



Annual Report 2008/09



for the wild at heart

www.westland.govt.nz

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MAYOR'S REPORT

Welcome to the Annual Report of the Westland District Council for the year 1st July 2008 to 30th June 2009. Copies of this report can be found on the Councils website 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 bi-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.

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
- Boy's 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

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

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

Kind regards



Maureen Pugh
Mayor



Robin Reeves
Chief Executive Officer

ROLE OF THE ANNUAL REPORT OF COUNCIL

Purpose of this Annual Report

The purpose of this annual report for the year ended 30 June 2009 is to compare the actual performance of Council for the year against what was forecast in the 2008/2009 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 2008/2009 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 2008/2009 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 2009.

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%	11%	
Civil Defence	98%	96%	
Resource Management	76%	72%	
Inspectorate & Regulatory	45%	54%	
Community/Township Planning	100%	100%	
Community Services			
Library	94%	94%	
Museum/Carnegie Centre Gallery	100%	100%	
Visitor Information Centre	100%	100%	
Safer Community Council	24%	31%	
Events Management	0%	21%	
Community Halls and Buildings	80%	31%	1
Hokitika Heritage Walkway	90%	100%	
Parks and Reserves	90%	54%	2
Land and Buildings	0%	0%	
Public Toilets	89%	94%	
Swimming Pools	80%	80%	
Cemeteries	62%	64%	
Elderly Housing	0%	0%	
Governance	100%	95%	
Operations			
Transportation	35%	34%	
Water Supplies	30%	88%	3
Wastewater	82%	93%	
Stormwater	100%	97%	
Waste Management	62%	51%	4
Rural Fire	100%	83%	

Notes

1. Community Halls & Buildings

Unexpected expenditure on renewals of Community Halls & Buildings has meant this has been funded by rates.

2. Parks & Reserves

The result of Parks & Reserves is lower than estimated due to the MDI funding incorporated into the budget however the project did not go ahead and has been deferred until the 2009/2010 year.

3. Water Supplies

Metered water income is included in as a Target Rate, which differs from the Revenue and Finance Policy developed in 2002. This ratio has been reviewed in the LTCCP process in 2009.

4. Waste Management

Income received is lower than budget and expenditure is higher than budget which results in a higher amount being funded by rates than anticipated.

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.

Management

- Council reviews its commitment to the scheme annually.

Westland Holdings Limited

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

- Council supports the directors 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 2009 Council's investments were with ASB Bank in the amount of \$4,602,000 and \$49,000 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 S:113-122. The borrowing programme is approved by Council by 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 7% of total annual rates income.

- Debt to income ratio is currently .44.

- Net cash flows from operating activities exceed annual interest by 7.19 times.

- Current liquidity ratio is 2.1.

- 100% of total borrowings was refinanced in the 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 LTCCP was adopted by Council on 31 July 2009 for the 2009-2019 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 2009 to 30 June 2019.

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 2009-2019 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 2008/09 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 has worked with Buller and Grey District Councils and the West Coast Regional Council to produce a progress report on community outcomes. The councils collected data for indicators that have been identified as appropriate measurements related to a given outcome. The Community Outcomes Report was completed and presented to the Councils in June 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

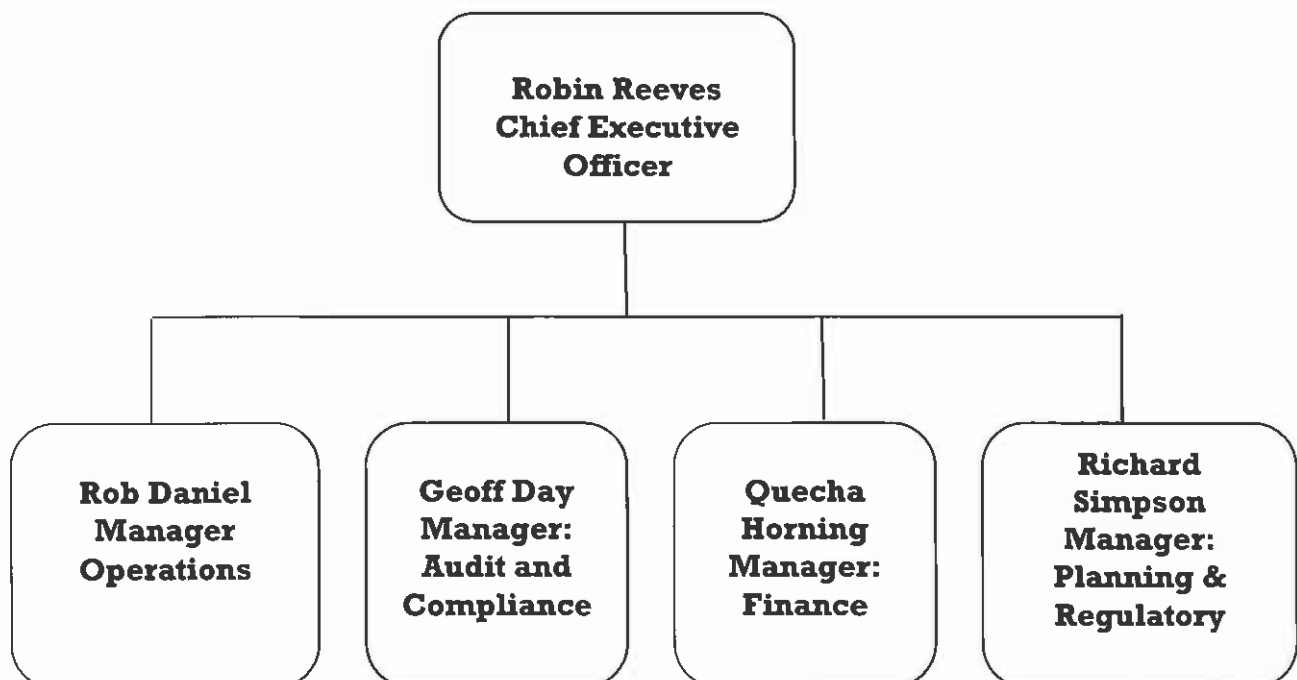
11. Events Management
12. Community Halls and Buildings
13. Hokitika Heritage Trails
14. Parks and Reserves
15. Land and Buildings
16. Public Toilets
17. Swimming Pools
18. Cemeteries
19. Elderly Housing
20. Governance

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
	Ian Hustwick	(03) 755 8003
	Allan Payne	(03) 736 9878
Hokitika Ward	Jim Butzbach (Feb. 2009)	(03) 755 7697
	Peter Davidson (Dec. 2008)	(03) 755 7461
	Russell Gugich	(03) 755 6559
	Allen Hurley	(03) 755 8098
	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.govt.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 (11.9%)	⇒	141,113 ha
No. of Rateable Assessments	⇒	6,435
Rateable Capital Value as at 30 June 2009	⇒	\$2,283,160,800
Rateable Land Value as at 30 June 2009	⇒	\$1,444,835,700
Date of Last Valuation	⇒	1 September 2008
Date of Next Valuation	⇒	1 September 2011
System of Rating		
General	⇒	Land Value
Waste Management	⇒	Capital Value
Public Debt Outstanding at 30 June 2009	⇒	\$6,313,057

COUNCIL FINANCIAL STATISTICS

	Actual 2008/09	Estimate 2008/09	Actual 2007/08
Proportion of general rates to total income	32%	32%	29%
Average general rates per rateable property	\$698	\$703	\$657
Public Debt (as a percentage of fixed assets)	1.66%	1.81%	1.74%
Public Debt (per rateable property)	\$981	\$904	\$941

COUNCIL FIVE-YEAR FINANCIAL PERFORMANCE SUMMARY

	2008/09 \$'000	2007/08 \$'000	2006/07 \$'000	2005/06 \$'000	2004/05 \$'000
Rates – General	4,376	4,094	3,876	3,586	3,353
Net surplus (deficit)	(970)	1,098	686	350	385
Working Capital	3,883	536	5,220	4,740	2,866
Public Debt	6,313	5,856	5,864	2,865	7,104
Total Assets	395,174	354,742	346,943	296,795	284,179

The figures listed for 2008/09, 2007/08, 2006/07 and 2005/06 are reported under NZ IFRS while the 2004/2005 figures comply with previous NZ GAAP.

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

1. The Mayor and General Manager certify on behalf of Council that all statutory requirements in relation 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 2009 fairly reflect the financial position and operations of Westland District Council.



Mayor
Maureen Pugh



Chief Executive Officer
Robin Reeves

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

		Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2009	2009	2008	2009	2008
	Note	\$000	\$000	\$000	\$000	\$000
Income						
Rates revenue	3	6,603	6,518	6,320	6,513	6,309
Other revenue	4	7,624	7,098	8,284	13,392	13,845
Total income		14,227	13,616	14,605	19,905	20,154
Expenditure						
Employee benefit expenses	6	2,839	2,502	2,402	6,508	5,689
Depreciation and amortisation	15 16	3,742	3,079	3,530	4,708	4,469
Other expenses	7	7,989	6,595	7,036	8,400	7,629
Finance costs	8	460	474	547	660	784
Other losses	5	59	0	69	176	46
Total operating expenditure		15,089	12,650	13,584	20,452	18,617
Surplus/(deficit) before tax		(862)	965	1,020	(547)	1,537
Income tax expense	9	108	0	(78)	227	118
Surplus/(deficit) after tax		(970)	965	1,098	(774)	1,419

Explanations of significant variances against budget are detailed in note 35.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

		Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2009	2009	2008	2009	2008
	Note	\$000	\$000	\$000	\$000	\$000
Balance at 1 July		345,769	310,612	337,906	346,523	338,339
<i>Property, plant and equipment</i>						
Revaluation gains/(losses)	23	40,155	10,689	6,858	40,155	6,858
<i>Financial assets at fair value through equity</i>						
Revaluation of assets held for resale	23	101	0	(93)	101	(93)
Net income/(expense) recognised directly in equity		40,256	10,689	6,765	40,256	6,765
Surplus/(deficit) for the year		(970)	965	1,098	(774)	1,419
Total recognised revenue/(expense) for the year ended 30 June		39,286	11,654	7,863	39,482	8,184
Balance at 30 June		385,055	322,266	345,769	386,005	346,523

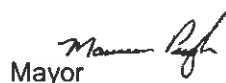
The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2009**

STATEMENT OF FINANCIAL POSITION		Council			Group	
AS AT 30 JUNE 2009		Actual	Budget	Actual	Actual	Actual
	Note	2009	2009	2008	2009	2008
		\$000	\$000	\$000	\$000	\$000
Assets						
Current assets						
Cash and cash equivalents	10	188	1,000	865	887	1,644
Trade and other receivables	11	2,470	1,600	2,034	3,503	3,411
Inventories	12	0	0	0	210	245
Other financial assets	13	4,651	0	5,928	4,651	5,928
Stock work in progress		0	0	0	59	83
Total current assets		7,309	2,600	8,827	9,310	11,311
Non-current assets						
Property, plant and equipment	15	380,112	321,072	336,088	388,495	343,904
Intangible assets	16	0	0	0	95	119
Work in progress	17	1,691	0	3,743	1,691	3,743
Other financial assets	13	6,070	7,000	6,070	2	2
Derivative financial instruments	14	(8)	0	15	(8)	15
Total non-current assets		387,865	328,072	345,915	390,275	347,783
Total assets		395,174	330,672	354,742	399,585	359,094
Liabilities						
Current liabilities						
Trade and other payables	18	2,443	1,800	2,004	2,781	2,734
Deferred income	19	97	59	86	98	87
Provisions	20	108	373	134	108	134
Employee benefit liabilities	21	273	0	222	639	548
Borrowings	22	505	5	5,845	2,667	6,330
Tax payable		0	0	0	18	39
Total current liabilities		3,426	2,237	8,291	6,311	9,872
Non-current liabilities						
Provisions	20	419	90	376	419	376
Employee benefit liabilities	21	204	266	142	360	298
Borrowings	22	5,808	5,813	11	6,180	1,865
Deferred tax liability	9	262	0	154	310	161
Total non-current liabilities		6,693	6,169	683	7,269	2,700
Total liabilities		10,119	8,406	8,974	13,580	12,571
Equity						
Retained earnings	23	159,350	158,362	158,678	160,300	159,432
Restricted reserves	23	(2,689)	(1,865)	(1,269)	(2,689)	(1,269)
Revaluation reserve	23	228,394	165,769	188,360	228,394	188,360
Total equity		385,055	322,266	345,769	386,005	346,523

The accompanying notes form part of these financial statements.

Maureen Pugh



Mayor

Robin Reeves



Chief Executive Officer

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009**

Cash flows from operating activities

Receipts from rates revenue

Interest received

Dividends received

Grants and Other Sources

Payments to suppliers and employees

Interest paid

Income tax paid

Net cash from operating activities

24

Cash flows from investing activities

Proceeds from sale of property, plant and equipment

Proceeds from sale of investments

Purchase of intangible assets

Purchase of property, plant and equipment

Purchase of investments

Net cash from investing activities

Cash flows from financing activities

Proceeds from borrowings

Repayment of borrowings

Net cash from financing activities

**Net (decrease)/increase in cash,
cash equivalents and bank overdrafts**

Cash, cash equivalents and bank

Overdrafts at the beginning of the year

**Cash, cash equivalents and bank overdrafts at the
end of the year**

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Note	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2009	2009	2008	2009	2008
	\$000	\$000	\$000	\$000	\$000
	5,922	6,518	6,374	5,922	6,317
	41	555	86	80	134
	292	165	142	2	2
	6,172	6,378	6,661	13,635	11,607
	(9,002)	(9,066)	(9,574)	(14,449)	(13,012)
	(468)	(474)	(425)	(668)	(690)
	0	(100)	0	(99)	(82)
	2,957	3,976	3,264	4,423	4,276
	256	250	587	474	562
	1,231	0	1,050	1,231	1,191
	0	0	0	0	0
	(5,578)	(5,181)	(6,147)	(7,379)	(7,188)
	0	0	0	0	0
	(4,091)	(4,931)	(4,510)	(5,674)	(5,435)
	500	0	2,800	1,020	3,050
	(43)	(44)	(2,808)	(377)	(3,190)
	457	(44)	(8)	643	(140)
	(677)	(999)	(1,254)	(608)	(1,299)
	865	2,000	2,119	1,486	2,785
	188	1,000	865	878	1,486

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 2009

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 New Zealand Transport Agency, 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 valued, by external valuers, 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 realised, 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 realisable 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 realised 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 where hedge accounting is not applied.

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 currently do not have any investments 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 realised 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 capitalised 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 artifacts, 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, unless there is a significant change in carrying value, at which case they will be revalued as required.

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 2009.

Council buildings, excluding pump stations, Treatment Plant buildings and other infrastructure assets, have been valued at net current value as at 30 June 2009 by Quotable NZ.

➤ **Infrastructural asset classes**

Roading infrastructural assets (including bridges) have been valued by MWH Limited registered valuer at depreciated replacement cost as at 30 June 2009. Sewerage, Water Supply and Stormwater infrastructural assets have been valued by MWH Limited, registered valuers at depreciated replacement cost as at 30 June 2009.

➤ **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 5 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 minimise 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 2009.

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, introduces the compulsory capitalisation of borrowing costs for qualifying assets for accounting periods beginning on or after 1 January 2009.

This change could potentially create significant additional work and cost for councils and other public benefit entities that have significant assets which can take significant periods to construct, particularly where those assets are revalued.

The Accounting Standards Review Board has recognised the challenges involved and decided to indefinitely defer the adoption of NZ IAS 23, Borrowing Costs, for public benefit entities. That is, public benefit entities can continue to apply the "old" version of NZ IAS 23 rather than the revised one. This means that public benefit entities may but are not required to capitalise borrowing costs for qualifying assets for accounting periods beginning on or after 1 January 2009.

Council has opted not to adopt the "new" NZ IAS 23, and therefore will not capitalise borrowing costs.

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 prepared a single statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY COST OF SERVICES

	Council		
	Actual	Budget	Actual
	2009	2009	2008
	\$000	\$000	\$000
Income			
Governance	30	12	55
Planning and Regulatory	585	570	629
Roading	2,988	2,869	3,070
Water Supplies	41	10	1,326
Stormwater and Wastewater	123	76	65
Solid Waste Management	147	235	271
Other Operational Activities	9	0	26
Community Services*	2,611	2,197	1,788
Total Activity Income	6,534	5,969	7,230
Westland Holdings Limited	8	0	7
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	768	785	762
Subvention payment	120	295	152
Total income	14,228	13,616	14,605
Expenditure			
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
Stormwater and Wastewater	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
Total operating expenditure	15,089	12,650	13,584

*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).

NOTES TO THE FINANCIAL STATEMENTS

3. RATES

	Council		Group	
	Actual	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
General rates	4,376	4,094	4,286	4,083
Rates penalties	119	130	119	130
Targeted rates attributable to activities				
Solid waste management	621	594	621	594
Water supplies	466	461	466	461
Sewerage	342	339	342	339
Metered water	768	762	768	762
Total revenue from rates	6,693	6,380	6,603	6,369

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	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Total rates revenue	6,693	6,380	6,603	6,369
Rates remissions				
Community and sports organisations full remission	12	11	12	11
Community and sports organisations half remission	10	10	10	10
Unoccupied Maori land	26	7	26	7
Other remissions	27	20	27	20
Discounts	15	12	15	12
Total remissions	90	60	90	60
Rates revenue net of remissions	6,603	6,320	6,513	6,309

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
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
User charges	311	343	311	343
Westland Milk Products capital contribution	0	1,319	0	1,319
NZ Transport Agency government grants	2,708	2,302	2,708	2,302
Regulatory revenue	585	629	585	629
Infringements and fines	7	5	7	5
Rendering of services	2,611	1,788	2,611	1,788
Petrol tax	116	113	116	113
Vested assets	237	751	237	751
Interest	437	628	476	676
Dividend income from available for sale assets	0	2	0	2
Dividends	292	140	0	0
Subvention receipt	120	152	0	0
Other	201	112	6,341	5,917
Total other revenue	7,625	8,284	13,392	13,845

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

5. OTHER GAINS/LOSSES

	Council		Group	
	Actual	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
(Loss)/ gain on disposal of property, plant and equipment	(59)	(69)	(176)	(46)
Total gains/(losses)	(59)	(69)	(176)	(46)

6. EMPLOYEE BENEFIT EXPENSES

	Council		Group	
	Actual	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Salaries and wages	2,621	2,365	6,213	5,605
Employer contributions to multi-employer defined benefit plans	105	113	182	160
Increase/(decrease) in employee benefit liabilities	113	(76)	113	(76)
Total employee benefit expenses	2,839	2,402	6,508	5,689

NOTES TO THE FINANCIAL STATEMENTS

7. OTHER EXPENSES

Fees to principal auditor:

Audit fees for current financial statement audit
Audit fees for LTCCP
Audit fees for 06/07 & 07/08 financial statement audit
Donations and grants
Lease payments
Rates written off
Doubtful debts provision movement between years
Doubtful debts written off
Provision for loans
Other operating expenses
Total other expenses

Council		Group	
Actual	Actual	Actual	Actual
2009	2008	2009	2008
\$000	\$000	\$000	\$000
81	81	128	133
86	0	86	0
90	0	90	0
76	109	76	109
46	39	46	39
90	0	90	0
14	(36)	10	(36)
1	68	1	0
0	(32)	0	(32)
7,504	6,807	7,873	7,416
7,989	7,036	8,400	7,629

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
2009	2008	2009	2008
\$000	\$000	\$000	\$000
437	500	637	737
23	47	23	47
460	547	660	784

NOTES TO THE FINANCIAL STATEMENTS

9. TAX

Component of tax expense

Current tax expense
Adjustments to current tax rate
Deferred tax expense
Deferred tax adjustment – prior year
Income tax expense

Council		Group	
Actual	Actual	Actual	Actual
2009	2008	2009	2008
\$000	\$000	\$000	\$000
0	0	69	112
0	0	0	(7)
6	(75)	56	16
102	(3)	102	(3)
108	(78)	227	118

Relationship between tax expense and accounting profit

Surplus/(deficit) before tax
Tax @ 30% (2008:33%)
Plus/(less) tax effect of permanent differences
Tax loss not recognised
Deferred tax not previously recognised
Prior year adjustment
Deferred tax adjustment - tax rate
Tax expense/(credit)

Council		Group	
Actual	Actual	Actual	Actual
2009	2008	2009	2008
\$000	\$000	\$000	\$000
(862)	1,020	(547)	1,537
(258)	337	(164)	507
264	(337)	286	(314)
0	0	3	3
0	(75)	0	(75)
102	0	102	0
0	(3)	0	(3)
108	(78)	227	118

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 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 1 July 2008	(286)	0	0	132	0	(154)
Charged to Profit & Loss	0	0	0	(6)	0	(6)
Charged to Equity	0	0	0	0	0	0
Deferred tax adjustment - prior year	11	0	0	(113)	0	(102)
Balance at 30 June 2009	(275)	0	0	13	0	(262)
<u>Group</u>						
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	0	8	0	3
Charged to Equity	(55)	0	0	0	0	(55)
Balance at 1 July 2008	(489)	0	130	186	12	(161)
Charged to Profit & Loss	(27)	0	(2)	(32)	5	(56)
Deferred tax adjustment -prior year	11	0	0	(113)	0	(102)
Charged to Equity	(9)	0	(90)	4	104	9
Balance at 30 June 2009	(514)	0	38	45	121	(310)

NOTES TO THE FINANCIAL STATEMENTS

10. CASH AND CASH EQUIVALENTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Cash at bank and in hand	188	563	454	815
Short term deposits maturing three months or less from date of acquisition	0	302	433	829
Total cash and cash equivalents	188	865	887	1,644

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:

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Cash at bank and in hand	188	563	454	815
Short term bank deposits maturing within three months	0	302	433	829
Bank overdrafts (note 22)	0	0	(9)	(158)
	188	865	878	1,486

11. TRADE AND OTHER RECEIVABLES

	Council		Group	
	Actual	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Rates receivables	944	883	944	883
Other receivables	542	245	1,704	1,795
NZ Transport Agency	901	792	901	792
Amounts due from subsidiaries	0	16	0	0
Subvention receivable	120	152	0	0
	2,507	2,088	3,549	3,470
Less provision for impairment of receivables	(37)	(54)	(46)	(59)
	2,470	2,034	3,503	3,411

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 are as follows:

	Council		Group	
	Actual 2009 \$000	Actual 2008 \$000	Actual 2009 \$000	Actual 2008 \$000
0 to 3 months	1,643	1,326	2,351	2,637
3 to 6 months	234	159	459	187
6 to 9 months	110	97	150	114
9 to 12 months	73	82	124	100
> 12 months	448	424	465	432
Carrying amount	2,508	2,088	3,549	3,470

As of 30 June 2008 and 2009, 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 2009 \$000	Actual 2008 \$000	Actual 2009 \$000	Actual 2008 \$000
Metal stocks	0	0	130	165
Other supplies	0	0	80	80
	0	0	210	245
Less provision for obsolescence	0	0	0	0
Total inventories	0	0	210	245

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

Current portion

Assets available for sale

Civic Assurance

ASB Bonds

Total current portion

Non-current portion

Loans and receivables

Loan business development

Assets available for sale

Forestry

Cost

Westland Holdings Ltd - Hokitika Airport Ltd

Westland Holdings Ltd - Westroads Ltd

Total non-current portion

	Council		Group	
	Actual 2009 \$000	Actual 2008 \$000	Actual 2009 \$000	Actual 2008 \$000
	49	51	49	51
	4,602	5,877	4,602	5,877
	4,651	5,928	4,651	5,928
	0	0	0	0
	2	2	2	2
	2,718	2,718	0	0
	3,350	3,350	0	0
	6,070	6,070	2	2

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 \$4,601,904 (2008: \$5,876,986), with a weighted average effective interest rate of 8.34% (2008: 6.39%-7.45%).

14. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate swaps asset/(liability)

Total current portion

	Council		Group	
	Actual 2009 \$000	Actual 2008 \$000	Actual 2009 \$000	Actual 2008 \$000
	(8)	15	(8)	15
	(8)	15	(8)	15

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2009 were \$3,000,000 and \$2,800,000 (2008 \$3,000,000 and \$2,800,000).

At 30 June 2009, the fixed interest rate of the interest rate swaps is 4.08% and 4.81% respectively.

The interest rate swap has been included at fair value. The termination dates of the interest rate swap agreements are: 17 March 2012 for the \$3,000,000 swap and 1 October 2012 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

2009 Group	Cost/ revalue	1-Jul-08	Acc depn	Carrying amount	Current year additions	Current year disposals	Current year impairment	Current year depn	Current year disposals	Reclassify	Revalue depn	Revalue Surplus /(loss)	Cost/ revalue	Acc depn	Carrying amount
		1-Jul-08	1-Jul-08	1-Jul-08							30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09	30-Jun-09
Council operational assets															
Land (leased)	7,150		0	7,150						(361)			6,789	0	6,789
Land (leased airport)	4,756		0	4,756									4,756	0	4,756
Land (operational)	7,711		0	7,711	130	(237)				(2)			7,602	0	7,602
Buildings	5,333		(12)	5,321	678	(3)		(107)					6,008	(119)	5,889
Furniture and fittings	313		(170)	143	213			(29)					526	(199)	327
Library collections	795		(610)	185	43			(30)					838	(640)	198
Museum Artefacts	158		0	158									158	0	158
Computer equipment	700		(578)	122	53			(57)					753	(635)	118
Office equipment	388		(307)	81	12			(16)					400	(323)	77
Motor vehicles	348		(152)	196				(52)					348	(204)	144
Jackson's Bay Wharf	664		(86)	578	6			(13)					670	(99)	571
	28,316	(1,915)		26,401	1,135	(240)	0	(304)	0	(363)		0	28,848	(2,219)	26,629
Council infrastructural assets															
Land	2,061		0	2,061						(3)			2,058	0	2,058
Buildings	331		(1)	330				(6)					315	(7)	308
Roading network	149,270		(7,043)	142,227	2,191	(16)		(1,809)					162,524	0	162,524
Land under roads	54,362		0	54,362						381			54,743	0	54,743
Bridges	66,509		(3,764)	62,745				(647)					67,485	0	67,471
Water Supply	18,837		(1,348)	17,489	3,994			(413)					25,998	0	25,998
Drainage/Stormwater	9,313		(868)	8,445	138			(276)					13,815	0	13,815
Sewerage/Wastewater	8,846		(679)	8,167	126			(201)					12,523	0	12,523
	309,529	(13,703)		295,826	6,449	(16)	0	(3,352)	0	378	17,048	23,107	339,447	(7)	339,440
Restricted assets															
Land	1,253		0	1,253	7								1,260	0	1,260
Public buildings	1,657		(2)	1,655	145			(35)					1,802	(37)	1,765
Cemetery buildings	53		(2)	51				(2)					53	(4)	49
Cemetery land	1,029		0	1,029	4								1,033	0	1,033
Reserve/recreation land	6,719		0	6,719	6					(15)			6,710	0	6,710
Reserve/recreation buildings	2,126		(19)	2,107	8			(21)					2,134	(40)	2,094
Reserve/improvements	0		0	0	80			(4)					80	(4)	76
Swimming pools	1,074		(27)	1,047	33			(24)					1,107	(51)	1,056
	13,911	(50)		13,861	283	0	0	(86)	0	(15)	0	0	14,179	(136)	14,043
Total restricted assets	351,756	(15,668)		336,088	7,867	(256)	0	(3,742)	0	0	17,048	23,107	382,474	(2,362)	380,112
Total Council assets															
Subsidiaries property, plant and equipment															
Buildings	968		(106)	862				(27)					968	(133)	835
Plant and machinery	8,521		(3,731)	4,790	1,613	(985)		(847)	669				9,149	(3,909)	5,240
Office equipment	218		(170)	48	6			(27)					224	(197)	27
Hokitika Airport	2,481		(365)	2,116	206			(41)					2,687	(406)	2,281
	12,188	(4,372)		7,816	1,825	(985)	0	(942)	669	0	0	0	13,028	(4,645)	8,383
Total subsidiaries	363,944	(20,040)		343,904	9,692	(1,241)	0	(4,684)	669	0	17,048	23,107	395,502	(7,007)	388,495
Total Group assets															

NOTES TO THE FINANCIAL STATEMENTS
15. PROPERTY, PLANT AND EQUIPMENT

Annual Report 2008/2009

2008 Group	Cost/ revaluation 1-Jul-07	Accum depn 1-Jul-07	Carryin g amount 1-Jul-07	Current year addition s	Current year disposal s	Current year impairment	Current year depn	Current year disposals depn	Revalue Depn Changes	Revalue Surplus /(loss)	Cost/ revalue 30-Jun-08	Acc depn 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
Roading 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
	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			(23)		47	1,218	6,719	0	6,719
Reserve/recreation buildings	1,987	(43)	1,944	6			(23)		33	133	2,126	(19)	2,107
Swimming pools	910	(37)	873	33			(23)			131	1,074	(27)	1,047
	12,010	(200)	11,810	260	(119)	0	(83)	8	225	1,760	13,911	(50)	13,861
Total restricted assets	341,985	(12,669)	329,316	4,142	(723)	0	(3,530)	80	451	6,352	351,756	(15,668)	336,088
Total Council assets													
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
	11,757	(4,000)	7,807	1,182	(751)	0	(916)	544	0	0	12,188	(4,372)	7,816
Total subsidiaries	353,742	(16,669)	337,123	5,324	(1,474)	0	(4,446)	624	451	6,352	363,944	(20,040)	343,904
Total Group assets													

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 MWH Ltd as at 30 June 2009.

16. INTANGIBLE ASSETS

	Council		Group	
	Actual	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Cost or deemed cost				
Balance at 1 July	0	0	250	250
Additions	0	0	0	0
Disposals	0	0	0	0
Balance at 30 June	0	0	250	250
Depreciation and amortisation losses				
Balance at 1 July	0	0	131	108
Amortisation for the year	0	0	24	23
Impairment loss	0	0	0	0
Disposals	0	0	0	0
Balance at 30 June	0	0	155	131
Carrying amounts				
At 1 July	0	0	119	142
At 30 June	0	0	95	119

17. WORK IN PROGRESS

	Council		Group	
	Actual	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Capital projects	1,691	3,743	1,691	3,743
Balance at 30 June	1,691	3,743	1,691	3,743

The Council's 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
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Other payables	1,353	932	2,354	2,326
Waiho relocation grants	303	303	303	303
Accrued expenses	124	105	124	105
Amounts due to subsidiaries	663	664	0	0
Total trade and other payables	2,443	2,004	2,781	2,734

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
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Rates and other revenue received in advance	97	86	98	87
Total deferred income	97	86	98	87

20. PROVISIONS

	Council		Group	
	Actual	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Current provisions are represented by:				
Landfill closure and monitoring	58	134	58	134
Leaky homes provision	50	0	50	0
Total current provisions	108	134	108	134
Non-current provisions are represented by:				
Landfill closure and monitoring	419	376	419	376
Total non-current provisions	419	376	419	376

Movement in provisions

	Council and Group	
	Actual	Actual
	2009	2008
	\$000	\$000
Provision at 1 July	510	431
Movements in provision	17	79
Amount used in year	0	0
Provision at 30 June	527	510

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 three 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	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Accrued pay	0	0	0	0
Annual leave	208	163	542	467
Long service leave	65	64	108	100
Retirement gratuities	204	137	349	279
Total employee benefit liabilities	477	364	999	846
Comprising:				
Current	273	222	639	548
Non-current	204	142	360	298
Total employee benefit liabilities	477	364	999	846

NOTES TO THE FINANCIAL STATEMENTS

22. BORROWINGS

	Council		Group	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Current				
Bank overdraft	0	0	9	158
Secured loans	0	0	670	150
Term debt	505	5,845	1,988	6,022
Total current borrowings	505	5,845	2,667	6,330
Non-current				
Secured loans	0	0	0	0
Term debt	5,808	11	6,180	1,865
Total non-current borrowings	5,808	11	6,180	1,865
Total borrowings	6,313	5,856	8,847	8,195

Fixed-rate debt

The Council's secured debt of \$ 6,313,075 (2008 \$5,856,000) is issued at variable rates of interest. At 30 June 2009 there was \$3,000,000 on an interest rate swap agreement for a face value of \$3,000,000 for 3 years at 4.08%, from 17 March 2009. In addition, an interest rate swap with a face value of \$2,800,000 from 1 October 2009 at 4.18% for 3 years, see note 14.

Statement of Public Debt 30 June 2009

Loan Name	Maturity date	Interest rate	Balance at 1 July 2008	New loans raised	Principal Repaid	Balance at 30 June 2009
			\$	\$	\$	\$
Hokitika Pensioner Housing	2010	9.59%	16,917		8,060	8,857
Ross Pensioner Housing	2017	3.50%	4,467		248	4,219
Hokitika Sewerage 1971	2009	6.25%	25,000		25,000	0
Hokitika Water Supply	2008	10.50%	10,000		10,000	0
ASB Facility	2009	3.17%		500,000		500,000
Westland Holding Limited	2012	4.81%	2,800,000			2,800,000
Westland Holding Limited	2012	4.08%	3,000,000			3,000,000
Total Council			5,856,384	500,000	43,309	6,313,075
Westroads Limited overdraft		9.35%	158,000		149,000	9,000
Westroads Limited	2010	8.76%	211,000		17,000	194,000
Westroads Limited	2010	9.25%	242,000		42,000	200,000
Westroads Limited	2010	8.76%	277,000		22,000	255,000
Westroads Limited	2010	9.15%	1,051,000		80,000	971,000
Westroads Limited	2013	9.48%	250,000		15,000	235,000
Westroads Limited - cash advance facility	2014	variable	150,000	520,000		670,000
			2,339,000	520,000	325,000	2,534,000
Total Group			8,195,384	1,020,000	368,309	8,847,075

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:

\$3,000,000 due to mature on 17 March 2009 was refinanced for 36 months terminating on 17 March 2012 at a rate of 4.08% which is subject to an interest rate swap.

\$2,800,000 was refinanced on 1 April 2009 for a term of 42 months terminating on 1 October 2012 at a rate of 4.81% which is subject to an interest rate swap.

This replaced the original swap agreement for 2 years at 8.41%.

The \$500,000 working capital facility was drawn down on 21 January 2009; the maturity date is 31 August 2009 at a rate of 3.17%.

Maturity analysis and effective interest rates

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

Maturity analysis and effective interest rates

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

2009

Less than one year
Later than one year but not more than five years
Later than five years

Council	Group
505	2,667
5,808	6,180
0	0
6,313	8,847

2008

Less than one year
Later than one year but not more than five years
Later than five years

Council	Group
5,844	6,330
10	1,865
1	0
5,855	8,195

Fair values of non-current borrowings

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

Term debt

Council		Group	
2009	2008	2009	2008
\$000	\$000	\$000	\$000
5,808	11	6,180	1,865

Total

5,808	11	6,180	1,865
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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	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Retained earnings				
As at 1 July	158,678	158,747	159,434	159,182
Transfers to:				
Restricted reserves	(4,058)	(5,717)	(4,058)	(5,717)
Transfers from:				
Restricted reserves	5,478	4,268	5,478	4,268
Revaluation reserve - disposals	222	282	222	282
Surplus/(deficit) for the year	(970)	1,098	(774)	1,419
As at 30 June	159,350	158,678	160,300	159,434
Restricted reserves				
As at 1 July	(1,269)	(2,718)	(1,269)	(2,718)
Transfers to Retained Earnings:				
Special funds	(658)	(124)	(658)	(124)
Separate funds	(4,743)	(4,092)	(4,743)	(4,092)
Trusts and bequests	(78)	(52)	(78)	(52)
Transfers from Retained Earnings:				
Special funds	313	565	313	565
Separate funds	3,639	5,044	3,639	5,044
Trusts and bequests	106	106	106	106
As at 30 June				
Restricted reserves consist of:				
Special funds	1,945	2,290	1,945	2,290
Separate funds	(5,270)	(4,166)	(5,270)	(4,166)
Trusts and bequests	635	607	635	607
	(2,689)	(1,269)	(2,689)	(1,269)
Asset revaluation reserves				
As at 1 July	188,360	181,877	188,360	181,877
Revaluation gains/(losses)	40,155	6,803	40,155	6,803
Revaluation of assets held for resale	101	(93)	101	(93)
Transfer of revaluation reserve to retained earnings on disposal of property, plant and equipment	(222)	(282)	(222)	(282)
Deferred tax	0	55	0	55
As at 30 June	228,394	188,360	228,394	188,360

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
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Surplus/(deficit) after tax	(970)	1,098	(774)	1,419
Add/(less) non-cash items:				
Vested assets	(237)	(751)	(237)	(751)
Depreciation and amortisation	3,742	3,530	4,708	4,469
Increase/(decrease) in Employee entitlements (LT)	62	(56)	62	(52)
Increase/(decrease) deferred tax	(136)	20	149	16
Movement in fair value of interest rate swap	23	47	23	47
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on sale of assets	59	69	176	69
Non-cash purchase of investments	0	(542)	0	(542)
Add/(less) movements in working capital items:				
Trade and other receivables	(436)	(186)	(123)	(922)
Inventories	0	0	59	24
Trade and other payables	769	(37)	282	395
Deferred income	11	13	11	14
Current and non-current provisions	17	79	17	79
Employee entitlements (ST)	51	(20)	91	(9)
Taxation provision	0	0	(21)	20
Net cash inflow/(outflow) from operating activities	2,957	3,264	4,423	4,276

25. CAPITAL COMMITMENTS AND OPERATING LEASES

	Council		Group	
	Actual	Actual	Actual	Actual
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Capital commitments				
Capital commitments approved and contracted	0	205	0	205
Total capital commitments	0	205	0	205
Operating leases as lessee				
The Council has the following non-cancellable operating lease commitments as follows:				
Not later than one year	31	39	58	66
Later than one year and not later than two years	13	26	23	36
Later than two years and not later than five years	21	19	28	36
	65	84	109	138

Non-cancellable contracts

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
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Non-cancellable contracts				
Not later than one year	2,126	557	2,126	75
Later than one year and not later than two years	2,164	557	2,164	75
Later than two years and not later than five years	3,170	280	3,170	6
Later than five years	3,323	0	3,323	0
Total non-cancellable contracts	10,783	1,394	10,783	156

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

The Council does have the option to purchase the asset at the end of the lease term.

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

26. CONTINGENCIES

Contingent liabilities

	Council		Group	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Performance bonds	0	0	0	127
Mining bonds	0	0	0	18
Total contingent liabilities (refer note below)	0	0	0	145

The Group has contingent liabilities relating to performance Bonds in favour of Grey District Council. Risk Pool have advised that there may be more leaky home claims and could therefore be further calls in the future.

Contingent assets

The Council and Group have no contingent assets at 30 June 2009 (2008 nil).

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 2009 \$000	Actual 2008 \$000
Westroads Ltd		
Revenue earned	52	48
Expenditure charged	4,549	3,931
Accounts payable at 30 June	663	664
Accounts receivable at 30 June	4	4
Subvention payable	120	152
Hokitika Airport Ltd		
Revenue earned	33	31
Expenditure charged	12	2
Accounts payable at 30 June	0	0
Accounts receivable at 30 June	13	12
Westland Holdings Ltd		
Revenue earned	11	7
Expenditure charged	11	7
Accounts payable at 30 June	0	0
Accounts receivable at 30 June	0	0
Dividends received	290	140

Key management personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, purchase of rubbish bags etc). During the 2008/2009 year, there were no related party transactions with Councillors and key management except as part of normal customer relationship.

Key management personnel compensation

	Council	
	2009 \$000	2008 \$000
Salaries and other short term employee benefits	871	736
Post employment benefits (including fringe benefit tax)	46	41
Telephone rental	1	1
Expense allowances	4	3
Professional allowances/fees	2	2
Other long term benefits	0	0
Termination benefits	0	0

Key management personnel include the Mayor, Councillors, Chief Executive Officer and Senior Managers.

28. REMUNERATION

Chief Executive Officer

The Chief Executive Officer of the Council appointed under section 42 (1) of the Local Government Act 2002 received a salary of \$ 180,367 (2008 \$171,515). In terms of his contract, he also received the following additional benefits:

	2009 \$	2008 \$
Telephone rental	431	431
Professional allowances/fees	459	441
Motor vehicle (including fringe benefit tax)	0	0

For the year ended 30 June 2009, the total annual cost including fringe benefit tax to the Council of the remuneration package being received by the Chief Executive Officer is calculated at \$ 181,257 (2008 \$172,387).

NOTES TO THE FINANCIAL STATEMENTS

Name of elected representative	Position	2009			2008		
		Withholding Payments	Allowances	Total	Withholding Payments	Allowances	Total
		\$000	\$000	\$000	\$000	\$000	\$000
M H Pugh	Mayor	59,483	14,099	73,582	52,748	15,443	68,191
B Thomson	Deputy Mayor	18,000	10,488	28,488	16,700	7,378	24,078
A Payn	Councillor	10,250	2,730	12,980	8,917	2,794	11,711
I W Hustwick	Councillor	10,250	5,352	15,602	8,917	2,726	11,643
K J Eggeling	Councillor	10,250	7,695	17,945	8,917	5,611	14,528
K R Scott	Councillor	10,250	5,230	15,480	8,917	3,030	11,947
J G Birchfield	Councillor	10,250	6,963	17,213	6,570	5,559	12,129
A M Hurley	Councillor	10,250	4,500	14,750	6,570	1,820	8,390
A N Bradley	Councillor	10,250	3,510	13,760	8,917	2,470	11,387
R F Gugich	Councillor	10,250	3,380	13,630	8,917	2,770	11,687
P Davidson	Councillor	4,574	1,784	6,358	8,917	2,770	11,687
J H Butzbach	Councillor	3,417	1,170	4,587	8,917	2,770	11,687
		167,474	66,901	234,375	153,924	55,141	209,065

29. SEVERANCE PAYMENTS

The Council had no severance payments for the year ended 30 June 2009 (2008:\$6,000).
The Council had no other payments for final pay or retirement gratuity (2008:\$57,808).

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
ASB Bonds	4,602	5,877	4,602	5,877
Cash at bank and term deposit	188	865	887	1,644
Trade and other receivables	2,470	2,033	3,503	3,411
Local authority and government stock	49	51	49	51
Total credit risk	7,309	8,826	9,041	10,983

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 organisation 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 and above and A+ and above for New Zealand Corporates.

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 (2008 \$500,000). There are no restrictions on the use of this facility.

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 2009					
Trade and other payables	2,443	2,443	2,443	0	0
Secured loans	0	0	0	0	0
Term debt	6,313	8,259	529	1,928	5,802
Total	8,756	10,702	2,972	1,928	5,802

Group 2009					
Trade and other payables	2,781	2,781	2,781	0	0
Secured loans	670	670	670	0	0
Term debt	8,168	10,950	1,236	3,912	5,802
Bank overdraft	9	9	9	0	0
Total	11,628	14,410	4,696	3,912	5,802

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	0	0
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

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity analysis

Interest Rate Risk

Council

As at 30 June 2009 it is estimated that a two percentage point increase/decrease in market interest rates would decrease/increase the Council's equity by approximately \$247,000 (30 June 2008 \$251,000)

This calculation is based on a reassessment of the fair values of financial assets that are classified as available for sale.

Group

In addition to the impact on the Council, as at 30 June 2009 it is estimated that a two percentage point increase/decrease in market interest rates would decrease/increase the Group's profit by approximately \$13,580 (30 June 2008 \$6,160).

This calculation is the annual impact on loans and borrowings which are subject to a variable market interest rate at balance date.

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 2008/2009 Annual Plan are as follows:

Statement of Financial Performance

Revenue: \$611,000 greater than budget

- Revenue from the library was \$412,497 more than budgeted. This is due to the subsidy received from Development West Coast of \$471,593 for the renovations and fit out of the new library premises in Sewell Street.
- The Westland Business Unit (WBU) budget reflected the management contract for the Information Centre and 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.
- Proceeds from abandoned land sales during the financial year were not budgeted for these totaled \$222,475.

The following activities received less income than budgeted for:

- Council expected to receive \$489,500 from Development West Coast for the Harihari Community Facility; this project did not go ahead and has been included the 2009/2010 financial year.
- Revenue for Waste Management is lower than budgeted as the gate fees received at the transfer stations and refuse sites are retained by the contractor under the new Waste & Recycling Services contract.

Expenditure: \$2,439,000 greater than budget

- Governance is over budget due by \$194,000 due to a combination of events. The Long Term Council Community Plan (LTCCP) was an expensive process for Council in terms of consultants 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 by \$196,000 due to building consent authority establishment costs, additional staffing cost & 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 by \$240,000 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 by \$289,000 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 by \$1,175,000. This is due to the following:

The budget for the WBU 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 expenditure for the WBU was \$1,060,517, which included the Events expenditure. This was against a budget of \$257,231 (the management contract for the Information Centre and Museum) for a difference of \$803,286.

The relocation to the new library premises resulted in incurring operating expenses of \$44,000 the new premises, covering items such as electricity, rent, rates and insurance during the renovations and refit out.

Land and buildings were over budget by \$264,603 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.

Statement of Financial Position

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

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. It 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 \$65 to register each of their dogs while dog owners in other parts of the District paid \$50 for each dog. The different fee reflects the higher level of service requested and available in Hokitika and Kaniere. The Council instituted a 'Responsible Owner Policy' at the commencement of the registration year that offered lower fees to responsible dog owners. There were difficulties in administering the policy across the diversity of the District (in particular, the rural area) and the policy was discontinued at the end of the registration year. 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.

Funding continues to be held for the assessment of Significant Natural Areas. It is likely that progress associated with the assessment of significant natural areas will be made as part of the District Plan Review.

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 for dog and animal control 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 \$65.00
The fee for other areas was \$50.00

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
	2008/2009	2008/2009	2007/2008
ANIMAL CONTROL			
Activity Income	75,968	73,155	72,410
Activity Expenditure	86,056	96,314	80,716
Net Cost/Surplus (-) of Activity	10,088	23,159	8,306
Capital Expenditure	3,500	0	0
Renewals Expenditure	994	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	14,582	23,159	8,306
Funded by:			
General Rates	9,501	18,159	5,000
Targeted Rates	0	0	0
Depreciation	81	0	0
Loans Raised	0	0	0
Transfers from / to (-) Reserves	5,000	5,000	3,306
Total Source of Funds	14,582	23,159	8,306

PLANNING AND REGULATORY ACTIVITIES

CIVIL DEFENCE

OBJECTIVE

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

Performance Measure

Performance Result

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

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

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

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

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

⇒ Both of the 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.

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

⇒ A Staff member was appointed as Civil Defence Officer who has the CIMS qualification.

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

⇒ The Standard Operating Procedures were reviewed in August 2006, and continue to be current.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
CIVIL DEFENCE	2008/2009	2008/2009	2007/2008
Activity Income	1,539	500	710
Activity Expenditure	35,428	43,156	37,332
Net Cost/Surplus (-) of Activity	33,889	42,656	36,622
Capital Expenditure	0	0	0
Renewals Expenditure	8,267	1,065	0
Loan Principal Repayments	0	0	0
Total Funds Required	42,156	43,721	36,622
Funded by:			
General Rates	33,720	42,456	36,450
Targeted Rates	0	0	0
Depreciation	169	200	172
Loans Raised	0	0	0
Transfers from / to (-) Reserves	8,267	1,065	0
Total Source of Funds	42,156	43,721	36,622

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 throughout 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, Cr Hurley and Her Worship The Mayor, (all 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. A review of the District Plan commenced during the year.

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

⇒ 131 non-notified Resource Consents (2007/2008:166) were processed to a decision during the year.

Out of these applications 99 (76%)(2007/2008:45) were dealt with in the statutory time frame of 20 working days with the average number of processing days being 21 days (2007/2008:40).

In addition, there were 10 (2007/08:9) applications that were subject to notification procedures. Of which 1 (2007/2008:1) was completed within the statutory time frame.

76% (2007/2008:27%) of non-notified applications were determined in the statutory time frame and 10 % (2007/2008:25%) 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.

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

Performance Result

⇒ A total of 157 Land Information Memoranda (2007/2008:268) were issued. The average processing time was 2 days (2007/2008:1) with 100% issued within the statutory time frame (2007/2008:100%).

⇒ A total of 24 (2007/2008:44) 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	2008/2009	2008/2009	2007/2008
Activity Income	74,885	64,850	95,341
Activity Expenditure	269,854	294,887	285,822
Net Cost/Surplus (-) of Activity	194,969	230,037	190,480
Capital Expenditure		0	2,257
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	194,969	230,037	192,737
Funded by:			
General Rates	194,19	209,537	192,091
Targeted Rates	0	0	0
Depreciation	771	500	646
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	20,000	0
Total Source of Funds	194,969	230,037	192,737

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 2009, 99% of the 358 (69% of the 477 received in 2007/2008) Building Consent applications received had been determined within the statutory time frames. This improvement was due to the department being 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. It is likely that a review will not be conducted until Government has passed proposed further liquor legislative reforms.

PLANNING AND REGULATORY ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
INSPECTION AND COMPLIANCE	2008/2009	2008/2009	2007/2008
Activity Income	432,034	419,020	460,215
Activity Expenditure	952,058	753,615	724,584
Net Cost/Surplus (-) of Activity	520,024	334,595	264,369
Capital Expenditure	0	0	15,466
Renewals Expenditure	0	2,500	0
Loan Principal Repayments	0	0	0
Total Funds Required	520,024	337,095	279,836
Funded by:			
General Rates	514,096	333,595	274,380
Targeted Rates	0	0	0
Depreciation	3,428	1,000	2,956
Loans Raised	0	0	0
Transfers from / to (-) Reserves	2,500	2,500	2,500
Total Source of Funds	520,024	337,095	279,836

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 has been reviewing the Glacier Country strategy in conjunction with the development of the visitor destination Major Regional Initiative (MRI).
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 produced a report on community outcomes which was adopted in June 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 has not yet resolved to proceed.
Progress the completion of projects identified in the adopted Hokitika Concept Plan.	⇒	Projects have been tendered and the contract works are progressing over into the next financial year. The contract is scheduled to be completed in late September 2009.

OBJECTIVE

To complete the activities of the Department for the 2008/2009 year within the approved budget.

Performance Measure

Performance Result

That the Departmental activities will be completed without exceeding the total net budgeted cost of \$168,709.	⇒	Not Achieved. The net cost of Community Township Planning was \$210,961.
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PLANNING AND REGULATORY ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
COMMUNITY TOWNSHIP PLANNING	2008/2009	2008/2009	2007/2008
Activity Income	500	12,000	0
Activity Expenditure	211,461	172,776	149,694
Net Cost/Surplus (-) of Activity	210,961	160,776	149,694
Capital Expenditure	36,841	168,709	237,672
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	247,802	329,485	387,366
Funded by:			
General Rates	245,476	279,485	347,085
Targeted Rates	0	0	0
Depreciation	2,326	0	281
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	50,000	40,000
Total Source of Funds	247,802	329,485	387,366

PLANNING AND REGULATORY - SUMMARY

STATEMENT OF FINANCIAL PERFORMANCE

PLANNING & REGULATORY	2008/2009	2008/2009	2007/2008
Activity Income	584,926	569,525	628,675
Activity Expenditure	1,554,857	1,360,748	1,278,147
Net Cost/Surplus (-) of Activity	969,931	791,223	649,472
Capital Expenditure	40,341	168,709	255,395
Renewals Expenditure	9,261	3,565	0
Loan Principal Repayments	0	0	0
Total Funds Required	1,019,533	963,497	904,867
Funded by:			
General Rates	996,990	883,232	855,005
Targeted Rates	0	0	0
Depreciation	6,776	1,700	4,056
Loans Raised	0	0	0
Transfers from / to (-) Reserves	15,767	78,565	45,806
Total Source of Funds	1,019,533	963,497	904,867

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.

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 engineering work such as roading. Financially, Council contributes the time and travel of the staff that attend, and have provided a 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 in Westland. Council would be interested in participating in any similar discussions initiated by Te Runanga o Ngati Waewae.

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 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.

The District Library was relocated to 20 Sewell Street from July 2009 to take advantage of extra space and improved facilities.

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 2008/2009 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 2009 membership numbers were 3032 (2007/2008:2,895).
Maintain the average cost per issue at not more than the current level of \$3.80.	⇒	Not achieved. The average cost per issue for 2008/09 was \$5.72 (2007/2008:\$3.79).
Maintain the acquisitions at not less than the current level of \$2.00 per capita.	⇒	Achieved. Acquisitions averaged \$5.05 per capita for the year (2007/2008:\$4.21).

COMMUNITY SERVICES ACTIVITIES

Performance Measure

Performance Result

- Purchase new Library Books within the approved budget at \$42,766. ⇒ The cost of new Library Books was \$42,445 (2007/2008:\$40,201).
- Maintain the lending level at not less than 4 issues per capita. ⇒ The total number of issues for the 2008/09 year was 70,506 (2007/2008:67,998) which equates to 8.39 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. 1611 large print books and 391 talking books were in stock at 30 June 2009.
- The library website is to be up to date and able to be accessed at all times. ⇒ Staff are actively working on design and layout possibilities for new website pages, in conjunction with a website designer, to create a visually attractive and user friendly design.
- Operate the Library within the net operating budgeted of \$188,226. ⇒ Achieved. The net cost of operating the library resulted in a surplus \$133,435 for the year ended 30 June 2009 due to the subsidy of \$471,593 received from Development West Coast for the library relocation to Sewell Street.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
LIBRARY	2008/2009	2008/2009	2007/2008
Activity Income	536,597	124,100	22,691
Activity Expenditure	403,162	312,326	286,513
Net Cost/Surplus (-) of Activity	(133,435)	188,226	263,822
Capital Expenditure	750,713	153,200	61,217
Renewals Expenditure	42,856	45,181	5,101
Loan Principal Repayments	0	0	0
Total Funds Required	660,134	386,607	330,140
Funded by:			
General Rates	338,490	341,426	297,016
Targeted Rates	0	0	0
Depreciation	42,488	42,601	33,124
Loans Raised	0	0	0
Transfers from / to (-) Reserves	279,156	2,580	0
Total Source of Funds	660,134	386,607	330,140

COMMUNITY SERVICES ACTIVITIES

WESTLAND BUSINESS UNIT (formerly 'Wild at Heart Centre')

NATURE AND SCOPE

Council established a new stand alone business unit from 1 July 2008 to be called the Wild at Heart Centre.

This is made up of the Council Events Department, the Automobile Association office, the Hokitika Visitor Information Centre and the West Coast Historical Museum.

The Business Unit will be based at Council headquarters in the space currently occupied by the library, which has been relocated from 1 July 2009 to the former Sheep Station building in Sewell Street. The museum administration office will be relocated into the area currently used by the Information Centre in the Carnegie Building. The relocation is expected to be completed by December 2009.

OBJECTIVES

- Market and promote Westland as a place to visit, work and live.
- Manage events in Westland District.
- Manage and promote the Visitor Information Centre.
- Manage and promote the West Coast Historical Museum.

The main reason for establishing this unit is to ensure that promotion of the District is done in a manner that is commercially efficient and takes advantage of existing opportunities, such as the Wildfoods Festival, as well as identifying and promoting new events or opportunities.

The cost of operating the Museum and Visitor Information Centre is funded by general rates. The cost of operating the other activities within the Westland Business Unit are funded from a combination of sales and reserves.

	Actual	Budget	Actual
WESTLAND BUSINESS UNIT	2008/2009	2008/2009	2007/2008
Activity Income	586,312	250,000	589,273
Activity Expenditure	1,060,517	257,231	577,079
Net Cost/Surplus (-) of Activity	474,205	7,231	(12,194)
Capital Expenditure	8,290	203,750	0
Renewals Expenditure	0	0	1,459
Loan Principal Repayments	0	0	0
Total Funds Required	482,495	210,981	(10,735)
Funded by:			
General Rates	210,981	210,981	0
Targeted Rates	0	0	0
Depreciation	10,989	0	1,400
Loans Raised	0	0	0
Transfers from / to (-) Reserves	260,526	0	(12,135)
Total Source of Funds	482,495	210,981	(10,735)

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 were operated under a management contract in association with the Visitor Information Centre to 30 April 2009 and from 1 May 2009 staff were employed by Council and managed by the Westland Business Unit.

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

OBJECTIVE

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

Performance Measure

Performance Result

Maintain opening hours at not less than current level:

⇒ The Museum was open throughout the 2008 / 2009 year as indicated.

Summer hours: 8.30am - 6.00pm

(7 days)

Off-season hours: 8.30am – 5.00pm

(Monday to Friday)

10.00am - 2.00pm

(Saturdays)

⇒ The Museum visitor numbers totaled 5,961 for 2008 / 2009 (2007/2008:5,597), an increase of 6.5%.

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

⇒ Achieved. 10 exhibitions (2007/2008:4) were hosted for the year ended 30 June 2009.

The cost of operating the Museum and Visitor Information Centre is funded by general rates. The cost of operating the other activities within the Westland Business Unit are funded from a combination of sales and reserves.

MUSEUM	2008/2009	2008/2009	2007/2008
Activity Income	0	0	1,209
Activity Expenditure	0	0	110,063
Net Cost/Surplus (-) of Activity	0	0	108,854
Capital Expenditure	0	0	0
Renewals Expenditure	0	0	6,490
Loan Principal Repayments	0	0	0
Total Funds Required	0	0	115,344
Funded by:			
General Rates	0	0	106,440
Targeted Rates	0	0	0
Depreciation	0	0	8,904
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
Total Source of Funds	0	0	115,344

COMMUNITY SERVICES ACTIVITIES

VISITOR INFORMATION CENTRE

NATURE AND SCOPE

The Visitor Information Centre is located in Hamilton Street, Hokitika in the Carnegie Complex and was operated under a management contract in association with the Museum and Carnegie Gallery to 30 April 2009. From 1 May 2009 it was operated by staff employed by Council and managed by the Westland Business Unit.

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:

⇒ The Visitor Information Centre was open throughout the 2008/2009 year as indicated.

Summer hours: 8.30am - 6.00pm

(7 days)

Off-season hours: 8.30am – 5.00pm

(Monday to Friday)

10.00am - 2.00pm

(Saturdays)

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

⇒ The Hokitika i-Site 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 42,255 recorded enquiries for the year (2007/2008:50,922), a decrease of 17%.

The cost of operating the Museum and Visitor Information Centre is funded by general rates. The cost of operating the other activities within the Westland Business Unit are funded from a combination of sales and reserves.

VISITOR INFORMATION CENTRE	2008/2009	2008/2009	2007/2008
Activity Income	0	0	0
Activity Expenditure	0	0	72,350
Net Cost/Surplus (-) of Activity	0	0	72,350
Capital Expenditure	0	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	0	0	72,350
Funded by:			
General Rates	0	0	72,350
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	0	0	72,350

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

Performance Result

Operate the Wildfoods Festival and other events in a safe and enjoyable environment by;	⇒	Statistics for the 2009 Wildfoods Festival held on 14 March were:															
Major incidents reported to Council have not increased from previous years.	⇒	There were no major incidents and 68 (2007/2008:35) arrests for minor offences over the Festival weekend.															
Attendance figures maintained at similar levels to previous years.	⇒	<table> <tr> <th></th><th>2008/2009</th><th>2007/2008</th></tr> <tr> <td>Number of Stalls</td><td>73</td><td>74</td></tr> <tr> <td>Festival Attendance</td><td>13,663</td><td>15,383</td></tr> <tr> <td>Dance Attendance</td><td>2,636</td><td>2,485</td></tr> <tr> <td>Surplus</td><td>\$33,830</td><td>\$141,285</td></tr> </table>		2008/2009	2007/2008	Number of Stalls	73	74	Festival Attendance	13,663	15,383	Dance Attendance	2,636	2,485	Surplus	\$33,830	\$141,285
	2008/2009	2007/2008															
Number of Stalls	73	74															
Festival Attendance	13,663	15,383															
Dance Attendance	2,636	2,485															
Surplus	\$33,830	\$141,285															
Operation of the Events Department at no cost to the ratepayers of Westland.	⇒	Achieved. The Events Department operated at a net deficit of \$225,025 (2007/2008:\$12,195 surplus) for the year ended 30 June 2009. Attendance numbers were down 11% for the 2009 Wildfoods Festival which was the main cause of the decrease in revenue. The net deficit has been funded by Wildfoods Festival emergency reserve.															

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	<u>2008/2009</u>	<u>2007/2008</u>
To achieve a reduction in reported crime such as family violence, truancy, youth offending, local neighbourhood issues and concerns, burglary and serious traffic offending.	⇒ Family Violence Cases	39	35
	Strengthening Family Meetings	9	6
	(1) BBBS Mentoring Matches	14	13
	Youth Board Offending Meetings	0	0
	(2) Turnaround Offending Meetings	17	26
	Neighbourhood Issue Meetings	1	4
	(3) Burglary Reported Offences	47	46
	Reported Traffic Crashes	158	108

The results demonstrate that the community has the opportunity to meet to address concerns.

To provide the service within the approved operating budget of \$50,066.	⇒ The net cost of operating the Safer Community Council was \$22,776 to 30 June 2009.
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(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.

COMMUNITY SERVICES ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
SAFER COMMUNITY COUNCIL	2008/2009	2008/2009	2007/2008
Activity Income	51,045	51,000	62,507
Activity Expenditure	73,821	101,066	98,745
Net Cost/Surplus (-) of Activity	22,776	50,066	36,238
Capital Expenditure	328	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	23,104	50,066	36,238
Funded by:			
General Rates	22,854	45,816	7,142
Targeted Rates	0	0	0
Depreciation	250	4,250	219
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	28,877
Total Source of Funds	23,104	50,066	36,238

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.

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 where required 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 consultation for rectifying issues may take longer but the initial consultation is responded to within the set time frames.

To provide the facilities within the approved operating budget of \$70,456.

⇒ Not achieved. The cost to Council of operating the Community Halls and Buildings was \$114,231 for the year ended 30 June 2009.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
COMMUNITY HALLS AND BUILDINGS	2008/2009	2008/2009	2007/2008
Activity Income	257,186	302,000	12,000
Activity Expenditure	371,417	372,456	103,830
Net Cost/Surplus (-) of Activity	114,231	70,456	91,830
Capital Expenditure	0	0	0
Renewals Expenditure	22,328	0	5,735
Loan Principal Repayments	0	0	0
Total Funds Required	136,559	70,456	97,565
Funded by:			
General Rates	85,349	70,725	63,501
Targeted Rates	0	0	0
Depreciation	28,883	22,231	28,329
Loans Raised	0	0	0
Transfers from / to (-) Reserves	22,328	(22,500)	5,735
Total Source of Funds	136,559	70,456	97,565

COMMUNITY SERVICES ACTIVITIES

HOKITIKA HERITAGE TRAIL

NATURE AND SCOPE

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

OBJECTIVE

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

Performance Measure

Performance Result

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

⇒

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

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

⇒

No complaints were received about the standard of the Trail during 2008/2009 (2007/2008:NIL).

To provide the facilities within the approved operating budget of \$9,981.

⇒

Achieved. The cost to Council of operating the Hokitika Heritage Trail was \$6,992 for the year ended 30 June 2009.
The amount budgeted to be received from DWC (\$50,000) to upgrade the walkway was not received.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2008/2009	2008/2009	2007/2008
HOKITIKA HERITAGE WALKWAY			
Activity Income	0	50,000	0
Activity Expenditure	6,992	9,981	6,410
Net Cost/Surplus (-) of Activity	6,992	(40,019)	6,410
Capital Expenditure	8,300	65,160	5,000
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	15,292	25,141	11,410
Funded by:			
General Rates	6,992	19,981	6,410
Targeted Rates	0	0	0
Depreciation	0	0	0
Loans Raised	0	0	0
Transfers from / to (-) Reserves	8,300	5,160	5,000
Total Source of Funds	15,292	25,141	11,410

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 2008/2009 maintenance budgets:

-	Cass Square	\$115,338
-	Hokitika Reserves	\$112,977
-	Ross Reserves	\$11,780
-	Rural Reserves	<u>\$44,428</u>
	Total:	<u>\$284,523</u>

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 2008/2009. No complaints from the community or users were received to the contrary (2007/2008:NIL).

⇒ Actual operating expenditure for Parks and Reserves was:

Cass Square	\$134,955
Hokitika Reserves	\$147,816
Ross Reserves	\$15,233
Rural Reserves	<u>\$34,322</u>
	<u>\$332,326</u>

COMMUNITY SERVICES ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
PARKS AND RESERVES	2008/2009	2008/2009	2007/2008
Activity Income	227,270	696,460	204,438
Activity Expenditure	333,484	284,523	408,535
Net Cost/Surplus (-) of Activity	106,214	(411,937)	204,097
Capital Expenditure	79,706	779,500	337
Renewals Expenditure	3,927	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	189,846	367,563	204,434
Funded by:			
General Rates	153,770	244,763	176,148
Targeted Rates	0	0	0
Depreciation	25,428	12,800	23,286
Loans Raised	0	0	0
Transfers from / to (-) Reserves	10,649	110,000	5,000
Total Source of Funds	189,846	367,563	204,434

COMMUNITY SERVICES ACTIVITIES

LAND AND BUILDINGS

NATURE AND SCOPE

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

OBJECTIVE

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

Performance Measure

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

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

To provide the facilities within the budgeted operating surplus of \$57,074.

Performance Result

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

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

⇒ The cost to Council of operating the Land and Buildings was \$92,867 deficit for the year ended 30 June 2009.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
LAND AND BUILDINGS	2008/2009	2008/2009	2007/2008
Activity Income	597,762	483,100	531,364
Activity Expenditure	690,629	426,026	537,273
Net Cost/Surplus (-) of Activity	92,867	(57,074)	5,909
Capital Expenditure	130,012	130,000	495,380
Renewals Expenditure	6,667	20,640	0
Loan Principal Repayments	0	0	0
Total Funds Required	229,546	93,566	501,289
Funded by:			
General Rates	0	0	0
Targeted Rates	0	0	0
Depreciation	60,931	49,695	58,567
Loans Raised	0	0	482,987
Transfers from / to (-) Reserves	168,615	43,871	-40,265
Total Source of Funds	229,546	93,566	501,289

COMMUNITY SERVICES ACTIVITIES

PUBLIC TOILETS

NATURE AND SCOPE

Public conveniences in Hokitika at Cass Square, the Hokitika Beachfront and the West Coast Historical Museum are owned and operated by Council, along with the Rest Rooms in Franz Josef/Waiu, 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.

Performance Result

⇒ Facilities throughout the District were maintained to an adequate standard during 2008/2009 with 5 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 the community paid to maintain the facilities.

To operate and maintain the Council's facilities within the approved operating expenditure budget of \$146,084.

⇒ The cost to Council of operating the Districts Public Toilets was \$154,376 for the year ended 30 June 2009.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
PUBLIC TOILETS	2008/2009	2008/2009	2007/2008
Activity Income	0	0	4,706
Activity Expenditure	154,376	146,084	108,621
Net Cost/Surplus (-) of Activity	154,376	146,084	103,915
Capital Expenditure	139,766	0	104,903
Renewals Expenditure	0	2,663	0
Loan Principal Repayments	0	0	0
Total Funds Required	294,142	148,747	208,818
Funded by:			
General Rates	145,831	133,584	96,530
Targeted Rates	0	0	0
Depreciation	8,545	12,500	7,385
Loans Raised	0	0	0
Transfers from / to (-) Reserves	139,766	2,663	104,903
Total Source of Funds	294,142	148,747	208,818

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 18 August 2008 until 1 June 2009.
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 (NZRA).	⇒	Hokitika Pool received its Pool Safe re-accreditation in February 2008. All lifeguards hold a National Pool Lifeguard Association 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 \$203,783.	⇒	The cost to operate and maintain the Hokitika Pool for the 2008/2009 financial year was \$192,755.

COMMUNITY SERVICES ACTIVITIES

Performance Measure

Performance Result

ROSS

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

⇒ The pool operated until April 2009.

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 \$12,362.

⇒ The cost to operate and maintain the Ross Pool for the 2008/2009 financial year was \$913 surplus due to funds raised by the community for solar heating. The project is to be completed in the 2009/2010 financial year.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2008/2009	2008/2009	2007/2008
SWIMMING POOLS			
Activity Income	91,444	87,000	82,870
Activity Expenditure	283,285	300,145	276,578
Net Cost/Surplus (-) of Activity	191,841	213,145	193,708
Capital Expenditure	0	0	25,742
Renewals Expenditure	35,171	15,000	6,950
Loan Principal Repayments	0	0	0
Total Funds Required	227,012	228,145	226,400
Funded by:			
General Rates	202,052	213,865	200,189
Targeted Rates	0	0	0
Depreciation	24,960	14,280	21,211
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	5,000
Total Source of Funds	227,012	228,145	226,400

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.

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 2008/09 year were:

	<u>2008/2009</u>	<u>2007/2008</u>
Hokitika	40	36
Ross	2	4
Kumara	2	0

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

\$30,631 or 41% of total expenditure of \$75,007 was recovered from user charges.

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

No complaints were received for the 2008/2009 year regarding any of the cemetery facilities.

Provide the facilities with the approved net cost of \$59,347.

The cost of providing the facilities for the year ended 30 June 2009 was \$44,376.

COMMUNITY SERVICES ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2008/2009	2008/2009	2007/2008
CEMETERIES			
Activity Income	30,631	18,000	23,191
Activity Expenditure	75,007	77,347	81,166
Net Cost/Surplus (-) of Activity	44,376	59,347	57,975
Capital Expenditure	0	0	0
Renewals Expenditure	3,517	2,000	0
Loan Principal Repayments	0	0	0
Total Funds Required	47,893	61,347	57,975
Funded by:			
General Rates	46,281	60,224	56,708
Targeted Rates	0	0	0
Depreciation	1,612	1,123	1,267
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
Total Source of Funds	47,893	61,347	57,975

COMMUNITY SERVICES ACTIVITIES

ELDERLY HOUSING

NATURE AND SCOPE

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

OBJECTIVE

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

Performance Measure

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

Performance Result

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

Occupancy

Hokitika Pensioner Flats 95%
Ross Pensioner Flats 95%

Occupancy Achieved

⇒ Hokitika Pensioner Flats 94.2%
⇒ Ross Pensioner Flats 97.5%

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 \$74,795 including renewals maintenance expenditure for the 2008/2009 year.

⇒ The operation and renewal of the pensioner flats was \$30,153 for the year ended 30 June 2009 which was within the budget.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
ELDERLY HOUSING	2008/2009	2008/2009	2007/2008
Activity Income	125,638	118,800	125,903
Activity Expenditure	141,944	128,445	122,881
Net Cost/Surplus (-) of Activity	16,306	9,645	(3,022)
Capital Expenditure	0	0	0
Renewals Expenditure	13,847	65,150	25,398
Loan Principal Repayments	0	0	0
Total Funds Required	30,153	74,795	22,376
Funded by:			
General Rates	0	0	0
Targeted Rates	0	0	0
Depreciation	41,270	40,360	40,833
Loans Raised	0	0	0
Transfers from / to (-) Reserves	(11,117)	34,435	(18,457)
Total Source of Funds	30,153	74,795	22,376

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 2008/09 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 Guardian. 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

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

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

Performance Result

⇒ Council meetings were advertised in the Hokitika Guardian in accordance with the Local Government Information and Official Meetings Act 1987.

⇒ 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

Adoption of the 2008/2009 Annual Report by 31 October 2008.

Adoption of the 2009/2019 Long Term Council Community Plan (LTCCP) by 30 June 2009.

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

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

Performance Result

⇒ Achieved. Council adopted the 2008/2009 Annual Report on 2 November 2009. The statutory date of 31 October 2009 falls on a Saturday therefore 2 November 2009 is the statutory date.

⇒ Not Achieved. The 2009/2019 LTCCP was adopted by Council on 31 July 2009.

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

⇒ 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

Performance Result

To operate Council's activities within the budgeted rate requirement of \$583,267.

⇒

The cost of Governance was \$757,851 for the year ended 30 June 2009.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
	2008/2009	2008/2009	2007/2008
GOVERNANCE			
Activity Income	30,185	12,000	55,124
Activity Expenditure	788,036	595,267	634,635
Net Cost/Surplus (-) of Activity	757,851	583,267	579,511
Capital Expenditure	9,453	0	0
Renewals Expenditure	0	0	13,818
Loan Principal Repayments	0	0	0
Total Funds Required	767,304	583,267	593,329
Funded by:			
General Rates	753,659	581,967	590,283
Targeted Rates	0	0	0
Depreciation	4,192	1,300	3,046
Loans Raised	0	0	0
Transfers from / to (-) Reserves	9,453	0	0
Total Source of Funds	767,304	583,267	593,329

OTHER COMMUNITY SERVICES ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
COMMUNITY SERVICES DEPARTMENT	2008/2009	2008/2009	2007/2008
Activity Income	0	0	262
Activity Expenditure	159,406	150,884	273,213
Net Cost/Surplus (-) of Activity	159,406	150,884	272,951
Capital Expenditure	0	600	0
Renewals Expenditure	0	0	2,415
Loan Principal Repayments	0	0	0
Total Funds Required	159,406	151,484	275,366
Funded by:			
General Rates	157,861	151,484	273,643
Targeted Rates	0	0	0
Depreciation	1,545	0	1,723
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	0	0
Total Source of Funds	159,406	151,484	275,366

	Actual	Budget	Actual
GRANTS	2008/2009	2008/2009	2007/2008
Activity Income	24,606	16,500	46,285
Activity Expenditure	183,668	179,179	188,695
Net Cost/Surplus (-) of Activity	159,062	162,679	142,410
Capital Expenditure	0	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	159,062	162,679	142,410
Funded by:			
General Rates	159,062	162,679	142,410
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	159,062	162,679	142,410

	Actual	Budget	Actual
COMMUNITY LEVIES	2008/2009	2008/2009	2007/2008
Activity Income	82,457	0	81,451
Activity Expenditure	62,553	78,000	53,362
Net Cost/Surplus (-) of Activity	(19,904)	78,000	(28,089)
Capital Expenditure	0	0	0
Renewals Expenditure	0	0	0
Loan Principal Repayments	0	0	0
Total Funds Required	(19,904)	78,000	(28,089)
Funded by:			
General Rates	0	0	0
Targeted Rates	0	90,085	0
Depreciation	0	0	0
Loans Raised	0	0	0
Transfers from / to (-) Reserves	(19,904)	(12,085)	(28,089)
Total Source of Funds	(19,904)	78,000	(28,089)

COMMUNITY SERVICES – SUMMARY

STATEMENT OF FINANCIAL PERFORMANCE

COMMUNITY SERVICES (including Governance)	2008/2009	2008/2009	2007/2008
Activity Income	2,641,133	2,196,960	1,843,276
Activity Expenditure	4,788,297	2,823,693	3,939,949
Net Cost/Surplus (-) of Activity	2,147,164	626,733	2,096,673
Capital Expenditure	1,126,568	1,127,860	692,580
Renewals Expenditure	128,313	150,634	67,366
Loan Principal Repayments	0	0	0
Total Funds Required	3,402,045	1,905,227	2,856,619
Funded by:			
General Rates	2,283,182	1,529,178	2,543,669
Targeted Rates	0	0	0
Depreciation	251,092	199,840	229,293
Loans Raised	0		
Transfers from / to (-) Reserves	867,772	176,209	83,657
Total Source of Funds	3,402,045	1,905,227	2,856,619

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 New Zealand Transport Agency, 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

⇒ Achieved statistics for the five years 2004 – 2008
Fatal Accidents 2
Serious Accidents 11
Minor Accidents 24

(Average per year)

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

⇒ Minor Safety projects budgets approved by New Zealand Transport Agency were \$228,160 for Local Roads and \$38,720 on Special Purpose Roads. Projects completed were traffic calming devices, intersection control and corner widening. Actual expenditure for the 2008/2009 year was \$226,631 and \$41,713 respectively.

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.

⇒ Surveys were carried out in April – May 2009 by MWH Consultants. Average roughness of rural – 80 NAASRA and average roughness of urban – 111 NAASRA. The lower the result is the better it is. A well maintained chip sealed road is 70 and an asphalt surface is approximately 35. An unsealed (gravel) road can range between 120 to over 200.

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

⇒ Bridge Inspections completed in March 2009 by Opus International Consultants. This found "the bridge stock is generally in sound condition and is being maintained in a manner consistent with accepted Local Authority rural bridge standards".

OPERATIONAL ACTIVITIES

OBJECTIVE

To provide a network that meets the expectations of users.

Performance Measure		Performance Result
Maintain a current log of all faults, disruptions, complaints and remedies.	⇒	A current log is maintained by Professional Services staff detailing reported faults and remedies.
Responses to all inquiries actioned within the parameters specified in the Roothing Maintenance Contract which range from 1 hour for ice gritting to 4 weeks for dig out repairs.	⇒	Professional Services staff performed supervision of the Roothing maintenance Contract during 2008/2009 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 New Zealand Transport Agency programme and within the approved budgets.	⇒	Total expenditure approved by New Zealand Transport Agency for the 2008/2009 year totalled \$4,046,506. Actual expenditure by Council for the year was \$4,015,640 which was within the approved programme.
<u>Local Road Reseals</u>		
Resealing of 30 kilometres within the approved budgets.	⇒	Fulton Hogan Ltd resealed 26.5 kilometres of local roads by 30 June 2009. The contract was completed for \$671,154 which was over the approved estimate of \$597,000, 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 a second stage completed in 2008/2009. 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 \$32,252 for the year. Actual net expenditure for 2008/2009 was \$1,322 surplus.
Regular inspections of the entire network.	⇒	Regular inspections of the entire roading network have been carried out throughout the year by Council Professional Service Staff and Westroads Limited.
Jacksons Bay Wharf available to commercial and recreational users.	⇒	The Jacksons Bay Wharf has been available to commercial and recreational users throughout the year.

OPERATIONAL ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
TRANSPORTATION	2008/2009	2008/2009	2007/2008
Activity Income	2,988,041	2,868,730	3,069,821
Activity Expenditure	4,693,376	4,497,752	4,500,842
Net Cost/Surplus (-) of Activity	1,705,335	1,629,022	1,431,020
Capital Expenditure	405,285	487,000	1,122,765
Renewals Expenditure	1,525,396	1,676,000	1,086,666
Loan Principal Repayments	0	0	0
Total Funds Required	3,636,016	3,792,022	3,640,451
Funded by:			
General Rates	1,342,474	1,493,022	2,189,833
Targeted Rates	0	0	0
Depreciation	2,530,247	2,199,000	2,101,224
Vested Assets	(236,705)	0	(750,607)
Transfers from / to (-) Reserves	0	100,000	100,000
Total Source of Funds	3,636,016	3,792,022	3,640,450

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 and Whataroa Rural.

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 2010/15. All supplies monitored under DNS 2005 (revised 2008).

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 2009/2019 Long Term Council Community Plan, which was adopted by Council on 31 July 2009.

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 protozoal requirements of the 2005 Drinking Water Standards by 2014.

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 2008/2009 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%

100% = 100% of samples complied
36% = 36% of samples complied

⇒ 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.

⇒ Data is not available for the 2008/2009 year. Water grading was last completed in early 2008. 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	Ee	(Cc – 2006/07)
Whataroa	Ee	(Cc – 2006/07)
Franz Josef	Ee	(Cc – 2007/08)
Fox Glacier	Ee	(Cc – 2006/07)
Haast	Eb	(Cc – 2011/12)
Hannah's Clearing	Ee	(Cc – 2012/13)

Eb = Unsatisfactory/Good
Ee = Unsatisfactory
U = Un-graded
Bb = Satisfactory
Cc = Marginally satisfactory

No complaints received from users regarding restrictions due to low intake flows in drought events of less than 10 years return period.	⇒	No water restrictions were imposed during the 2008/09 year (2007/2008:NIL).
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 2010.	⇒	Professional Services Staff are in the process of identifying medium and high risk points and actioning the installation of backflow preventers accordingly.
100% compliance achieved with New Zealand Fire Service (NZFS) Code for fire fighting for all reticulation and storage upgrades.	⇒	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.
Restore water supply within 12 hours of interruption being notified.	⇒	As at 30 June 2009, there have been 12 (2007/2008:18) disruptions to water supplies in Westland District. All were restored within 12 hours.
Minimise the number of burst mains or leaks to less than 3 per 10 km of water main per annum.	⇒	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 12 water breaks over 135 kms of water main during the year, with all supplies restored within 12 hours (2007/2008:18).
Maintain a current log recording 100% of faults, disruptions, complaints and remedies.	⇒	Professional Services Business Unit staff maintained a log of all disruptions reported and the remedies taken for the year.
100% of pump failure alarms to be responded to in less than five hours.	⇒	No pump failures occurred during the year (2007/2008:1).
All planned interruptions of supplies notified to affected customers at least 24 hours in advance.	⇒	Professional Services Staff and Council's Maintenance Contractor notified all affected customers of planned interruptions a minimum of 24 hours in advance.
Non-urgent work to systems to be completed within five working days.	⇒	All non-urgent works were responded to within five working days as per maintenance contract requirements.
All new connections approved by Council to be undertaken by the Maintenance Contractor within 15 working days.	⇒	21 new connections (2007/2008:20) were installed during the 2008/2009 year. 7 (13) were completed within 15 working days. 8 (7) were part of subdivisions which needed extra time due to size of job.
To maintain water supplies in the District within budgeted of \$1,149,744.	⇒	The cost resulting from maintaining water supplies in the District was \$1,348,882 for the 2008/2009 financial year.

OPERATIONAL ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
WATER SUPPLY	2008/2009	2008/2009	2007/2008
Activity Income	41,199	9,500	1,326,399
Activity Expenditure	1,399,224	1,159,244	1,198,369
Net Cost/Surplus (-) of Activity	1,358,025	1,149,744	(128,030)
Capital Expenditure	3,942,162	363,513	0
Renewals Expenditure	54,480	343,843	530,591
Loan Principal Repayments	0	0	0
Total Funds Required	5,354,667	1,857,100	402,561
Funded by:			
General Rates	9,141	0	0
Targeted Rates	1,233,823	1,248,339	1,223,892
Depreciation	424,410	312,740	401,929
Loans Raised		363,513	0
Transfers from / to (-) Reserves	3,687,291	(67,492)	(1,223,260)
Total Source of Funds	5,354,667	1,857,100	402,561

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>08/09 %</u>	<u>07/08 %</u>
Hokitika	62	7	11%	10%
Fox Glacier	48	19	40%	53%
Franz Josef	48	33	69%	78%
Haast	48	37	77%	41%

Testing is performed as required by the resource consent, tested by ELS under contract with Council.

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

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

There were no new wastewater systems installed during the 2008/2009 year however Professional Services Staff ensure all new systems are designed and constructed to recognised Engineering Standards.

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.

⇒

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. 100% was completed in 2008/2009.

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

⇒

19 disruptions (2007/2008:22) to sewerage supplies occurred in Westland District during the year. Service was restored within 12 hours for all of the disruptions.

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

⇒

9 blockages occurred in 2008/2009 (2007/2008:22) over 49 kms of pipeline, which exceeded the measure and was 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 sewer main blockages.

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

⇒

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 2008/2009 year.

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.

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

⇒

There were no pump failures during the year.

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

⇒

14 new connections have been installed during the 2008/2009 year.

2 were completed within 15 working days.

1 took longer to complete following consultation with the applicant.

8 part of major subdivision requiring extra time. 2 delayed due to Christmas break.

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

⇒

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

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

⇒

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

To operate and maintain the Council's systems within the approved operating budget of \$378,189.

⇒

The cost to operate and maintain Council's Wastewater Systems for the 2008/2009 financial year was \$436,177.

OPERATIONAL ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
WASTEWATER	2008/2009	2008/2009	2007/2008
Activity Income	106,378	76,385	65,083
Activity Expenditure	542,555	454,574	518,541
Net Cost/Surplus (-) of Activity	436,177	378,189	453,458
Capital Expenditure	50,029	216,916	0
Renewals Expenditure	77,273	159,754	114,296
Loan Principal Repayments	0	0	0
Total Funds Required	563,479	754,859	567,754
Funded by:			
General Rates	0	0	0
Targeted Rates	342,271	341,315	339,118
Depreciation	211,718	160,502	207,987
Loans Raised	0	216,916	0
Transfers from / to (-) Reserves	9,489	36,126	20,649
Total Source of Funds	563,479	754,859	567,754

OPERATIONAL ACTIVITIES

STORMWATER

NATURE AND SCOPE

The Council owns and operates 15 separate stormwater systems servicing populations ranging from 20 to 4,100. The majority of the reticulation is gravity, with a total of three pump stations, all in Hokitika. The main goal of the activity is to ensure that stormwater is controlled and responsibly discharged to protect the health and safety of people, land and property. The Manager Operations, a Professional Engineer, manages the sewerage systems programme with the assistance of the Professional Services Business Unit on design and supervision of work. Operation and maintenance is carried out by contractors.

OBJECTIVE

To provide systems that are safe, reliable, meet the expectations of users and are maintained within approved budgets

Performance Measure		Performance Result
Maintain a record of all flood events and properties affected.	⇒	A record is maintained by Professional Services staff.
Water not to enter premises, above floor level, in rainfall/river flow events of less than 50 years return period.	⇒	Water did not enter any properties in the 2008/2009 during flow events of a return period of less than 50 years (2007/2008:NIL).
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 2008/2009 (2007/2008:NIL).
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 2008/2009 year (2007/2008:NIL).
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. 4 blockages occurred in 2008/2009 (2007/2008:5) with 3 (4) cleared within the time required in the contract.
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.

- All general flooding complaints to be responded to within 5 working days. ⇒ All general complaints were responded to within 5 working days in accordance with maintenance contract requirements. Complaints about flooding of properties in Hoffman Street, Hokitika and Camp Street, Kaniere are currently under investigation. Long term capital works solutions may be required to rectify these problems.
- All new stormwater connections, approved by Council, to be actioned within 15 working days by Councils Maintenance Contractor. ⇒ 18 new connections were installed during the 2008/2009 year (2007/2008:10). 4 (8) were completed within 15 working days. 7 were given extra time due to size and nature. 1 was delayed due to Christmas.
- To operate and maintain the Council's systems within the approved operating expenditure budget of \$379,921. ⇒ The cost to operate and maintain Council's Stormwater Systems for the 2008/2009 financial year was \$357,666.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
STORMWATER	2008/2009	2008/2009	2007/2008
Activity Income	16,761	0	0
Activity Expenditure	374,426	379,921	343,981
Net Cost/Surplus (-) of Activity	357,665	379,921	343,981
Capital Expenditure	97,939	0	0
Renewals Expenditure	42,723	181,757	172,008
Loan Principal Repayments	0	0	0
Total Funds Required	498,327	561,678	515,989
Funded by:			
General Rates	0	0	0
Hokitika Rates	186,037	332,431	204,761
Rural Towns Rates	26,577	47,490	29,252
Targeted Rates	0	0	0
Depreciation	285,713	195,004	281,976
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	(13,247)	0
Total Source of Funds	498,327	561,678	515,989

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 in May 2009. Westland District is a Zero Waste Council, and aims for zero waste to landfill by 2015.

A bi-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 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 Holiday Park, Otira, Lake Kaniere and Bruce Bay. 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, Otira, Jacksons, Lake Kaniere, Bruce Bay 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 subsidised and sold at the council office.

Newspaper and cardboard recycling by kerb-side collection occurs in the Hokitika Township and the Rural Collection alternating with the bi-weekly refuse and glass 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.	⇒	12 complaints (2007/2008:28) 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.	⇒	There was no oversize collection in the Hokitika area for the 2008/2009 year as a free dump day was held instead.
All operating refuse and recycling sites in the District were manned and open as advertised for the 2008/2009 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 services were 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 (2007/2008:2).
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 \$609,541.	⇒	The cost to operate and maintain Council's Waste Management Programme for the 2008/2009 financial year was \$987,753. The income from refuse sites did not meet expectations.

OPERATIONAL ACTIVITIES

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
WASTE MANAGEMENT	2008/2009	2008/2009	2007/2008
Activity Income	146,501	235,000	270,520
Activity Expenditure	1,134,254	844,541	1,184,749
Net Cost/Surplus (-) of Activity	987,753	609,541	914,228
Capital Expenditure	60,018	91,000	25,200
Renewals Expenditure	61,074	5,325	3262
Loan Principal Repayments	0	0	0
Total Funds Required	1,108,845	705,866	942,690
Funded by:			
General Rates	0	0	0
Targeted Rates	621,456	610,143	594,105
Depreciation	18,033	4,700	9,197
Loans Raised	0	91,000	0
Transfers from / to (-) Reserves	469,356	23	339,388
Total Source of Funds	1,108,845	705,866	942,690

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 \$60,613

Performance Result

185 (2007/2008:175) Fire permits were issued during the year. No complaints received.

There were no wildfires in Zone No.5 during the 2008/2009 year (2007/2008:3 and 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 have obtained NZQA Unit Standard 3285 – Knowledge of protection of personal safety at vegetation fires.

The cost of operating and maintaining Council's Rural Fire Service for the 2008/2009 financial year was \$51,549.

STATEMENT OF FINANCIAL PERFORMANCE

	Actual	Budget	Actual
RURAL FIRE	2008/2009	2008/2009	2007/2008
Activity Income	8,891	0	25,872
Activity Expenditure	52,419	60,613	65,267
Net Cost/Surplus (-) of Activity	43,528	60,613	39,394
Capital Expenditure	0	0	7,674
Renewals Expenditure	0	1,065	0
Loan Principal Repayments	0	0	0
Total Funds Required	43,528	61,678	47,069
Funded by:			
General Rates	28,406	64,163	32,316
Targeted Rates		0	0
Depreciation	15,122	4,500	14,753
Loans Raised	0	0	0
Transfers from / to (-) Reserves	0	(6,985)	0
Total Source of Funds	43,528	61,678	47,069

OPERATIONAL ACTIVITIES – SUMMARY

STATEMENT OF FINANCIAL PERFORMANCE

Summary	Actual	Budget	Actual
OPERATIONS	2008/2009	2008/2009	2007/2008
Activity Income	3,307,771	3,189,615	4,649,244
Activity Expenditure	8,196,253	7,396,645	7,811,748
Net Cost/Surplus (-) of Activity	4,888,482	4,207,030	3,162,504
Capital Expenditure	4,555,433	1,081,597	1,155,639
Renewals Expenditure	1,760,947	2,367,744	1,906,822
Loan Principal Repayments	0	0	0
Total Funds Required	11,204,862	7,656,371	6,224,965
Funded by:			
General Rates	1,370,880	1,480,353	2,222,149
Hokitika Rates	186,038	332,431	204,761
Rural Towns Rates	26,577	47,490	29,252
Targeted Rates	2,197,551	2,199,797	2,157,115
Depreciation	3,485,242	2,876,446	3,017,066
Vested Assets	(236,705)	0	(642,155)
Loans Raised	0	671,429	0
Transfers from / to (-) Reserves	4,175,279	48,425	(763,223)
Total Source of Funds	11,204,862	7,656,371	6,224,965

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. ⇒

Achieved

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

Not achieved

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

Achieved

WESTLAND HOLDINGS LIMITED

STATEMENT OF PERFORMANCE:

	Actual 2008/2009 \$'000	Budget 2008/2009 \$'000	Actual 2007/2008 \$'000
Operating Revenue			
Westroads Limited	10,747	9,000	9,462
Hokitika Airport Limited	259	252	274
Westland Holdings Limited	220	0	219
Total Operating Revenue	11,226	9,252	9,955
Operating Expenditure			
Westroads Limited	10,039	8,500	8,819
Hokitika Airport Limited	230	225	249
Westland Holdings Limited	11	0	140
Total Operating Expenditure	10,280	8,725	9,208
Net Surplus Before Taxation	946	527	747
Tax Expense	239	167	216
Net Surplus After Taxation	707	360	531

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 8%.

Net after tax profit of \$350,000 for the year ⇒
ended 30 June 2009.

Performance Achieved

The net surplus after tax of \$479,000 represented a 12% return on shareholders funds of \$4,150,000 at 30 June 2009.

The company earned a net profit after tax of \$479,000 for the year ended 30 June 2009.

STATEMENT OF PERFORMANCE

	2009 Actual	2008 Actual
Gross Revenue	10,747	9,462
Less Operating Expenditure	10,039	8,819
Net Surplus (Deficit) Before Taxation	708	643
Taxation Expense	229	215
Net Surplus (Deficit) After Taxation	479	428
Equity at 1 July	4,150	3,937
Dividends	220	215
Equity At 30 June	4,409	4,150
Return on average shareholders funds after tax	11.5%	10.6%
Percentage of shareholders funds to total assets	52.2%	52.6%
Dividends as a percentage of after tax profits	45.9%	50.2%
Gross Revenue	10,747	9,462
Less Operating Expenditure	10,039	8,819
Net Surplus (Deficit) Before Taxation	708	643

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 2007/2008. ⇨

Performance Achieved

Revenue earned from landing fees was \$110,746, which is 8% (\$9,249) **below** the fees earned in 2007/2008.

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 \$118,308, which is 26% (\$24,690) **above** rental earned in 2007/2008.

STATEMENT OF PERFORMANCE

	Actual 2008/2009 \$'000	Actual 2007/2008 \$'000
Gross Revenue	259	274
Less Operating Expenditure	230	249
Net Surplus (Deficit) Before Taxation	29	25
Taxation Expense	10	1
Net Surplus (Deficit) After Taxation	19	24
Equity at 1 July	2,593	2,569
Profit/(Loss) for the period	19	24
Contributions From Owners	-	-
Dividends	-	-
Equity at 30 June	2,612	2,593
Return on average shareholders funds after tax	1.1%	1.0%
Percentage of shareholders funds to total assets	94.6%	95.8%
Dividends as a percentage of after tax profits	0.00%	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
- Hokitika Beachfront Toilets

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
- Kumara

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
- Whataroa

Audit Report

To the readers of Westland District Council and group's financial statements and performance information for the year ended 30 June 2009

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. 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 2009, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 12 to 53:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the District Council and group's financial position as at 30 June 2009; 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 54 to 104 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 02 November 2009, 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

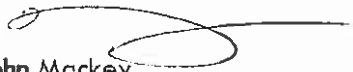
The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2009. They must also fairly reflect the results of 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 2009 included on Westland District Council and group's website. The Westland District Council and group's Council is responsible for the maintenance and integrity of Westland District Council and group's website. We have not been engaged to report on the integrity of Westland District Council and group'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 02 November 2009 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.