP for funding rural township works projects as they arise.

## 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. The Community Services Department, assists, liaises and co-ordinates discussion and action between Council and Community Groups.

2. 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.

3. 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. Further consultation is expected to take place in 2008/2009 during the review of the LTCCP in conjunction with surveying the community as a whole about levels of service provided by the Council.

### COMMUNITY SERVICES ACTIVITIES

#### LIBRARY

### NATURE AND SCOPE

Council operates a District Library in Hokitika, and supports community libraries in Haast, Jacobs River, Franz Josef/Waiau, Okarito, Ross and Kumara and school community libraries at Kaniere, South Westland Area School and Whataroa. The District Library is open 44 hours per week and currently holds approximately 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 also available for use within the Library.

### OBJECTIVE

***To provide quality Library facilities including educational, economic development, cultural, social and recreational resources to residents, ratepayers and visitors to Westland District.***

#### ***Performance Measure***

#### ***Performance Result***

Maintain opening hours at not less than current level of 43 hours per week.

⇒ Achieved at 44 hours per week. The Library opening hours were 9am to 5pm Monday – Thursday, 9am to 6pm Friday and 9.30am to 12.30pm Saturday during the 2006/2007 year.

Maintain the active membership of the library at the same level as at 30 June 2006 of 2,557 active members.

⇒ Achieved. At 30 June 2007 membership numbers were 2,667. (2,557 in 2005/06).

Maintain the average cost per issue at not more than the current level of \$3.80.

⇒ Achieved. The average cost per issue for 2006/07 was \$3.77. (\$4.05 in 2005/2006).

## COMMUNITY SERVICES ACTIVITIES

### Performance Measure

### Performance Result

Purchase new Library Books within the approved budget at \$40,000.

⇒ Achieved. The cost of new Library Books was \$38,983. (\$28,132 in 2005/06).

Maintain the lending level at not less than 4 issues per capita.

⇒ The total number of issues for the 2006/07 year was 65,314 (59,407 in 2005/06) which equates to 7.77 per capita on a resident population of 8,403.

Community Libraries are to be provided with at least 100 and School Libraries 30 mixed loan books at all times.

⇒ All Community and school libraries were correctly stocked at 30 June 2007.

District Library stock to include at least 1,700 large print books and 360 talking books at all times.

⇒ Not achieved. 1,444 large print books and 348 talking books were in stock at 30 June 2007.

The library website is to be up to date and able to be accessed at all times.

⇒ The library website is currently being upgraded and will be completed during the 2007/2008. The current website was available throughout the year.

Operate the Library within the net operating budgeted of \$274,352.

⇒ Achieved. The net cost of operating the library was \$245,992 for the year ended 30 June 2007.

## STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
LIBRARY	2006/2007	2006/2007	2005/2006
Activity Income	20,348	18,100	18,200
Activity Expenditure	266,340	292,452	240,700
Net Cost/Surplus (-) of Activity	<b>245,992</b>	<b>274,352</b>	<b>222,500</b>
Capital Expenditure	54,985	55,000	57,900
Renewals Expenditure	6,160	7,600	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>307,137</b>	<b>336,952</b>	<b>280,400</b>
Funded by:			
General Rates	274,700	274,352	251,012
Targeted Rates	0	0	0
Depreciation	32,437	40,000	29,388
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	22,600	0
Total Source of Funds	<b>307,137</b>	<b>336,952</b>	<b>280,400</b>

## COMMUNITY SERVICES ACTIVITIES

### MUSEUM/CARNEGIE CENTRE GALLERY

#### NATURE AND SCOPE

The West Coast Historical Museum and Gallery is located in Hamilton Street, Hokitika in the Carnegie Complex. The Facilities are operated under a 5 year renewable management contract in association with the Visitor Information Centre.

The Museum aims to acquire, house, research, preserve, conserve and display the material evidence of the regions social and natural history and communicate the results of this work through exhibitions and displays.

The Gallery is located opposite the Information Office and is available for the display of local art and craft work.

#### OBJECTIVE

***To provide a quality facility for the display and storage of the social and natural history of the region and a venue for the display of arts and crafts of the community.***

#### **Performance Measure**

#### **Performance Result**

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)

⇒ The Museum was open throughout the 2006/2007 year as indicated.

The museum visitor numbers totalled 310 for 2006/2007(409 in 2005/06), a decrease of 24%.

Host at least 8 exhibitions or functions in the gallery each year.

⇒ Not achieved. Four exhibitions were hosted for the year ended 30 June 2007.

Operation of the Museum/Carnegie Gallery within the approved budget of \$124,269.

⇒ The cost to Council of operating the Museum/Carnegie Gallery was \$122,969 for the year ended 30 June 2007.

## COMMUNITY SERVICES ACTIVITIES

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
MUSEUM	2006/2007	2006/2007	2005/2006
Activity Income	302	0	1,100
Activity Expenditure	123,271	124,969	127,853
Net Cost/Surplus (-) of Activity	<b>122,969</b>	<b>124,969</b>	<b>126,753</b>
Capital Expenditure	19,999	22,000	1,144
Renewals Expenditure	2,055	2,300	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>145,023</b>	<b>149,269</b>	<b>127,897</b>
Funded by:			
General Rates	137,735	139,469	120,100
Targeted Rates	0	0	0
Depreciation	7,288	7,500	7,697
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	2,300	100
Total Source of Funds	<b>145,023</b>	<b>149,269</b>	<b>127,897</b>



## COMMUNITY SERVICES ACTIVITIES

### VISITOR INFORMATION CENTRE

#### NATURE AND SCOPE

The Visitor Information Centre is located in Hamilton Street, Hokitika in the Carnegie Complex and is operated under a 5 year renewable management contract in association with the Museum and Carnegie Gallery.

#### OBJECTIVE

***To promote the Westland Region by the provision of information and a facility for tourist operators throughout the District to promote their businesses and to promote events happening in the District.***

#### ***Performance Measure***

#### ***Performance Result***

Ensure that all staff member are appropriately qualified and hold Visitor Information Network accreditation.

⇒ All staff are qualified with the appropriate Visitor Information Network qualification.

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)

⇒ The Visitor Information Centre was open throughout the 2006/2007 year as indicated.

To be a member of and adhere to the standards of the Visitor Information Network (VIN) coordinated by the Tourism Board.

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

Visitor numbers to the Information Centre are recorded and reported to Council on a monthly basis and total at least 60,000 per annum.

⇒ Visitor numbers were reported to Council as part of monthly I-SITE report to Council. The centre responded to 59,770 recorded enquiries for the year (58,406 in 2005/06), an increase of 2.3%.

Operation of the Visitor Information Centre within the approved budget of \$74,519.

⇒ The cost to Council of operating the Visitor Information Centre was \$76,581 for the year ended 30 June 2007.

## COMMUNITY SERVICES ACTIVITIES

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
VISITOR INFORMATION CENTRE	2006/2007	2006/2007	2005/2006
Activity Income	0	0	0
Activity Expenditure	76,581	74,519	62,500
<b>Net Cost/Surplus (-) of Activity</b>	<b>76,581</b>	<b>74,519</b>	<b>62,500</b>
Capital Expenditure	0	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
<b>Total Funds Required</b>	<b>76,581</b>	<b>74,519</b>	<b>62,500</b>
<b>Funded by:</b>			
General Rates	76,581	74,519	62,500
Targeted Rates	0	0	0
Depreciation	0	0	0
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
<b>Total Source of Funds</b>	<b>76,581</b>	<b>74,519</b>	<b>62,500</b>

## COMMUNITY SERVICES ACTIVITIES

### SAFER COMMUNITY COUNCIL

#### NATURE AND SCOPE

The Safer Community Council was established in April 1997 when a partnership was formed between the Crime Prevention Unit and Westland District Council to address crime issues with the intention of providing a safer environment for the people of Westland and visitors to the region. The activity administers the Big Brother Big Sister and Turnaround programs in Westland as well as general activities associated with the Safer Community Council and approved by Council.

#### OBJECTIVE

***To gather information regarding crime prevention and safer communities and assist in co-ordinating existing and new crime prevention programmes.***

<b>Performance Measure</b>	<b>Performance Result</b>	<b>2005/06</b>	<b>2006/07</b>
To achieve a reduction in reported crime such as family violence, truancy, youth offending, local neighbourhood issues and concerns, burglary and serious traffic offending.	⇒ Family Violence Cases Strengthening Family Meetings (1) BBBS Mentoring Matches Youth Board Offending Meetings (2) Turnaround Offending Meetings Neighbourhood Issue Meetings (3) Burglary Reported Offences Serious Traffic Offences -	67 9 7 23 19 13 57 Not available	41 7 11 9 39 3 49 Not available
To provide the service within the approved operating budget of \$22,000.	⇒ A surplus resulted from the operating of the Safer Community Council of \$2,318 for the year ended 30 June 2007.		

- (1) Big Brother Big Sister (BBBS) mentoring is matching an adult volunteer with an at risk young person who has been involved in offending, has behavioural or learning problems or has been brought up in a single parent home with a deprived childhood.
- (2) The Turnaround Programme is a Restorative Justice Programme operated from Westland High School for youth offending. It provides an alternative to stand downs and suspensions. Figures include meetings with offenders and victims with parents as well as panel meetings with community volunteers and review meetings to review the progress of youth offenders.
- (3) Burglary figures do not include theft.

### STATEMENT OF FINANCIAL PERFORMANCE

	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>SAFER COMMUNITY COUNCIL</b>	<b>2006/2007</b>	<b>2006/2007</b>	<b>2005/2006</b>
Activity Income	70,577	38,200	88,700
Activity Expenditure	68,259	60,200	51,600
Net Cost/Surplus (-) of Activity	-2,318	22,000	-37,100
Capital Expenditure	0	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	-2,318	22,000	-37,100
Funded by:			
General Rates	0	22,000	-37,319
Targeted Rates	0	0	0
Depreciation	219	0	219
Loans Raised	0	0	0
Transfers from / to (-) Reserves	-2,537	0	0
Total Source of Funds	-2,318	22,000	-37,100

## COMMUNITY SERVICES ACTIVITIES

### EVENTS MANAGEMENT

#### NATURE AND SCOPE

The activity benefits the local economy by assisting in organising events, as authorised by Council, both directly and indirectly within the District with the primary focus being the coordination of the annual Wildfoods Festival.

#### OBJECTIVE

***To benefit the local economy by organising events within Westland and to operate at a surplus to provide funds which can be utilised for improving events or Council facilities.***

#### **Performance Measure**

Operate the Wildfoods Festival and other events in a safe and enjoyable environment by;

Major incidents reported to Council have not increased from previous years.

Attendance figures maintained at similar levels to previous years.

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

#### **Performance Result**

Statistics for the 2007 Wildfoods Festival held on 10 March were:

Major incidents were Nil while there were 31 arrests for minor offences over the Festival weekend.

	2006	2007
Number of Stalls	80	79
Festival Attendance	15,267	13,488
Dance Attendance	3,369	2,573
Surplus	\$149,387	\$130,937

Not achieved. The Events Department operated at a deficit of \$8,613 (2005/06 \$66,000) for the year ended 30 June 2007. This was due to the surplus achieved from the Wildfoods Festival being less than the previous year due to lower attendance numbers and increases in costs associated with operating the Department.

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
EVENTS MANAGEMENT	2006/2007	2006/2007	2005/2006
Activity Income	624,362	644,500	672,600
Activity Expenditure	632,975	581,077	738,600
Net Cost/Surplus (-) of Activity	8,613	-63,423	66,000
Capital Expenditure	0	0	1,098
Renewals Expenditure	331	1,000	0
Loan Principal Repayments	0	0	0
Total Funds Required	8,944	-62,423	67,098
Funded by:			
General Rates	0	0	0
Targeted Rates	0	0	0
Depreciation	1,459	1,000	1,414
Loans Raised	0	0	0
Transfers from / to (-) Reserves	7,484	-63,423	65,684
Total Source of Funds	8,944	-62,423	67,098

## COMMUNITY SERVICES ACTIVITIES

### COMMUNITY HALLS AND BUILDINGS

#### NATURE AND SCOPE

Community halls and buildings provide a central focal point where people can gather and use the facilities thereby strengthening inter-community relationships and adding to the assets of Council. Community Halls are located at Okuru, Haast, Bruce Bay, Waitaha, Ross, Kokatahi, and Three Mile, while buildings located in Hokitika include the RSA Memorial Hall, Bandrooms on Sewell Street and the Carnegie Building on Hamilton Street. Rural Community Halls are generally administered by Community representatives under delegated authority from Council. The Dental Clinic in Fitzherbert Street, was considered a community building and was sold to the occupants as a going concern, in August 2007.

#### OBJECTIVE

***To provide community facilities which are available and safe for community use throughout the District.***

#### ***Performance Measure***

#### ***Performance Result***

Ensure building safety by ensuring that all facilities have a current Warrant of Fitness.

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

Ensure that public feedback received regarding buildings condition or availability is responded to within a reasonable period of time.

⇒ All complaints or notification of repairs were acted on within 20 working days where appropriate.

To provide the facilities within the approved operating budget of \$80,671.

⇒ The cost to Council of operating the Community Halls and Buildings was \$89,229 for the year ended 30 June 2007.

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
COMMUNITY HALLS AND BUILDINGS	2006/2007	2006/2007	2005/2006
Activity Income	13,478	19,500	23,700
Activity Expenditure	102,706	100,171	100,500
Net Cost/Surplus (-) of Activity	<b>89,229</b>	<b>80,671</b>	<b>76,800</b>
Capital Expenditure	18,758	10,000	258,381
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>107,986</b>	<b>90,671</b>	<b>335,181</b>
Funded by:			
General Rates	60,970	45,910	307,284
Targeted Rates	0	0	0
Depreciation	28,258	22,261	27,897
Loans Raised	0	0	0
Transfers from / to (-) Reserves	18,758	22,500	0
Total Source of Funds	<b>107,986</b>	<b>90,671</b>	<b>335,181</b>

## COMMUNITY SERVICES ACTIVITIES

### HOKITIKA HERITAGE TRAIL

#### NATURE AND SCOPE

The Heritage Trail is provided by Council for recreational purposes and an area for residents and visitors to appreciate the landscape and environment surrounding the Hokitika Township. The trail was established by Council in association with Heritage Hokitika and covers a complete walking distance of 11 kilometres.

#### OBJECTIVE

*To provide the Trail as a vehicle for passive recreation for the community and visitors to experience the local environment and scenic attractions.*

#### **Performance Measure**

#### **Performance Result**

Maintain the walkway in a safe and well maintained condition by ensuring that all structures comply with current building requirements.

⇒ The walkway is managed by Business Unit staff to ensure compliance with relevant safety and building regulations.

To receive no more than 5 complaints per annum about the standard of the walkway.

⇒ No complaints were received from members of the public during the 2006/2007 year.

To provide the facilities within the approved operating budget of \$5,000.

⇒ The cost to Council of operating the Hokitika Heritage Trail was \$6,105 for the year ended 30 June 2007.

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
HOKITIKA HERITAGE WALKWAY	2006/2007	2006/2007	2005/2006
Activity Income	0	0	0
Activity Expenditure	6,105	5,000	10,646
Net Cost/Surplus (-) of Activity	<b>6,105</b>	<b>5,000</b>	<b>10,646</b>
Capital Expenditure	15,256	25,000	4,370
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>21,361</b>	<b>30,000</b>	<b>15,016</b>
Funded by:			
General Rates	6,105	5,000	10,596
Targeted Rates	0	0	0
Depreciation	0	0	50
Loans Raised	0	0	0
Transfers from / to (-) Reserves	15,256	25,000	4,370
Total Source of Funds	<b>21,361</b>	<b>30,000</b>	<b>15,016</b>

## COMMUNITY SERVICES ACTIVITIES

### PARKS AND RESERVES

#### NATURE AND SCOPE

Parks and Reserves are provided by Council in Westland to ensure that well maintained green areas are available for recreation use at an affordable cost to the community. The facilities are intended to be used for active recreational and sporting activities as well as passive recreation such as children's playgrounds and family picnic areas.

#### OBJECTIVE

*To provide suitable areas for active and passive recreation throughout the District*

#### **Performance Measure**

Provide safe and well maintained facilities by ensuring that necessary repairs and maintenance are undertaken in accordance with the maintenance contract by inspecting all reserves at least monthly to ensure that maintenance work is done in accordance with the agreed standard.

To continue to provide services at the current levels available

Provides Reserves within the approved 2006/2007 maintenance budgets;

-	Cass Square	\$77,200
-	Hokitika Reserves	\$111,990
-	Ross Reserves	\$9,892
-	Rural Reserves	\$34,326

#### **Performance Result**

⇒ Business Unit staff performed inspections of work completed on Parks and Reserves to ensure compliance with the maintenance contract requirements. Progress was also monitored by the Reserves and Environs committee as part of their regular meetings.

⇒ All reserves and recreational areas in the District were available for use during 2006/2007. No complaints were received to the contrary.

⇒ Not achieved. Actual operating expenditure for Parks and Reserves was;

-	Cass Square	\$130,982
-	Hokitika Reserves	\$136,222
-	Ross Reserves	\$13,552
-	Rural Reserves	\$37,936

## COMMUNITY SERVICES ACTIVITIES

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
<b>PARKS &amp; RESERVES</b>	<b>2006/2007</b>	<b>2006/2007</b>	<b>2005/2006</b>
Activity Income	323,046	23,960	213,900
Activity Expenditure	321,552	254,433	249,954
<b>Net Cost/Surplus (-) of Activity</b>	<b>-1,494</b>	<b>230,473</b>	<b>36,054</b>
Capital Expenditure	40,746	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
<b>Total Funds Required</b>	<b>39,252</b>	<b>230,473</b>	<b>36,054</b>
<b>Funded by:</b>			
General Rates	16,782	220,923	16,845
Targeted Rates	0	0	0
Depreciation	22,470	9,550	19,209
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	
<b>Total Source of Funds</b>	<b>39,252</b>	<b>230,473</b>	<b>36,054</b>

\*Activity income for 2006/2007 and 2005/2006 includes revenue of \$296,413 and \$190,622 respectively, for the receipt of Reserve Contributions, related to subdivisions, which are not included in budgeted revenue.



## COMMUNITY SERVICES ACTIVITIES

### LAND AND BUILDINGS

#### NATURE AND SCOPE

Council owns land and buildings to provide services that allow the community and economy to function effectively to support its inhabitants, community groups and visitors alike.

#### OBJECTIVE

***To provide land and buildings that support infrastructural, educational, cultural, social and recreational resources to all residents, ratepayers and visitors in Westland District. Buildings owned by Council are maintained to adequate levels of serviceability.***

#### ***Performance Measure***

Inspect and report on condition and maintenance requirements of all commercial buildings at least once a year.

Act on any complaints or notifications of necessary repairs by lessees or user groups within 20 working days.

Re-roofing of the Council Headquarters building in Hokitika to be completed within the budget approved of \$240,000.

To provide the facilities within the budgeted operating surplus of \$34,465.

#### ***Performance Result***

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

⇒ All complaints were acted upon by Council staff within 20 working days.

⇒ The tender has been let to Home Front Builders Ltd to the value of \$251,519.38 exclusive of GST. Progress was delayed until staff obtains a detailed engineering report outlining proposed seismic strengthening work which is a requirement for Building Consent. An engineering report has been prepared by a Structural Engineer which satisfies Council's statutory requirements.

⇒ The cost to Council of operating the Land and Buildings was \$27,165 for the year ended 30 June 2007.

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
LAND AND BUILDINGS	2006/2007	2006/2007	2005/2006
Activity Income	369,383	339,986	386,494
Activity Expenditure	396,549	305,521	502,906
Net Cost/Surplus (-) of Activity	27,166	-34,465	116,412
Capital Expenditure	19,901	0	39,765
Renewals Expenditure	0	240,000	0
Loan Principal Repayments	0	0	0
Total Funds Required	47,067	205,535	156,177
Funded by:			
General Rates	0	0	121,334
Targeted Rates	0	0	0
Depreciation	70,032	37,620	34,843
Loans Raised	0	0	0
Transfers from / to (-) Reserves	-22,965	167,915	0
Total Source of Funds	47,067	205,535	156,177

## COMMUNITY SERVICES ACTIVITIES

### PUBLIC TOILETS

#### NATURE AND SCOPE

Public conveniences in Hokitika at Cass Square and the West Coast Historical Museum are owned and operated by Council, along with the Rest Rooms in Franz Josef/Waiau, Fox Glacier, and Haast. Financial assistance is given to the Kumara, Ross, Okarito, Harihari, and Whataroa communities to maintain their public conveniences. Increasing numbers of visitors visit the region each year and public conveniences are important for the purpose of protecting the natural environment.

#### OBJECTIVE

*To provide tidy, functional and accessible toileting facilities within the District for all users.*

#### **Performance Measure**

All public toilets in the District are to be hygienically clean, safe to occupy, structurally sound and kept from disrepair.

Construct new public toilets in Fox Glacier and Harihari by 30 June 2007, within the approved budget of \$100,000 each.

To operate and maintain the Council's facilities within the approved operating expenditure budget of \$117,592.

#### **Performance Result**

⇒ Facilities throughout the District were maintained to an adequate standard during 2006/2007 with very few complaints from users or members of the public.

⇒ Public toilets in Harihari will not be completed until final plans for the Guy Menzie's Park have been completed in 2008.

The Fox Glacier public toilets were included in work in progress at 30 June 2007, and were completed in July 2007 at a cost of \$104,903.

⇒ The cost to Council of operating the Districts Public Toilets was \$89,341 for the year ended 30 June 2007.

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
PUBLIC TOILETS	2006/2007	2006/2007	2005/2006
Activity Income	7,794	11,000	2,879
Activity Expenditure	97,137	128,592	63,600
Net Cost/Surplus (-) of Activity	89,341	117,592	60,721
Capital Expenditure	0	200,000	256,259
Renewals Expenditure	0	2,500	0
Loan Principal Repayments	0	0	0
Total Funds Required	89,341	320,092	316,980
Funded by:			
General Rates	82,471	104,534	59,194
Targeted Rates	0	0	0
Depreciation	6,870	15,558	1,527
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	200,000	256,259
Total Source of Funds	89,341	320,092	316,980

## COMMUNITY SERVICES ACTIVITIES

### SWIMMING POOLS

#### NATURE AND SCOPE

The Centennial Swimming Pool in Hokitika is operated by Council staff while the Ross Community Association is assisted by Council with the operation of the Ross Swimming Pool. Both pools are available for public and private use and provide the opportunity to learn to swim in a safe and monitored environment and partake in various other water exercise or activity.

#### OBJECTIVE

***To provide a well managed facility in Hokitika and a community pool in Ross which meet the needs of the Community.***

#### ***Performance Measure***

#### ***Performance Result***

#### **HOKITIKA**

To maximise the duration of the swimming season with the minimum season being from the beginning of October to the end of April.

⇒ The Hokitika Pool opened on Monday 11 September 2006 and closed Sunday 10 June 2007. This was a total of 39 weeks as the season was extended due to demand from users.

To maintain a comfortable water temperature of 28 degrees centigrade.

⇒ The pool temperature was maintained at between 27.5 and 28.5 degrees centigrade throughout the season.

Ensure that the water quality is compliant with relevant New Zealand Standards.

⇒ Pool water is treated throughout the season and operates within the guidelines laid down in NZS 5826:2000.

Provide hot showers facilities to users at all times.

⇒ Hot showers were available in both male and female changing rooms throughout the season.

Ensure that life guard supervision is in accordance with guidelines published by the New Zealand Recreation Association.

⇒ Hokitika Pool received its Pool Safe accreditation in January 2006. All lifeguards held a NZPLA qualification and the pool operates to NZRA standards.

Ensure that pool grounds, buildings, exterior and interior are maintained in a clean, tidy and serviceable condition.

⇒ The interior is cleaned daily by pool staff while the exterior grassed area is maintained by the Council's Reserves Maintenance contractor.

To provide the facility within the approved operating budget of \$162,796.

⇒ The cost to operate and maintain the Hokitika Pool for the 2006/07 financial year was \$210,250. This was 29% above the estimate due to additional maintenance costs as a result of the Spotless Report, and in undertaking long delayed maintenance totalling \$17,955. Costs associated with the extended pool season, including warmer water and staff costs, also contributed to the over expenditure.

## COMMUNITY SERVICES ACTIVITIES

### Performance Measure

### Performance Result

#### ROSS

The season will end when water temperatures are less than 20 degrees.

⇒ The pool operated until March 2007.

Ensure water quality is compliant with relevant New Zealand Standards.

⇒ Water is tested regularly for compliance with New Zealand standards. No complaints were received.

Ensure that pool grounds, buildings, exterior and interior are maintained in a clean, tidy and serviceable condition.

⇒ The Ross Community Association maintained the interior and exterior of the pool. No complaints were received from members of the public.

To provide the facility within the approved operating budget of \$11,040.

⇒ The cost to operate and maintain the Ross Pool for the 2006/07 financial year was \$10,278.

## STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2006/2007	2006/2007	2005/2006
<b>SWIMMING POOLS</b>			
Activity Income	73,373	46,000	43,500
Activity Expenditure	315,721	203,796	221,800
<b>Net Cost/Surplus (-) of Activity</b>	<b>242,348</b>	<b>157,796</b>	<b>178,300</b>
Capital Expenditure	5,442	5,000	25,171
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
<b>Total Funds Required</b>	<b>247,790</b>	<b>162,796</b>	<b>203,471</b>
<b>Funded by:</b>			
General Rates	228,930	149,516	163,940
Targeted Rates	0	0	0
Depreciation	18,860	13,280	14,360
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	25,171
<b>Total Source of Funds</b>	<b>247,790</b>	<b>162,796</b>	<b>203,471</b>

## COMMUNITY SERVICES ACTIVITIES

### CEMETERIES

#### NATURE AND SCOPE

The Council operates public cemeteries at Kumara, Ross and Hokitika and is responsible for closed cemeteries at Stafford, Okarito (2), and North Beach, south of Haast. The Hokitika Cemetery is the main facility in the District and was designated a cemetery reserve in 1865. Kumara was established in the 1800's to service the Kumara Goldfields. No crematoria are operated in Westland but ashes return to the District after cremation elsewhere. Provision is made for the burial of ashes at the cemeteries.

#### OBJECTIVE

***To provide suitable facilities for the District which are visually appealing, provide a historical record of the departed and supply cemetery plots on demand which provide the bereaved with a suitable resting place for their departed friends and relatives.***

#### **Performance Measure**

All requests for internment warrants actioned immediately within one working day.

Recover 40% of cemetery operation and maintenance costs with user charges.

No complaints from the public, Funeral Directors or the bereaved in association with the space provided.

Provide the facilities within the approved net cost of \$42,671.

#### **Performance Result**

⇒ Office systems ensure one working day response for internment warrants. No complaints were received about delays from funeral directors or families of the deceased.

⇒ Burial Warrants issued in the District for the 2006/07 year were:

	<u>2005/06</u>	<u>2006/07</u>
Hokitika	37	45
Ross	2	3
Kumara	2	1

\$20,309 or 34% of total expenditure of \$59,233 was recovered from user charges. This was less than indicated as revenue associated with the 2006/2007 year was not as high as estimated. This was due to a greater number of cremations than in previous years. Expenditure incurred from improvements made to car parks and drainage at Hokitika (estimate \$15,000).

⇒ No complaints were received for the 2006/2007 year regarding any of the cemetery facilities.

⇒ The cost of providing the facilities for the year ended 30 June 2007 was \$38,924.

## COMMUNITY SERVICES ACTIVITIES

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
CEMETERIES	2006/2007	2006/2007	2005/2006
Activity Income	20,309	26,400	27,000
Activity Expenditure	59,233	69,071	60,200
<b>Net Cost/Surplus (-) of Activity</b>	<b>38,924</b>	<b>42,671</b>	<b>33,200</b>
Capital Expenditure	0	15,000	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
<b>Total Funds Required</b>	<b>38,924</b>	<b>57,671</b>	<b>33,200</b>
<b>Funded by:</b>			
General Rates	37,657	56,548	32,093
Targeted Rates	0	0	0
Depreciation	1,267	1,123	1,107
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
<b>Total Source of Funds</b>	<b>38,924</b>	<b>57,671</b>	<b>33,200</b>

## COMMUNITY SERVICES ACTIVITIES

### ELDERLY HOUSING

#### NATURE AND SCOPE

Council owns and administers 42 units in Hokitika, with 10 units in Revell Street, 10 in Tancred Street and 22 in Sewell Street and 4 in Gibson Street, Ross. The 4 flats in Ross were built in May 2001 while the Hokitika units were constructed in 1965(6), 1971(4), 1973(10) and 1980(22).

#### OBJECTIVE

*To ensure all flats are fully tenanted and maintained to a 50 year life.*

#### **Performance Measure**

That vacated flats are refurbished and re-tenanted quickly with a 95% occupancy level.

#### **Performance Result**

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

#### **Occupancy**

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

#### **Occupancy Achieved**

⇒ Hokitika Pensioner Flats 94.4%  
⇒ Ross Pensioner Flats 97.0%

All complaints from tenants are actioned within 48 hours.

⇒ Complaints from tenants were all actioned within 48 hours.

Operate the pensioner flats within the approved budget of \$17,806 including renewals maintenance expenditure for the 2006/2007 year.

⇒ A surplus resulted from operating the Elderly Housing Units of \$7,521 for the year ended 30 June 2007.

### **STATEMENT OF FINANCIAL PERFORMANCE**

	Actual	Budget	Actual
	2006/2007	2006/2007	2005/2006
<b>Elderly Housing</b>			
Activity Income	126,012	118,800	110,100
Activity Expenditure	118,491	99,956	103,700
Net Cost/Surplus (-) of Activity	-7,521	-18,844	-6,400
Capital Expenditure	0	0	0
Renewals Expenditure	80,122	36,650	20,401
Loan Principal Repayments	0	0	0
Total Funds Required	72,601	17,806	14,001
Funded by:			
General Rates	0	0	0
Targeted Rates	0	0	0
Depreciation	40,611	26,300	25,505
Loans Raised	0	0	0
Transfers from / to (-) Reserves	31,990	-8,494	-11,504
Total Source of Funds	72,601	17,806	14,001

## COMMUNITY SERVICES ACTIVITIES

### GOVERNANCE

#### NATURE AND SCOPE

This statutory function provides representation for the people of Westland.

Council's elected representatives consist of the Mayor, and 12 Councillors; four each from the ridings of Northern, Hokitika and Southern. The number of councillors decreased to 10 as a result of the representation review after the October 2007 election. Council met on a monthly basis during the 2006/07 year with key committees meeting as required. 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. 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 Information and Meetings Act 1987.***

##### ***Performance Measure***

##### ***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 before 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 Measure***

##### ***Performance Result***

Adoption of the 2005/06 Annual Report by 31 October 2006.

⇒ Not achieved. The audit report was signed on 31 October 2006 which did not leave enough time to have a Council meeting to formally adopt the annual report. The 2005/06 Annual Report was therefore adopted by Council on 1 November 2006.

Adoption of the 2007/2008 Annual Plan by 30 June 2007.

⇒ Achieved. The 2007/2008 Annual Plan was adopted by Council on 21 June 2007.

Ensure Council operates under an adopted Governance Statement in accordance with S:40 of the Local Government Act 2002.

⇒ Achieved. The Local Governance Statement was adopted by Council on 21 October 2005 and amended on 16 October 2007.

Ensure Council has a Code of Conduct adopted by the elected representatives.

⇒ Council operates under a Code of Conduct adopted on 20 May 2004.



## COMMUNITY SERVICES ACTIVITIES

### OBJECTIVE

*Complete the operation of Council's activities within the approved budget for the 2006/07 year.*

#### **Performance Measure**

To operate Council's activities within the budgeted rate requirement of \$557,813.

#### **Performance Result**

⇒ The cost of Governance was \$619,726 for the year ended 30 June 2007.

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2006/2007	2006/2007	2005/2006
<b>GOVERNANCE</b>			
Activity Income	4,730	0	17,000
Activity Expenditure	624,456	557,813	665,300
<b>Net Cost/Surplus (-) of Activity</b>	<b>619,726</b>	<b>557,813</b>	<b>648,300</b>
Capital Expenditure	16,819	0	312
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
<b>Total Funds Required</b>	<b>636,545</b>	<b>557,813</b>	<b>648,612</b>
<b>Funded by:</b>			
General Rates	635,080	557,813	647,400
Targeted Rates	0	0	0
Depreciation	1,465		1,212
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
<b>Total Source of Funds</b>	<b>636,545</b>	<b>557,813</b>	<b>648,612</b>

## OTHER COMMUNITY SERVICES ACTIVITIES

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
OTHER COMMUNITY SERVICES ACTIVITIES	2006/2007	2006/2007	2005/2006
*Community Assistance Fund	200,376	6,500	12,200
Community Services Department	0	0	0
Council Grants and Contributions	33,766	16,500	18,800
Glacier Country Promotions	61,328	60,000	0
Enterprise Hokitika	17,920	0	0
Sports Coordinator	1,000	0	0
<b>Activity Income</b>	<b>314,391</b>	<b>83,000</b>	<b>31,000</b>
Community Assistance Fund	53,027	5,187	265,700
Community Services Department	171,292	185,415	242,200
Council Grants and Contributions	219,706	157,500	202,900
Glacier Country Promotions	34,624	60,000	0
Enterprise Hokitika	17,920	0	0
Sports Coordinator	3,453	2,915	2,300
<b>Activity Expenditure</b>	<b>500,023</b>	<b>411,017</b>	<b>713,100</b>
<b>Net Cost/Surplus (-) of Activity</b>	<b>185,632</b>	<b>328,017</b>	<b>682,100</b>
<b>Capital Expenditure</b>	2,756	0	0
<b>Renewals Expenditure</b>	0	0	0
<b>Loan Principal Repayments</b>	0	0	0
<b>Total Funds Required</b>	<b>188,388</b>	<b>328,017</b>	<b>682,100</b>
<b>Funded by:</b>			
<b>General Rates</b>	188,237	328,017	682,100
<b>Targeted Rates</b>	0	0	0
<b>Depreciation</b>	151	0	0
<b>Loans Raised</b>	0	0	0
<b>Transfers from / to (-) Reserves</b>	0	0	0
<b>Total Source of Funds</b>	<b>188,388</b>	<b>328,017</b>	<b>682,100</b>

\*Community Assistance Fund received the unexpected repayment of a loan to Forever Beech in this financial year. The loan had been provisioned as a doubtful debt previously.

## COMMUNITY SERVICES – SUMMARY

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
COMMUNITY SERVICES (including Governance)	2006/2007	2006/2007	2005/2006
Activity Income	1,968,107	1,369,446	1,636,173
Activity Expenditure	3,709,398	3,268,587	3,912,958
Net Cost/Surplus (-) of Activity	<b>1,741,291</b>	<b>1,899,141</b>	<b>2,276,785</b>
*Capital Expenditure	211,813	332,000	664,800
**Renewals Expenditure	88,668	290,050	20,401
Loan Principal Repayments	0	0	0
Total Funds Required	<b>2,041,772</b>	<b>2,521,191</b>	<b>2,961,986</b>
Funded by:			
General Rates	1,760,936	1,978,601	2,457,479
Targeted Rates	0	0	0
Depreciation	232,851	174,192	164,427
Loans Raised	0		
Transfers from / to (-) Reserves	47,985	368,398	340,080
Total Source of Funds	<b>2,041,772</b>	<b>2,521,191</b>	<b>2,961,986</b>

\*Capital Expenditure - Construction of public toilets in Fox Glacier (\$100,000 budget) was not complete at balance date and is included in work in progress. The project for public toilets for Hokitika (\$100,000 budget) had not commenced at 30 June 2007.

\*\*Renewals Expenditure - Re-roofing of the Council Headquarters (\$240,000 budget) was not complete at balance date and is included in work in progress.

## OPERATIONAL ACTIVITIES

### TRANSPORTATION

#### NATURE AND SCOPE

The Council maintains 705 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. 406 kilometres (58%) of roads are sealed. Many of the roads have kerb and channel, footpaths, which total 65 kilometres throughout the District, 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 provide and maintain a quality network of roads and bridges that is safe for users.***

#### ***Performance Measure***

Reduce crash severity and trends over the average 1999-2003 results over the next 5 years in partnership with other roading bodies.

Averages were;

Fatal Accidents 5

Serious Accidents 11

Minor Accidents 39

Identify and complete minor safety projects within budgeted expenditure approved in the land transport program.

RAMM roughness and condition rating to be maintained at 2005/06 measures or better at 75 NAASRA for the Rural and 125 NAASRA for the Urban Networks.

Regular inspections of bridges are to show no deterioration from the 2005/06 levels.

#### ***Performance Result***

⇒ Fatal Accidents  
Serious Accidents  
Minor Accidents

Statistics unknown. The 4 yearly report from Land Transport New Zealand is due in 2008.

⇒ Minor Safety projects budgets approved by Land Transport New Zealand were \$206,000 for Local Roads and \$35,000 on Special Purpose Roads. Projects completed were traffic calming devices on Beach Street Hokitika while guard railing was constructed on the Turnbull bridge in Haast to improve sight distance. Projects were completed within approved budgets.

⇒ Not achieved as at 30 June 2007. Roughness and condition ratings were 82 NAASRA for the rural and 120 NAASRA for urban network for the year ended 30 June 2007.

⇒ Inspections are bi-annually of all bridges in the District with the last inspection completed in November 2005. The next is programmed for November 2007.

## OPERATIONAL ACTIVITIES

### OBJECTIVE

*To provide a network that meets the expectations of users.*

#### **Performance Measure**

#### **Performance Result**

Maintain a current log of all faults, disruptions, complaints and remedies.

⇒ A current log is maintained by Professional Services staff detailing reported faults and remedies.

Responses to all inquiries actioned within the parameters specified in the Roothing Maintenance Contract which range from 1 hour for ice gritting to 4 weeks for dig out repairs.

⇒ Professional Services staff performed supervision of the Roothing maintenance Contract during the 2006/2007 and ensured that all inquiries were actioned within the parameters specified.

Undertake routine maintenance of the roading network within 100% - 2% of the total approved Land Transport New Zealand programme and within the approved budgets.

⇒ Total expenditure approved by Land Transport New Zealand for the 2006/2007 year totalled \$3,369,998. Actual expenditure by Council for the year was \$3,366,601 which was within the approved program.

#### **Local Road Reseals**

Resealing of 30 kilometres within the approved budgets.

⇒ 28 kilometres of local roads were resealed by Fulton Hogan Ltd who was assigned the contract following the sale of G J Beynon Ltd to that company. The contract was completed within the approved estimate of \$460,000.

Maintain 100% of footpaths within the Building Act 2004 requirements and within approved budgets.

⇒ Harihari footpaths were inspected following complaints about condition and work to remedy these faults was started in June 2007. Other footpaths were maintained within approved budgets.

Maintain Jackson Bay Wharf within the approved budget and ensure action is taken on any complaints or advice from users on safety issues.

⇒ Jackson Bay Wharf was maintained within the approved estimate of \$34,891 for the year. Actual net expenditure for 2006/2007 was \$5,828, which was less than estimated, as no major maintenance work was required during the period.

## OPERATIONAL ACTIVITIES

### OBJECTIVE

*To provide a network that is reliable.*

#### **Performance Measure**

#### **Performance Result**

Regular inspection of the entire network including;

-Bridges. Structural integrity as per Land Transport New Zealand requirement of 100% inspected every year.

⇒ Inspections are bi-annually of all bridges in the District with the last inspection completed in November 2005. The next is programmed for November 2007.

-Road Carriageway. Condition rating as per RAMM database standards of 100% of the network every two years

⇒ The two yearly condition rating survey was undertaken by MWH Ltd. in June 2007 of 100% of the roading network.

The availability of Jackson Bay Wharf to commercial and recreational users for 365 days during the year.

⇒ Achieved. The wharf facility was available for 365 days during the 2006/2007 year.

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2006/2007	2006/2007	2005/2006
<b>TRANSPORTATION</b>			
Activity Income	2,418,313	2,283,509	2,248,290
Activity Expenditure	3,918,354	3,816,629	3,687,233
Net Cost/Surplus (-) of Activity	<b>1,500,040</b>	<b>1,533,120</b>	<b>1,438,943</b>
Capital Expenditure	559,365	300,000	424,200
Renewals Expenditure	1,901,999	1,500,000	1,605,000
Loan Principal Repayments	0	0	0
Total Funds Required	<b>3,961,405</b>	<b>3,333,120</b>	<b>3,468,143</b>
Funded by:			
General Rates	1,833,344	1,023,120	2,209,655
Targeted Rates	0	0	0
Depreciation	2,329,767	2,250,000	2,198,788
Vested Assets	-201,707	0	-1,000,600
Transfers from / to (-) Reserves	0	60,000	60,300
Total Source of Funds	<b>3,961,405</b>	<b>3,333,120</b>	<b>3,468,143</b>

## OPERATIONAL ACTIVITIES

### WATER SUPPLIES

#### NATURE AND SCOPE

Ten water supplies are owned and managed in Westland District which service populations ranging from 80 to 4,100. 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/Waiau, Fox Glacier and Whataroa Water Supplies are treated and monitored for compliance with the Drinking Water Standards New Zealand 2005. Other supplies which are currently sourced from bush catchments or shallow underground wells or bores are not yet treated but are programmed to be by 2010/11.

#### 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 has adopted the following strategy for assessments.

<b>Service Being Assessed</b>	<b>Approach to be taken</b>
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 2006-2016 Long Term Council Community Plan, which was adopted by Council on 29 August 2006.

## OPERATIONAL ACTIVITIES

### 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. For communities that 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 systems that are safe for users, are reliable, meet demand and the expectations of users and are maintained within the approved budget.***

#### **Performance Measure**

Test all water supply systems monthly in accordance with the 2005 Drinking Water Standards for New Zealand.

Achieve 100% compliance on all Council Supplies with the bacterial and protozoan requirements of the 2005 Drinking Water Standards by 2014.

Every water system to undergo, at least annually, grading classification for water distribution by the Ministry of Health for compliance with the target standard DWSNZ2005 in Table 1, page 208 of the LTCCP.

No complaints received from users regarding restrictions due to low intake flows in drought events of less than 10 years return period.

Minimise the occurrence of reduced flow or water pressure due to reticulation, treatment plant, storage, or pumping capacity not keeping up with increased demand to 1 instance per year per water supply.

#### **Performance Result**

⇒ All supply systems were tested at least monthly in accordance with the 2005 Drinking Water Standards for New Zealand.

⇒ Untreated supplies were tested monthly for compliance with the 2005 Drinking Water Standards. Results of these tests for 2006/07 were:

⇒ Water testing was last completed in early 2006. The levels reported for Westland were as follows with targets and target year in brackets:

Kumara – Ee ( Cc – 2010/11 )  
 Arahura – Ee ( Cc – 2013/14 )  
 Hokitika – Ee ( Bb – 2007/08 )  
 Ross – Ee ( Cc – 2010/11 )  
 Harihari – U ( Cc – 2006/07 )  
 Whataroa – Ee ( Cc – 2006/07 )  
 Franz Josef – Ee ( Cc – 2007/08 )  
 Fox Glacier – Ee ( Cc – 2006/07 )  
 Haast – U ( Cc – 2011/12 )  
 Hannah's Clearing – Ee ( Cc – 2012/13 )

⇒ No water restrictions were imposed during the 2006/2007 year.

⇒ Achieved. No complaints were received regarding reduced water flow.



## OPERATIONAL ACTIVITIES

### **Performance Measure**

Ensure that 100% of new and existing buildings, identified by Council as medium and high risk points of supply, to have backflow preventers installed by 1 July 2006.

100% compliance achieved with NZFS Code for fire fighting for all reticulation and storage upgrades.

Restore water supply within 12 hours of interruption being notified.

Minimise the number of burst mains or leaks to less than 3 per 10 km of water main per annum.

Maintain a current log recording 100% of faults, disruptions, complaints and remedies.

100% of pump failure alarms to be responded to in less than five hours.

All planned interruptions of supplies notified to affected customers at least 24 hours in advance.

Non-urgent work to systems to be completed within five working days.

All new connections approved by Council to be undertaken by the Maintenance Contractor within 15 working days.

To maintain water supplies in the District within + or – 10% of the approved budgeted of \$1,000,832.

### **Performance Result**

⇒ Professional Services Staff are in the process of identifying medium and high risk points and actioning the installation of backflow preventers accordingly.

⇒ Councils upgrading program for water mains is improving compliance with the NZFS code across the District.

⇒ As at 30 June 2007, there have been 12 (14 in 2005/2006) disruptions to water supplies in Westland District during 2006/07. All were restored within 12 hours.

⇒ Achieved. There were 12 disruptions for the year over 116.5 km of reticulation, or 3 per 29.1 km.

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

⇒ No pump failures occurred during the year.

⇒ Professional Services Staff and Council's Maintenance Contractor notified all affected customers of planned interruptions a minimum of 24 hours in advance.

⇒ All non-urgent works were responded to within five working days as per maintenance contract requirements.

⇒ 38 new connections were installed during the 2006/007 year. 37 were completed within 15 working days, while one was outside 15 days guideline following consultation with the applicant.

⇒ The cost of maintaining water supplies in the District was \$927,061 for the 2006/07 financial year.

## OPERATIONAL ACTIVITIES

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual 2006/2007	Budget 2006/2007	Actual 2005/2006
<b>WATER SUPPLY</b>			
*Activity Income	19,222	21,500	10,100
Activity Expenditure	946,283	1,022,332	972,100
<b>Net Cost/Surplus (-) of Activity</b>	<b>927,061</b>	<b>1,000,832</b>	<b>962,000</b>
**Capital Expenditure	66,515	430,000	363,000
***Renewals Expenditure	52,419	141,900	0
Loan Principal Repayments	0	0	1,200,000
<b>Total Funds Required</b>	<b>1,045,995</b>	<b>1,572,732</b>	<b>2,525,000</b>
<b>Funded by:</b>			
General Rates	0	0	0
Targeted Rates	1,215,679	1,186,288	1,209,100
Depreciation	326,459	329,597	318,800
Loans Raised	100,183	430,000	363,000
Transfers from / to (-) Reserves	-596,326	-373,153	634,100
<b>Total Source of Funds</b>	<b>1,045,995</b>	<b>1,572,732</b>	<b>2,525,000</b>

\*Activity Income - Metered Water revenue of \$727,000 has been removed from the 2006/2007 operating income budget figure and recognised as a targeted rate in accordance with the Revenue and Finance Policy. The 2006/07 actual metered water rates totalled \$ 755,739 and are also included in the figure for targeted rates.

\*\*Capital Expenditure – The following capital projects were identified in the LTCCP:

<b>Budget</b>	<b>Project</b>	<b>Status</b>
\$75,000	Ross – Main Extension	Work in progress
\$130,000	Harihari – Treatment	Work in progress
\$20,000	Franz Josef/Waiau – Filtration Plant Upgrade	Completed at total cost of \$20,183
\$175,000	Fox Glacier – New Reservoir	Work in progress
\$20,000	Fox Glacier – Filtration Plant Upgrade	Completed

The remaining capital expenditure relates new water connections across the District.

\*\*\*Renewals Expenditure – The budget figure is included in the LTCCP for general renewals and is not for specific projects.

## OPERATIONAL ACTIVITIES

### WASTEWATER

#### NATURE AND SCOPE

The Council operates sewerage systems in Hokitika, Franz Josef, Fox Glacier and Haast with populations ranging from 80 to 4,100. The main goal of the activity is to ensure that all sewage and wastewater generated in the District are collected, satisfactorily treated and disposed off to protect the health of the public and to maintain or improve the quality of the natural environment. 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 provide systems that are safe, reliable, have minimal effect on the environment, meet the expectations of users and are maintained within approved budgets***

#### **Performance Measure**

Minimise odour complaints as a result of the oxidation ponds to less than 30 days per year.

Monitor effluent from sewage treatment and disposal systems for compliance with Resource Consent conditions. All systems to be tested monthly.

#### **Performance Result**

⇒ No odour complaints were received during the year.

⇒ Monthly 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 Test s</u>	<u>Exceeded Limits</u>	<u>06/07 %</u>	<u>05/06 %</u>
Hokitika	96	66	68%	35%
Fox Glacier	96	66	68%	33%
Franz Josef	96	86	89%	53%
Haast	96	87	90%	72%

Testing is performed as required by the resource consent held for each site by Food and Health Standards 2006 Ltd.

De-sludging of all treatment facilities has been programmed by Council as a result of the increase in instances of non compliance. The most effective and economic means of performing the de-sludging is currently being investigated.

All new system designs are to be 100% compliant with recognised engineering standards.

⇒ There were no new wastewater systems installed during the 2006/2007 year but Professional Services Staff ensure all new systems are designed and constructed to recognised Engineering Standards.

To remedy 70% of stormwater entry to sewer from identified properties within 3 months of notice being issued.

⇒ Not achieved in Franz Josef. Working with Council Building Inspectors on identification, notification and follow-up of properties with stormwater infiltration problems.

## OPERATIONAL ACTIVITIES

### **Performance Measure**

100% of sewer pipeline in the District maintained to a moderate condition or better.

90% of sewer disposal interruptions restored within 12 hours of notification.

To minimise the number of sewer main blockages preventing safe discharge to less than 3 per 10 km of sewer mains per year.

To minimise the number of pump station or sewer overflows to less than 5 per year.

Maintain a current log of all faults, disruptions, complaints and remedies.

100% of sewerage overflows to be responded to within 5 hours of pump failure alarm or notification of fault.

All new sewerage connections, approved by Council, to be actioned within 15 working days by Council's Maintenance Contractor.

100% response to non urgent works to system within 5 working days.

All planned interruptions to services notified to users at least 24 hours in advance.

To operate and maintain the Council's systems within the approved operating expenditure budget of \$285,112.

### **Performance Result**

⇒ Professional Services Staff are developing and refining asset management plans and capital works programmes to maintain the in Westland District in a moderate condition or better.

⇒ 15 disruptions (8 in 2005/2006) to sewerage supplies occurred in Westland District during the year. Service was restored within 12 hours for 14 of the disruptions. One responded to within 24 hours.

⇒ Achieved. There were 15 disruption for the year over 48.2 km of reticulation, or 3.2 per 10 km.

⇒ Professional Services Staff are developing and refining asset management plans and capital works programmes to minimise pump station and sewer overflows.

⇒ A log is maintained by Business Unit staff detailing 100% of faults, disruptions and complaints along with the remedies taken.

⇒ Two pump failures during the year, both on Saturday 17 March 2007 and were responded to within five hours of being reported.

⇒ 13 new connections have been installed during the 2006/2007 year. 12 were completed within 15 working days while one took longer to complete following consultation with the applicant.

⇒ All non-urgent works responded to within five working days as per maintenance contract requirements.

⇒ Professional Services Staff and Council's Maintenance Contractor notified all affected customers of planned interruptions a minimum of 24 hours in advance.

⇒ The cost to operate and maintain Council's Wastewater Systems for the 2006/07 financial year was \$340,056.

## OPERATIONAL ACTIVITIES

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
WASTEWATER	2006/2007	2006/2007	2005/2006
Activity Income	97,896	68,068	90,800
*Activity Expenditure	437,952	353,180	452,500
<b>Net Cost/Surplus (-) of Activity</b>	<b>340,056</b>	<b>285,112</b>	<b>361,700</b>
**Capital Expenditure	38,987	80,000	26,100
***Renewals Expenditure	20,952	150,000	26,000
Loan Principal Repayments	0	0	0
<b>Total Funds Required</b>	<b>399,995</b>	<b>515,112</b>	<b>413,800</b>
Funded by:			
General Rates	0	0	0
Targeted Rates	328,044	352,000	324,200
Depreciation	166,817	172,202	165,100
Loans Raised	0	80,000	26,100
Transfers from / to (-) Reserves	-94,867	-89,090	-101,600
<b>Total Source of Funds</b>	<b>399,995</b>	<b>515,112</b>	<b>413,800</b>

\*Activity Expenditure – Electricity, monitoring, and insurance costs were all greater than budgeted.

\*\*Capital Expenditure – The figure shown relates to new sewerage connections across the District. The budget figure is for a reticulation project in Franz Josef/Waiau, and was included in work in progress.

\*\*\*Renewals Expenditure – The budget figure is included in the LTCCP for general renewals and is not for specific projects.

## OPERATIONAL ACTIVITIES

### STORMWATER

#### NATURE AND SCOPE

The Council owns and operates 15 separate stormwater systems servicing populations ranging from 20 to 4,100. The majority of the reticulation is gravity, with a total of three pump stations, all in Hokitika. The main goal of the activity is to ensure that stormwater is controlled and responsibly discharged to protect the health and safety of people, land and property. 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 provide systems that are safe, reliable, meet the expectations of users and are maintained within approved budgets***

#### **Performance Measure**

#### **Performance Result**

Maintain a record of all flood events and properties affected.

⇒ A record is maintained by Professional Services staff.

Water not to enter premises, above floor level, in rainfall/river flow events of less than 50 years return period.

⇒ Water did not enter any properties in the 2006/2007 during flow events of a return period of less than 50 years.

Minimise the number of streets closed to flooding to less than 5 per year.

⇒ Professional Services Staff are developing and refining asset management plans and capital works programmes to minimise the number of streets made impassable at times of flooding.

Stormwater not to accumulate in rainfall events of less than 2 years return period

⇒ Professional Services Staff are developing and refining asset management plans and capital works programmes to minimise the accumulation of stormwater in rainfall events of less than 2 years.

Minimise the number of pump failures in Hokitika to less than 3 per year with alarms responded to in less than 2 hours.

⇒ Professional Services Staff are developing and refining asset management plans and capital works programmes to minimise pump failures. No pump failures occurred in the 2006/2007 year.

Minimise the number of reported pipe blockages to less than 10 per year with blockages cleared within 1 hour in Hokitika and 5 hours in other areas.

⇒ Professional Services Staff are developing and refining asset management plans and capital works programmes to minimise stormwater main blockages. No blockages have occurred in the 2006/2007 year.

Maintain a current log of all faults, disruptions, complaints and remedies.

⇒ A log is maintained by Business Unit staff detailing 100% of faults, disruptions and complaints along with the remedies taken.

All reports of surface flooding to be responded to within 2 hours of notification.

⇒ All reports were responded to within 2 hours as per maintenance contract requirements.

## OPERATIONAL ACTIVITIES

### Performance Measure

All general flooding complaints to be responded to within 5 working days.

All new stormwater connections, approved by Council, to be actioned within 15 working days by Councils Maintenance Contractor.

To operate and maintain the Council's systems within the approved operating expenditure budget of \$319,649.

### Performance Result

⇒ All general complaints were responded to within 5 working days in accordance with maintenance contract requirements. Complaints about flooding of properties in Hoffman Street, Hokitika and Camp Street, Kaniere are currently under investigation. Long term capital works solutions may be required to rectify these problems.

⇒ 14 new connections were installed during the 2006/2007 year. All were completed within 15 working days.

⇒ The cost to operate and maintain Council's Stormwater Systems for the 2006/07 financial year was \$381,746.

## STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2006/2007	2006/2007	2005/2006
<b>STORMWATER</b>			
Activity Income	1,306	0	1,371
Activity Expenditure	383,052	319,649	296,943
<b>Net Cost/Surplus (-) of Activity</b>	<b>381,746</b>	<b>319,649</b>	<b>295,572</b>
Capital Expenditure	93,936	120,000	130,374
Renewals Expenditure	14,143	0	0
Loan Principal Repayments	0	0	0
<b>Total Funds Required</b>	<b>489,825</b>	<b>439,649</b>	<b>425,946</b>
<b>Funded by:</b>			
General Rates	0	0	0
Hokitika Rates	201,085	279,693	197,242
Rural Towns Rates	28,726	39,956	28,177
Targeted Rates	0	0	0
Depreciation	203,876	202,071	200,527
Loans Raised	56,138	0	
Transfers from / to (-) Reserves	0	-82,071	
<b>Total Source of Funds</b>	<b>489,825</b>	<b>439,649</b>	<b>425,946</b>

## **OPERATIONAL ACTIVITIES**

### **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 by contractors in Hokitika, and also includes the area from Kumara Township to Ross Township. A yearly oversize collection was also undertaken by contractors in December at 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 distributed to a number of landfills sites throughout the District. Sites are situated at Kumara, Hokitika, Harihari, Whataroa, Franz Josef/Waiau 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/Waiau and Fox Glacier and are being upgraded as finances allow. Council transports recyclable materials to Hokitika for baling and consignment to markets in Christchurch.

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 and cardboard recycling by kerbside collection occurs in the Hokitika Township and the Rural Collection in association with the weekly refuse collection.



## OPERATIONAL ACTIVITIES

### OBJECTIVE

***To reduce the amount of material entering the waste stream, re-use as much material as possible, recycle as much material as possible, recover as much material as possible and effectively manage any disposal to landfill within Westland District.***

#### **Performance Measure**

#### **Performance Result**

100% of compliant refuse bags are collected from kerbsides on a weekly basis.

⇒ Twenty complaints were received about non collection of compliant bags during the year and the contractor was contacted to collect the bags.

Provide an annual oversize collection in Hokitika with fewer than 10 complaints received in relation to that collection.

⇒ The 2006 oversize refuse collection was completed in Hokitika on Wednesday 13 December 2006 and was heavily patronised.

All operating refuse and recycling sites in the District are manned and open as advertised for the 2006/07 year. Opening hours are advertised at least twice annually.

⇒ All refuse sites throughout the District were available to the public at the advertised hours. Operators were present at all sites at all times. Few complaints were received about times or the service available.

Skips situated at Lake Kaniere and Otira and a refuse trailer at Nails Beach are available 365 days during the year and are emptied frequently to prevent overflow.

⇒ The service was available throughout the year and emptied twice weekly in the holiday period and once a week for the remainder of the year.

Street bins in Hokitika and the Rural Townships are emptied at sufficient frequencies to prevent overflow. Complaints are recorded and actioned promptly.

⇒ Street bins were available and emptied as required with two complaints recorded about overflowing bins.

Contracts for waste management are defined to maximise the service and minimise the cost to ratepayers. Competitive prices are openly tendered.

⇒ Waste management contracts are tendered by Council or staff employed to operate rural sites. Every effort is made to ensure services provided are cost effective.

All facilities are operated to comply with the Resource Management Act and within the conditions of their resource consents to minimise the impact on the environment.

⇒ All facilities operated throughout the year in accordance with the Resource Management Act and within the conditions of relevant resource consents. No notices of non compliance were received.

To operate and maintain the Council's services within the approved operating expenditure budget of \$446,755.

⇒ The cost to operate and maintain Council's Waste Management Programme for the 2006/07 financial year was \$544,283.

# OPERATIONAL ACTIVITIES

## STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
WASTE MANAGEMENT	2006/2007	2006/2007	2005/2006
Activity Income	263,774	270,700	165,300
Activity Expenditure	808,057	717,455	738,000
Net Cost/Surplus (-) of Activity	<b>544,283</b>	<b>446,755</b>	<b>572,700</b>
*Capital Expenditure	4,609	1,124,000	438,500
Renewals Expenditure	0	5,000	0
Loan Principal Repayments	0	0	0
Total Funds Required	<b>548,892</b>	<b>1,575,755</b>	<b>1,011,200</b>
Funded by:			
General Rates	0	0	0
Targeted Rates	471,771	463,354	385,700
Depreciation	5,056	9,230	2,900
Loans Raised	4,609	1,124,000	438,500
Transfers from / to (-) Reserves	67,456	-20,829	184,100
Total Source of Funds	<b>548,892</b>	<b>1,575,755</b>	<b>1,011,200</b>

\*Capital Expenditure – The following capital projects were identified in the LTCCP:

Budget	Project	Status
\$90,000	Hokitika Transfer Station	Project has not commenced.
\$20,000	Harihari Transfer Station	Project has not commenced.
\$20,000	Whataroa Transfer Station	Project has not commenced.
\$985,000	Butlers Land Fill	Work in Progress
\$9,000	Mahitahi Land Fill	Project has not commenced.

The figure of \$4,609 relates to the set up of a site office at Hokitika Refuse site.

## OPERATIONAL ACTIVITIES

### RURAL FIRE

#### NATURE AND SCOPE

The prime objective of the activity is to reduce the likelihood and consequences of rural fire in Westland District. Rural fire forces are made up of the Kokatahi/Kowhitirangi Rural Fire Force based at Kokatahi, the Kaniere Rural Fire Force based at Westroads Limited on Kaniere Road and the Haast Rural Fire Force based at the Haast and Hannah's Clearing Fire Depots. All members of these parties are volunteers.

Council is the sponsoring authority for these forces, is a member of the West Coast Rural Fire District Board and appoints a Zone Controller. Fire permits are issued by Council staff for Westland District.

#### OBJECTIVE

***To reduce the likelihood and consequences of rural fire in the District.***

##### **Performance Measure**

Fire permits are issued in a prompt and efficient manner with complaints received less than 2 per annum.

Wildfires are controlled in the Council zone with the number not greater than 2 and the area affected not greater than 10 hectares per year.

Equipment is maintained in compliance with NRFA audit requirements.

Obtain a high level of training of personnel with not less than 10 unit standards obtained by rural fire personnel annually.

To provide the service within the approved operating budget of \$55,990.

##### **Performance Result**

⇒ 199 Fire permits were issued during the year. No complaints received.

⇒ There was one wildfire at Greenstone Road, Kumara during the 2006/2007 year. 4 hectares of vegetation were affected.

⇒ No NRFA audits were performed during the year but equipment is maintained to an acceptable level by Council staffs and rural fire parties who are aware of the requirements.

⇒ Personnel training is managed by rural parties, The Department of Conservation, Timberlands West Coast and Council.

⇒ The operation and maintenance Council's Rural Fire Service for the 2006/07 financial year resulted in a surplus of \$1,530.

## OPERATIONAL ACTIVITIES

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2006/2007	2006/2007	2005/2006
<b>RURAL FIRE</b>			
Activity Income	44,225	0	1479
Activity Expenditure	42,695	55,990	47,829
<b>Net Cost/Surplus (-) of Activity</b>	<b>-1,530</b>	<b>55,990</b>	<b>46,350</b>
Capital Expenditure	59,000	40,000	0
Renewals Expenditure	0	1,000	0
Loan Principal Repayments	0	0	0
<b>Total Funds Required</b>	<b>57,470</b>	<b>96,990</b>	<b>46,350</b>
<b>Funded by:</b>			
General Rates	0	52,490	43,541
Targeted Rates	0	0	0
Depreciation	2,529	4,500	2,809
Loans Raised	59,000	0	0
Transfers from / to (-) Reserves	-4,059	40,000	0
<b>Total Source of Funds</b>	<b>57,470</b>	<b>96,990</b>	<b>46,350</b>

## OPERATIONAL ACTIVITIES – SUMMARY

### STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Actual	Actual
	2006/2007	2006/2007	2005/2006
<b>OPERATIONS</b>			
Activity Income	2,844,736	2,643,777	2,517,340
Activity Expenditure	6,536,391	6,285,235	6,194,605
<b>Net Cost/Surplus (-) of Activity</b>	<b>3,691,655</b>	<b>3,641,458</b>	<b>3,677,265</b>
Capital Expenditure	822,412	2,094,000	1,382,174
Renewals Expenditure	1,989,514	1,797,900	1,631,000
Loan Principal Repayments	0	0	0
<b>Total Funds Required</b>	<b>6,503,581</b>	<b>7,533,358</b>	<b>6,690,439</b>
<b>Funded by:</b>			
General Rates	1,833,344	1,075,610	655,427
Hokitika Rates	201,085	279,693	197,242
Rural Towns Rates	28,726	39,956	28,177
Targeted Rates	2,015,494	2,001,642	2,116,242
Depreciation	3,034,505	2,967,600	2,888,924
Vested Assets	-201,707	0	-1,000,600
Loans Raised	219,930	1,634,000	827,600
Transfers from / to (-) Reserves	-627,796	-465,143	977,427
<b>Total Source of Funds</b>	<b>6,503,581</b>	<b>7,533,358</b>	<b>6,690,439</b>

## WESTLAND HOLDINGS LIMITED AND SUBSIDIARIES

### 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.

## WESTLAND HOLDINGS LIMITED

### OBJECTIVE

***Achieve the objective of the shareholder, both commercially and non-commercially, as specified in its Statement of Intent in a manner that recognises sound business practice, good employer obligations and social/environmental responsibility.***

#### **Performance Measure**

#### **Performance Achieved**

Return a dividend in accordance with the Statement of Intent.

⇒

The board of directors did not prepare a Statement of Intent as required by section 64 of the Local Government Act 2002 for the year ended 2006. Accordingly, the directors are unable to report on performance information in accordance with sections 68 and 69 of the Act.

An annual report will be prepared in accordance with the requirements of the Local Government Act 2002.

⇒

Not achieved. The audit has not commenced by the statutory deadline of 30 September 2007 required by Section 67(1) of the Local Government Act 2002.

Draft subsidiary companies 'Statement of Intent' will be submitted to the Shareholder (Council) by 31 March and finalised by 30 June.

⇒

Not achieved. The board of directors have not prepared a Statement of Intent for the year ended 30 June 2007, and so are in breach of section 64 and clause 3 of Schedule 8 of the Act. The directors intend that this document will be in place in the near future.

## WESTLAND HOLDINGS LIMITED

### STATEMENT OF PERFORMANCE – un-audited results:

	Actual 2006/07 \$'000	Budget 2006/07 \$'000	Actual 2005/06 \$'000
<b>Operating Revenue</b>			
Westroads Limited	8,745	7,500	8,504
Hokitika Airport Limited	260	184	231
Westland Holdings Limited	206	0	183
<b>Total Operating Revenue</b>	<b>9,211</b>	<b>7,864</b>	<b>8,918</b>
<b>Operating Expenditure</b>			
Westroads Limited	8,038	7,030	7,741
Hokitika Airport Limited	238	178	204
Westland Holdings Limited	14	0	26
<b>Total Operating Expenditure</b>	<b>8,290</b>	<b>7,208</b>	<b>7,971</b>
<b>Net Surplus Before Taxation</b>	<b>921</b>	<b>656</b>	<b>947</b>
Tax Expense	245	0	362
<b>Net Surplus After Taxation</b>	<b>676</b>	<b>656</b>	<b>585</b>

### 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 Measure**

Tax paid return on shareholders funds of 9%.

⇒

#### **Performance Achieved**

The net surplus after tax of \$471,000 represented a 12.7% return on average shareholders funds of \$3,696,000 at 30 June 2007.

Net after tax profit of \$301,000 for the year ended 30 June 2007.

⇒

The company earned a net profit after tax of \$471,000 for the year ended 30 June 2007.

## **WESTROADS LIMITED**

### **STATEMENT OF PERFORMANCE**

	<b>Actual 2006/07 \$'000</b>	<b>Actual 2005/06 \$'000</b>
<b>Gross Revenue</b>	8,745	8,500
Less Operating Expenditure	8,038	7,900
<b>Net Surplus (Deficit) Before Taxation</b>	<b>707</b>	<b>600</b>
Taxation Expense	236	198
<b>Net Surplus (Deficit) After Taxation</b>	<b>471</b>	<b>402</b>
Equity at 1 July	3,696	3,696
Dividends	230	220
Equity At 30 June	3,937	3,878
Return on Average Shareholders Funds Pre Tax	12.3%	7.1%
Percentage of Shareholders Funds To Total Assets	52.2%	50-100%
Dividends As A Percentage Of After Tax Profits	48.8%	50-75%

## **HOKITIKA AIRPORT LIMITED**

### **OBJECTIVE**

***Maintain usage by commercial airlines at the 2005/2006 level.***

#### ***Performance Measure***

Revenue from commercial landing fees is at a similar level to 2005/2006.

#### ***Performance Achieved***

⇒ Revenue earned from landing fees was \$106,000, which is 2% (\$1,755) **below** the fees earned in 2005/06.

### **OBJECTIVE**

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

#### ***Performance Measure***

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

#### ***Performance Achieved***

⇒ Revenue earned from land and buildings (including car parking) was \$101,000, which is 48% (\$33,000) **above** rental earned in 2005/06.

# HOKITIKA AIRPORT LIMITED

## STATEMENT OF PERFORMANCE

	Actual 2006/07 \$'000	Actual 2005/06 \$'000
<b>Gross Revenue</b>	260	231
Less Operating Expenditure	238	204
<b>Net Surplus (Deficit) Before Taxation</b>	<b>22</b>	<b>27</b>
Taxation Expense	9	27
<b>Net Surplus (Deficit) After Taxation</b>	<b>13</b>	<b>0</b>
Equity at 1 July 2006	2,556	2,556
Profit/(Loss) for the period	13	
Contributions From Owners	0	0
Dividends	0	0
Equity At 30 June 2007	2,569	2,556
Return on Average Shareholders Funds Pre Tax	0.9%	0%
Percentage of Shareholders Funds To Total Assets	95.8%	96.6%
Dividends As A Percentage Of After Tax Profits	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
- Fox Glacier Toilets
- Haast Township Toilets
- Museum - Hokitika
- Ross Restrooms

#### **DWELLINGS**

- Fox Glacier
- Harihari
- Nurses House Fox Glacier

#### **HALLS**

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

#### **LAND AND BUILDINGS**

- Bandrooms Hokitika
- Heritage Historical Park
- Council Headquarters, 36 Weld Street
- Garages – Railway Terrace
- Carnegie Building
- RSA Building
- 46 Pensioner Flats – Hokitika (42)  
- Ross (4)
- 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 and Walkway
- 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