



# Annual Plan



**2007 / 2008**

# TABLE OF CONTENTS

## 2007/2008 ANNUAL PLAN

	<i>Pages</i>
<b>1. Introduction</b>	<b>1-3</b>
<b>2. District Profile</b>	<b>4</b>
<b>3. District Statistics</b>	<b>5</b>
<b>4. Elected Members &amp; Management Team</b>	<b>6</b>
<b>5. Funding Impact Statement</b>	<b>7-12</b>
<b>6. Statement of Accounting Policies and Prospective Financial Statements</b>	<b>13-26</b>
<b>7. Outline of the Revenue and Financing Policy</b>	<b>27-28</b>
<b>8. 2007/2008 Projects Included in the Annual Plan</b>	<b>29-31</b>
<b>9. Council Activities</b>	<b>32-57</b>
<b>Fees &amp; Charges</b>	<b>Under separate cover</b>

**Adopted by Council Thursday 21 June 2007**

# 1. INTRODUCTION 2007/08 ANNUAL PLAN

This annual plan sets out Council's activities and projects over the coming year. It has been prepared with direct reference to Council's 2006/2016 Long Term Council Community Plan (LTCCP).

In years when Council does not produce an LTCCP, an annual plan is prepared to provide an update of proposed actions and expenditure for the coming year for each activity. The Annual Plan provides up-to-date budgets and details on specific projects which Council has committed to undertake in 2007/08 as contained in the LTCCP.

The Annual Plan highlights the variations from the LTCCP, providing reasons for these variations, an assessment of the impact of the changes, and how they link to the LTCCP.

The plan continues the overall theme of the LTCCP by focusing on key infrastructure projects that increase and improve important services like roading, water, wastewater and waste management. It also enables the continuation of a range of small projects which add value to our communities.

The population of Westland has grown over the last 5 years (at greater than the national average). This growth has seen a significant increase in subdivisions, resulting in more ratepayers to contribute to our services.

## Rate Changes

The LTCCP projected that overall Council would be increasing its rate requirements by 4.1% for 2007/08. We are pleased to note that with the forecast continued District growth, the overall increase from existing ratepayers has been limited to 3.4%.

Because Council uses a range of different rates which are based on levels of service, some sectors of our community will have different rate changes to others.

- The significant increase in expenditure in waste management will impact to a greater extent on commercial properties (this sector contributes the most waste in Westland).
- Commercial rates will increase on average by 10%.
- Rural properties will increase on average by 2.5%
- Hokitika and Rural Townships will increase on average 3%

## Impact of Tourists

We recognise and appreciate the value of tourists to our District, however it is important that the adverse impacts of our visitors are minimised so that our District retains its special values.

To achieve this, Council intends to:

1. Introduce a by-law restricting the use of public places for freedom camping;
2. Allocate \$25,000 towards Council's share of the costs of implementing the Visitor Waste Strategy. This strategy is a partnership developed between Councils on the West Coast, Transit New Zealand and the Department of Conservation.

### **Major Review of Council Facilities**

Council is currently undertaking a review of recreation and entertainment facilities throughout the District. The purpose of the review is to identify where best to invest future resources, one of which is the West Coast Development Trust Major District Initiatives Funding (MDI).

The Westland District has an abundance of sporting and entertainment facilities. Hokitika alone has 20 hall and lounge spaces for its 3500 residents. While some are well utilised, others are not. Many are being maintained by small hardworking committees in organisations with limited membership and financial resources.

Council has started talking to Harihari and Ross communities about the best use of their community facilities, and options for their future requirements. Discussions will be held with each District Community over the next 12 months.

The intention is to rationalise the number of facilities in each community. Where appropriate, we expect to dispose of under-utilised facilities thus freeing up funds to either enhance remaining, or build new multi use facilities. With the available MDI funding providing up to 65% of the cost of the upgraded or new facilities it is important for Council and each Community to use existing under-utilised facilities to fund the local share.

It is not possible at this stage to signal likely costs – each community will decide what is needed, and how the local share is to be met. The intention however is not to use general rates to fund the local share.

### **Change to Driver's Licence Agency**

For the past two years Council has operated the Hokitika Drivers Licence Agency on behalf of the New Zealand Automobile Association. Council undertakes this function to ensure the service is not lost to Hokitika. The fixed revenue available to Council for operating this service is insufficient to meet the actual costs, and Council has advised the AA that from 1<sup>st</sup> July 2007, the service will be reduced from 5 days to 2 days per week.

### **Projects**

The Long Term Council Community Plan signaled almost \$10m expenditure on capital projects for 2007/08. The two largest projects are dependant on outside funding.

- The treatment of Hokitika water supply to meet the new drinking water standards, at a cost of \$3.5m, is to be undertaken as a joint project with Westland Milk Products, and is dependant on a 50% contribution from them;
- The installation of a sewerage system in Ross, at a cost of \$4.5m, is dependant on a 58% subsidy from the Crown. There is now considerable doubt as to whether the Crown will make this subsidy available.

General and infrastructural projects programmed to be completed in the 2007/2008 year are documented on pages 29-31 of this Annual Plan.

### **Change in Fees and Charges**

The following changes to fees approved in the LTCCP were approved:

- A new fee of \$55.00 will be applied on every building consent application to cover the cost of the Building Consent Authority accreditation process.
- All waste management fees increased by 20% to ensure that half the cost of waste management is met by users.

### **Submissions**

Council received a total of 48 individual submissions, both written and oral, on the Draft Annual Plan when submissions closed on 30 June 2007. A special meeting was held on Monday 5 June to consider these submissions included a total of 9 verbal presentations made to Council. After Council considered all submissions the budget for the Hokitika Swimming Pool was increased by \$6,000 to allow the season to be extended, due to popular demand. Other changes were made to explanatory notes to more clearly explain variances between the LTCCP and this Annual Plan.

**Maureen Pugh**  
Mayor

**Robin Reeves**  
General Manager

## 2. DISTRICT PROFILE

Westland District is located on the West Coast of the South Island of New Zealand. The District was formed by the amalgamation of the former Hokitika Borough and Westland County in 1989. The geographical extent of the District is shown below:



The land area of Westland District comprises approximately 11,387 km<sup>2</sup> (1,138,724 hectares). The District stretches for 330 kilometres from the Taramakau River in the north to Big Bay in the south. The western boundary is mean high water springs (MHWS) on the Tasman Coast and the eastern limit is a line running along the Main Divide of the Southern Alps/Ka Tiriti o te Moana.

The District has common boundaries with Grey, Selwyn, Hurunui, Ashburton, Mackenzie, Waitaki, Queenstown-Lakes and Southland Districts and comes within the jurisdiction of the West Coast Regional Council.

### Population

The population of the District stands at 8403 (census 2006) of which approximately 3,100 live in Hokitika. Other settlements include Haast, Fox Glacier, Franz Josef/Waiiau Glacier/Waiiau, Whataroa, Ross, Harihari, Kumara and Otira. The potential for growth associated with the tourist and agricultural industries cannot be overlooked. Any resultant increase in population will have a positive influence on community viability and associated services.

### 3. DISTRICT STATISTICS

<b>Date of Constitution of Westland District Council</b>	♦ <i>1 November 1989</i>
<b>Address</b>	♦ <i>36 Weld Street, Private Bag 704, HOKITIKA.</i>
<b>Council Telephone Number</b>	♦ <i>(03) 756 9010</i>
<b>Council Fax Number</b>	♦ <i>(03) 756 9045</i>
<b>Council E-mail Address</b>	♦ <i>council@westlanddc.govt.nz</i>
<b>Council Website</b>	♦ <i>www.westland.govt.nz</i>
<b>Area of Westland District</b>	♦ <i>1,138,724 ha</i>
<b>Population - Census Night (2006)</b> - Resident in District	♦ <i>11,202</i> ♦ <i>8,403</i>
<b>Number of Rateable Assessments</b>	♦ <i>6,066</i>
<b>Rateable Capital Value as at 31/3/07</b>	♦ <i>\$1,586,063,750</i>
<b>Rateable Land Value as at 31/3/07</b>	♦ <i>\$861,436,250</i>
<b>Date of Last Valuation</b>	♦ <i>1 September 2005</i>
<b>Date of Next Valuation</b>	♦ <i>1 September 2008</i>
<b>System of Rating - General</b> - Waste Management	♦ <i>Land Value</i> ♦ <i>Capital Value</i>
<b>Public Debt Outstanding at 31 March 2007</b>	♦ <i>\$5,864,922</i>

#### 4. ELECTED MEMBERS AND MANAGEMENT TEAM

<b>MAYOR</b> (elected by District residents)	<i>Maureen Pugh</i>	<i>(03) 736 9843</i>
<b>DEPUTY MAYOR</b>	<i>Bryce Thomson</i> (Southern Ward)	<i>(03) 753 3138</i>
<b>COUNCILLORS</b> (elected by Ward residents)		
<b>Northern Ward</b>	<i>Neil Bradley</i>	<i>(03) 755 7279</i>
	<i>Allan Payn</i>	<i>(03) 736 9878</i>
	<i>Ian Hustwick</i>	<i>(03) 755 8003</i>
	<i>Barbara Duckett</i>	<i>(03) 755 6467</i>
<b>Hokitika Ward</b>	<i>Sue Fraser</i>	<i>(03) 755 7257</i>
	<i>Russell Gugich</i>	<i>(03) 755 6559</i>
	<i>Peter Davidson</i>	<i>(03) 755 7461</i>
	<i>Kyle Scott</i>	<i>(03) 755 6581</i>
<b>Southern Ward</b>	<i>Gary Blackburn</i>	<i>(03) 523 9859</i>
	<i>Tony Condon</i>	<i>(03) 751 0895</i>
	<i>Kerry Eggeling</i>	<i>(03) 750 0848</i>
<b>MANAGEMENT TEAM</b>		
	<i>Robin Reeves</i>	<i>General Manager</i>
	<i>Richard Simpson</i>	<i>Manager: Planning &amp; Regulatory</i>
	<i>Rob Daniel</i>	<i>Manager Operations</i>
	<i>Geoff Day</i>	<i>Manager: Finance &amp; Policy</i>



## 5. FUNDING IMPACT STATEMENT

### Introduction

Council will fund its activities from a mixture of the following:

- Fees and Charges
- Grants and Subsidies
- Interest and Dividends from Investments
- Financial and Development Contributions
- Depreciation Funds and Other Reserves
- Loans and Borrowing
- Donations and Bequests
- Proceeds from Asset Sales

The shortfall between expenditure and the above funding sources will then be funded from General and Targeted Rates. (Refer to the Income Statement and calculation of Council's Rating Requirements.)

### General Rate

Council agreed to fund part of its general rate requirement from a rate per dollar on the land value of each rateable property.

This will be a differential rate dependant on the underlying zoning of each property as denoted in the District Plan.

1. Rural General – Properties 10 Hectares or Larger Zoned Rural.
2. Small Holdings – Properties less than 10 Hectares, Zoned Rural.
3. Rural Residential – Properties in a Tourist, Residential, Small Settlement or Coastal Settlement Zone.
4. Rural Commercial – Commercial Properties in a Rural Zone.
5. Commercial in Rural Residential – Commercial Properties in a Tourist, Residential, Small Settlement or Coastal Settlement Zone.
6. Hokitika 1-6 units – Properties within the previous Hokitika Borough.
7. Hokitika Commercial – Commercial Properties within the previous Hokitika Borough.

The appropriate rate will be charged on the rateable land value as assessed by our valuation provider, Quotable Value, as at 30 June 2007.

### Uniform Annual General Charge (UAGC)

A uniform annual general charge was approved, to be charged as a fixed amount of \$312.90, on each separately occupied portion of a rateable property and is estimated to total \$1,563,248 (incl GST).

Where more than one property is owned by the same Ratepayer, the properties are contiguous, and are utilised as a single property, then only one UAGC in total will be assessed. Similarly, where an adjoining leased area is utilised as part of the parent property, then only one UAGC in total will be assessed.

This reassessment is reliant on property owners satisfying Council that they meet the relevant criteria.

## **Targeted Rates**

### **Waste Management**

Council has approved a uniform annual charge of \$16 plus targeted rates based on capital value to fund the net \$495,312 (incl GST) cost of Waste Management in the District.

1. A Waste Management Uniform Charge on each property which has a General Rate Uniform Annual Charge.
2. Waste Management (Commercial). Properties whose General Rate is either Rural Commercial, Commercial in Rural Residential, or Hokitika Commercial.
3. Waste Management (Rural). Properties whose General Rate is Rural General.
4. Waste Management (Small Holdings). Properties whose General Rate is Small Holdings.
5. Waste Management (Urban). Properties whose General Rate is Rural Residential, or Residential within the previous Hokitika Borough.

The appropriate rate will be charged on the rateable capital value as assessed by our valuation provider as at 30 June 2007.

Utilities which are not charged a differential general rate will not be charged this targeted rate.

### **Hokitika Refuse Collection**

Council has approved a targeted rate to fund refuse collection in Hokitika totalling \$90,595 (incl GST).

The rate will be charged on each separately occupied portion of a property where rubbish collection is available.

### **Rural Refuse Collection**

Council approved a targeted rate to fund rural refuse collection totalling \$56,815 (incl GST).

The rate will be charged on each separately occupied portion of a property where rubbish collection is available, other than in Hokitika, in the area from Kumara Township in the north to Ross Township in the south including Kaniere Township.

### **Water Charges**

Council approved targeted rates to fund the cost of its Water Supplies totalling \$1,406,747 (incl GST) including commercial metered water for 2007/2008.

1. Treated Water in Rural Townships – Whataroa, Franz Josef/Waiau & Fox Glacier plus metered charge of \$0.85 per cubic metre.
2. Untreated Water in Rural Townships – Kumara, Arahura, Ross, Harihari, Whataroa Rural, Haast and Hannah's Clearing.
3. Treated Water in Hokitika and Kaniere plus metered charge of \$ 0.71 per cubic metre.

The rate will be charged for each separately occupied portion of a property supplied with water, unless separately metered. Commercial properties will be charged a differential rate unless separately metered.

An unconnected rate of 50% of the connected charge will be charged on any property where a water supply is available but is not connected.

### **Kokatahi Rural Fire**

Council approved a targeted rate to fund a replacement Kokatahi fire engine totalling \$9,014 (incl GST) per annum for five years from 2006/2007 as part of the LTCCP process.

1. A Kokatahi Fire Uniform Charge of 0.000038c in \$.
2. A Kokatahi Fire Rate of \$25.

The uniform charge will be charged on each property in the Kokatahi/Kowhitirangi area which has a general rate uniform annual charge.

The rate will be charged on the rateable land value of each property in the Kokatahi/Kowhitirangi area from Geologist Creek in the north to Hokitika Gorge in the south and the Kaniere/Kowhitirangi Road from Nesses Creek onward.

### **Sewerage Charges**

Council approved targeted rates to fund the costs of sewerage disposal in Hokitika, Kaniere, Franz Josef/Waiau, Fox Glacier and Haast totalling \$406,172 (incl GST) for the 2007/2008 year.

1. Sewerage Charge of \$110 per property for Residential Properties.
2. Sewerage Charge of \$110 per pan or urinal for Commercial Properties.

The rate will be charged on each separately occupied portion of a property connected to the sewerage disposal system provided by Council.

An unconnected rate of 50% of the connected charge will be charged on any property where Council sewerage disposal is available but is not connected.

### **Kaniere Sewerage Capital Contribution**

Council has approved a targeted rate to recover the capital cost of the Kaniere sewerage system totalling \$30,192 (incl GST) for the 2007/2008 year.

The rate has been assessed as a capital contribution of \$4,800 per property on a table mortgage basis over 25 years from 1 July 2000. The interest rate is re-assessed periodically and is currently 7%. The balance outstanding on a property may be paid in part or full at any time, and the repayment completion date re-calculated accordingly.

The rate will be charged on each property able to be connected to the Kaniere sewerage system which has not already completed payment of the capital contribution.

### **Glacier Country Promotions**

Council has approved targeted rates to fund Glacier Country Promotions Officers of \$67,505 (incl GST) for the 2007/2008 year made up of:

1. A Glacier Country Uniform Charge of \$50.
2. A Glacier Country Commercial Uniform Charge of \$250.
3. A Glacier Country Promotions Rate of 0.001272c in \$.

The uniform charge will be charged on each property in the Glacier region which has a general rate uniform annual charge, but has not been commercial rated.

The commercial uniform charge will be charged on each commercial rated property in the Glacier region.

The promotion rate will be charged on the rateable land value of each commercial rated property in the Glacier region.

These rates will be levied on all rateable properties in the area from Lake Mapourika in the north to the Ohinetamatea River in the south.

### **Hokitika Area Promotions**

Council has approved a targeted rate of \$140.00 to be levied on each Hokitika Commercial ratepayer, totalling \$20,160.

The purpose of this rate is to fund the annual payment toward costs associated with the Promotions Officer employed by Enterprise Hokitika.

The General and Targeted Rates to be collected by Council for the 2007/2008 year and the revenue generated from each are as follows.

DESCRIPTION	LAND VALUE	2007/2008	RATE STRUCK
Rural General	470,254,800	0.001608	756,170
Small Holdings	152,196,450	0.002290	348,530
Rural Residential	110,930,600	0.003886	431,076
Rural Commercial	12,271,000	0.006516	79,958
Commercial in Rural Res.	27,878,000	0.008707	242,734
Hokitika Res. 1	76,289,200	0.010149	774,259
Hokitika Res. 2	2,670,000	0.012211	32,603
Hokitika Res. 3	112,000	0.014272	1,598
Hokitika Res. 4	102,000	0.016281	1,661
Hokitika Res. 6	189,000	0.018290	3,457
Hokitika Commercial	24,107,000	0.015393	371,079
			3,043,125
Uniform Annual General Charge	4996	312.90	<u>1,563,248</u>
<b>Total General Rate (incl GST)</b>			<b>\$4,606,373</b>
<b>Total General Rates (excl GST)</b>			<b>\$4,094,554</b>
<b><u>Targeted Rates</u></b>	<b>Capital Value</b>		
	<b>/Rating Units</b>		
Waste Management Uniform Charge	4996	16.00	79,936
Waste Management (Commercial)	209,999,000	0.000989	207,689
Waste Management (Rural)	571,144,800	0.000050	28,557
Waste Management (Small Holdings)	231,453,950	0.000285	65,964
Waste Management (Urban)	458,161,100	0.000247	113,166
Hokitika Refuse Collection (res)	1,283	55.00	76,395
Hokitika Refuse Collection (com)	142	100.00	14,200
Rural Refuse Collection	1,033	55.00	<u>56,815</u>
<b>Total Waste Management Rates</b>			<b>\$642,722</b>
<b><u>Rural Township Treated Water</u></b>			
Domestic		331.50	
(unmetered) Commercial		903.50	
Unconnected		165.75	85,310
<b><u>Rural Township Untreated Water</u></b>			
Domestic		177.00	
(unmetered) Commercial		541.00	
Unconnected		88.50	152,130
<b><u>Hokitika/Kaniere Water</u></b>			
Domestic		177.00	
(unmetered) Commercial		541.00	
Unconnected		88.50	<u>307,557</u>
<b>Total Water Rates</b>			<b>\$544,997</b>
<b>Metered Water Charges</b>			<b>\$861,750</b>
<b><u>Sewerage Rate</u></b>			
Domestic		110.00	
Commercial (per water closet/urinal)		110.00	
Unconnected		55.00	375,980
Kaniere Sewerage Capital		408.00	<u>30,192</u>
<b>Total Sewerage Rates</b>			<b>\$406,172</b>

<b>Kokatahi Rural Fire</b>			
Levy	121,428,000	0.000038	4,614
Uniform Charge	176	25.00	<u>4,400</u>
<b>Total Kokatahi Rural Fire</b>			<b>\$9,014</b>
<b>Glacier Country Promotions</b>			
Levy	28,817,000	0.001272	36,655
Uniform Charge	302	50.00	15,100
Commercial Uniform Annual Charge	63	250.00	<u>15,750</u>
<b>Total Glacier Country Promotions</b>			<b>\$67,505</b>
<b>Hokitika Area Promotions</b>			
Uniform Charge	144	140.00	<u>20,160</u>
<b>Total Hokitika Promotions</b>			<b>\$20,160</b>
<b>Total Targeted Rates (incl GST)</b>			<b>\$2,552,320</b>
Total Targeted Rates (excl GST)			2,268,729
General Rates (excl GST)			4,094,554
<b>Total Rates (excl GST)</b>			<b><u><u>\$6,363,283</u></u></b>

#### **RATING BY INSTALMENTS AND RATES PENALTIES**

The Council provides for 2007/2008 Rates to be paid in four instalments with a 10% additional charge added to the current instalment rates remaining unpaid on the penalty dates.

	<b>FINAL Date for Payment</b>	<b>Penalty Date</b>
Instalment 1	31 August 2007	1 September 2007
Instalment 2	30 November 2007	1 December 2007
Instalment 3	29 February 2008	1 March 2008
Instalment 4	31 May 2008	1 June 2008

A further 10% will be added to all rates and additional charges remaining unpaid on 1 July 2007 and a further 10% will be added to any rate to which the additional charges referred to above is added and remains unpaid at 1 January 2008.

#### **VARATION FROM 2006-2016 LONG TERM COUNCIL COMMUNITY PLAN**

The due date payable for the quarterly rates instalments has been changed from what was signalled in the Long Term Council community Plan. Previously final dates for payment were 20 September, 20 December, 20 March and 20 June. Accordingly the date a 10% penalty will be applied is adjusted to the date following the due date.

#### **DEFINITION OF A 'SEPARATELY OCCUPIED PORTION OF A RATEABLE PROPERTY'**

A separately occupied portion of a rateable property is defined as:

- Any part of a rating unit that can be separately let and /or permanently occupied: and
- Used for separate purposes.

#### **EARLY PAYMENT OF RATES**

A Discount of 2.5%, calculated on the Total Annual Levy, will apply when all due rates are paid in full, together with any outstanding rates and penalties from prior years, by the due date for payment of the first instalment being 31 August 2007.

## 6. STATEMENT OF ACCOUNTING POLICIES AND PROSPECTIVE FINANCIAL STATEMENTS

### 1. Reporting

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

Council's operations are divided between the following key areas:

- ◆ Elected Representatives
- ◆ Planning & Regulatory Services
- ◆ Roading Services
- ◆ Water Supplies
- ◆ Sewerage
- ◆ Solid Waste Management
- ◆ Other Operational Activities
- ◆ Community Services

The accounting policies are intended to comply with New Zealand International Financial Reporting Standards ('NZ IFRS') and to be applicable to the following entities and their subsidiaries and associates, namely: Westland District Council, Westland Holdings Limited, Westroads Limited, Westroads Greymouth Limited, and Hokitika Airport Limited. Group financial statements have not been presented, only those of the parent, Westland District Council. These policies however apply equally to all members within the group.

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

Hokitika Airport Ltd was established as a Local Council Controlled Organisation in March 2002.

Westland Holdings Limited was capitalised in 2003 and the shares and assets of Westroads Limited and Hokitika Airport Limited transferred from Council ownership. Westland Holdings Limited is owned 100% by Council. Other Council Controlled Organisations of Council are Tourism West Coast which is based in Greymouth. The operations of these Organisations are not consolidated into the financial statements.

The Prospective Financial Statements of the Westland District Council have been prepared in accordance with the requirements of FRS-42, Prospective Financial Statements, and section

111 of the Local Government Act 2002 which includes the requirement to comply with generally accepted accounting practice. The NZ IFRS regime will be reviewed on an on-going basis, and changes to these accounting policies proposed as necessary when changes to NZ IFRS are adopted.

## **2. Measurement Base**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain assets.

## **3. Statement of Responsibility**

The purpose of the Annual Plan is to consult with the community and interested parties on the planned activities and expenditure of Council for the 2007/2008 year. The use of this information for purposes other than for which it was prepared may not be appropriate. The information presented is in line with the 2006/16 LTCCP adopted by Council in 2006.

The Council is responsible for the prospective financial statements presented, including the appropriateness of the underlying assumptions and related disclosures. The forecast financial statements have been prepared in compliance with FRS 42 Prospective Financial Statements.

## **4. Statement of Compliance**

The forecast financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice.

The Westland District Council is a public benefit entity whose primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return. All available reporting exemptions allowed under the framework for public benefit entities have been applied.

## **5. Basis of Forecast Financial Statement Preparation**

The preparation of forecast financial statements in conformity with NZ IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements will be detailed in the notes to the financial statements for each entity.



The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below will be applied consistently to all periods presented in the financial statements and in preparing an opening IFRS balance sheet at 1 July 2006 for the purposes of the transition to IFRS.

## 6. Revenue

Rates and levies are recognised by Council as being income on the due date of each instalment.

Land Transport roading subsidies are recognised at fair value as revenue upon entitlement, that is, when the conditions related to eligible expenditure have been fulfilled.

Other grants and bequests and assets vested in the Council, are recognised as revenue when control over the assets is obtained.

Dividends are only recognised as income, net of imputation credits, when the dividends have been declared and have or are almost certain to receive the necessary shareholder approval.

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

## 7. Cost Allocation Policy

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

### - Criteria for Direct and Indirect Costs

'Direct Costs' are those costs directly attributable to a significant activity.

'Indirect Costs' are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

### - Cost Drivers for Allocation of Indirect Costs

The costs of internal services not directly charged to activities are allocated as overheads using cost drivers such as staff numbers, items processed, and/or based on level of support provided to each activity.

## 8. Investments

Westland District Council classifies its investments in the following categories:

- (a) Financial assets or financial liabilities at fair value through profit or loss.  
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.
- (b) Loans and receivables  
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- (c) Held-to-maturity investments  
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity.
- (d) Available-for-sale financial assets  
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

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.

### **Parent investment in subsidiaries**

For the purposes of the parent (Council) financial statements, Westland District Council's equity investments in its subsidiary companies are stated at fair value, based on periodic, but at least triennial, valuations by external independent valuers.

### **Investments in debt and equity securities**

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the income statement.

Where Westland District Council has the positive intent and ability to hold government bonds to maturity, they are stated at amortised cost less impairment losses.

Community loans are held-to-maturity assets and are stated at fair value.

Other financial instruments held by Westland District Council are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity, except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

The fair value of financial instruments classified as available-for-sale is their quoted bid price at the balance sheet date.

Financial instruments classified as available-for-sale investments are recognised / derecognised by Westland District Council on the date it commits to purchase / sell the investments. Securities held-to-maturity are recognised / derecognised on the day they are transferred to / by Westland District Council.

### **Investment property**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Any gain or loss arising from a change in fair value is recognised in the income statement.

Rental income from investment property is accounted for as described in accounting policy (6).

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when Westland District Council holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Lease payments are accounted for as described in accounting policy (15).

## **9. Taxation Expense**

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

Deferred taxation is determined on a comprehensive basis using the liability of realisation.

Deferred tax assets attributable to timing differences or include tax losses are only recognised when it is probable they will be realised.

## **10. Fixed Assets**

Council's fixed assets consist of the following categories:

### **Operational Assets**

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

### **Infrastructural Assets**

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

## **Restricted Assets**

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

## **Valuation**

All assets are valued at historical cost, except for the following, which are shown at fair value:

### **Land**

Operational, restricted and infrastructural land has been valued at net current value by Quotable Value New Zealand as at 1/9/05. This has been confirmed by Quotable Value New Zealand Ltd as being appropriate for external accounting purposes.

Valuations are carried out on a three yearly cycle by independent qualified valuers.

### **Infrastructural Assets**

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

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

Valuations are carried out with sufficient regularity by independent qualified valuers to ensure that the carrying amount of an item of property, plant and equipment does not differ materially from that which would be determined using fair value at the balance sheet date

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. Re-valued assets must be carried at a value not materially different from fair value.

## **Depreciation**

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

Asset	Depreciable Life (Years)
<b>Infrastructural</b>	
<b>Roads</b>	
• Formation	N/A
• Sub-base	N/A
• Base Course	20-75
• Surfacing (Sealed)	5-15
• Surfacing (Unsealed)	5
• Bridges	40-100
• Box Culverts/Channels	50-100
• Footpaths	40
• Streetlights	10
• Signs	8
<b>Water</b>	
• Pipeline	60-80
• Connections	60
• Reservoirs and Tanks	20-50
<b>Pump Stations</b>	15-20
<b>Sewer</b>	
• Pipeline	60-80
• Manholes	50-60
• Pump Stations	15-20
• Oxidation Ponds	60-100
<b>Stormwater</b>	
• Pipeline	60-80
• Bank Protection	50-100
• Manholes	50-60
• Pump Stations	15-20
<b>Operational</b>	
• Buildings	50
• Furniture and Fittings	10
• Motor Vehicles	5
• Plant & Equipment	3-10
• Library Collection	8
• Jackson Bay Wharf	30
<b>Restricted</b>	
• Buildings	50

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When re-valued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

#### 11. Landfill aftercare Costs

As operator of the Hokitika Landfill and other rural sites, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill site after closure. To provide for the estimated cost of aftercare, a charge is made each year to spread the costs over the life of the landfill.

The estimated cost is calculated based on estimates of:

(i) Total current cost

This is defined as the amount that would be paid if all equipment, facilities and services included in the estimate were acquired during the current period.

The estimate has been based on costs of closure of similar landfill by other local authorities.

(ii) Total capacity

The estimated length of time needed for post-closure care is 30 years.

The Council also has a legal obligation to provide ongoing maintenance and monitoring services for the closed landfill sites of the former amalgamating authorities.

The estimated future costs to perform this obligation have been accrued and charged.

The calculations assume no change in the legislative requirements for closure and post-closure treatment.

#### 12. Accounts Receivable

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

**13. Inventories and Work in Progress**

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

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion, and then depreciated.

**14. Employee Entitlements**

Provision is made in respect of Westland District Council's liability for retiring gratuities, long service leave, annual, and sick leave.

The liability for retiring gratuities and long service leave is calculated on an actuarial basis taking into account current rates of pay, years of service, periods remaining to entitlement and probability factors.

Liabilities for annual leave are measured at the amount of unused entitlement accumulated at balance date at relevant current rates of pay. Liabilities for non vesting sick leave are measured at the amounts of unused entitlement accumulated at balance date that Council anticipates employees will use in future periods in excess of the days that they will be entitled to in each of these periods.

**15. Operating Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases.

Payments under these leases are charged as expenses in the period in which these are incurred.

**16. Statement of Cash Flows**

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

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

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

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

**17. Statements of Financial Performance**

The Statements of Financial Performance, as provided in the Activity Summaries, report the net cost of service for significant activities of the Council and are represented by the costs of providing the service less all revenues that can be allocated to those activities.

**18. Financial Instruments**

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

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

**19. Debt Servicing Costs**

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case the borrowing costs will be capitalised as part of the cost of the asset.

**20. Donated Goods and Services**

The Council receives the benefits of many services provided by volunteers. These services are greatly valued. They are, however, difficult to measure in monetary terms. From an accounting point of view these services are not considered material in relation to the Council's total expenditure.

Any donated property, plant, and equipment are recorded at fair value.

Vested Land is included at current value and Infrastructural Assets are included at the cost to the sub divider.

**21. Goods and Services Tax**

All amounts shown in the financial statements are exclusive of Goods and Services Tax, except for accounts receivable and accounts payable which are inclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset class or expense.

**22. Third Party Transfer Payment Agencies**

The Council collects monies for many organisations including Liquor Licensing Authority, Department of Building and Housing and others. Where collections are processed through the Council's books, any monies held are shown as Accounts Payable in the Balance Sheet.



Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

**23. Accounting for Council Controlled Trading Organisations**

The Council has not presented group prospective financial statements because it believes that the parent financial statements are more relevant to users. The main purpose of prospective financial statements in the Annual Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests, in those subsidiaries. Such effects are included in the prospective financial statements.

**24. Changes in Accounting Policy**

There are no changes in Accounting Policies. All Accounting Policies have been applied in accordance with the adoption of the NZIFR.

**25. Prospective Financial Information**

Prospective financial information is based on assumptions about future events which may or may not occur. Actual results achieved for the period are likely to vary from the information presented and these variations may be material.

**PROSPECTIVE INCOME STATEMENT**

	Annual Plan 2007/2008 '000	LTCCP 2007/2008 '000
<b><u>Income</u></b>		
Rates - General	4,095	3,899
- Targeted	1,417	1,500
- Metered Water	766	768
Petroleum Tax	93	93
Interest	556	397
Dividends	165	165
Other Income	188	191
Governance	20	0
Planning & Regulatory	481	419
Operations	7,558	7,177
Community Services	1,736	1,349
<b>Total Operating Income</b>	<b>17,743</b>	<b>15,958</b>
<b><u>Expenditure</u></b>		
Governance	597	576
Planning & Regulatory	1,111	1,011
Operations	4,649	3,634
Community Services	2,853	2,672
Interest Paid	420	408
Depreciation	3,024	3,341
<b>Total Operating Expenditure</b>	<b>14,095</b>	<b>11,641</b>
Operating Surplus	3,648	4,317
Less Tax Expense/Benefit	0	0
<b><u>Net Operating Surplus</u></b>	<b>3,648</b>	<b>4,317</b>

**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY**

	Annual Plan 2007/2008 '000	LTCCP 2007/2008 '000
<b><u>Equity at 1 July</u></b>	<b>296,923</b>	<b>303,251</b>
Plus Net Surplus(Deficit) for the year	3,648	4,317
Movement in Revaluation Reserve	10,041	10,041
Total Recognised Revenues and Expenses	13,689	14,358
<b><u>Equity at 30 June</u></b>	<b>310,612</b>	<b>317,608</b>

**PROSPECTIVE BALANCE SHEET**

	Annual Plan 2007/2008 '000	LTCCP 2007/2008 '000
<b><u>Ratepayer's Equity</u></b>	<b>310,612</b>	<b>317,608</b>
Represented by:		
<b><u>Assets</u></b>		
<b>Current Assets</b>		
Cash & Bank	1,500	2,000
Accounts Receivable	1,600	1,445
Inventories	0	0
<b>Total Current Assets</b>	<b>3,100</b>	<b>3,445</b>
<b>Non Current Assets</b>		
Fixed Assets	309,004	314,374
Investments	7,000	7,926
Business Development Loans	0	0
Deferred Tax	0	0
<b>Total Non Current Assets</b>	<b>316,004</b>	<b>322,300</b>
<b>Total Assets</b>	<b>319,104</b>	<b>325,745</b>
<b><u>Liabilities</u></b>		
<b>Current Liabilities</b>		
Accounts Payable	1,800	1,445
Accrued Expenses	361	361
Rates Received in Advance	57	57
Current Portion of Term Debt	44	44
Taxation Provision	0	0
<b>Total Current Liabilities</b>	<b>2,262</b>	<b>1,907</b>
<b>Non Current Liabilities</b>		
Term Debt	5,857	5,857
Employee Entitlements	258	258
Landfill Closure and Monitoring	115	115
<b>Total Non Current Liabilities</b>	<b>6,230</b>	<b>6,230</b>
<b>Total Liabilities</b>	<b>8,492</b>	<b>8,137</b>
<b><u>Net Assets</u></b>	<b>310,612</b>	<b>317,608</b>
-		

**PROSPECTIVE STATEMENT OF CASH FLOWS**

	Annual Plan 2007/2008 '000	LTCCP 2007/2008 '000
<b><u>Cashflow from Operating Activities</u></b>		
<b>Cash was provided from:</b>		
Receipts from rates, grants, and other sources	16,238	15,396
Interest Received	556	397
Dividends	165	165
<b>Total Cash Inflows from Operating Activities</b>	<b>16,959</b>	<b>15,958</b>
<b>Cash was disbursed to:</b>		
Suppliers & Employees	-9,432	-7,747
Interest Paid on Long Term Debt	-420	-408
Income Tax Expenses	0	0
Net GST Movement	-100	-100
<b>Total Cash Outflows from Operating Activities</b>	<b>-9,952</b>	<b>-8,255</b>
<b>Net Cash Inflow from Operating Activities</b>	<b>7,007</b>	<b>7,704</b>
<b><u>Cashflow from Investing Activities</u></b>		
<b>Cash was provided from:</b>		
Disposal of Fixed Assets	250	250
Miscellaneous Sale of Investments	4,669	4,669
<b>Total Cash Inflows from Investing Activities</b>	<b>4,919</b>	<b>4,919</b>
<b>Cash was applied to:</b>		
Purchase of Fixed Assets	-12,418	-12,615
Purchase of Investments	0	0
<b>Total Cash Outflows from Investing Activities</b>	<b>-12,418</b>	<b>-12,615</b>
<b>Net Cash Outflow from Investing Activities</b>	<b>-7,499</b>	<b>-7,696</b>
<b><u>Cashflow from Financing Activities</u></b>		
<b>Cash was provided from:</b>		
Issue of Shares	0	0
New Loans Raised	0	0
<b>Total Cash Inflows from Financing Activities</b>	<b>0</b>	<b>0</b>
<b>Cash was applied to:</b>		
Repayment of Loans	-8	-8
<b>Total Cash Outflows from Financing Activities</b>	<b>-8</b>	<b>-8</b>
<b>Net Cash Outflow from Financing Activities</b>	<b>-8</b>	<b>-8</b>
<b>Net Increase(Decrease) in Cash</b>	<b>-500</b>	<b>-0</b>
<b>Add Opening Balance</b>	<b>2,000</b>	<b>2,000</b>
<b>Closing Cash Balance</b>	<b>1,500</b>	<b>2,000</b>
<b>Represented by:</b>		
Cash & Bank	1,500	2,000
<b>Closing Bank Balance</b>	<b>1,500</b>	<b>2,000</b>

## 7. OUTLINE OF THE REVENUE AND FINANCING POLICY

### Summary of Funding Mixes and Mechanisms.

Council reviewed the Revenue and Financing Policy, as part of the LTCCP process in 2006. The full Revenue and Financing Policy is available in Volume 2 of the LTCCP which is available on the Council website or by enquiring at the Council Office.

TYPE OF EXPENDITURE	SOURCE OF FUNDING	%
<b>PLANNING AND REGULATORY</b>		
Animal Control	General Rates	6%
	Fees and Charges	94%
Civil Defence	General Rates	98%
	Grants and Subsidies	2%
Resource Management	General Rates	76%
	Fees and Charges	24%
Inspections and Compliance	Fees and Charges	55%
	General Rates	45%
Community/Township Planning	General Rates	100%
Biodiversity Strategy	Westland's Working Reserve	100%
<b>COMMUNITY SERVICES</b>		
Library	General Rates	94%
	Fees and Charges	6%
Museum/Carnegie Centre Gallery	General Rates	100%
Visitor Information Centre	General Rates	100%
Westland District Safer Community Council	General Rates	24%
	Grants and Subsidies	76%
Events Management	Grants and Subsidies	19%
	Fees and Charges	81%
Community Halls and Buildings	General Rates	80%
	Fees and Charges	20%
Hokitika Heritage Walkway	General Rates	5%
Parks and Reserves	General Rates	90%
	Fees and Charges	10%
Land and Buildings	Fees and Charges	100%
Public Toilets	General Rates	89%
	Fees and Charges	11%
Swimming Pools	General Rates	80%
	Fees and Charges	20%
Cemeteries	General Rates	62%
	Fees and Charges	38%
Elderly Housing	Fees and Charges	100%
Governance	General Rates	100%

TYPE OF EXPENDITURE cont.	SOURCE OF FUNDING cont.	% cont.
<b>OPERATIONS</b>		
Transportation	General Rates Grants and Subsidies	35% 65%
Water Supply	Targeted Rates Fees and Charges	30% 70%
Wastewater	Targeted Rates Fees and Charges	82% 18%
Stormwater	General Rates	100%
Waste Management	Targeted Rates Fees and Charges	62% 38%
Rural Fire	General Rates	100%

## 8. 2007/2008 PROJECTS

### 1. General Projects – Funded from General Rates and Reserves

	<b>Total</b>	<b>Funding</b>
<b><u>Reserves</u></b>		
- Continued Upgrade of Beachfront	5,000	1
- Heritage Walkway Extension	5,000	3
- Cass Square Entrance Improvements	5,000	3
- Prossers Bush Drainage Improvements	5,000	1
- Replace Seating in Heritage Area	<u>5,000</u>	1
<b>Total Reserves</b>	<b>25,000</b>	
<b><u>Swimming Pools</u></b>		
- Hokitika Pool, Replacement of Entrance Doors	5,000	4
- Ross Pool, Replace Filter	<u>20,000</u>	1
<b>Total Swimming Pools</b>	<b>25,000</b>	
<b><u>Library</u></b>		
- Book Purchases	41,280	1
- Security System	21,682	1
- New Furniture	<u>1,900</u>	1
<b>Total Library</b>	<b>64,862</b>	
<b><u>Drainage</u></b>		
- Kerb and Channel – Greenstone Road, Kumara	10,000	1
- Mains Replacements in District	<u>175,780</u>	4
<b>Total Drainage</b>	<b>185,780</b>	
<b><u>Hokitika Works</u></b>		
- Business Area Concept Plan	103,400	1 \$23,400 3 \$40,000 5 \$40,000
- Beachfront Toilets	<u>100,000</u>	3
<b>Total Hokitika Works</b>	<b>203,400</b>	
<b><u>Waste Management</u></b>		
- Visitor Waste Strategy Action Study	<u>25,000</u>	1
<b>Total General Projects</b>	<b><u>\$529,042</u></b>	

**2. Projects Related to Infrastructure**

All projects listed were included in the Adopted 2006-2016 LTCCP for completion in 2007/2008

	<b>Total</b>	<b>Funding</b>
<b>Water Supplies</b>		
<b><u>Hokitika</u></b>		
- Water Supply Treatment in Partnership with Commercial Enterprise	3,500,000	6 \$1,750,000
- Lakeline Replacement	<u>146,300</u>	8 \$1,750,000
	3,646,300	4
<b><u>Franz Josef/Waiiau</u></b>		
- New Bore	304,000	6
- New Reservoir	<u>202,600</u>	6
	506,600	
<b><u>Whataroa</u></b>		
- Mains Replacement	74,450	4
<b><u>Ross</u></b>		
- Mains Replacement	<u>53,770</u>	4
<b>Total Water Supply Systems</b>	<b>4,281,120</b>	
<b>Wastewater/Sewerage Systems</b>		
<b><u>Hokitika</u></b>		
- Oxidation Ponds Desludging	619,488	6
<b><u>Ross</u></b>		
- New Sewerage System	4,454,000	7 \$2,600,000
		6 \$1,854,000
<b><u>Fox Glacier</u></b>		
- Oxidation Pond Baffles	<u>34,000</u>	6
<b>Total Wastewater/Sewerage Systems</b>	<b>5,107,488</b>	
<b>Waste Management</b>		
- Development of Fox Glacier Transfer Station	31,000	6
- Replace Hokitika Business Area Waste Bins	<u>5,160</u>	2
<b>Total Waste Management</b>	<b>36,160</b>	
<b>Total Infrastructural Projects</b>	<b><u>\$9,424,768</u></b>	



**Funding Key**

1. General Rates
2. Targeted Rates
3. Reserves Development Account
4. Transfers from Depreciation Reserves
5. Sponsorship
6. Internal Loans Funded from Targeted Rates
7. Government Subsidies
8. Commercial Contributions

**SUMMARY 2007/2008 PROJECTS**

Reserves	25,000
Swimming Pools	25,000
Library	64,862
Drainage	185,780
Hokitika Works	203,400
Visitor Waste Strategy Action Study	25,000
Water Supplies Systems	4,281,120
Wastewater/Sewerage Systems	5,107,488
Waste Management	36,160
<b>Total 2007/2008 Projects</b>	<b><u>\$9,953,810</u></b>

## 9. COUNCIL ACTIVITIES

This Annual Plan was prepared on the basis that activities included in the LTCCP, adopted by Council in 2006, remain the same for the 2007/2008 year.

Levels of service and performance measures included in that LTCCP continue to apply for all the activities Council is involved in.

This information is available in the full 2006-2016 LTCCP on Council's Website, [www.westland.govt.nz](http://www.westland.govt.nz), at the Hokitika Library or Community Libraries throughout Westland or it can be viewed at the Council Office.

Estimates proposed for the 2007/2008 year and explanations for variations to the Adopted LTCCP, for the activities Council is involved in under the Planning and Regulatory, Community Services and Operations divisions of Council are:

## PLANNING AND REGULATORY

	<b>Annual Plan</b>	<b>LTCCP</b>
	<b>2007/2008</b>	<b>2007/2008</b>
<b>Animal Control</b>		
<b>Activity Income</b>	74,600	72,859
<b>Activity Expenditure</b>	82,143	80,123
<b>Net Cost/Surplus (-) of Activity</b>	<b>7,543</b>	<b>7,264</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>7,543</b>	<b>7,264</b>
<b>Funded by:</b>		
<b>General Rates</b>	5,000	5,000
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	0	0
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	2,543	2,264
<b>Total Source of Funds</b>	<b>7,543</b>	<b>7,264</b>

### Variations to the LTCCP:

No significant variation apart from adjustments to the budget to reflect actual anticipated results.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Civil Defence</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	500	516
<b>Activity Expenditure</b>	34,945	36,410
<b>Net Cost/Surplus (-) of Activity</b>	<b>34,445</b>	<b>35,894</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	1,032	1,032
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>35,477</b>	<b>36,926</b>
<b>Funded by:</b>		
<b>General Rates</b>	34,445	34,862
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	200	2,064
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	832	0
<b>Total Source of Funds</b>	<b>35,477</b>	<b>36,926</b>

**Variations to the LTCCP:**

No significant variation apart from adjustments to the budget to reflect actual anticipated results.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Resource Management</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	47,850	49,381
<b>Activity Expenditure</b>	229,615	209,796
<b>Net Cost/Surplus (-) of Activity</b>	<b>181,765</b>	<b>160,415</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>181,765</b>	<b>160,415</b>
<b>Funded by:</b>		
<b>General Rates</b>	161,265	159,899
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	500	516
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	20,000	0
<b>Total Source of Funds</b>	<b>181,765</b>	<b>160,415</b>

**Variations to the LTCCP:**

No significant variation apart from adjustments to the budget to reflect actual anticipated results.

\$20,000 expenditure estimated for the completion of the Significant Natural Area (SNA) process is funded from Council Reserves as the expenditure was rated for in previous years.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Inspections &amp; Compliance</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	317,740	295,916
<b>Activity Expenditure</b>	601,694	545,158
<b>Net Cost/Surplus (-) of Activity</b>	<b>283,954</b>	<b>249,242</b>
<b>Capital Expenditure</b>	2,500	0
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>286,454</b>	<b>249,242</b>
<b>Funded by:</b>		
<b>General Rates</b>	282,954	248,210
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	1,000	1,032
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	2,500	0
<b>Total Source of Funds</b>	<b>286,454</b>	<b>249,242</b>

**Variations to the LTCCP:**

Costs associated with the Building Consent Authority Accreditation process for Westland District Council of \$20,000 have been added to the expenditure budget, while a \$55 charge will be added to the cost of obtaining a building consent, from 1 July 2007, to recover that sum and is reflected in Activity Income.

Other variations to the LTCCP arise from adjustments to the budget to reflect actual anticipated results.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Community Township Planning</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	40,000	0
<b>Activity Expenditure</b>	164,039	142,720
<b>Net Cost/Surplus (-) of Activity</b>	<b>124,039</b>	<b>142,720</b>
<b>Capital Expenditure</b>	120,400	206,800
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>244,439</b>	<b>349,520</b>
<b>Funded by:</b>		
<b>General Rates</b>	204,439	339,520
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	0	0
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	40,000	10,000
<b>Total Source of Funds</b>	<b>244,439</b>	<b>349,520</b>

**Variations to the LTCCP:**

Income of \$40,000 relates to commercial sponsorship towards the cost of the Hokitika Business Area Improvements along with the \$20,000 transfer from the Reserves Development Account.

Capital Expenditure in the adopted LTCCP included \$80,000 for a new footpath from Hampden Street to Prossers Bush. Council resolved not to continue with this project as it was to be funded by Hokitika ratepayers.

Other variations to the LTCCP arise from adjustments to the budget to reflect actual anticipated results.

## COMMUNITY SERVICES

Library	Annual Plan	LTCCP
	2007/2008	2007/2008
Activity Income	18,679	18,679
Activity Expenditure	299,153	309,654
Net Cost/Surplus (-) of Activity	<b>280,474</b>	<b>290,974</b>
Capital Expenditure	64,862	41,360
Renewals Expenditure	2,580	2,580
Loan Principal Repayments	0	0
<b>Total Funds Required</b>	<b>347,916</b>	<b>332,334</b>
<b>Funded by:</b>		
General Rates	304,056	288,474
Targeted Rates	0	0
Depreciation	41,280	41,280
Loans Raised	0	0
Transfers from / to (-) Reserves	2,580	2,580
<b>Total Source of Funds</b>	<b>347,916</b>	<b>332,334</b>

### Variations to the LTCCP:

Capital expenditure includes \$21,682 for a new security system in the Hokitika Library and \$1,900 for new furniture which are in addition to the adopted LTCCP.

Other variations to the LTCCP arise from adjustments to the budget to reflect actual anticipated results.



	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Museum</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	0	0
<b>Activity Expenditure</b>	128,406	128,968
<b>Net Cost/Surplus (-) of Activity</b>	<b>128,406</b>	<b>128,968</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	2,374	2,374
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>130,780</b>	<b>131,342</b>
<b>Funded by:</b>		
<b>General Rates</b>	121,406	121,228
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	7,000	7,740
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	2,374	2,374
<b>Total Source of Funds</b>	<b>130,780</b>	<b>131,342</b>

**Variations to the LTCCP:**

There are no significant variations.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Visitor Information Centre</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	0	0
<b>Activity Expenditure</b>	83,526	76,904
<b>Net Cost/Surplus (-) of Activity</b>	<b>83,526</b>	<b>76,904</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>83,526</b>	<b>76,904</b>
<b>Funded by:</b>		
<b>General Rates</b>	83,526	76,904
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	0	0
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	0	0
<b>Total Source of Funds</b>	<b>83,526</b>	<b>76,904</b>

**Variations to the LTCCP:**

Variations to the LTCCP arise from adjustments to the budget to reflect actual anticipated results including adjustments to the management contract for the facility.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Safer Community Council</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	39,422	39,422
<b>Activity Expenditure</b>	62,486	62,126
<b>Net Cost/Surplus (-) of Activity</b>	<b>23,064</b>	<b>22,704</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>23,064</b>	<b>22,704</b>
<b>Funded by:</b>		
<b>General Rates</b>	22,764	22,704
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	300	0
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	0	0
<b>Total Source of Funds</b>	<b>23,064</b>	<b>22,704</b>

**Variations to the LTCCP:**

There are no significant variations.

	<b>Annual Plan</b>	<b>LTCCP</b>
	<b>2007/2008</b>	<b>2007/2008</b>
<b>Events Management</b>		
<b>Activity Income</b>	627,985	665,124
<b>Activity Expenditure</b>	549,758	599,671
<b>Net Cost/Surplus (-) of Activity</b>	<b>-78,227</b>	<b>-65,453</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	1,032	1,032
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>-77,195</b>	<b>-64,421</b>
<b>Funded by:</b>		
<b>General Rates</b>	0	0
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	1,500	1,032
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	-78,695	-65,453
<b>Total Source of Funds</b>	<b>-77,195</b>	<b>-64,421</b>

**Variations to the LTCCP:**

Budget variations are due to the exclusion in the Annual Plan of income (\$29,000) and expenditure (\$29,135) for the 2007/2008 Wet West Film Festival which was included in the LTCCP. Council resolved not to support this event.

Other variations to the LTCCP relate to the estimates for the 2008 Wildfoods Festival and Events Coordination Department which have been adjusted to reflect actual anticipated results.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Community Halls &amp; Buildings</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	12,000	20,124
<b>Activity Expenditure</b>	63,882	103,376
<b>Net Cost/Surplus (-) of Activity</b>	<b>51,882</b>	<b>83,252</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>51,882</b>	<b>83,252</b>
<b>Funded by:</b>		
<b>General Rates</b>	52,662	37,779
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	21,720	22,973
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	-22,500	22,500
<b>Total Source of Funds</b>	<b>51,882</b>	<b>83,252</b>

#### Variations to the LTCCP:

Variations to the LTCCP arise from adjustments to the budget to reflect actual anticipated results.

Council is currently undertaking a review of recreation and entertainment facilities throughout the District as signaled in the LTCCP. The purpose of the review is to identify where best to invest future resources, one of which is the West Coast Development Trust Major District Initiatives Funding (MDI).

The Westland District has an abundance of sporting and entertainment facilities. Hokitika alone has 20 hall and lounge spaces for its 3500 residents. While some are well utilised, others are not. Many are being maintained by small hardworking committees in organisations with limited membership and financial resources.

The intention is to rationalise the number of facilities in each community. Where appropriate, we expect to dispose of under-utilised facilities thus freeing up funds to either enhance remaining, or build new multi use facilities. With the available MDI funding providing up to 65% of the cost of the upgraded or new facilities it is important for Council and each Community to use existing under-utilised facilities to fund the local share.

It is not possible at this stage to signal likely costs – each community will decide what is needed, and how the local share is to be met. The intention however is not to use general rates to fund the local share.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Hokitika Heritage Walkway</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	0	0
<b>Activity Expenditure</b>	7,800	5,160
<b>Net Cost/Surplus (-) of Activity</b>	<b>7,800</b>	<b>5,160</b>
<b>Capital Expenditure</b>	5,000	5,000
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>12,800</b>	<b>10,160</b>
<b>Funded by:</b>		
<b>General Rates</b>	7,800	5,160
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	0	0
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	5,000	5,000
<b>Total Source of Funds</b>	<b>12,800</b>	<b>10,160</b>

**Variations to the LTCCP:**

There are no significant variations.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Parks &amp; Reserves</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	23,960	24,727
<b>Activity Expenditure</b>	279,254	262,575
<b>Net Cost/Surplus (-) of Activity</b>	<b>255,294</b>	<b>237,848</b>
<b>Capital Expenditure</b>	5,000	0
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>260,294</b>	<b>237,848</b>
<b>Funded by:</b>		
<b>General Rates</b>	245,644	227,993
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	9,650	9,855
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	5,000	0
<b>Total Source of Funds</b>	<b>260,294</b>	<b>237,848</b>

**Variations to the LTCCP:**

The only variations to the LTCCP apart from adjustments to the budget to reflect actual anticipated results relate to the following capital expenditure projects which Council resolved to include in the Annual Plan:

- Continued upgrade at Hokitika Beachfront 5,000
- Cass Square Entrance Improvements 5,000
- Prossers Bush Drainage Improvements 5,000
- Seating Replacement in Heritage Area 5,000

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Land &amp; Buildings</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	566,400	309,586
<b>Activity Expenditure</b>	296,012	315,298
<b>Net Cost/Surplus (-) of Activity</b>	<b>-270,388</b>	<b>5,712</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	20,000	20,000
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>-250,388</b>	<b>25,712</b>
<b>Funded by:</b>		
<b>General Rates</b>	0	0
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	37,141	38,824
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	-287,529	-13,112
<b>Total Source of Funds</b>	<b>-250,388</b>	<b>25,712</b>

#### **Variations to the LTCCP:**

Income earned from Sale of Endowment Land at Kumara of \$160,000 is included in the 2007/2008 Annual Plan and is also included as a transfer to the Kumara Endowment Land Reserve. The Kumara Community will be consulted prior to any commitments being made on these funds. An amount of \$80,000 has also been included in revenue for the sale of endowment land at Ross. Income from licences to occupy road reserve has been increased from \$26,000 to \$40,000 to reflect the increase in income earned from these fees.

The intention to sell or exchange this property was included in the 2004/2005 Community Plan (page 145) and the 2005/2006 Annual Plan (page 51) in accordance with Section 140 and 141 of the Local Government Act 2002.

Other variations to the LTCCP arise from adjustment to the budget to reflect actual anticipated results.



	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Public Toilets</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	11,000	11,252
<b>Activity Expenditure</b>	135,226	134,225
<b>Net Cost/Surplus (-) of Activity</b>	<b>124,226</b>	<b>122,973</b>
<b>Capital Expenditure</b>	100,000	100,000
<b>Renewals Expenditure</b>	2,580	2,580
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>226,806</b>	<b>225,553</b>
<b>Funded by:</b>		
<b>General Rates</b>	111,726	107,979
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	12,500	17,574
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	102,580	100,000
<b>Total Source of Funds</b>	<b>226,806</b>	<b>225,553</b>

**Variations to the LTCCP:**

There are no significant variations. Capital expenditure of \$100,000 relates to the construction of the proposed Hokitika Beachfront public toilets which will be funded from the Reserves Development Account.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Swimming Pools</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	76,500	47,472
<b>Activity Expenditure</b>	264,574	210,317
<b>Net Cost/Surplus (-) of Activity</b>	<b>188,074</b>	<b>162,845</b>
<b>Capital Expenditure</b>	20,000	0
<b>Renewals Expenditure</b>	5000	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>213,074</b>	<b>162,845</b>
<b>Funded by:</b>		
<b>General Rates</b>	193,794	149,141
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	14,280	13,705
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	5,000	0
<b>Total Source of Funds</b>	<b>213,074</b>	<b>162,845</b>

**Variations to the LTCCP:**

Income and expenditure budgets have been adjusted to reflect the actual anticipated results with some changes having occurred to opening hours and season length since the LTCCP was adopted.

Capital and renewals expenditure relates to a new filter at the Ross Swimming Pool and improvements to the entry doors at Hokitika Swimming Pool which are in addition to the LTCCP.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Cemeteries</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	17,000	27,245
<b>Activity Expenditure</b>	84,123	71,281
<b>Net Cost/Surplus (-) of Activity</b>	<b>67,123</b>	<b>44,036</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>67,123</b>	<b>44,036</b>
<b>Funded by:</b>		
<b>General Rates</b>	66,000	42,878
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	1,123	1,159
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	0	0
<b>Total Source of Funds</b>	<b>67,123</b>	<b>44,036</b>

**Variations to the LTCCP:**

Income from burial fees has been reduced to more accurately reflect fees anticipated to be received.

Other variations to the LTCCP arise from adjustments to the budget to reflect actual anticipated results.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Elderly Housing</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	118,800	118,800
<b>Activity Expenditure</b>	106,653	103,155
<b>Net Cost/Surplus (-) of Activity</b>	<b>-12,147</b>	<b>-15,645</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	65,150	37,823
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>53,003</b>	<b>22,177</b>
<b>Funded by:</b>		
<b>General Rates</b>	0	0
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	27,100	27,142
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	25,903	-4,964
<b>Total Source of Funds</b>	<b>53,003</b>	<b>22,177</b>

**Variations to the LTCCP:**

Variations to the LTCCP relate to renewals expenditure on the Sewell Street flats to paint the facility, at a cost of \$44,000, being included in the Annual Plan.

Other variations arise from adjustments to the budget to reflect actual anticipated results.

	<b>Annual Plan</b>	<b>LTCCP</b>
	<b>2007/2008</b>	<b>2007/2008</b>
<b>Governance</b>		
<b>Activity Income</b>	20,000	0
<b>Activity Expenditure</b>	596,849	575,663
<b>Net Cost/Surplus (-) of Activity</b>	<b>576,849</b>	<b>575,663</b>
<b>Capital Expenditure</b>	0	0
<b>Renewals Expenditure</b>	0	0
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>576,849</b>	<b>575,663</b>
<b>Funded by:</b>		
<b>General Rates</b>	576,549	575,663
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	300	0
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	0	0
<b>Total Source of Funds</b>	<b>576,849</b>	<b>575,663</b>

**Variations to the LTCCP:**

Variations to the LTCCP relates to the 2007 Local Government Elections in October 2007. Income (\$20,000) and expenditure (\$32,350) has been incorporated in the 2007/2008 estimates.

Other variations arise from adjustments to the budget to reflect actual anticipated results.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Transportation</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	2,615,434	2,402,247
<b>Activity Expenditure</b>	3,943,943	3,938,761
<b>Net Cost/Surplus (-) of Activity</b>	<b>1,328,509</b>	<b>1,536,514</b>
<b>Capital Expenditure</b>	240,000	310,200
<b>Renewals Expenditure</b>	1,625,400	1,625,400
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>3,193,909</b>	<b>3,472,114</b>
<b>Funded by:</b>		
<b>General Rates</b>	908,409	1,088,074
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	2,185,500	2,322,000
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	100,000	62,040
<b>Total Source of Funds</b>	<b>3,193,909</b>	<b>3,472,114</b>

**Variations to the LTCCP:**

No seal extension has been programmed for 2007/2008 in the Annual Plan by Council resulting in a decrease in planned capital expenditure. Depreciation include in the Annual Plan is also \$136,500 less than the LTCCP and is in line with the roading valuation prepared by external consultants.

Other variations to the LTCCP arise from adjustments to the budget to reflect actual anticipated results in accordance with the approved Land Transport New Zealand programme.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Water Supply</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	1,759,500	2,555,192
<b>Activity Expenditure</b>	1,593,672	1,119,486
<b>Net Cost/Surplus (-) of Activity</b>	<b>-165,828</b>	<b>-1,435,706</b>
<b>Capital Expenditure</b>	4,006,660	4,006,660
<b>Renewals Expenditure</b>	642,637	642,637
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>4,483,469</b>	<b>3,213,591</b>
<b>Funded by:</b>		
<b>General Rates</b>	0	0
<b>Targeted Rates</b>	1,226,000	486,025
<b>Depreciation</b>	305,260	374,484
<b>Loans Raised</b>	2,256,660	2,256,660
<b>Transfers from(-) Reserves</b>	695,549	96,422
<b>Total Source of Funds</b>	<b>4,483,469</b>	<b>3,213,591</b>

**Variations to the LTCCP:**

Variations to the LTCCP arise from adjustment to the budget to reflect actual anticipated results, Changes are mainly related to cost increase for the monitoring of supplies and departmental support costs.

Capital expenditure includes \$3,500,000 for improvements to water treatment of the Hokitika Supply. This project is dependent on a 50% (\$1,500,000) contribution from Westland Milk Products which is included in activity income.

Activity income of \$1,759,500 is less than the LTCCP estimate which included metered water charges as income. These charges are a targeted rate as defined in the Local Government (Rating) Act 2002. The estimate for 2007/2008 of \$766,000 for metered water charges is therefore included in the targeted rates estimate of \$1,226,000. The LTCCP estimate was \$486,025 which did not include the targeted rate as it was shown as income.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Waste Water</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	2,708,678	2,698,106
<b>Activity Expenditure</b>	521,049	565,033
<b>Net Cost/Surplus (-) of Activity</b>	<b>-2,187,629</b>	<b>-2,133,073</b>
<b>Capital Expenditure</b>	5,107,488	5,107,488
<b>Renewals Expenditure</b>	154,800	154,800
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>3,074,659</b>	<b>3,129,215</b>
<b>Funded by:</b>		
<b>General Rates</b>	0	0
<b>Targeted Rates</b>	334,150	368,864
<b>Depreciation</b>	160,502	217,864
<b>Loans Raised</b>	2,479,628	2,479,628
<b>Transfers from(to) Reserves</b>	100,379	62,859
<b>Total Source of Funds</b>	<b>3,074,659</b>	<b>3,129,215</b>

**Variations to the LTCCP:**

Activity income includes an amount of \$2,672,400 for Government subsidies payable on the proposed new Ross Sewerage Scheme estimated to cost \$4,454,000. The scheme is dependent on Council receiving this subsidy.

Other variations to the LTCCP arise from adjustment to the budget to reflect actual anticipated results.



	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Storm Water</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	0	0
<b>Activity Expenditure</b>	343,164	340,198
<b>Net Cost/Surplus (-) of Activity</b>	<b>343,164</b>	<b>340,198</b>
<b>Capital Expenditure</b>	10,000	0
<b>Renewals Expenditure</b>	175,780	175,780
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>528,944</b>	<b>515,978</b>
<b>Funded by:</b>		
<b>General Rates</b>	0	0
<b>Hokitika Rates</b>	300,261	297,673
<b>Rural Towns Rates</b>	42,895	42,525
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	175,098	208,537
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	10,690	-32,757
<b>Total Source of Funds</b>	<b>528,944</b>	<b>515,978</b>

**Variations to the LTCCP:**

There are no significant variances.

Capital expenditure of \$10,000 included in the Annual Plan is for new kerb and channel on Greenstone Road, Kumara which was not provided for in the adopted LTCCP.

	<b>Annual Plan</b>	<b>LTCCP</b>
	<b>2007/2008</b>	<b>2007/2008</b>
<b>Waste Management</b>		
<b>Activity Income</b>	453,234	279,362
<b>Activity Expenditure</b>	986,322	828,033
<b>Net Cost/Surplus (-) of Activity</b>	<b>533,088</b>	<b>548,671</b>
<b>Capital Expenditure</b>	31,000	31,020
<b>Renewals Expenditure</b>	5,160	5,160
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>569,248</b>	<b>584,851</b>
<b>Funded by:</b>		
<b>General Rates</b>	0	0
<b>Targeted Rates</b>	584,650	556,861
<b>Depreciation</b>	4,700	20,440
<b>Loans Raised</b>	31,000	31,020
<b>Transfers from / to (-) Reserves</b>	-51,102	55,210
<b>Total Source of Funds</b>	<b>569,248</b>	<b>663,531</b>

**Variations to the LTCCP:**

Activity income has increased as a result of refuse site fees being increased in the Annual Plan, by 20%, to ensure Council comply with the adopted Revenue and Financing Policy.

Expenditure estimates reflect the actual anticipated results of operating waste disposal sites, transfer stations and the Waste Management Department for the 2007/2008 year.

	<b>Annual Plan</b>	<b>LTCCP</b>
<b>Rural Fire</b>	<b>2007/2008</b>	<b>2007/2008</b>
<b>Activity Income</b>	8,000	0
<b>Activity Expenditure</b>	63,232	57,782
<b>Net Cost/Surplus (-) of Activity</b>	<b>55,232</b>	<b>57,782</b>
<b>Capital Expenditure</b>	0	40000
<b>Renewals Expenditure</b>	1,032	1,032
<b>Loan Principal Repayments</b>	0	0
<b>Total Funds Required</b>	<b>56,264</b>	<b>98,814</b>
<b>Funded by:</b>		
<b>General Rates</b>	37,232	54,170
<b>Targeted Rates</b>	0	0
<b>Depreciation</b>	18,000	4,644
<b>Loans Raised</b>	0	0
<b>Transfers from / to (-) Reserves</b>	1,032	40,000
<b>Total Source of Funds</b>	<b>56,264</b>	<b>98,814</b>

**Variations to the LTCCP:**

Variations arise from adjustment to the budget to reflect actual anticipated results.

The \$40,000 capital expenditure included in the LTCCP was to assist in funding a new fire appliance for the Haast Rural Fire Service.

No decision has been made on this matter and it has not been included in the 2007/2008 Annual Plan.