

## 2008/2009 Summary Annual Report

### Mayor & CEO's Report

Welcome to the Summary Annual Report of the Westland District Council and group for the year 1<sup>st</sup> July 2008 to 30<sup>th</sup> June 2009. Copies of this Summary Annual Report and the full 2008/2009 Annual Report can be found on the Council's website [www.westland.govt.nz](http://www.westland.govt.nz) or in hard copy at your local library.

Council embarked on a project to develop cycle trails throughout Westland as part of a Regional plan. The West Coast Regional Council has agreed to assimilate the cycle trail concepts from the Region to develop an application package for access to central Government funds.

Following the departure of Councillor Peter Davidson for an extended overseas trip a by-election in February 2009 saw Councillor Jim Butzbach elected to represent the Hokitika ward.

Westland lead the country in formally opposing the aerial discharge of 1080 poison, while continuing to support the possum eradication programme. Following our lead other Councils have moved to formalise their views in opposition.

A ten year contract was awarded to Mastagard in August 2008 for kerb side collections, transfer station and landfill management. Communities continue to seek improvements to cost and service.

This past year has seen further progress in many projects and timely completion of items previously signalled in our 2006 Long Term Council Community Plan (LTCCP). Some of those projects are:

- New district library premises in Sewell Street, Hokitika which generated an increase in membership of 38%.
- Establishment of the Westland Business Unit which is charged with managing the Wildfoods Festival, i-Site and Westland's museum.
- Construction of the Hokitika beachfront toilets which won a design award.
- Successful completion of the mandatory three-yearly review of Council's Long Term Council Community Plan (LTCCP) which saw a new format as well as updated asset management plans set for the next ten years. Another review is due in 2012.
- Town clock intersection improvements were commenced in Hokitika.

Various water supplies were upgraded as we continue to move closer to the Drinking Water Standards for all community supplies:

- Completion of Hokitika's treatment improvements
- Harihari's new bore supply and mains replacement
- Watermains replacement in Kumara and Hokitika

Major District Initiative projects were confirmed in line with Council's approach that funding will be allocated as it is distributed from Development West Coast at the rate of \$400,000 per year. This funding has enabled Council to commit to the following projects:

- Harihari Community Centre
- Donovan's Store in Okarito
- Regent Theatre in Hokitika
- Boys' Brigade building upgrade
- Hokitika Gorge upgrade in partnership with Department of Conservation
- New Westland District Library
- Fox Glacier Community facility
- New i-Site in Hokitika

As always you are invited to contribute your thoughts and ideas as we continually work towards improving Westland.



Maureen Pugh

Mayor



Robin Reeves

CEO

## **Financial Results**

The information included in the summary financial statements has been extracted from the audited full financial statements (unqualified opinion), including full details of accounting policies, authorised for issue by the Council on 25 November 2009, which were prepared in accordance with generally accepted accounting practice as a public benefit entity in New Zealand and fully complied with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements are presented in New Zealand dollars, rounded to the nearest \$000. These summary statements cannot be expected to provide as complete an understanding as provided by the full financial statements.

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2009**

	Actual 2009 \$000	Council Budget 2009 \$000	Actual 2008 \$000	Group Actual 2009 \$000	Actual 2008 \$000
<b>Income</b>					
Rates revenue	6,603	6,518	6,320	6,513	6,309
Other revenue	7,624	7,098	8,284	13,392	13,845
<b>Total income</b>	<b>14,227</b>	<b>13,616</b>	<b>14,605</b>	<b>19,905</b>	<b>20,154</b>
<b>Expenditure</b>					
Employee benefit expenses	2,839	2,502	2,402	6,508	5,689
Depreciation and amortisation	3,742	3,079	3,530	4,708	4,469
Other expenses	7,989	6,595	7,036	8,400	7,629
Finance costs	460	474	547	660	784
Other losses	59	0	69	176	46
<b>Total operating expenditure</b>	<b>15,089</b>	<b>12,650</b>	<b>13,584</b>	<b>20,452</b>	<b>18,617</b>
<b>(Deficit)/Surplus before tax</b>	<b>(862)</b>	<b>965</b>	<b>1,020</b>	<b>(547)</b>	<b>1,537</b>
Income tax expense	108	0	(78)	227	118
<b>(Deficit)/Surplus after tax</b>	<b>(970)</b>	<b>965</b>	<b>1,098</b>	<b>(774)</b>	<b>1,419</b>

**Major variances against budget**

Revenue: \$612,000 greater than budget

- Revenue received is higher than budgeted due to the subsidy received from Development West Coast for the renovations and fit out of the new library premises in Sewell Street
- The Westland Business Unit budget reflected the management contract for the Information Centre & Museum that had previously been in place. The Westland Business Unit budget did not include a budget for the Events department since the future management of this department was still being developed.
- Revenue was received from the proceeds of abandoned land sales which was not budgeted for.

Expenditure: \$2,438,000 greater than budget

- Governance is over budget due to a combination of events. The Long Term Council Community Plan (LTCCP) was an expensive process for Council in terms of consultant's fees, audit fees, production of the document and the number of extra meetings involved for hearing submissions to the LTCCP and the decision process.
- Planning and Regulatory is over budget due to building consent authority establishment costs, additional staffing costs and training. There is also a provision of \$50,000 for the leaky home claim for the 2008/2009 financial year.
- Water Supply is over budget mainly due to the increase in expenditure for the operation of the Hokitika Water Treatment Plant particularly for the supply of electricity and repairs and maintenance.
- Solid Waste Management is over budget due to the contractors fees being higher than estimated when preparing the budget for 2008/2009. There has also been unbudgeted expenditure relating to fly tipping.
- Community Services is over budget due to the following:
  - The budget for the Westland Business Unit in the Annual Plan 08/09 only consisted of the management contract that was in place for the operation of the Museum and Information Centre. As mentioned previously, the budget for the Events department was not included.

- The relocation to the new library premises resulted in incurring operating expenses for the new premises, covering items such as electricity, rent, rates and insurance during the renovations and fit out.
- Land and buildings were over budget due to the high costs associated with the sale of abandoned land such as legal fees, rates, survey fees, valuation fees and commission. There was also unforeseen expenditure for a property that required substantial repairs.

<b>STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009</b>	<b>Council</b>		<b>Group</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Equity at the beginning of the year</b>	<b>345,769</b>	<b>310,612</b>	<b>337,906</b>	<b>346,523</b>	<b>338,339</b>
Net surplus for the year	(970)	965	1,098	(774)	1,419
Increase in asset revaluation reserve	40,155	10,689	6,858	40,155	6,858
Revaluation of assets held for resale	101	0	(93)	101	(93)
<b>Equity at the end of the year</b>	<b>385,055</b>	<b>322,266</b>	<b>345,769</b>	<b>386,005</b>	<b>346,523</b>

#### Major variances against budget

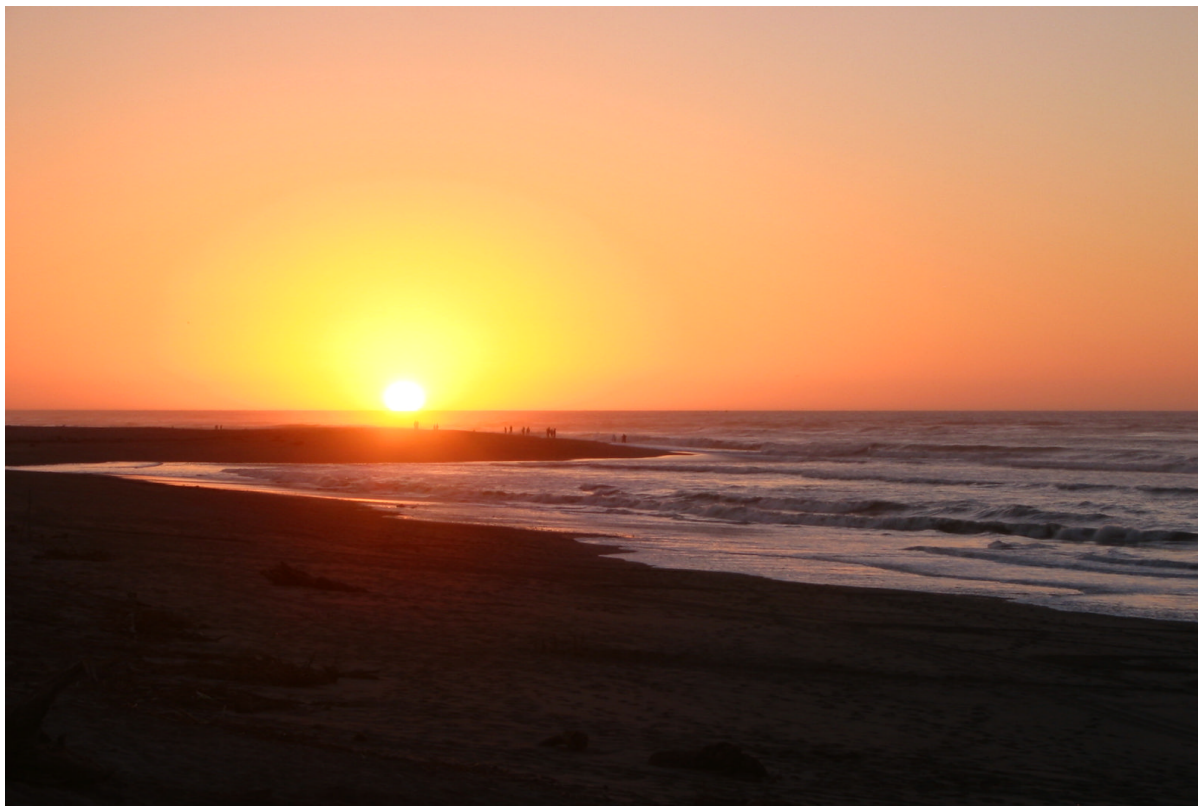
- Equity at the end of the year is higher than budget due to the increase in Council's infrastructural assets being revalued.

<b>STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009</b>	<b>Council</b>		<b>Group</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Current assets	7,309	2,600	8,827	9,310	11,311
Non-current assets	387,865	328,072	345,915	390,275	347,783
<b>Total assets</b>	<b>395,174</b>	<b>330,672</b>	<b>354,742</b>	<b>399,585</b>	<b>359,094</b>
Current liabilities	3,426	2,237	8,291	6,311	9,872
Non-current liabilities	6,693	6,169	683	7,269	2,700
<b>Total liabilities</b>	<b>10,119</b>	<b>8,406</b>	<b>8,974</b>	<b>13,580</b>	<b>12,571</b>
<b>Equity</b>	<b>385,056</b>	<b>322,266</b>	<b>345,769</b>	<b>386,005</b>	<b>346,523</b>
Retained earnings	159,349	158,362	158,678	160,300	159,432
Restricted reserves	(2,689)	(1,865)	(1,269)	(2,689)	(1,269)
Revaluation reserve	228,394	165,769	188,360	228,394	188,360
<b>Total ratepayers' equity</b>	<b>385,055</b>	<b>322,266</b>	<b>345,769</b>	<b>386,005</b>	<b>346,523</b>

### Major variances against budget

- Property, Plant and Equipment's closing book value is higher than budgeted due to the revaluation of the Council's infrastructural assets this year.
- Work in Progress at balance date reflects the Harihari Water Treatment, Refuse Site Replacement Project and Rural Transfer Stations and Franz Josef Sewer Main Replacement.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2009	Council		Group		
	Actual	Budget	Actual	Actual	Actual
	2009 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Net cash from operating activities	2,957	3,976	3,264	4,423	4,276
Net cash from investing activities	(4,091)	(4,931)	(4,510)	(5,674)	(5,435)
Net cash from financing activities	457	(44)	(8)	643	(140)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(677)	(999)	(1,254)	(608)	(1,299)



<b>SUMMARY COST OF SERVICES FOR THE YEAR ENDED 30 JUNE 2009</b>	<b>Council</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Income</b>			
Governance	30	12	55
Planning and Regulatory	585	570	629
Roading	2,988	2,869	3,070
Water Supplies	41	10	1,326
Sewerage and Waste Water	123	76	65
Solid Waste Management	147	235	271
Other Operational Activities	9	0	26
Community Services	2,611	2,197	1,788
<b>Total Activity Income</b>	<b>6,534</b>	<b>5,969</b>	<b>7,230</b>
Westland Holdings Limited	8	0	8
Petrol Tax	116	115	113
Interest	465	555	628
Dividends	292	165	142
General Rates	4,495	4,228	4,176
Targeted Rates	1,430	1,505	1,395
Metered Water	767	785	762
Other income	120	295	152
<b>Total Income</b>	<b>14,227</b>	<b>13,616</b>	<b>14,605</b>
<b>Expenditure</b>			
Interest paid and bank charges	437	474	500
Loss on fair value of derivative financial instrument	23	0	47
Rates written off	90	0	0
Governance	788	595	635
Planning and Regulatory	1,555	1,361	1,278
Roading	4,693	4,498	4,501
Water Supplies	1,399	1,159	1,198
Sewerage and Waste Water	917	834	519
Solid Waste Management	1,134	845	1,185
Other Operational Activities	52	61	409
Community Services	4,000	2,824	3,305
Westland Holdings Limited	9	0	7
<b>Total operating expenditure</b>	<b>15,089</b>	<b>12,650</b>	<b>13,584</b>
Operating (Deficit)/Surplus	(862)	965	1,020
Taxation	108	0	(78)
<b>Net (Deficit)/Surplus</b>	<b>(970)</b>	<b>965</b>	<b>1,098</b>

## Audit Report

### To the readers of Westland District Council and group's summary annual financial statements, performance information and the other requirements for the year ended 30 June 2009

We have audited the summary financial statements, performance information and the other requirements as set out in pages 1 to 6.

#### Unqualified Opinion

In our opinion:

- the summary financial statements, performance information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, performance information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 2 November 2009, on:

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

#### Basis of Opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Westland District Council or any of its subsidiaries.

#### Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on those summary financial statements, performance information and the other requirements. These responsibilities arise from the Local Government Act 2002.



John Mackey, Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
25 November 2009

## **Matters Relating to the Electronic Presentation of the Summary Audited Financial Statements, Performance Information and the Other Requirements**

This audit report relates to the summary financial statements, performance information and the other requirements of Westland District Council and group for the year ended 30 June 2009, included on the Westland District Council and group's website. The Westland District Council is responsible for the maintenance and integrity of the Westland District Council and group's website. We have not been engaged to report on the integrity of the Westland District Council and group's website. We accept no responsibility for any changes that may have occurred to the summary financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the summary 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 summary 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 summary financial statements, performance information and the other requirements as well as the related audit report dated 2 November 2009 to confirm the information included in the audited summary financial statements, performance information and the other requirements presented on this website.

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