

Annual Report 2007/08



for the wild at heart

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MAYOR'S REPORT

Thank you for your interest in this 2007/08 Annual Report. This report, reviewed by Audit New Zealand, is accessible via the Westland District Council web site www.westland.govt.nz and can also be obtained at the Council's Hokitika headquarters or at your local library.

Following the representation review, the triennial elections saw a reduction from twelve to ten Councillors and a Mayor elected with an adjustment to the Southern/Hokitika boundary.

Westland District Council was awarded top District Council in a Federated Farmers survey. This is acknowledgement of the consistently high standard that is set by the team of elected reps and staff.

This year has been an exciting one due to the completion of some projects that various communities have seen as priorities, and the progress made towards achieving larger projects detailed in our Long Term Council Community Plan (LTCCP).

Significant achievements for the year include:

RESERVES:

- Heritage walkway extension
- Cass Square entrance improvement
- Footpath in Harihari township
- Preston's Bush established

SWIMMING POOLS

- Replacement of front doors at Hokitika Pool
- New water filter for the Ross Pool

LIBRARY

- New security system
- New furniture

HOKITIKA WORKS

- Concept plan work continued. Completion of town entrance, landscaping, paving and lighting.

WATER SUPPLIES

- Hokitika water treatment in partnership with Westland Milk Products neared completion. Included work in progress
- Lake Kaniere water line project completed

PUBLIC TOILETS

- Fox Glacier toilets

LAND & BUILDINGS

- Re-roofing of the Council headquarters and other alterations

ROADING

- Traffic calming devices, intersection control and corner widening in Kokatahi and Blue Spur
- Guard railing on Okuru Bridge

OTHER

- Building accreditation achieved 18 June 2008
- Ross sewerage application underway
- The IT systems continue to improve

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 2008 is to compare the actual performance of Council for the year against what was forecast in the 2007/2008 Annual Plan.

As the LTCCP was prepared and adopted under section 93 of the Local Government Act 2002, the Act requires that the Annual Report for 2007/2008 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 2007/2008 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.

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 2008.

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

Activity	Public		
	Target	Result	Note
Planning & Regulatory			
Animal Control	6%	6%	
Civil Defence	98%	98%	
Resource Management	76%	67%	
Inspectorate & Regulatory	45%	37%	
Community/Township Planning	100%	90%	
Community Services			
Library	94%	95%	
Museum/Carnegie Centre Gallery	100%	99%	
Visitor Information Centre	100%	100%	
Safer Community Council	24%	7%	
Events Management	0%	0%	
Community Halls and Buildings	80%	82%	
Hokitika Heritage Walkway	5%	0%	
Parks and Reserves	90%	49%	1
Land and Buildings	0%	0%	
Public Toilets	89%	89%	
Swimming Pools	80%	73%	
Cemeteries	62%	71%	2
Elderly Housing	0%	0%	
Governance	100%	91%	
Operations			
Transportation	35%	36%	
Water Supplies	30%	88%	3
Wastewater	82%	79%	
Stormwater	100%	100%	
Waste Management	62%	58%	
Rural Fire	100%	65%	4

1. Parks and Reserves – The net figure for Parks and Reserves includes \$181,677 of income from reserve contributions. Without this income included, the public percentage would be 93%, which is much closer to the target.

2. Cemeteries – Income was not as high as estimated due to a higher number of cremations than previous years. Fees and charges will be reviewed in the LTCCP process in 2009.

3. 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.

4. Rural Fire – Income for Rural Fire included recoveries related to the costs of fighting fires during the year, which resulted in the lower percentage than the target.

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

Civic Assurance Limited

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

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.

Management

- Council reviews its commitment to the scheme annually.
- Council supports the directors of Westland Holdings Limited, Westroads Limited and Hokitika Airport Limited in the management of the company with the aim to maximise the benefits to Council and the ratepayers of Westland.

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.

- As at 30 June 2008 Council's investments were with ASB Bank in the amount of \$6,742,000 and \$50,867 with Civic Assurance.

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.

Liability Management Policy

Council exercises its borrowing powers within the Local Government Act 2002 S113-122. The borrowing programme is approved by Council by way of resolution during the Annual Planning process. Council manages its borrowing by adhering to the following limits:

Limit

Gross interest expense on all borrowing will not exceed 35% of total annual rates income.

A debt to income ratio of not more than .80.

Net cash inflows from operating activities exceed gross annual interest by two times.

Liquidity ratio of 1:1.

Not more than 75% of existing and forecast borrowings are subject to refinancing in any financial year.

Performance

- Interest expense is currently 9% of total annual rates income.
- Debt to income ratio is currently .40.
- Net cash flows from operating activities exceed annual interest by 5.8 times.
- Current liquidity ratio is 1:1.
- Not achieved for the parent. 99% of total borrowings is due to be refinanced in the next financial year. Management is aware of this and is currently working to refinance at a lower interest rate and correct this timing error. For the Group, 71% of existing borrowings is due to be refinanced in any financial year.

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 29 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 2007/08 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.

Monitoring

Council is working with Buller and Grey District Councils and the West Coast Regional Council to produce a progress report on community outcomes. The councils are working together to collect data for indicators that have been identified as appropriate measurements related to a given outcome. The information will be collated and published in a draft report that will be presented to the Mayors and Chairs in February 2009.

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

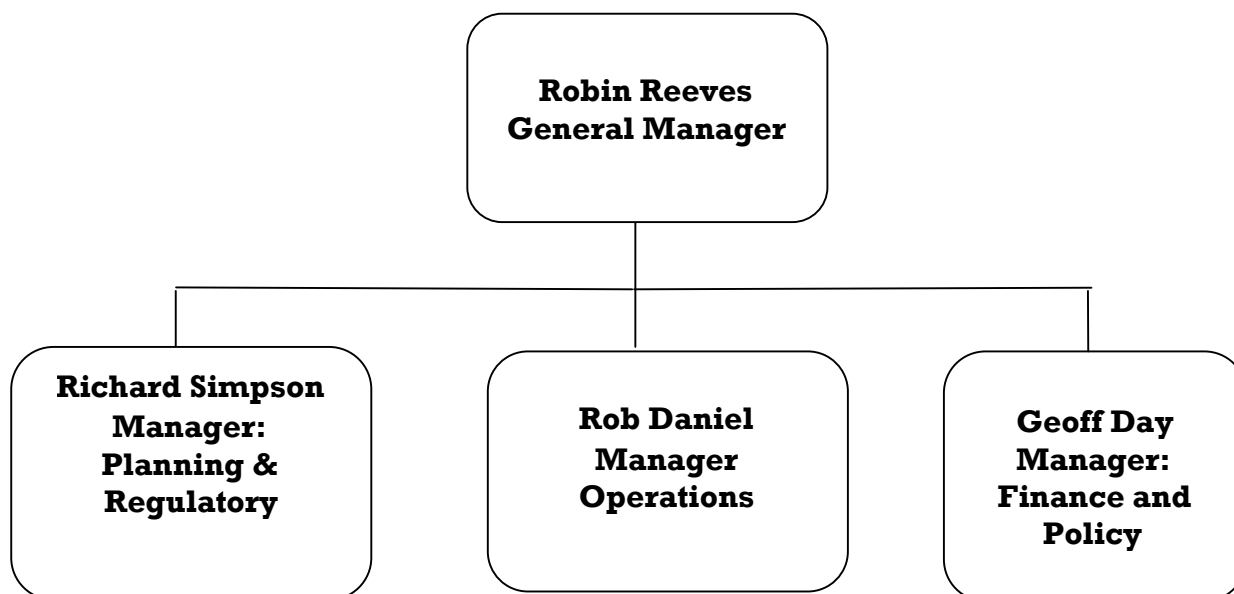
11. Events Management
12. Community Halls and Buildings
13. Hokitika Heritage Trails
14. Parks and Reserves
15. Land and Buildings
16. Public Toilets
17. Swimming Pools
18. Cemeteries
19. Elderly Housing
20. Governance

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 residents)		
Northern Ward	Neil Bradley	(03) 755 7279
	Allan Payn	(03) 736 9878
	Ian Hustwick	(03) 755 8003
Hokitika Ward	Allen Hurley	(03) 755 8098
	Russell Gugich	(03) 755 6559
	Peter Davidson	(03) 755 7461
	Kyle Scott	(03) 755 6581
Southern Ward	John Birchfield	(03) 751 0095
	Kerry Eggeling	(03) 750 0848

MANAGEMENT TEAM



STATISTICAL DATA

Date of Constitution of District	⇒	1 November 1989
District Office	⇒	36 Weld Street Hokitika
Postal Address	⇒	Private Bag 704 Hokitika
Communications	⇒	Phone (03) 756 9010
	⇒	Fax (03) 756 9045
	⇒	Email: council@westlanddc.govt.nz
	⇒	Website: www.westland.co.nz
Auditor	⇒	Audit New Zealand on behalf of the Auditor-General
Bankers	⇒	ASB Bank - Hokitika
Solicitors	⇒	Elcock & Johnston, Hokitika
Insurance Broker	⇒	Fraser Macandrew Ryan
Population - Census Night (2006)	⇒	11,202
Resident in District	⇒	8,403
Total Area	⇒	1,188,017 ha
Rateable Area (12.4%)	⇒	141,409 ha
No. of Rateable Assessments	⇒	6,222
Rateable Capital Value as at 30 June 2008	⇒	\$1,591,811,750
Rateable Land Value as at 30 June 2008	⇒	\$880,027,550
Date of Last Valuation	⇒	1 September 2005
Date of Next Valuation	⇒	1 September 2008
System of Rating		
General	⇒	Land Value
Waste Management	⇒	Capital Value
Public Debt Outstanding at 30 June 2008	⇒	\$ 5,856,384

COUNCIL FINANCIAL STATISTICS

	Actual 2007/08	Estimate 2007/08	Actual 2006/07
Proportion of general rates to total income	29%	24%	32%
Average general rates per rateable property	\$657	\$657	\$649
Public Debt (as a percentage of fixed assets)	1.74%	1.90%	1.74%
Public Debt (per rateable property)	\$941	\$948	\$956

COUNCIL FIVE-YEAR FINANCIAL PERFORMANCE SUMMARY

	2007/08 \$'000	2006/07 \$'000	2005/06 \$'000	2004/05 \$'000	2003/04 \$'000
Rates – General	4,094	3,876	3,586	3,353	3,320
Net surplus (deficit)	1,044	686	350	385	1,895
Working Capital	536	5,220	4,740	2,866	6,780
Public Debt	5,856	5,864	2,865	7,104	7,110
Total Assets	354,742	346,943	296,795	284,179	284,166

The figures listed for 2007/08, 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 2008

The Auditor-General is the auditor of Westland District Council (the District Council) and group. The Auditor-General has appointed me, John Mackey, 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 2008, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 15 to 55:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the District Council and group's financial position as at 30 June 2008; 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 56 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 11 December 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. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2008. 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.



John Mackey
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 2008 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 11 December 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 2008, 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 2008 fairly reflect the financial position and operations of Westland District Council.



Mayor
Maureen Pugh



General Manager
Robin Reeves

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

		Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2008	2008	2007	2008	2007
	Note	\$000	\$000	\$000	\$000	\$000
Income						
Rates revenue	3	6,320	6,278	5,944	6,309	5,938
Other revenue	4	8,284	10,668	6,419	13,845	11,520
Total income		14,605	16,946	12,363	20,154	17,458
Expenditure						
Employee benefit expenses	6	2,402	2,353	1,939	5,689	4,906
Depreciation and amortisation	15 16	3,530	3,024	3,359	4,469	4,116
Other expenses	7	7,036	6,631	5,975	7,629	6,686
Finance costs	8	547	420	366	784	483
Other losses	5	69	0	45	46	38
Total operating expenditure		13,584	12,428	11,684	18,617	16,229
Surplus/(deficit) before tax		1,020	4,518	679	1,537	1,229
Income tax expense	9	(78)	0	(7)	118	244
Surplus/(deficit) after tax		1,098	4,518	686	1,419	985

Explanations of significant variances against budget are detailed in note 33.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

		Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2008	2008	2007	2008	2007
	Note	\$000	\$000	\$000	\$000	\$000
Balance at 1 July		337,906	296,923	296,559	338,339	296,693
<i>Property, plant and equipment</i>						
Revaluation gains/(losses)	23	6,858	10,041	40,827	6,858	40,827
<i>Financial assets at fair value through equity</i>						
Revaluation of assets held for resale	23	(93)	0	(166)	(93)	(166)
Net income/(expense) recognised directly in equity		6,765	10,041	40,661	6,765	40,661
Surplus/(deficit) for the year		1,098	4,518	686	1,419	985
Total recognised revenue/(expense) for the year ended 30 June		7,863	14,559	41,347	8,184	41,646
Balance at 30 June		345,769	311,482	337,906	346,523	338,339

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2008

		Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2008	2008	2007	2008	2007
	Note	\$000	\$000	\$000	\$000	\$000
Assets						
Current assets						
Cash and cash equivalents	10	865	1,500	2,119	1,644	2,785
Trade and other receivables	11	2,034	1,600	1,847	3,411	2,489
Inventories	12	0	0	0	245	213
Other financial assets	13	5,928		6,541	5,928	6,541
Stock work in progress		0	0	0	83	139
Total current assets		8,827	3,100	10,507	11,311	12,167
Non-current assets						
Property, plant and equipment	15	336,088	309,874	329,316	343,904	337,123
Intangible assets	16	0	0	0	119	142
Work in progress	17	3,743	0	952	3,743	952
Other financial assets	13	6,070	7,000	6,106	2	38
Derivative financial instruments	14	15	0	62	15	62
Total non-current assets		345,915	316,874	336,436	347,783	338,317
Total assets		354,742	319,974	346,943	359,094	350,484
Liabilities						
Current liabilities						
Trade and other payables	18	2,004	1,800	2,041	2,734	2,340
Deferred income	19	86	57	73	87	73
Provisions	20	134	265	123	134	123
Employee benefit liabilities	21	222	96	242	548	557
Borrowings	22	5,845	44	2,808	6,330	3,186
Tax payable		0	0	0	39	18
Total current liabilities		8,291	2,262	5,287	9,872	6,297
Non-current liabilities						
Provisions	20	376	115	308	376	308
Employee benefit liabilities	21	142	258	198	298	350
Borrowings	22	11	5,857	3,056	1,865	4,991
Deferred tax liability	9	154	0	188	161	199
Total non-current liabilities		683	6,230	3,750	2,700	5,848
Total liabilities		8,974	8,492	9,037	12,571	12,145
Equity						
Retained earnings	23	158,678	162,952	158,747	159,432	159,180
Restricted reserves	23	(1,269)	(2,700)	(2,718)	(1,269)	(2,718)
Revaluation reserve	23	188,360	151,230	181,877	188,360	181,877
Total equity		345,769	311,482	337,906	346,523	338,339

The accompanying notes form part of these financial statements.

Maureen Pugh

Robin Reeves




Mayor

General Manager

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2008	2008	2007	2008	2007
		\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities						
Receipts from rates revenue		6,374	5,900	5,910	6,317	5,907
Interest received		86	556	520	134	559
Dividends received		142	165	284	2	2
Grants and Other Sources		6,661	10,225	5,546	11,607	10,411
Payments to suppliers and employees		(9,574)	(9,419)	(7,491)	(13,012)	(10,524)
Interest paid		(425)	(420)	(428)	(690)	(545)
Income tax paid		0	0	(41)	(82)	(342)
Net cash from operating activities	24	3,264	7,007	4,300	4,276	5,468
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment		587	250	255	562	389
Proceeds from sale of investments		1,050	4,669	0	1,191	0
Purchase of intangible assets		0	0	0	0	(40)
Purchase of property, plant and equipment		(6,147)	(12,418)	(3,821)	(7,188)	(6,094)
Purchase of investments		0	0	(283)	0	(283)
Net cash from investing activities		(4,510)	(7,499)	(3,849)	(5,435)	(6,028)
Cash flows from financing activities						
Proceeds from borrowings		2,800	0	3,000	3,050	4,595
Repayment of borrowings		(2,808)	(8)	(3,033)	(3,190)	(3,476)
Net cash from financing activities		(8)	(8)	(33)	(140)	1,119
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(1,254)	(500)	418	(1,299)	559
Cash, cash equivalents and bank Overdrafts at the beginning of the year		2,119	2,000	1,701	2,785	2,226
Cash, cash equivalents and bank overdrafts at the end of the year	10	865	1,500	2,119	1,486	2,785

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 2008

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 benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

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.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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 IFRS 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 year end, 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 that are recognised on the same basis.

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 considered at fair value and 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 organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar 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 classify 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 available for sale. 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 use 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 categorised 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 derivative financial instruments.

➤ **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 de-recognised 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 de-recognised 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 available for sale**

Financial assets available for sale are those that are designated as available for sale 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 de-recognised.

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

Council's investments in its subsidiaries 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 use derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. The Council and Group do 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 re-measured 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 consist 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.

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>	Depreciable life (years)	<u>Infrastructural</u>	Depreciable life (years)
Buildings	50	Water	
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	Sewer	
Restricted		Pipeline	60 to 80
Buildings	50	Manholes	50 to 60
<u>Infrastructural</u>		Pump Stations	15 to 20
Roads		Oxidation Ponds	60 to 100
Formation	N/A	Stormwater	
Sub-Base	N/A	Pipeline	60 to 80
Base Course	20 to 75	Bank protection	50 to 100
Surfacing (Sealed)	1 to 16	Manholes	50 to 60
Surfacing (unsealed)	5	Pump Stations	15 to 20
Bridges	60 to 150	Runway	0 to 67
Box culverts/channels	60 to 150		
Footpaths	5 to 50		
Streetlights	20 to 40		
Signs	10		

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 fair value by Quotable Value NZ as at 30 June 2008.

Council buildings, excluding pump stations, Treatment Plant buildings and other infrastructure assets, have been valued at net current value as at 30 June 2008 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 recognise 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 7.0%, and an inflation factor of 2.1 to 3.0% 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 organisations for specific projects. Each account has been set up as a separate account in the ledger to maintain a degree of independence from general council funds. Payments made from these funds during the year are in accordance with the conditions of the trust or bequest.

Council's objectives, policies and processes for managing capital are described in note 32.

Goods and services 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 20 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 does not consider that there are any material critical judgments in applying Council's accounting policies for the period ended 30 June 2008.

New standard and interpretation adopted and not yet adopted

The most significant likely to apply to the Council and Group are:

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.

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY COST OF SERVICES

	Council		
	Actual	Budget	Actual
	2008	2008	2007
	\$000	\$000	\$000
Income			
Governance	55	20	5
Planning and Regulatory	629	481	470
Roading	3,070	2,615	2,418
Water Supplies	1,326	1,760	19
Sewerage and Waste Water (see note 33)	65	2,709	98
Solid Waste Management	271	453	264
Other Operational Activities	26	22	46
Community Services	1,788	1,606	1,963
Total Activity Income	7,230	9,666	5,283
Westland Holdings Limited	7	0	11
Petrol Tax	113	93	109
Interest	628	556	520
Dividends	142	165	319
General Rates	4,176	4,095	3,928
Targeted Rates	1,395	1,417	1,260
Metered Water	762	766	756
Other income	152	188	177
Total income	14,605	16,946	12,363
Expenditure			
Interest paid and bank charges	500	421	366
Loss on fair value of derivative financial instrument	47	0	0
Governance	635	597	624
Planning and Regulatory	1,278	1,111	1,018
Roading	4,501	3,944	3,918
Water Supplies	1,198	1,594	946
Sewerage and Waste Water	519	521	438
Solid Waste Management	1,185	986	808
Other Operational Activities	409	626	471
Community Services	3,305	2,628	3,085
Westland Holdings Limited	7	0	10
Total operating expenditure	13,584	12,428	11,684

*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 3). 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

3. RATES

	Council		Group	
	Actual 2008 \$000	Actual 2007 \$000	Actual 2008 \$000	Actual 2007 \$000
General rates	4,094	3,876	4,083	3,870
Rates penalties	130	103	130	103
Targeted rates attributable to activities				
Solid waste management	594	474	594	474
Water supplies	461	459	461	459
Sewerage	339	327	339	327
Metered water	762	756	762	756
Total revenue from rates	6,380	5,995	6,369	5,989

Rates remissions

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 2008 \$000	Actual 2007 \$000	Actual 2008 \$000	Actual 2007 \$000
Total rates revenue	6,380	5,995	6,369	5,989
Rates remissions				
Community and sports organizations full remission	11	11	11	11
Community and sports organizations half remission	10	9	10	9
Unoccupied Maori land	7	5	7	5
Other remissions	20	26	20	26
Discounts	12	0	12	0
Total remissions	60	51	60	51
Rates revenue net of remissions	6,320	5,944	6,309	5,938

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

4. OTHER REVENUE

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
User charges	343	381	343	363
Westland Milk Products capital contribution	1,319	0	1,319	0
Land transport NZ government grants	2,302	2,174	2,302	2,174
Regulatory revenue	629	470	629	470
Infringements and fines	5	6	5	6
Rendering of services	1,788	1,963	1,788	1,963
Petrol tax	113	109	113	109
Vested assets	751	202	751	202
Interest	628	520	676	525
Dividend income from available for sale assets	2	2	2	2
Dividends	140	282	0	0
Subvention receipt	152	132	0	0
Other	112	178	5,917	5,706
Total other revenue	8,284	6,419	13,845	11,520

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

5. OTHER GAINS/LOSSES

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
(Loss)/ gain on disposal of property, plant and equipment	(69)	(45)	(46)	(38)
Total gains/(losses)	(69)	(45)	(46)	(38)

6. EMPLOYEE BENEFIT EXPENSES

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Salaries and wages	2,365	1,856	5,605	4,795
Employer contributions to multi-employer defined benefit plans	113	104	160	133
Increase/(decrease) in employee benefit liabilities	(76)	(21)	(76)	(22)
Total employee benefit expenses	2,402	1,939	5,689	4,906

NOTES TO THE FINANCIAL STATEMENTS

7. OTHER EXPENSES

Fees to principal auditor:

Audit fees for financial statement audit

Audit fees for NZ IFRS transition

Donations and grants

Lease payments

Rates written off

Doubtful debts provision

Doubtful debts written off

Provision for loans

Other operating expenses

Total other expenses

Council		Group	
Actual	Actual	Actual	Actual
2008	2007	2008	2007
\$000	\$000	\$000	\$000
81	69	133	121
0	15	0	15
109	145	109	145
39	36	39	36
0	195	0	195
(36)	123	(36)	133
68	0	0	0
(32)	(232)	(32)	(232)
6,807	5,624	7,416	6,273
7,036	5,975	7,629	6,686

8. 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 14)

Total finance costs

Council		Group	
Actual	Actual	Actual	Actual
2008	2007	2008	2007
\$000	\$000	\$000	\$000
500	428	737	545
47	(62)	47	(62)
547	366	784	483

NOTES TO THE FINANCIAL STATEMENTS

9. TAX

Component of tax expense

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Current tax expense	0	13	112	251
Adjustments to current tax in prior years	0	(7)	(7)	(7)
Deferred tax expense	(75)	6	16	20
Deferred tax adjustment - tax rate	(3)	(19)	(3)	(20)
Income tax expense	(78)	(7)	118	244

Relationship between tax expense and accounting profit

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Surplus/(deficit) before tax	1,020	679	1,537	1,229
Tax @ 33%	337	224	507	406
Plus/(less) tax effect of permanent differences	(337)	(337)	(314)	(138)
Tax loss not recognised	0	132	3	0
Deferred tax not previously recognised	(75)	(7)	(75)	(4)
Prior year adjustment	0	0	0	0
Deferred tax adjustment - tax rate	(3)	(19)	(3)	(20)
Tax expense	(78)	(7)	118	244

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 2006	(236)	0	0	0	0	(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 1 July 2007	(220)	0	0	32	0	(188)
Charged to Profit & Loss	(6)	0	0	92	0	86
Charged to Equity	(55)	0	0	0	0	(55)
Deferred tax adjustment - tax rate	(5)	0	0	8	0	3
Balance at 30 June 2008	(286)	0	0	132	0	(154)
<u>Group</u>						
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	0	(12)	(4)	(1)	20
Charged to Equity	0	0	0	0	0	0
Balance at 1 July 2007	(371)	0	123	39	10	(199)
Charged to Profit & Loss	(58)	0	7	139	2	90
Deferred tax adjustment - tax rate	(5)	-	0	8	0	3
Charged to Equity	(55)	-	-	-	-	(55)
Balance at 30 June 2008	(489)	0	130	186	12	(161)

NOTES TO THE FINANCIAL STATEMENTS

10. CASH AND CASH EQUIVALENTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Cash at bank and in hand	563	332	815	566
Short term deposits maturing three months or less from date of acquisition	302	1,787	829	2,219
Total cash and cash equivalents	865	2,119	1,644	2,785

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

Refer to note 13 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:

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Cash at bank and in hand	563	332	815	566
Short term bank deposits maturing within three months	302	1,787	829	2,219
Bank overdrafts (note 24)	0	0	(158)	0
	865	2,119	1,486	2,785

11. TRADE AND OTHER RECEIVABLES

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Rates receivables	883	892	883	892
Other receivables	245	537	1,795	1,321
Land Transport New Zealand	792	405	792	405
Amounts due from subsidiaries	16	4	0	0
Subvention receivable	152	132	0	0
	2,088	1,970	3,470	2,618
Less provision for impairment of receivables	(54)	(123)	(59)	(129)
	2,034	1,847	3,411	2,489

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 receivables overdue, whose payment terms have been renegotiated, are as follows:

	Council		Group	
	Actual 2008 \$000	Actual 2007 \$000	Actual 2008 \$000	Actual 2007 \$000
0 to 3 months	1,326	1,163	2,637	1,699
3 to 6 months	159	94	187	179
6 to 9 months	97	81	114	93
9 to 12 months	82	77	100	90
> 12 months	424	555	432	557
Carrying amount	2,088	1,970	3,470	2,618

As of 30 June 2007 and 2008, 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.

12. INVENTORIES

	Council		Group	
	Actual 2008 \$000	Actual 2007 \$000	Actual 2008 \$000	Actual 2007 \$000
Metal stocks	0	0	165	148
Other supplies	0	0	80	65
	0	0	245	213
Less provision for obsolescence	0	0	0	0
Total inventories	0	0	245	213

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

13. OTHER FINANCIAL ASSETS

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Current portion				
<i>Assets available for sale</i>				
Civic Assurance	51	48	51	48
ASB Bonds	5,877	6,493	5,877	6,493
Total current portion	5,928	6,541	5,928	6,541
Non-current portion				
<i>Loans and receivables</i>				
Loan business development	0	36	0	36
<i>Assets available for sale</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	6,070	6,106	2	38

There were no impairment provisions for other financial assets.

Assets available for sale

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 are short term deposits for the Council and Group of \$5,876,986 (2007: \$6,492,603), with a weighted average effective interest rate of 6.39%-7.45% (2007: 6.39%-6.99%).

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Interest rate swaps asset/(liability)	15	62	15	62
Total current portion	15	62	15	62

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2008 were \$3,000,000 and \$2,800,000(2007 \$3,000,000).

At 30 June 2008, the fixed interest rate of the interest rate swaps is 7.19% and 8.41% respectively.

The interest rate swap has been included at fair value. The termination dates of the interest rate swap agreements are: 16 March 2009 for the \$3,000,000 swap and 1 October 2009 for the \$2,800,000 swap. 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

15. PROPERTY, PLANT AND EQUIPMENT

2008 Group	Cost/ revaluation 1-Jul-07	Accumulated depreciation 1-Jul-07	Carrying amount 1-Jul-07	Current year additions	Current year disposals cost	Current year impairment	Current year depreciation	Current year disposals depreciation	Revaluation Depreciation Changes	Revaluation surplus/(loss)	Cost/ revaluation 30-Jun-08	Accumulated depreciation 30-Jun-08	Carrying amount 30-Jun-08
Council operational assets													
Land (leased)	5,698	0	5,698		(50)					1,502	7,150	0	7,150
Land (leased airport)	3,292	0	3,292							1,464	4,756	0	4,756
Land (operational)	6,267	0	6,267		(264)					1,708	7,711	0	7,711
Buildings	5,263	(111)	5,152	504	(108)		(113)	2	210	(326)	5,333	(12)	5,321
Furniture and fittings	264	(150)	114	52	(3)		(20)				313	(170)	143
Library collections	755	(584)	171	40			(26)				795	(610)	185
Museum Artefacts	158	0	158								158	0	158
Computer equipment	666	(517)	149	36	(2)		(62)	1			700	(578)	122
Office equipment	363	(291)	72	25			(16)				388	(307)	81
Motor vehicles	310	(171)	139	113	(75)		(50)	69			348	(152)	196
Jackson's Bay Wharf	664	(73)	591				(13)				664	(86)	578
	23,700	(1,897)	21,803	770	(502)	0	(300)	72	210	4,348	28,316	(1,915)	26,401
Council infrastructural assets													
Land	1,853	0	1,853							208	2,061	0	2,061
Buildings	304	(10)	294		(9)		(7)		16	36	331	(1)	330
Road network	147,330	(5,414)	141,916	1,940			(1,629)				149,270	(7,043)	142,227
Land under roads	54,139	0	54,139	316	(93)						54,362	0	54,362
Bridges	66,384	(3,117)	63,267	125			(647)				66,509	(3,764)	62,745
Water Supply	18,323	(955)	17,368	514			(393)				18,837	(1,348)	17,489
Drainage/Stormwater	9,201	(595)	8,606	112			(273)				9,313	(868)	8,445
Sewerage/Wastewater	8,741	(481)	8,260	105			(198)				8,846	(679)	8,167
Total infrastructural assets	306,275	(10,572)	295,703	3,112	(102)	0	(3,147)	0	16	244	309,529	(13,703)	295,826
Restricted assets													
Land	957	0	957							296	1,253	0	1,253
Public buildings	1,869	(116)	1,753	105	(119)		(36)	8	142	(198)	1,657	(2)	1,655
Cemetery buildings	41	(4)	37				(1)		3	12	53	(2)	51
Cemetery land	861	0	861							168	1,029	0	1,029
Reserve/recreation land	5,385	0	5,385	116						1,218	6,719	0	6,719
Reserve/recreation buildings	1,987	(43)	1,944	6			(23)		47	133	2,126	(19)	2,107
Swimming pools	910	(37)	873	33			(23)		33	131	1,074	(27)	1,047
Total restricted assets	12,010	(200)	11,810	260	(119)	0	(83)	8	225	1,760	13,911	(50)	13,861
Total Council assets	341,985	(12,669)	329,316	4,142	(723)	0	(3,530)	80	451	6,352	351,756	(15,668)	336,088
Subsidiaries property, plant and equipment													
Buildings	945	(80)	865	23	0	0	(26)	0	0		968	(106)	862
Plant and machinery	8,069	(3,398)	4,721	1,120	(668)		(797)	464			8,521	(3,731)	4,790
Office equipment	268	(221)	47	29	(79)		(28)	79			218	(170)	48
Hokitika Airport	2,475	(301)	2,174	10	(4)		(65)	1			2,481	(365)	2,116
Total subsidiaries	11,757	(4,000)	7,807	1,182	(751)	0	(916)	544	0	0	12,188	(4,372)	7,816
Total Group assets	353,742	(16,669)	337,123	5,324	(1,474)	0	(4,446)	624	451	6,352	363,944	(20,040)	343,904

NOTES TO THE FINANCIAL STATEMENTS

15. 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
Council operational assets													
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
Jackson's 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
Council infrastructural assets													
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
Road 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
Restricted assets													
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
Total Council assets	298,097	(9,310)	288,787	3,361	(300)	0	(3,359)	0	0	40,827	341,985	(12,669)	329,316
Subsidiaries property, plant and equipment													
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
Total Group assets	308,208	(12,926)	295,282	5,537	(780)	0	(4,096)	353	0	40,827	353,792	(16,669)	337,123

NOTES TO THE FINANCIAL STATEMENTS

15. 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 2008 for land and buildings. Infrastructural assets were valued by BECA Valuations Ltd and MWH Ltd as at 30 June 2007.

16. INTANGIBLE ASSETS

	Group	
	Actual	Actual
	2008	2007
	\$000	\$000
Cost or deemed cost		
Balance at 1 July	250	210
Additions	0	40
Disposals	0	0
Balance at 30 June	250	250
Depreciation and amortisation losses		
Balance at 1 July	108	88
Amortisation for the year	23	20
Impairment loss	0	0
Disposals	0	0
Balance at 30 June	131	108
Carrying amounts		
At 1 July	142	122
At 30 June	119	142

17. WORK IN PROGRESS

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Capital projects	3,743	952	3,743	952
Balance at 30 June	3,743	952	3,743	952

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

NOTES TO THE FINANCIAL STATEMENTS

18. TRADE AND OTHER PAYABLES

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Other payables	932	1,198	2,326	1,924
Waiho relocation grants	303	303	303	303
Accrued expenses	105	113	105	113
Amounts due to subsidiaries	664	427	0	0
Total trade and other payables	2,004	2,041	2,734	2,340

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.

19. DEFERRED INCOME

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Rates and other revenue received in advance	86	73	87	73
Total deferred income	86	73	87	73

20. PROVISIONS

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Current provisions are represented by:				
Landfill closure and monitoring	134	123	134	123
Total current provisions	134	123	134	123
Non-current provisions are represented by:				
Landfill closure and monitoring	376	308	376	308
Total non-current provisions	376	308	376	308

Movement in provisions

	Council and Group	
	Actual	Actual
	2008	2007
	\$000	\$000
Provision at 1 July	431	431
Additions in year	79	0
Amount used in year	0	0
Provision at 30 June	510	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.

21. EMPLOYEE BENEFIT LIABILITIES

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Accrued pay	0	80	0	82
Annual leave	163	117	467	382
Long service leave	64	99	100	139
Retirement gratuities	137	144	279	304
Total employee benefit liabilities	364	440	846	907
Comprising:				
Current	222	242	548	557
Non-current	142	198	298	350
Total employee benefit liabilities	364	440	846	907

NOTES TO THE FINANCIAL STATEMENTS

22. BORROWINGS

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Current				
Bank overdraft	0	0	158	0
Secured loans	0	0	150	220
Term debt	5,845	2,808	6,022	2,966
Total current borrowings	5,845	2,808	6,330	3,186
Non-current				
Secured loans	0	0	0	1,935
Term debt	11	3,056	1,865	3,056
Total non-current borrowings	11	3,056	1,865	4,991
Total borrowings	5,856	5,864	8,195	8,177

Fixed-rate debt

The Council's secured debt of \$5,856,000 (2007 \$5,864,000) is issued at variable rates of interest. At 30 June 2008 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. 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 14.

Statement of Public Debt 30 June 2008

Loan Name	Maturity date	Interest rate	Balance at 1 July 2007	New loans raised	Principal Repaid	Balance at 30 June 2008
			\$	\$	\$	\$
Hokitika Pensioner Housing	10/02/2010	9.59%	24,307		7,390	16,917
Ross Pensioner Housing	15/11/2017	3.50%	4,951		484	4,467
Hokitika Sewerage 1971	1/02/2009	6.25%	25,000			25,000
Hokitika Water Supply	1/11/2008	10.50%	10,000			10,000
Westland Holding Limited	1/07/2008	9.14%	0	2,800,000		2,800,000
Westland Holding Limited	15/08/2007	7.00%	2,800,000		2,800,000	0
Westland Holding Limited	15/09/2008	8.90%	3,000,000			3,000,000
Total Council			5,864,258	2,800,000	2,807,874	5,856,384
Westroads Limited overdraft		9.35%	0	158,000		158,000
Westroads Limited - cash advance facility		variable	220,000		70,000	150,000
Westroads Limited	2010	8.76%	226,000		15,000	211,000
Westroads Limited	2010	9.25%	280,000		38,000	242,000
Westroads Limited	2012	8.76%	297,000		20,000	277,000
Westroads Limited	2012	9.15%	1,289,000		238,000	1,051,000
Westroads Limited	2013	9.15%	0	250,000		250,000
Total Group			8,176,258	3,208,000	3,188,874	8,195,384

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.

2008

	Council	Group
Less than one year	5,844	6,330
Later than one year but not more than five years	10	1,865
Later than five years	1	0
	<u>5,855</u>	<u>8,195</u>

2007

	Council	Group
Less than one year	2,808	3,185
Later than one year but not more than five years	3,056	4,991
Later than five years	0	0
	<u>5,864</u>	<u>8,176</u>

Fair values of non-current borrowings

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

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Term debt	11	3,056	1,865	4,991
Total	<u>11</u>	<u>3,056</u>	<u>1,865</u>	<u>4,991</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 14).

23. EQUITY

	Council		Group	
	Actual	Actual	Actual	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Retained earnings	158,747	158,825	159,180	158,959
As at 1 July				
Transfers to:				
Restricted reserves	(5,717)	(5,064)	(5,717)	(5,064)
Transfers from:				
Restricted reserves	4,268	4,160	4,268	4,160
Revaluation reserve - disposals	282	140	282	140
Surplus/(deficit) for the year	1,098	686	1,419	985
As at 30 June	158,678	158,747	159,432	159,180
Restricted reserves				
As at 1 July	(2,718)	(3,622)	(2,718)	(3,622)
Transfers to Retained Earnings:				
Special funds	(124)	(156)	(124)	(156)
Separate funds	(4,092)	(3,954)	(4,092)	(3,954)
Trusts and bequests	(52)	(50)	(52)	(50)
Transfers from Retained Earnings:				
Special funds	565	540	565	540
Separate funds	5,044	4,140	5,044	4,140
Trusts and bequests	106	384	106	384
As at 30 June	(1,269)	(2,718)	(1,269)	(2,718)
Restricted reserves consist of:				
Special funds	2,290	1,849	2,290	1,849
Separate funds	(4,166)	(5,120)	(4,166)	(5,120)
Trusts and bequests	607	553	607	553
Asset revaluation reserves				
As at 1 July	181,877	141,356	181,877	141,356
Revaluation gains/(losses)	6,803	40,827	6,803	40,827
Revaluation of assets held for resale	(93)	(166)	(93)	(166)
Transfer of revaluation reserve to retained earnings on disposal of property, plant and equipment	(282)	(140)	(282)	(140)
Deferred tax	55	0	55	0
As at 30 June	188,360	181,877	188,360	181,877

NOTES TO THE FINANCIAL STATEMENTS

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Surplus/(deficit) after tax	1,098	686	1,419	985
Add/(less) non-cash items:				
Vested assets	(751)	(202)	(751)	(202)
Depreciation and amortisation	3,530	3,359	4,469	4,116
Increase/(decrease) in Employee entitlements (LT)	(56)	(8)	(52)	(15)
Increase/(decrease) deferred tax	20	(48)	16	(41)
Movement in fair value of interest rate swap	47	(62)	47	(62)
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on sale of assets	69	45	69	38
Non-cash purchase of investments	(542)	0	(542)	0
Add/(less) movements in working capital items:				
Trade and other receivables	(186)	162	(922)	26
Inventories	0	0	24	55
Trade and other payables	(37)	344	395	551
Deferred income	13	9	14	8
Current and non-current provisions	79	0	79	0
Employee entitlements (ST)	(20)	15	(9)	65
Taxation provision	0	0	20	(56)
Net cash inflow/(outflow) from operating activities	3,264	4,300	4,276	5,468

25. CAPITAL COMMITMENTS AND OPERATING LEASES

	Council		Group	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Capital commitments				
Capital commitments approved and contracted	205	388	205	1,237
Total capital commitments	205	388	205	1,237

Operating leases as lessee

The Council has the following non-cancellable operating lease commitments as follows:

Not later than one year	39	32	66	62
Later than one year and not later than two years	26	32	36	46
Later than two years and not later than five years	19	19	36	43
	84	83	138	151

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	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Non-cancellable contracts				
Not later than one year	557	1,830	75	0
Later than one year and not later than two years	557	482	75	0
Later than two years and not later than five years	280	802	6	0
Later than five years	0	0	0	0
Total non-cancellable contracts	1,394	3,114	156	0

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

26. CONTINGENCIES

Contingent liabilities

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Performance bonds	0	0	127	20
Mining bonds	0	0	18	18
Total contingent liabilities	0	0	145	38

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

Contingent assets

The Council and Group has no contingent assets (2007 nil).

NOTES TO THE FINANCIAL STATEMENTS

27. 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 2008 \$000	Actual 2007 \$000
Westroads Ltd		
Revenue earned	48	180
Expenditure charged	3,931	3,350
Accounts payable at 30 June	664	380
Accounts receivable at 30 June	4	4
Subvention payable	152	132
Hokitika Airport Ltd		
Revenue earned	31	22
Expenditure charged	2	2
Accounts payable at 30 June	0	0
Accounts receivable at 30 June	12	0
Westland Holdings Ltd		
Revenue earned	7	11
Expenditure charged	7	10
Accounts payable at 30 June	0	0
Accounts receivable at 30 June	0	0
Dividends received	140	280

Key management personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the (such as payment of rates, purchase of rubbish bags etc).

During the 2007 year, Council purchased construction services, shown as follows:

	Transaction amount		Transaction Balance	
	Council		Group	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
B Duckett - spouse contract	0	21	0	0
	0	21	0	0

NOTES TO THE FINANCIAL STATEMENTS

Key management personnel compensation

	Council	
	2008	2007
	\$000	\$000
Salaries and other short term employee benefits	736	671
Post employment benefits (including fringe benefit tax)	41	37
Telephone rental	1	1
Expense allowances	3	3
Professional allowances/fees	2	2
Other long term benefits	0	0
Termination benefits	0	0

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

28. REMUNERATION

General Manager

The General Manager of the Council appointed under section 42 (1) of the Local Government Act 2002 received a salary of \$171,515 (2007 \$145,413). In terms of his contract, he also received the following additional benefits:

	2008	2007
	\$	\$
Telephone rental	431	431
Professional allowances/fees	441	420
Motor vehicle (including fringe benefit tax)	0	10,962

For the year ended 30 June 2008, the total annual cost including fringe benefit tax to the Council of the remuneration package being received by the General Manager is calculated at \$172,387 (2007 \$158,226).

NOTES TO THE FINANCIAL STATEMENTS

Name of elected representative	Position	Total remuneration					
		2008			2007		
		Salaries	Allowances	Total	Salaries	Allowances	Total
		\$000	\$000	\$000	\$000	\$000	\$000
M H Pugh	Mayor	52,748	15,443	68,191	50,707	16,035	66,742
B Thomson	Deputy Mayor	16,700	7,378	24,078	18,511	3,605	22,116
G M Blackburn	Councillor	2,217	1,398	3,615	10,942	3,822	14,764
S J Fraser	Councillor	2,217	888	3,105	13,690	0	13,690
A P Condon	Councillor	2,217	1,160	3,377	10,294	4,725	15,019
A Payn	Councillor	8,917	2,794	11,711	9,710	0	9,710
B Duckett	Councillor	2,217	1,040	3,257	10,831	742	11,573
I W Hustwick	Councillor	8,917	2,726	11,643	11,144	448	11,592
K J Eggeling	Councillor	8,917	5,611	14,528	9,486	2,741	12,227
K R Scott	Councillor	8,917	3,030	11,947	11,113	17	11,130
J G Birchfield	Councillor	6,570	5,559	12,130	0	0	0
A M Hurley	Councillor	6,570	1,820	8,390	0	0	0
A N Bradley	Councillor	8,917	2,470	11,387	10,230	0	10,230
P J Davidson	Councillor	8,917	2,062	10,979	10,361	115	10,476
R F Gugich	Councillor	8,917	2,770	11,687	11,736	224	11,960
		153,875	56,149	210,024	188,755	32,474	221,229

29. SEVERANCE PAYMENTS

The Council has made a severance payment of \$6,000 to an employee for the year ended 30 June 2008 (2007 nil). The Council also paid \$57,808 to an employee for their final pay and retirement gratuity (2007 nil).

30. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after balance date.

31. 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 13 and on the Council's borrowings in note 22.

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Council is exposed to equity securities price risk on its investments, which are classified as financial assets available for sale. This price risk arises due to market movements in share investments held. This price risk is managed by diversification of the Council's investment portfolio in accordance with the limits set out in Council's Investment policy.

NOTES TO THE FINANCIAL STATEMENTS

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Council is not exposed to any currency risk, as it does not enter into foreign currency transactions.

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.

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 other than the New Zealand Transport Agency, 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.

Maximum exposure to credit risk

	Council		Group	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Cash at bank and term deposit	865	2,119	1,644	2,785
Trade and other receivables	2,033	1,847	3,411	2,489
Local authority and government stock	51	48	51	48
Total credit risk	2,949	4,014	5,106	5,322

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.

NOTES TO THE FINANCIAL STATEMENTS

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, and its 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 (2007 \$500,000). There are no restrictions on the use of this facility. At 30 June 2008 this facility was not drawn down.

The maturity profiles of the Council and Group's interest bearing investments and borrowings are disclosed in notes 13 and 22 respectively.

Contractual maturity analysis of financial liabilities

The table below analyses the Council and Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Council 2008					
Trade and other payables	2,004	2,004	2,004	0	0
Secured loans	0	0	0	0	0
Term debt	5,856	8,259	529	1,928	5,802
Total	7,860	10,262	2,532	1,928	5,802
Group 2008					
Trade and other payables	2,734	2,734	2,734	0	0
Secured loans	150	150	150		
Term debt	7,887	10,950	1,236	3,912	5,802
Bank overdraft	158	158	158	0	0
Total	10,929	13,992	4,278	3,912	5,802
Council 2007					
Trade and other payables	2,041	2,041	2,041	0	0
Secured loans	0	0	0	0	0
Term debt	5,864	8,690	430	1,977	6,282
Total	7,905	10,731	2,471	1,977	6,282
Group 2007					
Trade and other payables	2,340	2,340	2,340	0	0
Secured loans	2,155	2,155	2,155		
Term debt	6,022	11,926	976	4,595	6,355
Bank overdraft	0	0	0	0	0
Total	10,517	16,421	5,471	4,595	6,355

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity analysis

Council	2008				2007				
	\$000				\$000				
	-100 bps		+100 bps		-100 bps		+100 bps		
	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	
<u>Interest rate risk</u>	-								
Financial assets									
Cash and cash equivalents	1	(6)	6		(3)		3		
Local authority and government stock	2	(.51)		.51	(.48)			.48	
Financial liabilities									
Bank overdraft	3	0	0		0		0		
Term debt	4	58	(58)		58			(58)	
Total sensitivity to interest rate risk		52	(.51)	(52)	.51	55	(.48)	3	(58.48)

1. Cash and cash equivalents – Cash and cash equivalents includes deposits at call totalling \$600,000 (2007 \$300,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$6,000 (2007 \$3,000).

2. Local authority and government stock – A total of \$51,000 (2007 \$48,000) of investments in local authority stock are classified as available for sale. A movement in interest rates of plus or minus 1.0% has an effect \$510 (2007 \$480) on the available for sale reserve.

3. Bank Overdraft – There were no bank overdrafts for the Council in 2008 (2007 nil).

4. Term Debt – Council has floating rate debt with a principal amount totalling \$5,800,000 (2007 \$5,800,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$58,000 (2007 \$58,000).

Group	2008				2007				
	\$000				\$000				
	-100 bps		+100 bps		-100 bps		+100 bps		
	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	
<u>Interest rate risk</u>									
Financial assets									
Cash and cash equivalents	1	(8)	8		(6)		6		
Local authority and government stock	2	(.51)		.51		(.48)		.48	
Financial liabilities									
Bank overdraft	3	1.58	(1.58)		0		0		
Term debt	4	80	(80)		81		(81)		
Total sensitivity to interest rate risk		73.58	(.51)	(73.58)	.51	75	(.48)	(75)	.48

1. Cash and cash equivalents – Cash and cash equivalents includes deposits at call totalling \$800,000 (2007 \$600,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$8,000 (2007 \$6,000).

2. Local authority and government stock – A total of \$51,000 (2007 \$48,000) of investments in local authority stock are classified as available for sale. A movement in interest rates of plus or minus 1.0% has an effect of \$510 (2007 \$480) on the available for sale reserve.

3. Bank Overdraft – The Group has a bank overdraft of \$158,000 (2007 nil). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$1,580 (2007 nil).

4. Term Debt – The Group has floating rate debt with a principal amount totalling \$8,000,000 (2007 \$8,100,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$80,000 (2007 \$81,000).

NOTES TO THE FINANCIAL STATEMENTS

32. 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

33. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from The Council's estimated figures in the 2007/2008 Annual Plan are as follows:

Statement of Financial Performance

Variances which occurred in other revenue were:

Revenue: \$2,341,000 less than budget

- Revenue from Inspections and Compliance and Resource Management Services was \$190,000 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 \$292,000 (\$353,000 budget), which includes a \$152,000 subvention payment (\$188,000 budget).
- Reserves Contributions totalling \$181,677 were received for 2007/08, and reflected in Rendering of Services as against \$296,412 in 2006/07. No budget was allowed for these contributions.
- Recoveries from the West Coast Regional Council, West Coast District Health Board and Development West Coast increase the income above budget by \$40,000 for Governance. Also included in income was \$14,000 from the Zone 5 administration funds.
- Council Grants and Contributions income was higher than expected due to money received for the Physical Activity Strategy (\$20,000) and the SPARC Rural Travel Fund (\$10,000).
- Income from Vested Assets, the formation of subdivision roading which then vests in Council, was \$750,607 compared to a budget of \$100,000 due to higher than budgeted levels of subdivision activity. This is included in the income recognised in Transportation.
- The budget for income in the Wastewater activity was \$ 2,708,678. This figure included \$2,627,860 (60% of the cost of the total project) that is expected to fund the Ross Sewerage Scheme. At 30 June 2008, Council was still waiting for the results of the application from the Ministry of Health.
- Income for Waste Management was \$183,000 below estimate. Income from the various refuse sites across the District did not meet Council's expectation.

Expenditure: \$1,156,000 greater than budget

- Planning and Regulatory Services operating expenses were \$179,000 greater than estimated, which reflected the higher than anticipated levels of building activity and resource consent applications in the District and was offset by increased revenue.
- Expenditure for the Safer Community Council (SCC) was \$36,000 higher than budget mostly due to a grant paid from the SCC reserve of \$28,878 to Westland REAP.
- Community Halls and Buildings operating expenses were \$32,000 higher than expected due to unforeseen repairs and maintenance required, and escalating depreciation.
- Parks and Reserves operating expenses were \$129,000 over budget. This included \$111,000 of loss on disposal, which was a result of the demolition of the Kaniere Hall on the reserve. Cost fluctuation for the maintenance of the parks and reserves also drove the activity over budget.

NOTES TO THE FINANCIAL STATEMENTS

Expenditure continued

- Land and Buildings expenditure was \$163,000 higher than expected partly due a loss on disposal of \$60,000. Consultant, legal and survey fees related to various land transactions handled by the Council also resulted in expenditure higher than budget. These included abandoned land, Kumara endowment land and other easement-related issues.
- Community services expenditure was also \$71,000 higher than budgeted due to the retirement of one of Council's long standing employees.

Statement of Financial Position

- Property Plant and Equipment totalling \$335,980,000, is significantly greater than the estimate due to the revaluation of Roothing, Water Supplies, Wastewater and Drainage Systems completed as at 30 June 2007, which was not included in the budget.
- Borrowing of \$5,845,000 in Current Liabilities is the amount of loans which will mature in the 2008/09 year. This is due to Council's decision to use fixed to floating interest rate swaps to cover the fair value interest rate risk arising where the Council has borrowed at fixed rates.
- Work in progress (\$3,743,000) includes the Hokitika Water Treatment Plant Project, which was completed shortly after balance date.

Statement of Cash Flows

- Grants and other sources cash flow is lower than expected due to the delayed outcome of the application to the Ministry of Health regarding the new Ross Sewerage Scheme. This also affects the cash outflow for purchase of property, plant and equipment.
- The cash flow from the sale of investments is also below budget since the Ross Sewerage Scheme did progress, cash was not needed.

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.

The Council employs two specialist planning staff, and when required, 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 Planning & Regulatory Department to undertake various inspections to ensure compliance with the New Zealand Building Code. Staff have appropriate knowledge and experience within the building industry. Council is accredited as a Building Consent Authority. The Department is responsible for issuing Land Information Memoranda under the provisions of Section 44A of the Local Government Official Information and Meetings Act 1987.

The Council has various statutory obligations in terms of Environmental Health and has a contractual arrangement (August 2007) with District Environmental Health Services Ltd, 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 some monitoring procedures relating to District Planning functions, in particular, noise. The contract is for a three year period.

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 are 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 for a three year period.

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. The Regional Emergency Management Group has is managed by the West Coast Regional Council. The District Council continues 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 appraised 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.

⇒ The fee for urban dogs was \$63.00
The fee for other areas was \$48.00

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

⇒ Records are updated to the NDD every working day and any discrepancies are corrected in the next working day. Licence renewals are also issued annually and the NDD is updated from the information received.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
ANIMAL CONTROL	2007/2008	2007/2008	2006/2007
Activity Income	72,410	74,600	75,268
Activity Expenditure	80,716	82,143	76,761
Net Cost/Surplus (-) of Activity	8,306	7,543	1,493
Capital Expenditure	0	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	8,306	7,543	1,493
Funded by:			
General Rates	5,000	5,000	0
Targeted Rates	0	0	0
Depreciation	0	0	0
Loans Raised	0	0	0
Transfers from / to (-) Reserves	3,306	2,543	1493
Total Source of Funds	8,306	7,543	1,493

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.

⇒ Both above plans 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, and continue to be current.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2007/2008	2007/2008	2006/2007
CIVIL DEFENCE			
Activity Income	710	500	13,239
Activity Expenditure	37,332	34,945	49,497
Net Cost/Surplus (-) of Activity	36,622	34,445	36,258
Capital Expenditure	0	0	0
Renewals Expenditure	0	1032	0
Loan Principal Repayments	0	0	0
Total Funds Required	36,622	35,477	36,258
Funded by:			
General Rates	36,450	34,445	35,997
Targeted Rates	0	0	0
Depreciation	172	200	261
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	832	
Total Source of Funds	36,622	35,477	36,258

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 with two planners employed during the year. General enquiries are addressed as they arise with more detailed requirements by appointment.

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

⇒ Cr Thomson and Her Worship The Mayor, (both accredited in accordance with Section 39A of the Resource Management Act 1991), undertook hearings during the year. Cr Thomson conducted a hearing into an application for a Special Liquor Licence.

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 the further development of 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

⇒ 166 non-notified Resource Consents (179 in 2006/07) were processed to a decision during the year. 45 (127 in 2006/07) of these applications were dealt with in the statutory time frame of 20 working days with the average number of processing days being 40 days (25 in 2006/07).

In addition, there were 9 (10 in 2006/07) applications that were subject to notification procedures. 1 (6 in 2006/07) was completed within the statutory time frames.

27% (45% in 2006/07) of non-notified applications were determined in the statutory time frame and 25% (66% in 2006/07) 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 268 Land Information Memoranda (309 in 2006/07) were issued. The average processing time was 1 day (2 in 2006/07) with 100% issued within the statutory time frame (100% in 2006/07).

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

⇒ A total of 44 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	2007/2008	2007/2008	2006/2007
Activity Income	95,341	47,850	61,899
Activity Expenditure	285,822	229,615	189,656
Net Cost/Surplus (-) of Activity	190,480	181,765	127,757
*Capital Expenditure	2,257	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	192,737	181,765	127,757
Funded by:			
General Rates	192,091	161,265	127,120
Targeted Rates	0	0	0
Depreciation	646	500	637
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	20,000	0
Total Source of Funds	192,737	181,765	127,757

*New Computer equipment required for staff.

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 four 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 a historical contractual arrangement and, by District Environmental Health Services Ltd, from August 2007.

⇒ As at 30 June 2008, 69% of the 477 (64% of the 392 received in 2006/07) Building Consent applications received had been determined within the statutory time frames. This was an increase from 2006/2007 as the department was fully staffed.

⇒ Accreditation as a Building Consent Authority was granted in June 2007.

⇒ The existing liquor strategy was adopted in April 2000, and requires review in light of the National Performance Audit Report of the office of the Auditor General, issued in November 2007.

PLANNING AND REGULATORY ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
INSPECTION AND COMPLIANCE	2007/2008	2007/2008	2006/2007
Activity Income	460,215	317,740	315,236
Activity Expenditure	724,584	601,694	575,643
Net Cost/Surplus (-) of Activity	264,369	283,954	260,407
Capital Expenditure	15,466	2,500	
Renewals Expenditure		0	2,018
Loan Principal Repayments	0	0	0
Total Funds Required	279,836	286,454	262,425
Funded by:			
General Rates	274,380	282,954	260,794
Targeted Rates	0	0	0
Depreciation	2,956	1,000	1,631
Loans Raised	0	0	0
Transfers from / to (-) Reserves	2,500	2,500	0
Total Source of Funds	279,836	286,454	262,425

*Capital expenditure consisted of new computers and furniture required for staff of the growing department.

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.

⇒ The Council will be reviewing the Glacier Country strategy in 2008-09.

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.

⇒ The three local authorities and the regional council for the West Coast Region have been collaborating to produce a report to present to the Mayors and Chairs in February 2009.

Ensure that a Class IV Gambling Venue policy is in place.

⇒ The current Class IV Gambling Venue policy was adopted in December 2007.

Develop an Aviation Strategy.

⇒ The Council has considered the need for an Aviation Strategy, but will not proceed until more information is available concerning aviation noise.

Progress the completion of projects identified in the adopted Hokitika Concept Plan.

⇒ Works on the entrance to the Hokitika town centre were completed. The works were defined by the landscaping around the Weld and Fitzherbert Streets intersection including new footpaths signage and plantings.

OBJECTIVE

To complete the activities of the Department for the 2007/2008 year within the approved budget.

Performance Measure

Performance Result

That the Departmental activities will be completed without exceeding the total net budgeted cost of \$124,039.

⇒ Not achieved. The net cost of Community Township was \$149,694 due to a change in the expected income from Development West Coast (\$40,000).

PLANNING AND REGULATORY ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
COMMUNITY TOWNSHIP PLANNING	2007/2008	2007/2008	2006/2007
Activity Income	0	40,000	4,762
Activity Expenditure	149,694	164,039	126,518
Net Cost/Surplus (-) of Activity	149,694	124,039	121,756
Capital Expenditure	237,672	120,400	105,300
Renewals Expenditure	0		0
Loan Principal Repayments	0		0
Total Funds Required	387,366	244,439	227,056
Funded by:			
General Rates	347,085	204,439	226,775
Targeted Rates	0		0
Depreciation	281		281
Loans Raised	0		0
Transfers from / to (-) Reserves	40,000	40,000	0
Total Source of Funds	387,366	244,439	227,056

*Capital expenditure includes the completion of the Harihari Footpath Upgrade (\$55,000) and the Beachfront Walkway Development (\$35,000) projects which were carried forward from previous years. The Hokitika Concept Plan project is also included in the figure, \$148,000, which also includes the expenditure of funds related to previous years.

PLANNING AND REGULATORY - SUMMARY

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
PLANNING & REGULATORY	2007/2008	2007/2008	2006/2007
Activity Income	628,675	480,690	470,403
Activity Expenditure	1,278,147	1,112,436	1,018,076
Net Cost/Surplus (-) of Activity	649,472	631,746	547,673
Capital Expenditure	255,395	122,900	105,300
Renewals Expenditure	0	1,032	2,018
Loan Principal Repayments	0		0
Total Funds Required	904,867	755,678	654,991
Funded by:			
General Rates	855,006	688,103	650,687
Targeted Rates	0	0	0
Depreciation	4,055	1,700	2,811
Loans Raised	0	0	0
Transfers from / to (-) Reserves	45,806	65,875	1,493
Total Source of Funds	904,867	755,678	654,991

COMMUNITY SERVICES

NATURE AND SCOPE

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

1. The Community Services Department, assists, liaises and co-ordinates discussion/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

Westland District Council attends bi-monthly meetings with Te Runanga of Makaawhio, the Department of Conservation (DOC) and the West Coast Regional Council. The purpose of these meetings is to provide informal discussion and information sharing between the runanga, DOC and the Councils about the operations of the regulatory bodies and the effects on values of the runanga. The Council staff present are usually from the Operations or Planning Department as discussions often relate to resource consents or roading works etc. Financially, Council contributes the time and travel of the staff that attend, and have provided venue and catering on a rotational basis. The liaison meetings have fostered a working relationship with Makaawhio that can then lead to further formal consultation on specific Council matters as required.

It is important to note that Makaawhio is one of two Runanga on the Coast. Te Runanga o Ngati Waewae have recently begun a similar liaison meeting last month. No Council staff were able to attend the last meeting, however it is intended that Council will become a consistent partner in these meetings.

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, Fox Glacier, Okarito, Ross, Kumara, Harihari and Whataroa. The District Library is open 44 hours per week and currently holds approximately 27,000 catalogued items including books, magazines, audio CDs/tapes, DVDs and music CDs. Free access to high speed Broadband Internet is available to all New Zealand residents in the library. Online databases, that the library subscribes to, can be accessed in the library or remotely through the library website. Eight New Zealand newspapers are available to read in the library and a magnifier machine can be used by the print disabled. Children can play educational and recreational PC CD games and puzzles for adults and children are available.

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 2007/2008 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 2008 membership numbers were 2,895 (2,667 in 2006/07).
Maintain the average cost per issue at not more than the current level of \$3.80.	⇒ Achieved. The average cost per issue for 2007/08 was \$3.79 (\$3.77 in 2006/2007).
Maintain the acquisitions at not less than the current level of \$2.00 per capita.	⇒ Achieved. Acquisitions averaged \$4.21 per capita for the year (\$4.64 in 2006/07).

COMMUNITY SERVICES ACTIVITIES

Performance Measure

Performance Result

Purchase new Library Books within the approved budget at \$40,000.	⇒	Not achieved. The cost of new Library Books was \$40,201 (\$38,983 in 2006/07).
Maintain the lending level at not less than 4 issues per capita.	⇒	The total number of issues for the 2007/08 year was 67,998 (65,314 in 2006/07) which equates to 8.09 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 throughout the year.
District Library stock to include at least 1,700 large print books and 360 talking books at all times.	⇒	Not achieved. 1,535 large print books and 370 talking books were in stock at 30 June 2008.
The library website is to be up to date and able to be accessed at all times.	⇒	The library staff does not have the time or expertise to improve or update the library website. An IT specialist is needed to create a website design and layout that is user friendly and offers an information gateway for users' educational and recreational requests. At present the library website is a static website that is accessible through the Council website. It is not interactive, visually stimulating or easy to navigate.
Operate the Library within the net operating budgeted of \$280,474.	⇒	Achieved. The net cost of operating the library was \$263,822 for the year ended 30 June 2008.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
LIBRARY	2007/2008	2007/2008	2006/2007
Activity Income	22,691	18,679	20,348
Activity Expenditure	286,513	299,153	266,340
Net Cost/Surplus (-) of Activity	263,822	280,474	245,992
Capital Expenditure	61,217	64,862	54,985
Renewals Expenditure	5,101	2,580	6,160
Loan Principal Repayments	0		0
Total Funds Required	330,140	347,916	307,137
Funded by:			
General Rates	297,016	304,056	274,700
Targeted Rates	0		0
Depreciation	33,124	41,280	32,437
Loans Raised	0		0
Transfers from / to (-) Reserves	0	2,580	0
Total Source of Funds	330,140	347,916	307,137

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

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)

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

Operation of the Museum/Carnegie Gallery within the approved budget of \$128,406.

Performance Result

⇒ The Museum was open throughout the 2007/2008 year as indicated.

The museum visitor numbers totalled 5,597 for 2007/2008(7,642 in 2006/07), a decrease of 27%.

⇒ Not achieved. Four exhibitions were hosted for the year ended 30 June 2008.

⇒ The cost to Council of operating the Museum/Carnegie Gallery was \$108,854 for the year ended 30 June 2008.

COMMUNITY SERVICES ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
MUSEUM	2007/2008	2007/2008	2006/2007
Activity Income	1,209	0	302
Activity Expenditure	110,063	128,406	123,271
Net Cost/Surplus (-) of Activity	108,854	128,406	122,969
Capital Expenditure		0	19,999
Renewals Expenditure	6,490	2,374	2,055
Loan Principal Repayments	0	0	0
Total Funds Required	115,344	130,780	145,023
Funded by:			
General Rates	106,440	121,406	137,735
Targeted Rates	0	0	0
Depreciation	8,904	7,000	7,288
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	2,374	0
Total Source of Funds	115,344	130,780	145,023

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 members 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 2007/2008 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 50,922 recorded enquiries for the year (59,770 in 2006/07), a decrease of 15%.

Operation of the Visitor Information Centre within the approved budget of \$83,526.

⇒ The cost to Council of operating the Visitor Information Centre was \$72,350 for the year ended 30 June 2008.

COMMUNITY SERVICES ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
VISITOR INFORMATION CENTRE	2007/2008	2007/2008	2006/2007
Activity Income	0	0	0
Activity Expenditure	72,350	83,526	76,581
Net Cost/Surplus (-) of Activity	72,350	83,526	76,581
Capital Expenditure	0	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	72,350	83,526	76,581
Funded by:			
General Rates	72,350	83,526	76,581
Targeted Rates	0	0	0
Depreciation	0	0	0
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
Total Source of Funds	72,350	83,526	76,581

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.

Performance Measure

Performance Result

To achieve a reduction in reported crime such as family violence, truancy, youth offending, local neighbourhood issues and concerns, burglary and serious traffic offending.

	<u>2006/07</u>	<u>2007/2008</u>
⇒ Family Violence Cases	41	35
Strengthening Family Meetings	7	6
(1) BBBS Mentoring Matches	11	13
Youth Board Offending Meetings	9	0
(2) Turnaround Offending Meetings	39	26
Neighbourhood Issue Meetings	3	4
(3) Burglary Reported Offences	49	46
Reported Traffic Crashes	N/A	108

The results demonstrate that some reduction was achieved, and that the community has the opportunity to meet to address concerns.

To provide the service within the approved operating budget of \$23,064.

⇒ A deficit resulted from the operation of the Safer Community Council of \$36,238 for the year ended 30 June 2008, due to disbursement of funds that had been granted in the prior year.

(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

	Actual	Budget	Actual
SAFER COMMUNITY COUNCIL	2007/2008	2007/2008	2006/2007
Activity Income	62,507	39,422	70,577
Activity Expenditure	98,745	62,486	68,259
Net Cost/Surplus (-) of Activity	36,238	23,064	-2,318
Capital Expenditure	0		0
Renewals Expenditure	0		0
Loan Principal Repayments	0		0
Total Funds Required	36,238	23,064	-2,318
Funded by:			
General Rates	7,142	22,764	0
Targeted Rates	0	0	0
Depreciation	219	300	219
Loans Raised	0	0	0
Transfers from / to (-) Reserves	28,877	0	-2,537
Total Source of Funds	36,238	23,064	-2,318

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 2008 Wildfoods Festival held on 10 March were:

There were no major incidents and 35 arrests for minor offences over the Festival weekend.

	2008	2007
Number of Stalls	74	79
Festival Attendance	15,383	13,488
Dance Attendance	2,485	2,573
Surplus	\$141,285	\$130,937

Achieved. The Events Department operated at a surplus of \$12,195 (2006/07 \$8,613 surplus) for the year ended 30 June 2008. Attendance numbers were above 15,000 for the 2008 Wildfoods Festival, which exceeded expectations.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
EVENTS MANAGEMENT	2007/2008	2007/2008	2006/2007
Activity Income	589,273	627,985	624,362
Activity Expenditure	577,079	549,758	632,975
Net Cost/Surplus (-) of Activity	-12,195	-78,227	8,613
Capital Expenditure	0	0	0
Renewals Expenditure	1,459	1,032	331
Loan Principal Repayments	0	0	0
Total Funds Required	-10,736	-77,195	8,944
Funded by:			
General Rates	0	0	0
Targeted Rates	0	0	0
Depreciation	1,400	1,500	1,459
Loans Raised	0	0	0
Transfers from / to (-) Reserves	-12,136	-78,695	7,485
Total Source of Funds	-10,736	-77,195	8,944

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.

⇒ Feedback from the public in regard to council owned buildings was responded to within 10 days. The planning or consultation for rectifying issues may take longer but the initial consultation is responded to quickly.

To provide the facilities within the approved operating budget of \$51,882.

⇒ The cost to Council of operating the Community Halls and Buildings was \$91,830 for the year ended 30 June 2008. The increased costs are due to building insurance provided by Council.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
COMMUNITY HALLS AND BUILDINGS	2007/2008	2007/2008	2006/2007
Activity Income	12,000	12,000	13,478
Activity Expenditure	103,830	63,882	102,706
Net Cost/Surplus (-) of Activity	91,830	51,882	89,228
Capital Expenditure	0	0	18,758
Renewals Expenditure	5,735	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	97,565	51,882	107,986
Funded by:			
General Rates	63,501	52,662	60,970
Targeted Rates	0	0	0
Depreciation	28,329	21,720	28,258
Loans Raised	0	0	0
Transfers from / to (-) Reserves	5,735	-22,500	18,758
Total Source of Funds	97,565	51,882	107,986

*Renewals requires for Haast Hall.

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

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

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

To provide the facilities within the approved operating budget of \$7,800.

Performance Result

- ⇒ The walkway is managed by Professional Services Business Unit staff to ensure compliance with relevant safety and building regulations.
- ⇒ A number of complaints have been received from the public and Councillors regarding motor/mountain/4-wheeler bikes being used on the Heritage Trail, in the township, and on the beach front which resulted in barriers being installed. No complaints were received about the standard of the Trail during 2007/2008.
- ⇒ The cost to Council of operating the Hokitika Heritage Trail was \$6,410 for the year ended 30 June 2008.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
HOKITIKA HERITAGE WALKWAY	2007/2008	2007/2008	2006/2007
Activity Income	0		0
Activity Expenditure	6,410	7,800	6,105
Net Cost/Surplus (-) of Activity	6,410	7,800	6,105
Capital Expenditure	5,000	5,000	15,256
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	11,410	12,800	21,361
Funded by:			
General Rates	6,410	7,800	6,105
Targeted Rates	0	0	0
Depreciation	0	0	0
Loans Raised	0	0	0
Transfers from / to (-) Reserves	5,000	5,000	15,256
Total Source of Funds	11,410	12,800	21,361

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 2007/2008 maintenance budgets:

-	Cass Square	\$108,400
-	Hokitika Reserves	\$155,088
-	Ross Reserves	\$6,276
-	Rural Reserves	\$14,740

Performance Result

⇒ Professional Services 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 2007/2008. No complaints from the community or users were received to the contrary.

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

Cass Square	143,165
Hokitika Reserves	112,393
Ross Reserves	9,362
Rural Reserves	31,125

COMMUNITY SERVICES ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
PARKS AND RESERVES	2007/2008	2007/2008	2006/2007
*Activity Income	204,438	23,960	323,046
**Activity Expenditure	408,535	279,254	321,552
Net Cost/Surplus (-) of Activity	204,097	255,294	-1,494
Capital Expenditure	337	5,000	40,746
Renewals Expenditure	0		0
Loan Principal Repayments	0		0
Total Funds Required	204,434	260,294	39,252
Funded by:			
General Rates	176,148	245,644	16,782
Targeted Rates	0		0
Depreciation	23,285	9,650	22,470
Loans Raised	0		0
Transfers from / to (-) Reserves	5,000	5,000	0
Total Source of Funds	204,434	260,294	39,252

*Activity income for 2007/2008 and 2006/2007 includes revenue of \$181,677 and \$296,413 respectively, for the receipt of Reserve Contributions, related to subdivisions, which are not included in budgeted revenue.

**Activity expenditure includes \$111,000 loss due to the demolition of the Kaniere Hall on the reserve.

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

Performance Result

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

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

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

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

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

⇒ The re-roofing of Council headquarters was completed in December 2007. The successful tender was \$251,519.38.

To provide the facilities within the budgeted operating surplus of \$270,388.

⇒ The cost to Council of operating the Land and Buildings was \$5,909 for the year ended 30 June 2008.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
LAND AND BUILDINGS	2007/2008	2007/2008	2006/2007
Activity Income	531,364	566,400	369,383
Activity Expenditure	537,273	296,012	396,549
Net Cost/Surplus (-) of Activity	5,909	-270,388	27,166
Capital Expenditure	495,380	0	19,901
Renewals Expenditure	0	20,000	0
Loan Principal Repayments	0	0	0
Total Funds Required	501,289	-250,388	47,067
Funded by:			
General Rates	0	0	0
Targeted Rates	0	0	0
Depreciation	58,567	37,141	70,032
Loans Raised (Internal)	482,987	0	0
Transfers from / to (-) Reserves	-40,265	-287,529	-22,965
Total Source of Funds	501,289	-250,388	47,067

*This capital expenditure is for the re-roofing of Council Headquarters as well as the other alterations that were required due to water damage. Those damages were mostly recovered by Council's insurance policy. The budget is in the 2006/07 plan, and the project was included in work in progress at 30 June 2007.

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. Additional facilities are supplied by the Senior Citizens at their rooms in Hokitika.

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 on the Hokitika Beach Front by 30 June 2008, within the approved budget of \$100,000 each.

To operate and maintain the Council's facilities within the approved operating expenditure budget of \$124,226.

Performance Result

⇒ Facilities throughout the District were maintained to an adequate standard during 2007/2008 with very few complaints from users or members of the public. 'Adequate' means that the facilities were kept in a clean, tidy, well-serviced condition by the contractors or community paid to maintain the facilities.

⇒ Funding has been supplied to install new public toilets at the Hokitika beach front at a cost of \$100,000. Project has begun at the foundation level.

⇒ The cost to Council of operating the Districts Public Toilets was \$103,915 for the year ended 30 June 2008.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
PUBLIC TOILETS	2007/2008	2007/2008	2006/2007
Activity Income	4,706	11,000	7,794
Activity Expenditure	108,621	135,226	97,137
Net Cost/Surplus (-) of Activity	103,915	124,226	89,343
Capital Expenditure	104,903	100,000	0
Renewals Expenditure	0	2,580	0
Loan Principal Repayments	0		0
Total Funds Required	208,818	226,806	89,343
Funded by:			
General Rates	96,530	111,726	82,473
Targeted Rates	0	0	0
Depreciation	7,385	12,500	6,870
Loans Raised	0	0	0
Transfers from / to (-) Reserves	104,903	102,580	0
Total Source of Funds	208,818	226,806	89,343

*The figure of \$104,903 is for the completion of the Fox Glacier toilets, which was included in work in progress at 30 June 2007. The current budget figure relates to the public toilets planned for the Hokitika beachfront.

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 pool operated from 3 September 2007 until 8 June 2008.

To maintain a comfortable water temperature of 28 degrees centigrade.

⇒ The pool temperature was maintained at between 27°C and 28.5°C 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 re-accreditation in February 2008. All lifeguards held a NPLA 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 \$188,074.

⇒ The cost to operate and maintain the Hokitika Pool for the 2007/08 financial year was \$179,710.

COMMUNITY SERVICES ACTIVITIES

Performance Measure

Performance Result

ROSS

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

⇒ The pool operated until 11 April 2008.

Ensure water quality is compliant with relevant New Zealand Standards.

⇒ Water is tested regularly for compliance with New Zealand standards. Tests are done daily, every three hours, for PH and Chlorine and monthly testing is done in Nelson. Testing must comply with NZS5826:2000 Pool Water Quality. All tests complied with the Standard.

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 2007/08 financial year was \$13,998.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2007/2008	2007/2008	2006/2007
SWIMMING POOLS			
Activity Income	82,870	76,500	73,373
Activity Expenditure	276,578	264,574	315,721
Net Cost/Surplus (-) of Activity	193,708	188,074	242,348
Capital Expenditure	25,742	20,000	5,442
Renewals Expenditure	6,950	5,000	0
Loan Principal Repayments	0	0	0
Total Funds Required	226,400	213,074	247,790
Funded by:			
General Rates	200,189	193,794	228,930
Targeted Rates	0	0	0
Depreciation	21,211	14,280	18,860
Loans Raised	0	0	0
Transfers from / to (-) Reserves	5,000	5,000	0
Total Source of Funds	226,400	213,074	247,790

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 \$67,123.

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 2007/08 year were:

	<u>2007/08</u>	<u>2006/07</u>
Hokitika	36	45
Ross	4	3
Kumara	0	1

\$23,191 or 29% of total expenditure of \$81,055 was recovered from user charges. This was less than indicated as revenue associated with the 2007/2008 year was not as high as estimated. This was due to a greater number of cremations than in previous years.

⇒ No complaints were received for the 2007/2008 year regarding any of the cemetery facilities.

⇒ The cost of providing the facilities for the year ended 30 June 2008 was \$57,975.

COMMUNITY SERVICES ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
CEMETERIES	2007/2008	2007/2008	2006/2007
Activity Income	23,191	17,000	20,309
Activity Expenditure	81,166	84,123	59,233
Net Cost/Surplus (-) of Activity	57,975	67,123	38,924
Capital Expenditure	0	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	57,975	67,123	38,924
Funded by:			
General Rates	56,708	66,000	37,657
Targeted Rates	0	0	0
Depreciation	1,267	1,123	1,267
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
Total Source of Funds	57,975	67,123	38,924

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 93.6%
⇒ Ross Pensioner Flats 94.6%

All complaints from tenants are actioned within 48 hours.

⇒ Complaints from tenants were all actioned within 48 hours.

Operation of the pensioner flats within the approved budget of \$53,003 includes renewals maintenance expenditure for the 2007/2008 year.

⇒ The operation and renewal of the pensioner flats was \$22,376 for the year ended 30 June 2008 which was within the budget.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
ELDERLY HOUSING	2007/2008	2007/2008	2006/2007
Activity Income	125,903	118,800	126,012
Activity Expenditure	122,881	106,653	118,491
Net Cost/Surplus (-) of Activity	-3,022	-12,147	-7,521
Capital Expenditure	0		0
Renewals Expenditure	25,398	65,150	80,122
Loan Principal Repayments	0		0
Total Funds Required	22,376	53,003	72,601
Funded by:			
General Rates	0		0
Targeted Rates	0		0
Depreciation	40,833	27,100	40,611
Loans Raised	0		0
Transfers from / to (-) Reserves	-18,457	25,903	31,990
Total Source of Funds	22,376	53,003	72,601

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 2007/08 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 2006/07 Annual Report by 31 October 2007.

⇒ Not achieved. Council was not able to adopt its Annual Report until 20 November 2008. This was due to the difficulty of adopting the New Zealand International Reporting Standards and staff changes within the organisation.

Adoption of the 2008/2009 Annual Plan by 30 June 2008.

⇒ Achieved. The 2008/2009 Annual Plan was adopted by Council on 19 June 2008.

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 2007/08 year.

Performance Measure

To operate Council's activities within the budgeted rate requirement of \$576,849.

Performance Result

⇒ The cost of Governance was \$579,510 for the year ended 30 June 2008.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2007/2008	2007/2008	2006/2007
GOVERNANCE			
Activity Income	55,124	20,000	4,730
Activity Expenditure	634,635	596,849	624,456
Net Cost/Surplus (-) of Activity	579,510	576,849	619,726
Capital Expenditure	0	0	16,819
Renewals Expenditure	13,818	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	593,329	576,849	636,545
Funded by:			
General Rates	590,283	576,549	635,080
Targeted Rates	0	0	0
Depreciation	3,046	300	1,465
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
Total Source of Funds	593,329	576,849	636,545

*Replacement of furniture and equipment.

OTHER COMMUNITY SERVICES ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2007/2008	2007/2008	2006/2007
OTHER COMMUNITY SERVICES ACTIVITIES			
Community Assistance Fund	114	0	200,376
Community Services Department	262	0	0
Council Grants and Contributions	46,171	16,700	33,766
Glacier Country Promotions	63,904	60,000	61,328
Enterprise Hokitika	17,547	17,920	17,920
Sports Coordinator	0	0	1,000
Activity Income	127,998	94,620	314,390
Community Assistance Fund	5,262	0	53,027
Community Services Department	273,213	197,456	171,292
Council Grants and Contributions	180,517	166,900	219,706
Glacier Country Promotions	35,815	60,000	34,624
Enterprise Hokitika	17,547	17,920	17,920
Sports Coordinator	2,916	3,019	3,453
Activity Expenditure	515,269	445,295	500,022
Net Cost/Surplus (-) of Activity	387,271	350,675	185,632
Capital Expenditure	0	0	2,756
Renewals Expenditure	2,415	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	389,686	350,675	188,388
Funded by:			
General Rates	387,963	350,675	188,237
Targeted Rates	0	0	0
Depreciation	1,723	0	151
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
Total Source of Funds	389,686	350,675	188,388

COMMUNITY SERVICES – SUMMARY

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2007/2008	2007/2008	2006/2007
COMMUNITY SERVICES (including Governance)			
Activity Income	1,843,276	1,626,366	1,968,107
Activity Expenditure	3,939,949	3,402,997	3,709,398
Net Cost/Surplus (-) of Activity	2,096,673	1,776,631	1,741,291
Capital Expenditure	692,580	195,894	211,813
Renewals Expenditure	67,366	98,716	88,668
Loan Principal Repayments	0	0	0
Total Funds Required	2,856,619	2,071,241	2,041,772
Funded by:			
General Rates	2,060,680	2,137,934	1,760,936
Targeted Rates	0	0	0
Depreciation	229,293	173,594	232,851
Loans Raised	482,989		
Transfers from / to (-) Reserves	83,657	-240,287	47,985
Total Source of Funds	2,856,619	2,071,241	2,041,772

OPERATIONAL ACTIVITIES

TRANSPORTATION

NATURE AND SCOPE

The Council maintains 706 kilometres of road and 269 bridges which have a total length of 3.7 kilometres. The total length of urban roads is 53 kilometres and rural roads are 653 kilometres. 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).

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

Performance Result

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

⇒ Fatal Accidents
Serious Accidents
Minor Accidents

Statistics unknown. The four-yearly report from Land Transport New Zealand is due in late 2008.

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

⇒ Minor Safety projects budgets approved by Land Transport New Zealand were \$225,120 for Local Roads and \$40,800 on Special Purpose Roads. Projects completed were traffic calming devices, intersection control and corner widening in Kokatahi and Blue Spur, while guard railing was constructed on the Okuru bridge in Haast to improve sight distance. Projects were completed within approved budgets.

RAMM roughness and condition rating to be maintained at 2006/07 measures or better at 75 NAASRA for the Rural and 125 NAASRA for the Urban Networks.

⇒ Not achieved as at 30 June 2008. Data was not available for the 2007/2008 year.

Regular inspections of bridges are to show no deterioration from the 2006/07 levels.

⇒ Inspections are bi-annually of all bridges in the District with the last inspection completed in November 2005. The next inspection was delayed to November 2008, when a seismic analysis of the bridges is expected to be complete.

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 Roding Maintenance Contract which range from 1 hour for ice gritting to 4 weeks for dig out repairs.

⇒ Professional Services staff performed supervision of the Roding maintenance Contract during the 2007/2008 and ensured that all inquiries were actioned within the parameters specified.

Undertake routine maintenance of the roading network within 100% + or - 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 2007/2008 year totalled \$3,510,889. Actual expenditure by Council for the year was \$3,489,393 which was within the approved program.

Local Road Reseals

Resealing of 30 kilometres within the approved budgets.

⇒ 29.5 kilometres of local roads were resealed by Fulton Hogan Ltd. The contract was completed for \$633,000 which was over the approved estimate of \$568,000, due to the increased cost of fuel.

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

⇒ Harihari footpaths were inspected following complaints about condition; work to remedy these faults was started in June 2007 and was completed in 07/08. 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 \$31,688 for the year. Actual net expenditure for 2007/2008 was \$7,004, 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 made bi-annually of all bridges in the District with the last inspection completed in November 2005. The next inspection was delayed to November 2008, when a seismic analysis of the bridges is expected to be complete.

-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 2007/2008 year.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2007/2008	2007/2008	2006/2007
TRANSPORTATION			
Activity Income	3,069,821	2,615,434	2,418,313
Activity Expenditure	4,500,842	3,943,943	3,918,354
Net Cost/Surplus (-) of Activity	1,431,020	1,328,509	1,500,041
*Capital Expenditure	1,122,765	240,000	559,365
Renewals Expenditure	1,086,666	1,625,400	1,901,999
Loan Principal Repayments	0	0	0
Total Funds Required	3,640,451	3,193,909	3,961,405
Funded by:			
General Rates	2,189,833	908,409	1,833,345
Targeted Rates	0		0
Depreciation	2,101,224	2,185,500	2,329,767
Vested Assets	-750,607		-201,707
Transfers from / to (-) Reserves	100,000	100,000	0
Total Source of Funds	3,640,451	3,193,909	3,961,405

*Capital expenditure exceeds budget due to the completion of two projects that were carried forward from previous years. They were the Franz Josef Car Park (\$66,000) and the seal extension at Jackson's Bay (\$55,000). Also included in the figure are the vested assets (roads due to subdivision) for \$750,607.

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.

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

Assessments have been carried out as above and published as part of the 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.

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 2007/08 are listed below.

Hokitika	T Coli=100%	E Coli=100%
Whataroa	T Coli=92%	E Coli=100%
Franz Josef	T Coli=100%	E Coli=100%
Fox Glacier	T Coli=100%	E Coli=100%
Kumara	T Coli=58%	E Coli=67%
Arahura	T Coli=83%	E Coli=100%
Ross	T Coli=8%	E Coli=8%
Harihari	T Coli=0%	E Coli=17%
Haast	T Coli=36%	E Coli=91%
Hannah's Clearing	T Coli=0%	E Coli=0%

⇒ Data is not available for the 2007/08 year. 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)

Ee = Unsatisfactory
U = Un-graded

⇒ No water restrictions were imposed during the 2007/2008 year.

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 budgeted surplus of \$165,828.

Performance Result

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

⇒ Council continues the upgrading programme for new water mains to improve compliance with the NZFS code across the District. 90% of supplies are non compliant due to lack of water pressure. A consultant has been engaged to report on locations for booster pumps to improve pressure on those supplies.

⇒ As at 30 June 2008, there have been 18 (12 in 2006/2007) disruptions to water supplies in Westland District during 2007/08. All were restored within 12 hours.

⇒ Professional Services Staff are developing and refining asset management plans and capital works programmes to minimise burst mains and leaks in Westland District. There were 18 water breaks over 116kms of water main during the year, with all supplies restored within 12 hours.

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

⇒ 1 pump failure occurred during the year. Blue Spur Transfer was repaired, and then replaced with no loss of water to residents.

⇒ 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.

⇒ 20 new connections were installed during the 2007/008 year. 13 were completed within 15 working days.

⇒ The surplus resulting from maintaining water supplies in the District was \$128,029 for the 2007/08 financial year.

OPERATIONAL ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
WATER SUPPLY	2007/2008	2007/2008	2006/2007
Activity Income	1,326,399	1,759,500	19,222
Activity Expenditure	1,198,369	1,593,672	946,283
Net Cost/Surplus (-) of Activity	-128,030	-165,828	927,061
*Capital Expenditure	0	4,006,660	66,515
Renewals Expenditure	530,591	642,637	52,419
Loan Principal Repayments	0	0	0
Total Funds Required	402,561	4,483,469	1,045,995
Funded by:			
General Rates	0	0	0
Targeted Rates	1,223,892	1,226,000	1,215,679
Depreciation	401,929	305,260	326,459
Loans Raised		2,256,660	100,183
Transfers from / to (-) Reserves	-1,223,260	695,549	-596,326
Total Source of Funds	402,561	4,483,469	1,045,995

*The budget figure includes the Hokitika Water Supply Treatment Project (\$3,500,000) and the new bore and reservoir at Franz Josef (\$304,000 and \$202,600 respectively). As at 30 June 2008, the treatment project was included in work in progress (\$3,000,000) and the Franz Josef projects had just commenced.

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 Tests</u>	<u>Exceeded Limits</u>	<u>07/08 %</u>	<u>06/07 %</u>
Hokitika	68	7	10%	68%
Fox Glacier	36	19	53%	68%
Franz Josef	36	28	78%	89%
Haast	34	14	41%	90%

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

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

⇒ There were no new wastewater systems installed during the 2007/2008 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 surplus budget of \$2,187,629.

Performance Result

⇒ Professional Services Staff are developing and refining asset management plans and capital works programmes to maintain the sewer pipelines in Westland District in a moderate condition or better. Staff have implemented a water blasting programme to clean and maintain the system. 25% was completed in 2007/08.

⇒ 22 disruptions (14 in 2006/2007) to sewerage supplies occurred in Westland District during the year. Service was restored within 12 hours for all of the disruptions.

⇒ Professional Services Staff are developing and refining asset management plans and capital works programmes to minimise sewer main blockages.
22 blockages occurred in 2007/08 over 48 kms of pipeline, which exceeded the measure and were usually due to waste from commercial operators. All were cleared within 12 hours.

⇒ Professional Services Staff are developing and refining asset management plans and capital works programmes to minimise pump station and sewer overflows. No overflows occurred due to pump failures during the 2007/08 year.
⇒ A log is maintained by Professional Services Business Unit staff detailing 100% of faults, disruptions and complaints along with the remedies taken.

⇒ There were no pump failures during the year.

⇒ 6 new connections have been installed during the 2007/2008 year. 5 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 2007/08 financial year was \$453,458. Funding for the Ross Sewerage Scheme was not finalised at 30 June 2008.

OPERATIONAL ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
WASTEWATER	2007/2008	2007/2008	2006/2007
*Activity Income	65,083	2,708,678	97,896
**Activity Expenditure	518,541	521,049	437,952
Net Cost/Surplus (-) of Activity	453,458	-2,187,629	340,056
Capital Expenditure		5,107,488	38,987
Renewals Expenditure	114,296	154,800	20,952
Loan Principal Repayments	0	0	0
Total Funds Required	567,754	3,074,659	399,995
Funded by:			
General Rates	0	0	0
Targeted Rates	339,118	334,150	328,044
Depreciation	207,987	160,502	166,817
Loans Raised	0	2,479,628	0
Transfers from / to (-) Reserves	20,649	100,379	-94,866
Total Source of Funds	567,754	3,074,659	399,995

*Activity income budget figure includes an estimate for the amount of subsidy expected to be received from the Ministry of Health to help fund the Ross Sewerage Scheme (\$2,627,860). At 30 June 2008, the results of the application for subsidy had not been determined. The income from trade waste and connection fees was lower than expected as well.

**The \$5,107,488 in the budget for capital expenditure consists of:

Project	Budget	Status
Hokitika Oxidation Pond De-sludging	619,488	Awaiting consent conditions
Ross Sewerage System	4,454,000	Ministry of Health funding not yet confirmed
Fox Glacier Oxidation Pond Baffles	34,000	Awaiting review of ponds operation from consultants

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

<i>Performance Measure</i>		<i>Performance Result</i>
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 2007/2008 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. No streets were closed as a result of flooding during 2007/2008.
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 2007/2008 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. 5 blockages occurred in 2007/2008 with 4 cleared within the time required in the contract. 1 blockage took 2 weeks to rectify due to a pipe work collapse, but did not affect any property.
Maintain a current log of all faults, disruptions, complaints and remedies.	⇒	A log is maintained by Professional Services 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 \$343,164.

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, Kanieri are currently under investigation. Long term capital works solutions may be required to rectify these problems.

⇒ 10 new connections were installed during the 2007/2008 year. 8 were completed within 15 working days.

⇒ The cost to operate and maintain Council's Stormwater Systems for the 2007/08 financial year was \$343,981.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2007/2008	2007/2008	2006/2007
STORMWATER			
Activity Income	0	0	1,306
Activity Expenditure	343,981	343,164	383,052
Net Cost/Surplus (-) of Activity	343,981	343,164	381,746
Capital Expenditure		10,000	93,936
Renewals Expenditure	172,008	175,780	14,143
Loan Principal Repayments	0	0	
Total Funds Required	515,989	528,944	489,825
Funded by:			
General Rates	0	0	0
Hokitika Rates	204,761	300,261	201,085
Rural Towns Rates	29,252	42,895	28,726
Targeted Rates	0	0	0
Depreciation	281,976	175,098	203,876
Loans Raised	0	0	56,138
Transfers from / to (-) Reserves	0	10,690	0
Total Source of Funds	515,989	528,944	489,825

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 Solid 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 free dump day was offered to replace oversize collection. 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, Franz Josef/Waiau and Haast. Refuse transfer stations utilising a bin system operate at Ross, Fox Glacier, Harihari and Whataroa while free maxi bins are located at Jackson's Hotel, 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. Contractor 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. Bokashi buckets are heavily subsidized and sold at the council office.

Newspaper and cardboard recycling by kerb-side 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.

⇒ 28 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 2007 oversize refuse collection was completed in Hokitika on 21 November 2007 and was heavily patronised with the collection taking two days instead of the one scheduled. 22 complaints were received mainly due to the time taken and the unsightly scenes on the roadside. This was due to the popularity of the collection.

All operating refuse and recycling sites in the District were manned and open as advertised for the 2007/08 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 Neils 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 \$533,088.

⇒ The cost to operate and maintain Council's Waste Management Programme for the 2007/08 financial year was \$914,228. The income from refuse sites did not meet expectations.

OPERATIONAL ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
WASTE MANAGEMENT	2007/2008	2007/2008	2006/2007
Activity Income	270,520	453,234	263,774
Activity Expenditure	1,184,749	986,322	808,057
Net Cost/Surplus (-) of Activity	914,229	533,088	544,283
Capital Expenditure	25,200	31,000	4,609
Renewals Expenditure	3,262	5,160	0
Loan Principal Repayments	0	0	0
Total Funds Required	942,691	569,248	548,892
Funded by:			
General Rates	0	0	0
Targeted Rates	594,105	584,650	471,771
Depreciation	9,197	4,700	5,056
Loans Raised	0	31,000	4,609
Transfers from / to (-) Reserves	339,388	-51,102	67,456
Total Source of Funds	942,691	569,248	548,892

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.

Maintain a high level of training of personnel with the required unit standards obtained by rural fire personnel annually.

To provide the service within the approved operating budget of \$55,232.

Performance Result

⇒ 175 Fire permits were issued during the year. No complaints received.

⇒ There were 3 wildfires in Zone No.5 during the 2007/2008 year. The total area burnt was 11.5 hectares.

⇒ No NRFA audits were performed during the year.

⇒ Training is managed by the Zone Controller employed by Council. Eight Westroads and two Council staff trained to the Basic Firefighter qualification which is unit standard 3825 in the contract requirements and requires from 8 – 10 unit standards.

⇒ The cost of operating and maintaining Council's Rural Fire Service for the 2007/08 financial year was \$39,394.

OPERATIONAL ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
RURAL FIRE	2007/2008	2007/2008	2006/2007
Activity Income	25,872	8,000	44,225
Activity Expenditure	65,267	63,232	42,695
Net Cost/Surplus (-) of Activity	39,395	55,232	-1,530
Capital Expenditure	7,674	0	59,000
Renewals Expenditure	0	1,032	0
Loan Principal Repayments	0	0	0
Total Funds Required	47,069	56,264	57,470
Funded by:			
General Rates	32,316	37,232	0
Targeted Rates	0	0	0
Depreciation	14,753	18,000	2,529
Loans Raised	0	0	59,000
Transfers from / to (-) Reserves	0	1,032	-4,059
Total Source of Funds	47,069	56,264	57,470

*Purchase of second-hand Hino Fire Engine.

OPERATIONAL ACTIVITIES – SUMMARY

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
OPERATIONS	2007/2008	2007/2008	2006/2007
Activity Income	4,649,244	7,544,846	2,844,736
Activity Expenditure	7,811,748	7,451,382	6,536,391
Net Cost/Surplus (-) of Activity	3,162,504	-93,464	3,691,655
Capital Expenditure	1,155,639	9,395,148	822,412
Renewals Expenditure	1,906,822	2,604,809	1,989,514
Loan Principal Repayments	0	0	0
Total Funds Required	6,224,965	11,906,493	6,503,581
Funded by:			
General Rates	2,222,149	945,641	1,833,344
Hokitika Rates	204,761	300,261	201,085
Rural Towns Rates	29,252	42,895	28,726
Targeted Rates	2,157,115	2,144,800	2,015,494
Depreciation	3,017,066	2,849,060	3,034,504
Vested Assets	-642,155	0	-201,707
Loans Raised	0	4,767,288	219,930
Transfers from / to (-) Reserves	-763,223	856,548	-627,795
Total Source of Funds	6,224,965	11,906,493	6,503,581

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 have been used to finance improvements to Council's infrastructural asset network, signaled in the Annual Plan and the LTCCP, 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 2008. This is a breach of law. 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 2008 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 2008, 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 – includes un-audited results for Westland Holdings Ltd.:

	Actual 2007/08 \$'000	Budget 2007/08 \$'000	Actual 2006/07 \$'000
Operating Revenue			
Westroads Limited	9,462	9,000	8,745
Hokitika Airport Limited	274	245	260
Westland Holdings Limited	219	0	206
Total Operating Revenue	9,955	9,245	9,211
Operating Expenditure			
Westroads Limited	8,819	8,350	8,038
Hokitika Airport Limited	249	225	238
Westland Holdings Limited	140	0	14
Total Operating Expenditure	9,208	8,575	8,290
Net Surplus Before Taxation	747	670	921
Tax Expense	216	230	245
Net Surplus After Taxation	531	440	676

WESTROADS LIMITED

OBJECTIVE

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

Performance Measure

Net surplus after tax paid return on shareholders funds of 9%.

⇒

Performance Achieved

The net surplus after tax of \$428,000 represented a 10.6% return on shareholders funds of \$4,150,000 at 30 June 2008.

Net after tax profit of \$301,000 for the year ended 30 June 2008.

⇒

The company earned a net profit after tax of \$428,000 for the year ended 30 June 2008.

WESTROADS LIMITED

STATEMENT OF PERFORMANCE

	Actual 2007/08 \$'000	Actual 2006/07 \$'000
Gross Revenue	9,462	8,745
Less Operating Expenditure	8,819	8,038
Net Surplus (Deficit) Before Taxation	643	707
Taxation Expense	215	236
Net Surplus (Deficit) After Taxation	428	471
Equity at 1 July	3,937	3,696
Dividends	215	230
Equity At 30 June	4,150	3,937
Return on average shareholders funds after tax	10.6%	12.3%
Percentage of shareholders funds to total assets	52.6%	52.2%
Dividends as a percentage of after tax profits	50.2%	48.8%

HOKITIKA AIRPORT LIMITED

OBJECTIVE

Maintain usage by commercial airlines at the 2006/2007 level.

Performance Measure

Revenue from commercial landing fees is at a similar level to 2006/2007.

Performance Achieved

⇒ Revenue earned from landing fees was \$119,995, which is 13% (\$13,995) **above** the fees earned in 2006/07.

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 \$93,618, which is 7% (\$7,382) **below** rental earned in 2006/07.

HOKITIKA AIRPORT LIMITED

STATEMENT OF PERFORMANCE

	Actual 2007/08 \$'000	Actual 2006/07 \$'000
Gross Revenue	274	260
Less Operating Expenditure	249	238
Net Surplus (Deficit) Before Taxation	25	22
Taxation Expense	1	9
Net Surplus (Deficit) After Taxation	24	13
Equity at 1 July	2,569	2,556
Profit/(Loss) for the period	24	13
Contributions From Owners	-	0
Dividends	-	0
Equity at 30 June	2,593	2,569
Return on average shareholders funds after tax	1.0%	0.9%
Percentage of shareholders funds to total assets	95.8%	95.8%
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