



Annual Report

2012/2013

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INTRODUCTION



MAYOR AND CHIEF EXECUTIVE'S REPORT

In 2011 Council developed a vision for Westland, to be a world class tourist destination and have industries and businesses leading through innovation and service. In 2012-13 many projects across the district have been either completed or are underway that support that vision.

In September 2012 Council farewelled long-serving Chief Executive Robin Reeves and employed Tanya Winter as CE. Tanya sees Council as having a vital role to play in achieving the Westland vision and being one of the businesses that lead through innovation and service. Many changes are underway in the organisation so that Council is positioned to deliver exceptional customer service and meet the changes and challenges coming through central government's "Better Local Government" suite of reforms.

The financial result in the Annual Report of 2011-12 meant that Council re-examined every aspect of the budget for 2013-14. However the budgets for 2012-13 had already been set and this Annual Report shows a \$6.2m deficit against budget this year.

With an unreliable Long Term Plan, Council spent considerable time on its Annual Plan process this last year. The Annual Plan title "Getting Real" indicated to the community that it was time for a new direction. The consultation process on the Annual Plan was comprehensive, with nine public meetings across the district and a consultation caravan parked in the main street of all townships to enable the community to engage in the process. A total of 602 submissions were received on the Plan, which was very pleasing.



Maureen Pugh (Mayor) and Tanya Winter (Chief Executive)


The construction of the West Coast Wilderness Trail continued this year, with steady progress being made on three of the four sections of trail. While the Westland Wilderness Trust provided an overarching governance role for the trail, Council staff have worked with a group of key stakeholders to produce a marketing plan that will help get the word out to the world about the cycle trail. The official opening of the Greymouth to Hokitika sections of the trail is on 23 November 2013.

Westland had its share of close calls with nature this year with the northern approach to the Wanganui Bridge damaged in heavy rain that hit in the New Year. The bridge was out of commission for a week and the impact on tourism at that time of the year was significant. The West Coast's vulnerability in these situations, with no alternative access route, was highlighted. The Hokitika beachfront is a major tourist attraction, and the position of the town right next to the sea gives it a lovely holiday feel. Council has received numerous reports on the Hokitika foreshore and has kept a watching brief on the erosion cycles over many years. In November 2012, in response to erosion threatening Sunset Point, rock protection was put in place to protect that area of town. In May 2013 a

combination of river flow, king tides and high seas meant the foreshore retreated further and placed the town at risk. Council worked quickly with West Coast Regional Council to consult the community on options for protecting the town. As a result of an opinion survey, the decision was made to create a Hokitika Rating District for the purpose of constructing a seawall. This work is now underway by West Coast Regional Council.

Last year's Annual Report mentioned the challenging economic times and that the nature of Westland's geography and small

population base means we have to be innovative and smarter. Diversifying our revenue stream is part of that, and is vital to Council's on-going sustainability. It is therefore particularly pleasing to record that the Council Controlled Organisations posted a record dividend this year.



Maureen Pugh
Mayor



Tanya Winter
Chief Executive

THE LONG TERM PLAN 2012/22 (LTP)

The Local Government Act 2002 (the LGA) requires all local authorities to develop a Long Term Plan for their districts. These plans identify the direction and services chosen by the community and the role of Council in delivering these services. The Plan also details the cost of Council's activities over the next 10 years.

Council adopted its current Long Term Plan in June 2012. This Annual Report 2012/13 is the first year of 10 years included in the Long Term Plan 2012/22.

Council prepares an Annual Report to communicate to the community how we did financially and whether we delivered the services we had agreed with the community in the Long Term Plan. Comparing our actual performance with that planned in the Long Term Plan 2012/22 is how we show this.

In preparing the Annual Plan 2013/14 Council identified significant mistakes in the Long Term Plan 2012/22 that erode its value as a reliable budget and useful base on which to compare performance. Throughout this Annual Report Council compares its performance with the Long Term Plan. Readers will note that in many cases the variance is explained as being due to poor budgeting. This generally reflects that either the budget is clearly wrong or that Council is not able to explain why the budget is what the Long Term Plan states. This is most notable in three important disclosures. Council's debt budget of \$12.1m is less than Council's actual starting debt of \$15.5m. This mistake leads to adverse variances in expenditure, loan repayments and liabilities. Another notable mistake is that the employee benefits (personnel costs) budget of \$1.3m is a fraction of the real cost of \$3.2m in providing the service levels Council resolved in adopting the Long Term Plan. The third unexplainable matter is the increase of \$2.8m in the 30 June 2011 opening equity; between the Annual Report 2010/11 (adopted October 2011) and the Long Term Plan adopted in June 2012. After a year of examining these budgets, Council is at a loss to be able to explain these differences.

In an ideal world Council would amend the Long Term Plan in order to have a relevant budget. This is an expensive process which in the opinion of Council does not provide sufficient benefits when weighed against the cost. Council gets to amend each annual budget as it did when it adopted the Annual Plan 2013/14. Council will do this once more in 2014/15 and then adopt a new Long Term Plan 2015/16.

As such Council encourages readers to compare the 2012/13 performance with the 2011/12 results. This will give a far better insight to how Council has actually performed.

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	Westpac Bank
Solicitors	Elcock & Johnston
Insurance Brokers	Crombie Lockwood
Population – Census Night (2006)	11,202
Resident in District	8,403
Total Area	1,188,017 ha
Rateable Area (11.8%)	140,604 ha
No. of Rateable Assessments	6,595
Rateable Capital Value as at 30 June 2013	\$2,284,520,000
Rateable Land Value as at 30 June 2013	\$1,354,322,000
Date of Last Valuation	1 September 2011
Date of Next Valuation	1 September 2014

COUNCIL FINANCIAL STATISTICS

Proportion of General Rates to Total

income		28%		24%		26%
Average general rates per rateable property	\$	778	\$	757	\$	701
Public Debt (as a percentage of property, plant & equipment)		4%		3%		4%
Public Debt (per rateable property)	\$	2,350	\$	1,842	\$	2,352

COUNCIL FIVE YEAR FINANCIAL PERFORMANCE SUMMARY

Rates - General		5,132	4,619	4,662	4,395	4,405
Net Surplus /(Deficit)		(1,030)	(2,457)	(606)	409	(970)
Working Capital	A	(12,844)	4,452	(4,639)	1,256	3,875
Public Debt		15,498	15,479	13,528	7,881	6,313
Total Assets		392,302	393,164	399,947	397,052	395,182

Notes

A: The working capital is currently negative as all council debt in the 2012/13 and 2010/11 financial years is recognised as a current liability

Note	2013 \$000	2012 \$000	2011 \$000	2010 \$000	2009 \$000
Rates - General	5,132	4,619	4,662	4,395	4,405
Net Surplus /(Deficit)	(1,030)	(2,457)	(606)	409	(970)
Working Capital	A (12,844)	4,452	(4,639)	1,256	3,875
Public Debt	15,498	15,479	13,528	7,881	6,313
Total Assets	392,302	393,164	399,947	397,052	395,182

STATEMENT OF COMPLIANCE

Council and management of Westland District Council hereby confirms that all statutory requirements in relation to the Annual Report 2012/13, as outlined in the Local Government Act 2002, have been complied with. Council met the statutory deadline for adoption on 31 October 2013.



MIKE HAVILL
MAYOR
28 November 2013



TANYA WINTER
CHIEF EXECUTIVE
28 November 2013

DISTRICT REPRESENTATIVES AND STAFF



MAYOR AND COUNCILLORS CONTACT DETAIL'S AS AT 30 JUNE 2013

Mayor

Maureen Pugh

maureen.pugh@westlanddc.govt.nz

Northern Ward

Neil Bradley

Murray Montagu

Kees van Beek

cr.bradley@westlanddc.govt.nz

cr.montagu@westlanddc.govt.nz

kawahakastation@kinect.co.nz

Hokitika Ward

Jim Butzbach

Allen Hurley

Kyle Scott

Frances Stapleton

cr.butzbach@westlanddc.govt.nz

cr.hurley@westlanddc.govt.nz

cr.scott@westlanddc.govt.nz

cr.stapleton@westlanddc.govt.nz

Southern Ward

John Birchfield

Kerry Eggeling

Bryce Thomson (Deputy Mayor)

cr.birchfield@westlanddc.govt.nz

cr.eggeling@westlanddc.govt.nz

cr.thomson@westlanddc.govt.nz

Committees

Performance Management Committee

- Deputy Mayor Councillor Bryce Thomson
- Councillor Murray Montagu – Chairperson
- Councillor Allen Hurley
- Councillor Kees van Beek
- Councillor Kyle Scott
- Councillor Jim Butzbach
- Councillor Frances Stapleton

Operations Committee

- Councillor Kyle Scott – Chairperson
- Councillor Kerry Eggeling
- Councillor Murray Montagu
- Councillor Neil Bradley
- Councillor John Birchfield

Strategy Committee

- Mayor Maureen Pugh
- Deputy Mayor Councillor Bryce Thomson - Chairperson
- Councillor Murray Montagu
- Councillor Frances Stapleton
- Councillor Allen Hurley

Risk Management Committee

- Mayor Maureen Pugh - Chairperson
- Deputy Mayor Councillor Bryce Thomson
- Councillor Jim Butzbach
- Councillor John Birchfield
- Councillor Kees van Beek
- Councillor Allen Hurley

OTHER APPOINTMENTS

Hearings and Licensing Commissioners

- Mayor Maureen Pugh
- Councillor Allen Hurley

Pensioner Flat Allocation Committee

- Mayor Maureen Pugh
- Councillor Kyle Scott

Tourism West Coast

- Fraser Leddie

Westland Wilderness Trust

- Francois Tumahai, Te Runanga O Ngati Waewae- Chairperson
- Mayor Maureen Pugh
- Chris Auchinvole MP
- Councillor Allen Hurley
- Mike Slater, Conservator, Department of Conservation
- Councillor Peter Haddock, Grey District Council

COUNCIL CONTROLLED ORGANISATION DIRECTORS AS AT 30 JUNE 2013

Hokitika Airport Limited

- Bruce Smith - Chairperson
- Linda Robinson
- Marcel Fekkes
- Les Singer

Westland District Property Limited

- Graeme Purches - Chairperson
- Durham Havill
- Les Singer

Westland Holdings Limited

- Graeme King - Chairperson
- Mayor Maureen Pugh
- Tony Williams

Westroads Limited

- Durham Havill – Chairperson
- Deputy Mayor Councillor Bryce Thomson
- Peter Cuff
- Maurice Fahey

APPOINTMENTS TO ORGANISATIONS

AS AT 30 JUNE 2013

Big Brothers Big Sisters	Cr. Neil Bradley
Community Associations	Kumara
	Enterprise Hokitika
	Heritage Hokitika
	Kokatahi/Kowhitirangi
	Ross Community Society
	Harihari Community Association
	Whataroa Community Association
	Okarito Community Association
	Franz Josef Community Forum
	Franz Inc.
	Fox Glacier Community Association
	Glacier Country Tourism Group
	Haast Promotions Group
	Development West Coast – Appointment Panel
	Heritage West Coast
	Life Education Trust
	Local Government New Zealand & National Council Representative
	New Zealand Historic Places Trust
	Road Controlling Authority Forum
	Safer Community Council
	Tourism West Coast Representative
	Wasteminz
	West Coast Regional Transport Committee
	West Coast Rural Fire District
	Cr. Murray Montagu (or Cr. Van Beek if unavailable)
	Cr. Kyle Scott
	Cr. Kyle Scott
	Cr. Murray Montagu
	Cr Bryce Thomson (or Cr. van Beek, or Cr. Scott, or Cr. Stapleton if unavailable)
	Cr. Bryce Thomson
	Cr. Bryce Thomson
	Cr. John Birchfield
	Cr. John Birchfield
	Cr. John Birchfield
	Cr. John Birchfield
	Cr. John Birchfield
	Cr. John Birchfield
	Cr. Kerry Eggeling
	Mayor Maureen Pugh
	Manager Planning and Regulatory
	Community Services Officer
	Mayor Maureen Pugh
	Manager Planning and Regulatory
	Group Manager – Assets & Operations
	Cr. Frances Stapleton, Cr. Kyle Scott, Cr. Kees van Beek
	Fraser Leddie
	Community Development Officer
	Cr. Kerry Eggeling
	Cr. Murray Montagu

EXECUTIVE TEAM

AS AT 30 JUNE 2013

CHIEF EXECUTIVE **Tanya Winter**

As Chief Executive, Tanya has the overall responsibility to ensure that Westland District Council:

- Receives good policy advice.
- Delivers all services to the desired standard.
- Delivers the Annual, and Long Term Plan
- Complies with the law.
- In order to achieve this, Tanya has the responsibility of ensuring that she has the right people to do the job.

Email: tanya.winter@westlanddc.govt.nz

MANAGER: PLANNING AND REGULATORY **Richard Simpson**

As Manager: Planning and Regulatory, Richard is responsible for resource and building consents, liquor licensing, environmental health and all registration and licensing. The department also has responsibility for the development and maintaining of the District Plan outcomes.

Email: richard.simpson@westlanddc.govt.nz

CHIEF FINANCIAL OFFICER **Tracy O'Malley**

As Chief Financial Officer, Tracy is responsible for all financial management, and financial reporting. Tracy is also responsible for managing Corporate Services.

Email: tracy.omalley@westlanddc.govt.nz

GROUP MANAGER: ASSETS AND OPERATIONS **Vivek Goel**

As Group Manager - Assets and Operations, Vivek's primary responsibility is for operating, maintaining and improving Council's infrastructural assets. These include roading, water services, recreational assets, cemeteries, buildings and solid waste disposal.

Email: vivek.goel@westlanddc.govt.nz

FINANCIAL STATEMENTS



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

		Council			Group	
	Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Income						
Rates, excluding targeted water supply rates	3	6,826	6,737	6,664	6,826	6,664
Fees, Charges, and targeted rates for Water Supply		2,259	2,236	1,750	2,259	1,750
Subsidies & Grants	4	4,477	2,820	4,718	4,477	4,718
Finance Income	5	194	-	183	203	197
Other Revenue	6	4,219	8,901	4,621	9,779	10,660
Gains/(Losses)	7	(5)	-	(265)	88	9
Derivative Financial Instruments - Gain	7	342	-	(330)	342	(330)
Total income	2	18,312	20,694	17,341	23,974	23,668
Less Expenditure						
Employee Benefit Liabilities	8	3,042	1,300	3,232	7,959	7,620
Depreciation and amortisation expense	16 & 17	5,083	4,510	5,032	6,387	6,312
Loss on Disposal of Asset		-	-	-	-	-
Other expenses	9	10,500	9,916	10,769	9,429	10,030
Finance costs	5	737	302	761	907	841
Total expenditure	2	19,362	16,028	19,794	24,683	24,803
Surplus / (deficit) before taxation		(1,050)	4,666	(2,453)	(709)	(1,135)
Income taxation expense / (benefit)	10	(20)	-	4	164	188
Surplus / (deficit) after taxation		(1,030)	4,666	(2,457)	(872)	(1,323)
Add Other comprehensive income						
Gain/(Loss) on Property Revaluation	24	-	-	(7,089)	-	(7,089)
Impairment of Property, Plant & Equipment	16 & 24	-	-	(34)	-	(87)
Financial Assets at fair value through other Comprehensive Income	24	-	-	12	-	12
Total Comprehensive Income		(1,030)	4,666	(9,568)	(872)	(8,487)

The accompanying notes form part of the financial statements.

Note:

The other budgeted revenue figure under \$8,901 is not able to be broken down into the specific categories of the comprehensive income due to the way the Long Term Plan budgets were constructed.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Note	Council			Group	
		Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Equity at Start of Year		373,235	397,625	382,803	375,160	383,647
Add Total Comprehensive Income for Year		(1,030)	4,666	(9,568)	(872)	(8,487)
Equity at end of year	24	372,205	402,291	373,235	374,288	375,160

The accompanying notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	Actual 2013 \$000	Council Budget 2013 \$000	Actual 2012 \$000	Group Actual 2013 \$000	Actual 2012 \$000
Current assets						
Cash and cash equivalents	11	1,660	622	1,812	2,074	2,056
Trade and other receivables	12	2,817	911	4,244	3,302	4,974
Inventories	13	-	-	19	422	440
Other Financial Assets	14	1,354	2,231	1,879	1,354	1,879
Work in Progress	18	-	-	-	158	-
Total current assets		5,831	3,764	7,954	7,310	9,349
Non-current assets						
Property, plant and equipment	16	372,994	402,260	373,777	385,330	385,008
Intangible Assets	17	59	-	64	62	88
Work in Progress	18	4,425	1,546	2,483	4,425	2,578
Investment property	16a	-	-	-	317	-
Term Inventory	13	-	-	-	1,076	989
Other Financial Assets	14	8,882	8,929	8,886	63	2
Derivative Financial Instruments	15	111	-	-	111	-
Total non-current assets		386,471	412,735	385,210	391,384	388,665
Total assets		392,302	416,499	393,164	398,694	398,014
Current liabilities						
Trade and other payables	19	2,065	1,076	2,625	2,554	2,860
Deferred Income	20	150	-	148	209	172
Provisions	21	90	156	67	90	67
Employee Benefit Liabilities	22	273	235	396	796	894
Borrowings	23	15,498	480	238	17,104	703
Tax Payable		-	-	-	95	95
Derivative Financial Instruments	15	-	-	28	-	28
Total current liabilities		18,076	1,947	3,502	20,848	4,819
Non-current liabilities						
Provisions	21	1,498	359	457	1,498	457
Employee Benefit Liability	22	117	235	113	241	242
Derivative financial instruments	15	318	-	507	318	507
Borrowings	23	-	11,667	15,241	1,257	16,479
Deferred Tax Liability	10	88	-	108	244	350
Total non-current liabilities		2,021	12,261	16,426	3,558	18,035
Total Liabilities		20,097	14,208	19,928	24,406	22,854
Net Assets		372,205	402,291	373,235	374,288	375,160
Equity						
Retained Earnings	24	152,911	162,196	153,223	155,048	155,202
Restricted Reserves	24	2,783	3,089	3,126	2,783	3,126
Revaluation Reserves	24	216,511	237,006	216,886	216,457	216,832
Total equity		372,205	402,291	373,235	374,288	375,160

The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

		Actual 2013 \$000	Council Budget 2013 \$000	Actual 2012 \$000	Group Actual 2013 \$000	Actual 2012 \$000
	Note					
Cash flows from operating activities						
<i>Cash provided from</i>						
Rates		6,514	8,361	6,481	6,514	6,481
Targeted Water Rates, and fees and charges for water		2,259	-	1,750	2,259	1,750
Interest received		194	420	189	203	203
Dividends received		677	240	100	-	-
Receipts from other revenue		10,065	10,978	7,808	15,214	13,951
<i>Cash paid to</i>						
Payments to suppliers and employees		(13,650)	(11,161)	(13,232)	(14,930)	(17,483)
Agency bookings paid		-	-	-	-	-
Interest paid		(737)	(593)	(587)	(743)	(768)
Income tax paid		-	-	4	(164)	(101)
Net cash flows from operating activities	25	5,321	8,245	2,513	8,353	4,033
Cash flows from investing activities						
<i>Cash provided from</i>						
Receipts from sale of property, plant and equipment		512	-	426	852	640
Receipts from sale of investments		529	-	212	340	231
<i>Cash paid to</i>						
Purchase of Property Plant and Equipment		(6,296)	(8,740)	(7,673)	(10,470)	(8,562)
Purchase of investments		-	-	(100)	-	(103)
Net cash flows from investing activities		(5,255)	(8,740)	(7,135)	(9,278)	(7,794)
Cash flows from financing activities						
<i>Cash provided from</i>						
Loans raised		510	707	15,478	2,279	15,571
<i>Cash paid to</i>						
Loan repayments		(490)	(119)	(13,525)	(1,033)	(14,682)
Payment of finance leases		-	-	-	-	-
Dividends paid		-	-	-	-	-
Net cash flows from financing activities		20	588	1,953	1,246	889
Net Increase/(Decrease) in Cash, cash equivalents and bank overdraft		86	(102)	(2,669)	321	(2,872)
Opening Cash and Cash Equivalents		1,574	724	4,243	1,753	4,625
Closing Cash and Cash Equivalents	11	1,660	622	1,574	2,074	1,753

The accompanying notes form part of the financial statements.

WHOLE OF COUNCIL FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	5,275	4,999	6,079	5,494
Targeted rates (other than a targeted rate for water supply)	1,636	2,814	1,295	3,047
Fees, Charges and targeted rates for water supply	2,259	1,174	2,444	684
Subsidies and grants for operating purposes	757	1,486	2,812	907
Interest & Dividends from Investments	868	-	58	-
Fees and charges	6,950	3,813	3,262	2,843
Local authorities fuel tax, fines, infringement fees, and other receipts	113	-	-	-
Total operating funding [A]	17,858	14,286	15,949	12,975
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	16,831	13,090	13,306	10,786
Finance costs	743	302	35	265
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	17,574	13,392	13,341	11,051
Surplus (deficit) of operating funding [A - B]	284	894	2,608	1,924
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	3,720	6,408	1,274	5,843
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	1,450	-	288
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding [C]	3,720	7,858	1,274	6,131
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	117	200	3,466	4,140
—to improve the level of service	1,376	7,796	1,015	1,706
—to replace existing assets	3,047	2,659	3,158	2,859
Increase (decrease) in reserves	(536)	(1,903)	(3,757)	(650)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding [D]	4,004	8,752	3,882	8,055
Surplus (deficit) of capital funding [C - D]	(284)	(894)	(2,608)	(1,924)
Funding balance: [A - B] + [C - D]	-	-	-	-

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement Of Accounting Policies For The Year Ended 30 June 2013

1.1 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 Nature Trust, Westland Holdings Limited (100% owned), and its 100% owned subsidiaries Westroads Limited, Hokitika Airport Limited and Westland District Property Limited. 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).

1.2 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.

1.3 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.

1.4 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.

1.5 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.

1.6 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.

1.7 Construction Contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the surplus or deficit 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 surplus or deficit.

1.8 Borrowing costs

The Council and Group has elected to defer the adoption of NZ IAS 23 *Borrowing Costs (Revised 2007)* in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

1.9 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 substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the surplus or deficit, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the tax is dealt with in other comprehensive income or equity.

1.10

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.

1.11 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 surplus or deficit 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.

1.12 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.

In the case of metal inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Metal inventory cost is calculated on a discounted sale value basis, as an approximation of weighted average cost.

Inventories include development properties that are being developed for sale. These properties are measured at the lower of cost and net realisable value and the cost include development costs to date.

Net realisable value is the estimated selling prices in the ordinary course of business, less the estimated costs of completion and selling expenses.

1.13 Financial assets

The Council and Group classify its financial assets into the following four categories: financial assets

at fair value through the surplus or deficit, 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 surplus or deficit in which case the transaction costs are recognised therein.

Purchases or sales of financial assets are recognised on trade-date, the date on which the Council and Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and Group has transferred substantially all the risks and rewards of ownership.

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 surplus or deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit 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 surplus or deficit 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 surplus or deficit. 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 surplus or deficit.

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;
- Share holdings that the Council and Group holds for strategic purposes.

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 surplus or deficit.

In the event of impairment, any cumulative losses previously recognised in other comprehensive income will be removed from equity and recognised in surplus or deficit even though the asset has not been de-recognised.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is recognised in the surplus or deficit.

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.

1.14 **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 surplus or deficit.

1.15 **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 surplus or deficit.

1.16 **Property, plant and equipment**

Property, plant and equipment consist of:

- **Operational assets**

These include land, buildings, improvements, museum artefacts, 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.

1.17 **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.

1.18 **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 surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

1.19 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.

1.20 Depreciation

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

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

Operational	Depreciable life (years)
Buildings	50
Furniture and Fittings	10
Motor Vehicles	5
Plant & Equipment (including computers)	3 to 10
Library collection	8
Jackson Bay Wharf	50
Restricted	
Buildings	5 to 50
Infrastructural	
Transfer Stations	20
Roads	
Formation	N/A
Sub-Base	N/A
Base Course	20 to 75
Surfacing (sealed)	1 to 16
Surfacing (unsealed)	5
Bridges	60 to 150
Box culverts/channels	60 to 150
Footpaths	5 to 50
Streetlights	16 to 40
Signs	10

Infrastructural	Depreciable life (years)
Water	
Pipeline	60 to 80
Connections	60
Reservoirs & Tanks	20 to 50
Pump Stations	15 to 20
Sewer	
Pipeline	60 to 80
Manholes	50 to 60
Pump Stations	15 to 20
Oxidation Ponds	60 to 100
Stormwater	
Open Drains	Infinite Life
Pipeline	60 to 80
Bank protection	50 to 100
Manholes	50 to 60
Pump Stations	15 to 20
Runway	0 to 67

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

1.21 Revaluation

All valuations are carried out on a five-yearly cycle by independent qualified valuers, unless there is a significant change in carrying value, in 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 2011.

Council buildings, excluding pump stations, Treatment Plant buildings and other infrastructure assets, have been valued at net current value as at 30 June 2011 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 2012. Sewerage, Water Supply and Stormwater infrastructural assets have been valued by Westland District Council and at depreciated replacement cost peer reviewed by Buller District Council as at 30 June 2012.

- **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 revalued.

- **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 other comprehensive income and 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 surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to other comprehensive income and the revaluation reserve for that class of asset.

1.22 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 surplus or deficit 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 2 years.

1.23 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.

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 other comprehensive income and 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 surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

1.24 Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

1.25 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.

1.26 Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the board of trustees of the 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 from 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.

1.27 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.

1.28 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.

1.29 Borrowings

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

Borrowings are classified as current liabilities unless the Council or Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

1.30 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

1.31 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 are 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.

1.32 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.

1.33 Budget figures

The budget figures are those approved by Council at the beginning of the year in the 2012-2022 Long Term 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.

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.

1.34 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.

1.35 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 modelling 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 affected 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 surplus or deficit.

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 have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling 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.

1.36 Critical judgements in applying Council's accounting policies

Management does not consider that there are any material critical judgements in applying Council's accounting policies for the period ended 30 June 2013.

1.37 Standards, amendments and interpretations issued but not yet effective that have not been early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council include:

Reference	Title	* Application Date	Foot note
NZ IFRS 9	Financial Instruments	1 January 2013	¹
PS PBE	Public Benefit Entities Tier 1	1 July 2014	

* The application date is for periods beginning on or after this date.

1. NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. It proposes changes the requirements for the classification and measurement of financial assets and financial liabilities to reduce the complexity in reporting financial instruments. The first stage of the new standard has been released but only discusses financial assets. When adopted, it will affect the categories under which financial assets are

classified in the Annual Report, but will have no impact on the values currently reported.

2. The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council will be eligible to apply the reduced disclosure regime (Tier 2 reporting entity) of the public sector Public Benefit Entity Accounting Standards. The effective date for the new standards for the public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore, the Council will transition to the new standards in preparing its 30 June 2015 financial statements. The council has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for the public benefit entities, it is expected that all new NZIFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

1.38 Changes in accounting policies

There have been no changes in accounting policies during the financial year.

2. Summary cost of Service

	Council		
	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Income			
Leisure & Cultural	2,751	2,557	3,008
Community Services	320	341	587
Planning & Regulatory	1,525	1,393	1,493
Transportation	5,760	9,270	5,527
Water Supply	2,267	2,236	2,444
Wastewater	805	782	642
Stormwater	468	487	435
Solid Waste	1,633	2,130	1,374
Other Infrastructure Assets	778	800	1,014
Dividends & Interest	997	-	471
Governance	699	697	694
Administration Services	391	-	-
Westland District Properties Limited	-	-	35
Westland Holdings Limited	-	-	45
Total activity income	18,395	20,693	17,770
Less: internal revenue	-	-	-
Rates Remission	(83)	-	(99)
Total income	18,312	20,693	17,671
Expenditure			
Leisure & Cultural	3,279	2,445	3,379
Community Services	302	463	551
Planning & Regulatory	1,352	1,359	1,571
Transportation	4,792	4,844	5,295
Water Supply	2,202	2,022	1,987
Wastewater	733	782	757
Stormwater	531	487	449
Solid Waste	3,106	2,130	2,335
Other Infrastructure Assets	1,019	800	1,186
Dividends & Interest	766	-	1,404
Governance	749	695	753
Administration Services	612	-	-
Other Operational Activities	-	-	475
Westland Holdings Limited	-	-	47
Westland District Properties Limited	-	-	34
Total activity expenditure	19,444	16,027	20,222
Less Rates Remissions included in activities	(83)	-	(99)
Total expenditure	19,361	16,027	20,123
Less: internal expenditure	-	-	-
Total Surplus / (Deficit)	(1,050)	4,666	(2,453)

Each activity is stated gross of internal costs and revenues.

3. Rates

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
General rates	5,132	4,619	5,132	4,619
<i>Targeted rates attributable to activities</i>				
Rates Penalties	143	267	143	267
Kokatahi Rural Fire	8	8	8	8
Glacier Country Promotions	66	66	66	66
Enterprise Hokitika	39	38	39	38
Ross Swimming Pool	6	9	6	9
Solid Waste Management	787	1,172	787	1,172
Sewerage	730	584	730	584
Total Rates excluding targeted water supply rates	6,910	6,763	6,910	6,763

3.1 Water Rates

	Council		Group	
	Actual	Actual	Group	Group
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Rates, excluding targeted water supply rates	6,910	6,763	6,910	6,763
Targeted Water Supply Rates	1,048	693	1,048	693
Total Annual Rates Income	7,958	7,456	7,958	7,456

3.2 Rates Remissions

The Council's rates remission policy allows the Council to remit rates on the following:

	Council		Group	
	Actual	Actual	Actual	Actual
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Total rates revenue (Excluding Targeted water Supply Rates)	6,910	6,763	6,910	6,763
<i>Rates remissions</i>				
Community & Sports Organisations full Remission	9	8	9	8
Community & Sports Organisations Half Remission	11	12	11	12
Unoccupied Maori Land	16	15	16	15
Other Remissions	29	46	29	46
Discounts	19	18	19	18
Total remissions	84	99	84	99
Rates revenue net of remissions	6,826	6,664	6,826	6,664

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.

4. Subsidies and Grants

	Council		Group	
	Actual	Actual	Actual	Actual
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
New Zealand Transport Rooding Subsidies	2,757	2,812	2,757	2,812
Other Grants	43	222	43	222
Wildfoods Festival - Air Rescue Trust	28	-	28	-
West Coast Cycle Trail - Various Grants	1,629	1,274	1,629	1,274
MDI Funding - Donovans Store	20	410	20	410
Total Subsidies and Grants	4,477	4,718	4,477	4,718

5. Finance Income and Finance Costs

	Council		Group	
	Actual	Actual	Actual	Actual
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Finance Income				
Interest Income:				
- Call Account	8	1	8	1
- Term Deposits	42	113	42	127
- Related Party Loans	12	17	12	17
- Other Interest	18	-	27	-
- Local Authority and Government Bonds	21	10	21	10
- Other Bonds	93	42	93	42
Total Finance Income	194	183	203	197

Finance Expense

Interest Expense:				
- Interest on Bank Borrowings	569	661	739	741
- Interest on Finance Lease	-	-	-	-
- Discount unwind on provisions (note 27)	-	-	-	-
Interest Derivatives (presented net):	-	-	-	-
- Held for trading interest rate swaps	168	100	168	100
Total Finance Costs	737	761	907	841
Net Finance Costs	(543)	(578)	(704)	(644)

6. Other Revenue

	Council		Group	
	Actual	Actual	Actual	Actual
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Traffic, Parking and other infringement Fines	21	8	21	8
Regulatory Revenue	733	776	733	776
Petrol Tax	113	126	113	126
Vested Assets	210	-	210	-
Dividend Revenue	677	205	-	-
Insurance Recoveries	66	-	66	-
Other	2,399	3,506	8,636	9,750
Total other revenue	4,219	4,621	9,779	10,660

7. Other Gains/Losses

	Council		Group	
	Actual	Actual	Actual	Actual
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Non Financial Instruments				
Investment Property revaluation gains (note 22)	-	-	-	-
(loss)/Gain on disposal of Property, Plant & Equipment	(5)	(265)	88	9
Land and buildings increment / (decrement)	-	-	-	-
Total non-financial instruments gains	(5)	(265)	88	9
Financial Instruments				
Gains/(loss) on changes in fair value of financial instruments	342	(330)	342	(330)
Total financial instruments gains	342	(330)	342	(330)
Total gains	337	(595)	430	(321)

8. Employee Benefit Expenses

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Salaries and wages	3,041	3,261	7,804	7,220
Restructuring costs	-	-	-	-
Employer contributions to superannuation plans & Benefits	120	128	274	246
Increase / (decrease) in employee liabilities	(119)	(157)	(119)	154
Total Personnel Costs	3,042	3,232	7,959	7,620

9. Other Expenses

	Council		Group	
	2013 Actual \$000	2012 Actual \$000	2013 Actual \$000	2012 Actual \$000
Fees to auditors:				
- fees to Audit New Zealand for audit of Current financial statements	106	99	181	168
- fees to Audit New Zealand Prior year Financial Statements	15	17	15	96
- fees to Audit New Zealand for audit of the 2012 - 2022 LTP	16	96	16	17
Donations and Grants	187	91	187	91
Insurance Premiums	347	337	539	460
Consultants & Legal Fees	665	410	765	507
Contractors	3,739	1,960	4,097	2,278
Impairment of Receivables (Note 12)	-	1	-	-
Property, Plant & Equipment impairment (Note 18)	-	-	-	-
Minimum Lease payments under operating Leases	81	50	81	138
Other Operating expenses	5,129	7,708	3,220	6,275
Total other expenses	10,285	10,769	9,101	10,030

10. Tax

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Components of Tax Expense				
Current Tax	-	-	270	263
Adjustments to current tax in prior years	-	-	-	-
Deferred Tax	(20)	4	(106)	(75)
Tax expense	(20)	4	164	188
Relationship between tax expense and accounting profit				
Surplus / (Deficit) before Tax	(1,050)	(2,453)	(709)	(1,134)
tax at 28%	(294)	(687)	(198)	(318)
<i>Plus/(Less) tax effect of:</i>				
Permanent Differences	191	687	377	581
Non-deductible expenditure	-	-	-	(35)
Non-taxable income	-	-	-	(45)
Deferred Tax adjustment	103	-	(106)	-
Prior year adjustment	(20)	4	-	-
				5
Taxation expense	(20)	4	73	188

	Property, plant & Equipment \$000	Employee Entitlements \$000	Other Provisions \$000	Tax Losses \$000	Total \$000
Deferred tax assets/(liabilities)					
Council					
Balance at 1 July 2011					
Charged to surplus or deficit	(104)	-	-	-	(104)
Charged to other comprehensive Income	(4)	-	-	-	(4)
Balance at 30 June 2012	(108)	-	-	-	(108)
Charged to surplus / (deficit)	17	-	-	3	20
Charged to other comprehensive income	-	-	-	-	-
Balance at 30 June 2013	(91)	-	-	3	(88)
Group					
Balance at 1 July 2011					
Charged to surplus or deficit	(615)	33	144	14	(424)
Charged to other comprehensive Income	62	1	15	(4)	74
Balance at 30 June 2012	(553)	34	159	10	(350)
Charged to surplus / (deficit)	18	2	93	(7)	106
Charged to other comprehensive income	-	-	-	-	-
Balance at 30 June 2013	(535)	36	252	3	(244)

11. Cash and Cash Equivalents

	Council 2013 \$000	Council 2012 \$000	Group 2013 \$000	Group 2012 \$000
Cash at bank and on hand	960	519	1,374	763
Term deposits with maturities less than 3 months	700	1,293	700	1,292
Total cash and cash equivalents	1,660	1,812	2,074	2,056

	Council 2013 \$000	Council 2012 \$000	Group 2013 \$000	Group 2012 \$000
Cash at bank and on hand	960	519	1,374	763
Term deposits with maturities less than 3 months	700	1,293	700	1,292
Bank overdrafts (Note 22)	-	(238)	-	(303)
Total	1,660	1,574	2,074	1,753

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

12. Trade and Other Receivables

	Council 2013 \$000	2012 \$000	Group 2013 \$000	2012 \$000
Rates receivables	1,361	1,049	1,361	1,049
<i>Other receivables:</i>				
- Other	445	2,102	1,269	3,008
- Related party receivables (Note 28)	97	68	-	-
-NZ Transport Agency	1,041	997	1,041	997
Subvention Receivables	112	105	-	-
Gross trade and other receivables	3,056	4,321	3,671	5,054
Less: provision for impairment	(239)	(77)	(369)	(80)
Total trade and other receivables	2,817	4,244	3,302	4,974

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 judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. The age of receivables overdue are as follows:

	Gross \$000	2013 Impairment \$000	Net \$000	Gross \$000	2012 Impairment \$000	Net \$000
Council						
0 to 3 Months	1740	-	1,740	3,362	-	3,362
3 to 6 Months	380	(5)	375	279	(2)	277
6 to 9 Months	157	(7)	150	125	(5)	120
9 to 12 Months	144	(17)	127	81	(11)	70
> 12 Months	635	(210)	425	474	(59)	415
Total	3,056	(239)	2,817	4,321	(77)	4,244
Group						
0 to 3 Months	1959	-	1,959	3,774	-	3,774
3 to 6 Months	463	(10)	453	498	(2)	496
6 to 9 Months	210	(22)	188	170	(6)	164
9 to 12 Months	256	(45)	211	116	(12)	104
> 12 Months	813	(292)	521	496	(60)	436
Total	3,701	(369)	3,332	5,054	(80)	4,974

As of 30 June 2012 and 2013, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

13. Inventories

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Metal Stocks	-	-	150	177
Other Supplies	-	19	272	263
	-	19	422	440
Less Provision for writedown of stock	-	-	-	-
Total inventories	-	19	422	440
Development Land	-	-	-	-
Transferred from Additional Costs	-	-	1,076	751
	-	-	-	238
Total Term Inventory	-	-	1,076	989

Policy is to store a small amount of inventory, and purchase supplies as required.

14. Other Financial Assets

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Current portion				
Assets available for sale				
Civic Assurance	37	26	37	26
Westpac Bonds	1,317	1,853	1,317	1,853
Loans and Receivables	-	-	-	-
Total current portion	1,354	1,879	1,354	1,879
Non-Current Portion				
Loans and receivables				
Loan Hokitika Airport Limited	-	189	-	-
Loan Westland District Property Ltd	124	-	-	-
Assets available for sale				
Forestry	2	2	2	2
Hannahs Clearing Loan	61	-	61	-
Shares at Cost				
Westland Holdings Limited	-	-	-	-
- Westland District Property Limited	2,627	2,627	-	-
Westland Holdings Limited	-	-	-	-
- Hokitika Airport Limited	2,718	2,718	-	-
Westland Holdings Limited	-	-	-	-
- Westroads Limited	3,350	3,350	-	-
Total non - current portion	8,882	8,886	63	2

There were no impairment provisions for other financial assets. Investments in subsidiary are recorded at cost, as shares are not traded there is not a practicable means to value them.

Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- **Level 1 Quoted market price** - Financial instruments with quoted prices for identical instruments in active markets.
- **Level 2 Valuation technique using observable inputs** - Financial instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are not observable.
 - **Level 3 Valuation technique with significant non-observable inputs** - Financial instruments valued using models where one or more significant inputs are not observable.

Assets available for sale

The assets available for resale are valued at fair value, based on the published price of the assets. The basis of valuation is using observable inputs (Level 2).

Maturity analysis and effective interest rates

The maturity dates for Council's investments of \$1,317,141 in Westpac bank range from 2013 to 2019 for the Council and Group (2012: \$2,007,865), with a weighted average effective interest rate of 6.61% (2012: 6.61%)

15. Derivative Financial Instruments

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Current asset portion				
Interest rate swaps - cash flow hedges	-	-	-	-
Total current asset portion	-	-	-	-
Non-current asset portion				
Interest rate swaps - cash flow hedges	111	-	111	-
Total non-current asset portion	111	-	111	-
Total derivative financial instrument assets	111	-	111	-
Current liability portion				
Interest rate swaps - cash flow hedges	-	28	-	28
Total current liability portion	-	28	-	28
Non-current liability portion				
Interest rate swaps - cash flow hedges	318	507	-	507
Total non-current liability portion	318	507	318	507
Total derivative financial instrument liabilities	318	535	318	535

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2013 were \$5,000,000, \$3,000,000 and \$1,000,000 (2012 \$3,000,000, \$2,800,000 and \$5,000,000).

At 30 June 2012, the fixed interest rate of the interest rate swaps are 4.99% 4.35% and 3.55% respectively.

The interest rate swaps have been included at fair value. The basis for valuation are observable inputs (Level 2 - see note 13 for Fair Value Hierarchy).

The termination dates of the interest rate swap agreements are: 2 October 2017 for the \$5,000,000 swap, 17 June 2015 for the \$3,000,000 swap and 17 November 2020 for the \$1,000,000 swap. Under this agreement the Council has the option of changing the term if there are movements in interest rates, or other events.

16. PROPERTY, PLANT AND EQUIPMENT

	Cost/ revaluation	Accumulated depreciation	Carrying amount	Current year additions	Current year disposals	Current year impairment	Current year depreciation	Current year disposals depreciation	Reclassification	Revaluation depreciation Changes	Revaluation surplus /(loss)	Cost/ revaluation	Accumulated depreciation	Carrying amount
	1-Jul-12	1-Jul-12	1-Jul-12									30-Jun-13	30-Jun-13	30-Jun-13
Council operational assets														
Land (leased)	4,811	-	4,811	-	(353)	-	-	-	-	-	-	4,458	-	4,458
Land (leased airport)	4,278	-	4,278	-	-	-	-	-	-	-	-	4,278	-	4,278
Land (operational)	6,410	-	6,410	-	(160)	-	-	-	-	-	-	6,250	-	6,250
Buildings	4,759	(102)	4,657	45	-	-	(96)	-	-	-	-	4,804	(199)	4,604
Furniture and fittings	1,491	(437)	1,053	14	-	-	(95)	-	10	-	-	1,505	(532)	972
Library collections	1,009	(761)	248	48	-	-	(50)	-	-	-	-	1,057	(811)	246
Museum Artefacts	158	-	158	7	-	-	-	-	-	-	-	165	-	165
WBU Assets	86	(53)	33	-	-	-	-	-	(33)	-	-	-	-	-
Computer equipment	814	(773)	41	143	(2)	-	(51)	-	3	-	-	955	(822)	133
Office equipment	483	(382)	101	12	(2)	-	(21)	-	-	-	-	493	(402)	91
Motor vehicles	309	(214)	95	20	-	-	(33)	-	20	-	-	329	(246)	83
Jackson's Bay Wharf	670	(140)	530	-	-	-	(13)	-	-	-	-	670	(153)	517
Total Operational Assets	25,192	(2,809)	22,416	289	(517)	-	(361)	-	-	-	-	25,017	(3,168)	21,849
Council infrastructural assets														
Land	2,113	-	2,113	26	-	-	-	-	-	-	-	2,139	-	2,139
Buildings	648	(11)	637	-	-	-	(15)	-	-	-	-	648	(26)	622
Roading network	186,788	(7)	186,781	2,617	-	-	(2,207)	-	-	-	-	189,405	(2,214)	187,191
Land under roads	55,374	-	55,374	-	-	-	-	-	-	-	-	55,374	-	55,374
Bridges	46,212	-	46,212	-	-	-	(527)	-	-	-	-	46,212	(527)	45,685
Water Supply	23,767	-	23,770	1,560	-	-	(1,030)	-	-	-	-	25,327	(1,030)	24,297
Drainage/Stormwater	9,750	-	9,750	108	-	-	(374)	-	-	-	-	9,858	(374)	9,484
Refuse Sites	2,450	(38)	2,412	43	-	-	(65)	-	-	-	-	2,493	(103)	2,390
Sewerage/Wastewater	9,834	(83)	10,015	309	-	-	(388)	-	-	-	-	10,143	(471)	9,672
Total infrastructural assets	336,936	(139)	337,064	4,663	-	-	(4,606)	-	-	-	-	341,599	(4,745)	336,854
Restricted assets														
Land	1,254	-	1,254	-	-	-	-	-	-	-	-	1,254	-	1,254
Public buildings	1,948	(39)	1,909	-	-	-	(39)	-	-	-	-	1,948	(78)	1,870
Cemetery buildings	52	(3)	49	-	-	-	(1)	-	-	-	-	52	(4)	48
Cemetery land	1,038	-	1,038	-	-	-	-	-	-	-	-	1,038	-	1,038
Reserve/recreation land	6,655	-	6,655	-	-	-	-	-	-	-	-	6,655	-	6,655
Reserve/recreation buildings	2,062	(20)	2,042	-	-	-	(20)	-	-	-	-	2,062	(40)	2,022
Reserve/improvements	349	(33)	315	108	-	-	(25)	-	-	-	-	457	(58)	399
Swimming pools	1,098	(66)	1,032	-	-	-	(26)	-	-	-	-	1,098	(92)	1,006
Total restricted assets	14,456	(161)	14,294	108	-	-	(111)	-	-	-	-	14,564	(272)	14,290
Total Council assets	376,584	(3,109)	373,774	5,060	(517)	-	(5,078)	-	-	-	-	381,180	(8,185)	372,993
Subsidiaries property, plant and equipment														
Land & Buildings	3,151	(271)	2,880	797	-	-	(74)	-	-	-	-	3,948	(345)	3,603
Plant and machinery	11,293	(5,777)	5,516	1,743	(764)	-	(1,140)	577	-	-	-	12,272	(6,340)	5,932
Office equipment	304	(242)	62	22	-	-	(25)	-	-	-	-	326	(267)	59
Hokitika Airport	3,220	(454)	2,766	-	-	-	(44)	-	-	-	-	3,220	(498)	2,722
Under Construction	20	(13)	7	14	(13)	-	-	13	-	-	-	21	-	21
Total subsidiaries	17,988	(6,757)	11,231	2,562	(764)	-	(1,283)	577	-	-	-	19,786	(7,450)	12,337
Total Group assets	394,572	(9,866)	385,005	7,622	(1,281)	-	(6,361)	577	-	-	-	400,913	(15,635)	385,330

	Cost/ revaluation	Accumulated depreciation	Carrying amount	Current year additions	Current year disposals cost	Current year impairment	Current year depreciation	Current year disposals depreciation	Reclassifica tion	Revaluation depreciation Changes	Revaluation surplus/(loss)	Cost/ revaluation	Accumulated depreciation	Carrying amount
	1-Jul-11	1-Jul-11	1-Jul-11									30-Jun-12	30-Jun-12	30-Jun-12
Council operational assets														
Land (leased)	5,406	-	5,406	-	(595)	-	-	-	-	-	-	4,811	-	4,811
Land (leased airport)	4,278	-	4,278	-	-	-	-	-	-	-	-	4,278	-	4,278
Land (operational)	6,410	-	6,410	-	-	-	-	-	-	-	-	6,410	-	6,410
Buildings	4,634	(9)	4,625	161	-	(34)	(95)	-	-	-	-	4,761	(104)	4,657
Furniture and fittings	1,460	(334)	1,126	18	-	-	(91)	-	-	-	-	1,478	(425)	1,053
Library collections	935	(715)	220	74	-	-	(46)	-	-	-	-	1,009	(761)	248
Museum Artefacts	158	-	158	-	-	-	-	-	-	-	-	158	-	158
WBU Assets	42	(18)	24	44	-	-	(35)	-	-	-	-	86	(53)	33
Computer equipment	809	(735)	74	5	-	-	(38)	-	-	-	-	814	(773)	41
Office equipment	457	(360)	97	25	-	-	(21)	-	-	-	-	482	(381)	101
Motor vehicles	349	(230)	119	40	(51)	-	(54)	41	-	-	-	338	(243)	95
Jackson's Bay Wharf	670	(126)	544	-	-	-	(14)	-	-	-	-	670	(140)	530
Total Operational Assets	25,608	(2,527)	23,081	367	(646)	(34)	(394)	41	-	-	-	25,295	(2,880)	22,415
Council infrastructural assets														
Land	2,148	-	2,148	4	-	-	-	-	(39)	-	-	2,113	-	2,113
Buildings	398	-	398	250	-	-	(11)	-	-	-	-	648	(11)	637
Roading network	168,662	(4,001)	164,661	2,337	-	-	(2,448)	-	39	6,442	15,685	186,788	(7)	186,781
Land under roads	55,470	-	55,470	-	(96)	-	-	-	-	-	-	55,374	-	55,374
Bridges	67,918	(1,394)	66,524	-	-	-	(699)	-	-	2,093	(21,706)	46,212	-	46,212
Water Supply	27,459	(1,270)	26,189	1,222	-	-	(660)	-	-	1,930	(4,914)	23,767	-	23,767
Drainage/Stormwater	14,378	(610)	13,768	259	-	-	(320)	-	-	930	(4,887)	9,750	-	9,750
Refuse Sites	-	-	-	2,450	-	-	(38)	-	-	-	-	2,450	(38)	2,412
Sewerage/Wastewater	13,022	(687)	12,335	703	-	-	(361)	-	-	1,048	(3,710)	10,015	-	10,015
Total infrastructural assets	349,455	(7,962)	341,493	7,225	(96)	-	(4,537)	-	-	12,443	(19,532)	337,117	(56)	337,061
Restricted assets														
Land	1,254	-	1,254	-	-	-	-	-	-	-	-	1,254	-	1,254
Public buildings	1,929	-	1,929	19	-	-	(39)	-	-	-	-	1,948	(39)	1,909
Cemetery buildings	52	(2)	50	-	-	-	(1)	-	-	-	-	52	(3)	49
Cemetery land	1,038	-	1,038	-	-	-	-	-	-	-	-	1,038	-	1,038
Reserve/recreation land	6,655	-	6,655	-	-	-	-	-	-	-	-	6,655	-	6,655
Reserve/recreation buildings	2,052	-	2,052	10	-	-	(20)	-	-	-	-	2,062	(20)	2,042
Reserve/improvements	307	(18)	289	41	-	-	(15)	-	-	-	-	348	(33)	315
Swimming pools	1,087	(40)	1,047	11	-	-	(26)	-	-	-	-	1,098	(66)	1,032
Total restricted assets	14,374	(60)	14,314	81	-	-	(101)	-	-	-	-	14,455	(161)	14,294
Total Council assets	389,437	(10,549)	378,888	7,673	(742)	(34)	(5,032)	41	-	12,443	(19,532)	376,867	(3,097)	373,770
Subsidiaries property, plant and equipment														
Buildings	2,925	(212)	2,713	221	(4)	-	(59)	-	9	-	-	3,151	(271)	2,880
Plant and machinery	10,991	(5,479)	5,512	1,527	(1,185)	(40)	(1,164)	842	-	-	-	11,293	(5,801)	5,523
Office equipment	258	(221)	37	46	-	-	(21)	-	-	-	-	304	(242)	62
Hokitika Airport	3,041	(481)	2,560	334	(63)	(13)	(36)	63	(79)	-	-	3,220	(454)	2,766
Total subsidiaries	17,215	(6,393)	10,822	2,128	(1,252)	(53)	(1,280)	905	(70)	-	-	17,968	(6,768)	11,231
Total Group assets	406,652	(16,942)	389,710	9,801	(1,994)	(87)	(6,312)	946	(70)	12,443	(19,532)	394,835	(9,865)	385,001

All valuations are carried out on a cyclical basis. A detailed valuation was performed by Kerry Stewart of Darroch at 30 June 2011 for land and buildings. Infrastructural assets were valued in house in 2012 by the Planning Engineer and peer reviewed by Mr SR Griffin, Buller District Council. There were no revaluations in 2012/13.

16 a. Investment Property

	Council		Group	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Opening balance 1 July	-	-	-	-
Additions	-	-	317	-
Disposals	-	-	-	-
Transfer to Inventory	-	-	-	-
Fair value gains / (losses) on valuation (Note 7)	-	-	-	-
Closing balance 30 June	-	-	317	-

17. Intangible Assets

	Council		Group	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Cost or Deemed Cost				
Opening cost at 1 July 2012	78	38	328	288
Additions	-	40	-	40
Disposals	-	-	-	-
Balance at 30 June 2013	78	78	328	328
Depreciation & Amortisation Losses				
Balance at 1 July	14	7	240	209
Amortisation for the year	5	7	26	31
Impairment Loss	-	-	-	-
Disposals	-	-	-	-
Closing balance at 30 June 2013	19	14	266	240
Carrying Amounts				
As at 1 July 2012	64	31	88	79
As at 30 June 2013	59	64	62	88

There were no internally generated intangible assets in the 2012/13 year.

18. Work in Progress

	Council		Group	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Capital Projects	4,425	2,483	4,583	2,578
Balance at 30 June 2013	4,425	2,483	4,583	2,578

19. Trading and Other Payables

	Council		Group	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Other Payables	1,044	1,224	1,944	2,422
Employee Benefit	66	-	66	-
Waiho Relocation	303	303	303	303
Accrued Expenses	129	135	129	135
Amounts due to Subsidiaries	523	963	-	-
Total trade and other payables	2,065	2,625	2,442	2,860

20. Deferred Income

	Council		Group	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Rates and other Revenue	150	148	209	172
Received in advance	-	-	-	-
Total Deferred Income	150	148	209	172

21. Provisions

	Council		Group	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Current portion is represented by				
Landfill closure and monitoring	-	-	-	-
Riskpool Call up Provision	90	67	90	67
Total current provisions	90	67	90	67
Non-current provisions represented by:				
Landfill closure and monitoring	1,498	457	1,498	457
Total non-current provisions	1,498	457	1,498	457

	Group	Group
	2013	2012
	\$000	\$000
Movement in Provision	524	453
Provision at 1 July	1,098	452
Movements in provision	(34)	(381)
Closing balance 30 June	1,588	524

Provision for landfill aftercare costs

The Council has responsibility under the resource consent to provide on-going 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:

- Council believes that with proper maintenance and monitoring, West Coast Regional Council will remove responsibility for the sites from WDC once they have "settled down".

22. Employee Benefit Liabilities

	Council		Group	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Accrued Severance	-	-	-	-
Annual and Sick Leave	243	298	705	732
Long Service Leave	30	14	33	76
Retirement Gratuities	117	196	299	327
Total employee benefit liabilities	390	508	1,037	1,135
Comprising:				
Current	273	396	796	894
Non - current	117	113	241	242
Total employee benefit liabilities	390	509	1,037	1,136

23. Borrowings

Fixed-rate debt

The Council's secured debt of \$ 15,498,353 (2012 \$15,238,353) is issued at variable rates of interest. At 30 June 2013 there was an interest rate swap agreement for a face value of \$5,000,000 at 4.99%, maturing on the 2 October 2017. An interest rate swap with a face value of \$3,000,000 from at 4.35% maturing 17 June 2015, see note 14. In addition a interest rate swap with a face value of \$1,000,000 at 3.55% maturing on 17 November 2020.

Council has a Multi Option Credit Line \$15,500,000 (2012 \$15,500,000), which allows the facility to be repaid/redrawn within the facility limit for a term of 9 months. Council refinanced its borrowing after 30 June 2013 to 6 September 2014.

	Council		Group	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Current				
Bank overdraft and flexible credit facilities	-	238	372	303
Secured loans	-	-	-	-
Term Debt	15,498	-	16,732	400
Total current borrowings	15,498	238	17,104	703
Non-current				
Secured loans	-	-	-	-
Term Debt	-	15,241	1,257	16,479
Total non - current borrowings	-	15,241	1,257	16,479
Total Borrowings	15,498	15,479	18,361	17,182

Loan Name	Maturity date	Interest rate	Balance at 1 July 2012	New loans raised	Principal Repaid	Balance at 30 June 2013
			\$	\$	\$	\$
Waste Management Projects	1/07/2013	3.68%	2,125,353			2,125,353
Waste Management Projects	17/07/2013	3.68%	944,347			944,347
Water Supply Projects	7/07/2013	3.68%	2,718,000			2,718,000
Water Supply Projects	17/07/2013	3.68%	505,653			505,653
Operational	17/07/2013	3.68%		510,000		510,000
Loan to Hokitika Airport Ltd.	n/a	n/a	250,000		250,000	0
Ross Pensioner Housing	n/a	n/a	2,369		2,369	0
Westland Holding Limited	1/07/2013	3.68%	2,627,000			2,627,000
Westland Holding Limited	17/07/2013	3.68%	3,350,000			3,350,000
Westland Holding Limited	17/07/2013	3.68%	2,718,000			2,718,000
Westland Business Unit			238,419		238,419	0
Total Council			15,479,141			15,498,353
Westland Holdings Ltd (Group)		5.45%				0
Westland Holdings Ltd (Group)	2014	9.77%	65,000	7,000		72,000
Westland Holdings Ltd (Group)	2014	5.96%	129,000		129,000	0
Westland Holdings Ltd (Group)	2011	6.43%	0			0
Westland Holdings Ltd (Group)	2015	7.40%	686,000		118,000	568,000
Westland Holdings Ltd (Group)	2013	9.48%	177,000		177,000	0
Westland Holdings Ltd (Group)	2014	6.18%	135,000		135,000	0
Westland Holdings Ltd (Group)	2016	6.05%	182,000		41,000	141,000
Westland Holdings Ltd (Group)	2016	5.97%	229,000		52,000	177,000
Westland Holdings Ltd (Group)	2013	6.40%	64,000		55,000	9,000
Westland Holdings Ltd (Group)	2014	6.72%	25,000		15,000	10,000
Westland Holdings Ltd (Group)	2013	6.09%	10,000		10,000	0
Westland Holdings Ltd (Group)	2018	7.27%		229,000		229,000
Westland Holdings Ltd (Group)	2018	6.03%		160,000		160,000
Westland Holdings Ltd (Group)	2014	5.50%		300,000		300,000
Westland Holdings Ltd (Group)	2019	5.70%		289,000		289,000
Westland Holdings Ltd (Group)	2019	5.70%		58,000		58,000
Westland Holdings Ltd (Group)	2013	5.50%		850,000		850,000
Total Group			17,181,141			18,361,353

23. Borrowings (continued)

Security

The Council's loans are secured over the District's rates.

A debenture exists over the assets of Westroads Limited Group. The debenture is held by the BNZ to secure the company's current and term lending facilities.

Loans Raised

Under the terms of its Revenue and Financing Policy the Council raised loans as follows:

\$2,400,000 loan is related to the Butler's Landfill (\$2,000,000) and \$400,000 for the Hokitika Transfer Station. This loan will be paid off over a 20 year period.

\$2,180,000 loan is related to the Hokitika Water Treatment Plant (\$1,822,000) and the Hokitika Reservoir (\$358,000). This loan will be paid off over a 20 year period.

The rest of the loans raised for Westland Holdings Limited are for capitalising the subsidiaries. The interest on these loans is deductible within the Group. These loans have subsequently been hedged by an interest rate swap.

Hokitika Airport and the Westland Business Unit loans were repaid, however the funds were used to meet cash flow requirements. As a result Council's borrowings weren't reduced and the debt has been reclassified as operational debt.

Maturity analysis and effective interest rates

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

	Council \$000	Group \$000
2013		
Less than one year	15,498	16,481
Later than one year but not more than five years	-	1,268
Later than five years	-	736
Total	15,498	18,485
2012		
Less than one year	238	15,942
Later than one year but not more than five years	15,241	1,240
Total	15,479	17,182

Fair values of non-current borrowings

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

	Council 2013 \$000	Council 2012 \$000	Group 2013 \$000	Group 2012 \$000
Term Debt	-	2	-	1,240
Total	-	2	-	1,240

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).

Internal Borrowing

Council had no internal borrowing processes operating in 2012/13.

24. Equity

	Council 2013 \$000	Council 2012 \$000	Group 2013 \$000	Group 2012 \$000
Retained Earnings	153,223	155,396	155,202	156,240
<i>Transfers to:</i>				
Restricted Reserves	-	(767)	-	(767)
<i>Transfers from:</i>				
Restricted Reserves	343	-	343	-
Revaluation reserve - disposals	375	661	375	661
WBU Prior Year Adjustment	-	390	-	390
Surplus / (Deficit) for the year	(1,030)	(2,457)	(872)	(1,322)
As at 30 June 2013	152,911	153,223	155,048	155,202
Restricted Reserves				
As at 1 July	3,126	3,019	3,126	3,019
<i>Transfers to Retained Earnings:</i>				
Restricted and Council Created Reserves	(343)	(661)	(343)	(661)
<i>Transfers from Retained Earnings:</i>				
Transfer to Restricted and Council Created Reserve	-	768	-	768
As at 30 June	2,783	3,126	2,783	3,126
Asset Revaluation Reserves as at 1 July	216,886	224,389	216,833	224,387
Revaluation of property, plant & equipment	-	(7,089)	-	(7,089)
Impairment of property, plant & equipment	-	(36)	-	(88)
Revaluation of financial assets held for resale	-	13	-	13
Transfer of revaluation reserve to retained earnings on disposal of property, plant & equipment	(375)	(391)	(376)	(391)
Deferred Tax	-	-	-	-
As at 30 June	216,511	216,886	216,457	216,832
Total Equity	372,205	373,235	374,288	375,160

25. Reconciliation of Net Surplus/(Deficit) after Tax to Net Cash Flow from Operating Activities

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
Surplus/(Deficit) after Tax	(1,030)	(2,457)	(872)	(1,322)
Add /(less) non cash items				
Vested Assets	(210)	-	(210)	-
Depreciation and Amortisation	5,083	5,032	6,387	-
Increase/(Decrease) in Employee Entitlements (LT)	4	(94)	(1)	6,312
Increase/(Decrease) deferred tax	(17)	4	(106)	(70)
Gain on fair value of investment property	-	-	-	(75)
(Gain)/Loss in fair value of interest rate swap	(342)	430	(342)	-
	4,518	5,372	5,728	6,597
Add /(less) items classified as investing or financing activities				
(Gains)/Losses on sale of assets	5	265	(88)	(9)
Capital Creditors	-	134	389	(727)
	5	399	301	(736)
Add /(less) items movements in working Capital Items				
Trade and other receivables	1,427	(1,487)	1,672	(1,166)
Inventories	19	7	18	45
Trade and other Payables	(560)	669	306	669
Deferred Income	2	(1)	37	21
Current and non current provisions	1,064	70	1,064	70
Employee Entitlements	(123)	(63)	99	(70)
Taxation Provision	-	4	-	(75)
	1,829	(801)	3,196	(506)
Net Cash inflow/(outflow) from operating Activities	5,321	2,513	8,353	4,033

26. Capital Commitments and Operating Leases

	Council 2013 \$000	Council 2012 \$000	Group 2013 \$000	Group 2012 \$000
Capital Commitments Approved and Contracted transfers from General Funds	1,224	1,224	2,702	1,851
Total Capital Commitments	1,224	1,224	2,702	1,851

Operating leases as lessee

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

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Not later than one year	58	50	100	119
Later than one year and not later than two years	65	43	175	87
Later than two years and not later than five years	71	103	397	240
Later than five years	-	-	-	-
Total	194	196	672	446

Non-cancellable contracts

The Council has entered into non-cancellable contracts with Westroads Limited for roading, water, sewerage, stormwater maintenance.

Details of the commitments under these contracts are as follows:

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Non Cancellable Contracts				
Not Later than one year	2,275	2,700	2,275	2,705
Later than one year and not later than two years	1,811	1,148	1,811	1,148
Later than two years and not later than five years	5,214	3,300	5,214	3,313
Later than five years	52	2,200	52	2,202
Total Non cancellable contracts	9,352	9,348	9,352	9,368

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.

27. Contingencies

Contingent Liabilities

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Performance Bonds	-	-	543	333
Mining Bonds	-	-	35	35
Total Quantified				
Contingent Liabilities (refer note below)	-	-	578	368

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

Alpine Glacier Motel has claimed to the high court that the council issued a Land Information Memorandum (LIM) in error. The claim is being managed by our insurers. The Council's potential liability is \$10,000.

Gallery Holdings Limited and Glacier Air Limited have claimed to the High Court that the Council has been negligent in making misstatements in relation to the closure of a Council owned facility (Franz Josef Heliport). The claim is being managed by Council's insurers, the Council's potential liability is \$10,000

Council is a member of the Local Authority Asset Protection Programme (LAPP): Council's type of asset insured through a fund jointly with the majority of other Local Authorities. This fund was mostly eliminated through the two Christchurch earthquakes. Subsequently, in order to keep contributions at a more affordable level, the fund has incorporated a risk sharing scheme. This means that the District Council may have to contribute up to a maximum of \$841,000 if there are two Christchurch type events in the next financial year.

The Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the 'Scheme'), which is a multi-employer defined benefit scheme. As at 31 March 2013, the Scheme had a past surplus of \$23.5 million (2012: \$6 million) and 0.24% (2012: 1.2%) of the liabilities. This amount is exclusive of specified superannuation contribution withholding tax. This surplus was calculated by the actuary to the Scheme using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19. The actuary to the Scheme has recommended the employer contribution continues at 1.0 times contributors' contribution at present.

The 1.0 times is inclusive of specified superannuation contribution withholding tax. The equivalent information as at 31 March 2013 is not available at the date of preparation of these financial statements.

Contingent Assets

The Council and Group have no contingent assets at 30 June 2013 (2012 Nil)

28. Related Party Transactions

	Actual 2013 \$000	Actual 2012 \$000
<i>Westroads Limited</i>		
Revenue Earned	26	24
Expenditure Charged	6,070	6,647
Accounts Payable to 30 June	523	963
Accounts Receivable to 30 June	5	-
Group tax Loss Offset	-	270
Subvention Payment	325	105
<i>Hokitika Airport Limited</i>		
Revenue Earned	85	59
Expenditure Charged	-	13
Accounts Payable to 30 June	-	-
Accounts Receivable to 30 June	-	20
Loan Advanced	30	-
Loan payable to 30 June	-	189
Loan Repaid	189	-
<i>Westland District Properties Limited</i>		
Revenue Earned	260	64
Expenditure Charged	403	48
Accounts Payable to 30 June	-	-
Accounts Receivable to 30 June	92	48
Vehicles Purchase	-	17
Property Purchase	-	4
Loan Advanced	124	-
Subvention Payment Due	12	-
<i>Westland Holdings Limited</i>		
Revenue Earned	-	-
Expenditure Charged	-	-
Accounts payable to 30 June	-	-
Accounts Receivable at 30 June	-	-
Dividends Received	340	100

Westland District Council has the ability to appoint Trustees to Tourism West Coast Incorporated. The trustees appointed by Westland District Council have between 20% to 50% of the voting rights to the entity.

Westland District Council does make a contribution to Tourism West Coast (\$86,000 annually) for operational purposes but does not have any rights to any distributions from that entity. Therefore no income, expenses or assets are recognised in respect of this interest.

Mr S Halliwell was contracted to provide financial management service to Council. He acted in the role of Group Manager Corporate Service from 26 November 2012 while recruitment was undertaken to fill this vacancy permanently. These service cost \$128,001 (2012 nil). At balance date Council owned \$19,692 (2012: nil) Mr Halliwell is not any employee.

Key Management Personnel

During the year, Councillors and senior management, as part of a normal customer relationship, were involved in minor transactions with the Council.

Additionally surplus office equipment was disposed of to key management personal at \$935. The net loss on disposal of these assets was \$1,069.93.

During the year, the Council purchased services from Heritage Highway Motel and Beachfront Hotel Hokitika in which Councillor Allen Hurley is a shareholder/director. These services cost \$5,760 (2012 \$5,929) and were supplied on normal commercial terms.

Key management personnel compensation	Council	
	2013 \$000	2012 \$000
Salaries and other short term employee benefits	862	853
Post employment benefits (including fringe benefit tax)	41	37
Telephone rental	0	1
Expense allowances	1	16
Professional allowances/fees	-	5
Other long term benefits	-	-
Termination benefits	105	-
Includes Mayor, Councillors, CEO, and senior managers	1,009	912

29. Remuneration

Chief Executive (Tanya Winter) from 17 September 2012

The Chief Executive of the Council appointed under section 42 (1) of the Local Government Act 2002 received a salary of \$139,517 and kiwisaver of \$3,209. There are no other additional remuneration benefits.

Chief Executive Officer (Robin Reeves) to 30 September 2012

The Chief Executive Officer of the Council appointed under section 42 (1) of the Local Government Act 2002 received a salary of \$52,679 and accumulated holiday entitlements of \$45,157 and a retiring gratuity of \$105,500. There are no other additional remuneration benefits.

Elected Representatives

Name of Elected Representative	Position	2013 Remuneration	2012 Remuneration
M.H. Pugh*	Mayor	70,420	65,500
B.O. Thomson	Deputy Mayor	21,985	21,678
K.J. Eggeling	Councillor	15,566	15,066
K.R. Scott	Councillor	15,150	14,971
J.G. Birchfield	Councillor	15,632	14,939
A.M. Hurley	Councillor	14,110	15,037
A.N. Bradley	Councillor	14,110	13,971
J.H. Butzbach	Councillor	14,110	13,971
F.I.W. Stapleton	Councillor	14,110	13,971
M.D. Montagu	Councillor	15,150	14,971
CA van Beek	Councillor	14,110	13,971
		224,453	218,045

Elected member remuneration is in accordance with the determinations of the Remuneration Review Authority.

*Remuneration includes remuneration and expenses and Director's fees of \$6,000.

Council Employees

The following disclosures result from recent amendments to the Local Government Act 2002. The information provided is based on the employees employed on 30 June 2013 and their employment contracts. Employees may not have earned the stated amount of the salary during the year.

Salary Bands

Level	30 June 2013	30 June 2012
<\$60,000	27	32
\$60,000-\$80,000	16	17
\$80,000-\$200,000	6	6
TOTAL	49	55

(if 5 or fewer, the number for that band must be combined with the next highest band and the statement in the report in relation to that subclause must be adjusted accordingly).

Employee Staffing Levels

Employee Staffing Levels	30 June 2013	30 June 2012
Number of Full-time Staff	30	35
Number of Part-time FTEs	6.76	6.95
TOTAL	36.76	41.95

Footnotes:

1. 2013 excludes 6 Swimming Pool staff that were transferred to Westland District Property Limited on 6 January 2013.

30. Severance Payments

The Council had no severance payments for the year ended 30 June 2013 (2012 \$0).

31. Events after the Balance Sheet Date

After balance date the local authority elections were held. Following the election the membership of Council changed. After balance date Bruce Smith resigned as Chairman and Director of Hokitika Airport Limited and as General Manager of Westland District Property Limited.

32. Financial Instrument Risks

The Council and Group is party to financial instruments as part of its normal operations. These instruments relate to the hedging of interest on loans and bank debt.

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

Market Risk

Price Risk

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

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

Fair Value Interest Rate Risk

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

Borrowings issued at fixed rates exposes 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 the Group has a large number of credit customers, mainly ratepayers, and the Council has powers under Local Government (Rating) Act 2002 it is able to recover from unpaid debts from ratepayers.

Maximum Exposure to Credit Risk

Maximum exposure to credit risk

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Bonds	1,317	1,853	1,317	1,853
Cash at bank and term deposit	1,660	1,573	1,660	1,818
Trade and other receivables	2,984	4,429	3,381	5,161
Local authority and government stock	26	26	26	26
Total credit risk	5,987	7,881	6,384	8,858

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.

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.

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

Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	Council		Group	
	Actual 2013	Actual 2012	Actual 2013	Actual 2012
	\$000	\$000	\$000	\$000
Cash at bank and term deposits				
AA-	1,660	1,573	1,660	1,573
Total cash at bank and term deposits				
Bonds				
AA	353	560	353	560
AA-	601	405	601	405
A	-	274	-	274
A+	-	102	-	102
A-	363	309	363	309
BBB	-	203	-	203
Total Bonds	1,317	1,853	1,317	1,853

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	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
Council 2013					
Trade and other payables	2,065	2,065	2,065	-	-
Term debt	15,498	15,498	15,498	-	-
Bank overdraft	-	-	-	-	-
Total	17,563	17,563			
Group 2013					
Trade and other payables	2,354	2,354	2,354	-	-
Term debt	17,629	-	17,629	-	-
Bank overdraft	372	-	372	-	-
Total	20,355	2,354	20,355		
Council 2012					
Trade and other payables	2,808	2,808	2,808	-	-
Term debt	15,241	15,241	15,239	2	-
Bank overdraft	238	238	238	-	-
Total	18,287	18,287	18,285	2	-
Group 2012					
Trade and other payables	3,038	3,038	3,038	-	-
Term debt	16,879	-	-	-	-
Bank overdraft	-	-	-	-	-
Total	19,917	3,038	3,038	-	-

Contractual maturity analysis of Financial Assets

The table below analyses the Council and Group's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Council 2013					
Cash and cash equivalents	1,660	1,660	-	-	-
Trade and other receivables	2,820	2,984	-	-	-
Westpac Bonds	1,317	1,317	-	1,317	-
Civic Assurance	37	37	-	-	-
Total	5,834	5,961	-	1,317	-
Group 2013					
Cash and cash equivalents	2,074	1,660	1,660	-	-
Trade and other receivables	3,381	3,381	3,381	-	-
Westpac Bonds	1,317	1,317	-	1,317	-
Civic Assurance	37	37	37	-	-
Total	6,809	6,395	5,078	1,317	-
Council 2012					
Cash and cash equivalents	1,812	1,812	1,812	-	-
Trade and other receivables	4,428	4,428	4,428	-	-
ASB Bonds	2,502	2,502	424	1,134	944
Civic Assurance	26	26	26	-	-
Total	8,768	8,768	6,690	1,134	944
Group 2012					
Cash and cash equivalents	763	763	763	-	-
Trade and other receivables	5,161	5,161	5,161	-	-
ASB Bonds	2,502	2,502	424	1,134	944
Civic Assurance	26	26	26	-	-
Total	8,452	8,452	6,374	1,134	944

Sensitivity Analysis

Interest Rate Risk – Council

As at 30 June 2013 it is estimated that a two percentage point increase/decrease in market interest rates would decrease/increase the Council's equity by approximately \$28,666 (30 June 2012 \$162,380)

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

Interest Rate Risk – Group

As at 30 June 2013 it is estimated that a two percentage point increase/decrease in market interest rates would decrease/increase the Council and Group's equity by approximately -\$385,437.55/ \$353,976.57 (30 June 2012 \$156,080).

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

33. Capital Management

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

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

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilizing the Council's assets and not expecting them to meet the full cost of long term assets that will benefit residents 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 Plan 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.

Council's reserve funds are listed, describing the purpose of the reserve fund and summarising the transactions in each reserve fund on pages 50 to 51.

34. Explanation of major variances against budget and actual Income

Total income was \$18,312,000 compared to budget of \$20,694,000. Council is unable to explain the reduction in actual income to budget due to the reliability of the Long Term Plan budgets as explained on page 7. Total income was \$971,000 above actual income last year. This is mainly due to gains on financial instruments of \$342,000 and increased distributions from Westland Holdings Limited and subsidiaries.

Expenditure

Total expenditure was \$19,914,000 compared to a budget of \$16,028,000 an increase of \$3,886,000. Council is unable to explain the increase in actual to budget due to the reliability of the Long Term Plan budgets as explained on page 7. Total expenditure was \$120,000 more than last year actual expenditure. This variance while small is made up of four larger items. Solid Waste expenditure is up \$771,000, as the full cost of the 2011 waste management contract is met for twelve months. Water expenditure is up \$215,000 largely due to the correct charging of finance costs to the activity. Other Finance costs are down \$638,000 largely due to the 2012 results including a one off loss on derivatives. Personnel costs also decreased this year from last year by \$(190,000), this was due to the swimming pool employees no longer employed and not replacing some key staff.

Statement of Financial Position

Total assets were \$392,305,000 compared to a budget of \$416,499,000 a decrease of \$24,194,000. Total liabilities were \$20,100,000 compared to budget of \$14,209,000 an increase of \$5,891,000. Council finds it difficult to explain these movements due to unreliability of the Long Term Plan budgets as explained on page 7. We are able to observe however that despite the unexplainable variance in the Long Term Plan opening equity, most of the variance relates to the cumulative effect of unrealistic surpluses and asset revaluations in the first two years of the Long Term Plan.

Current Assets

Current assets were \$5,834,000 compared to last years actuals of \$7,956,000. This was due to a decrease in trade and other receivables of \$1,426,000 the majority of which was grant and subsidy monies invoiced but not received by 30 June 2012. Other financial assets also decreased from \$1,354,000 to \$1,879,000 due reclassification of the call account within the bonds portfolio and a reduction in bonds held at the end of the year, as they were cashed up on maturity during the year.

Non Current Assets

Non current assets were \$386,471,000 compared to last years actuals of \$385,210,000 an increase of \$1,261,000. This was due mainly to an increase in Work in Progress from \$1,942,000 which is the result of the cycletrail construction, yet to be completed.

Current Liabilities

Current Liabilities were \$18,657,000 compared to last years actuals of \$2,627,000 an increase of \$16,030,000. This was due to an increase in current borrowings of \$15,498,000. The reason for this increase is that Council was renegotiating the loan agreement which at balance date was due to expire in March 2014 which has subsequently been extended for two years.

Non Current Liabilities

Non Current Liabilities were \$1,443,000 compared to last years actuals of \$16,426,000 an increase of \$14,983,000. This was due mainly to the decrease in non current borrowings of \$15,241,000 as this was moved to current borrowings. Provisions also increased from \$457,000 to \$920,000 which was due to recognising additional provisions required for leaky homes and landfill post closure costs.

Equity

Equity was \$372,205,000 compared to last year actuals of \$373,235,000 a decrease of \$1,030,000. This is due to a deficit in the 2012/13 financial year. No asset revaluations occurred in 2012/13.

35. Reclassification and Restatement

The Council and group has changed the presentation of items within income to comply with the new presentation requirements of the Local Government (Financial Reporting) Regulations 2011. The effect of the changes to income are shown in the table below.

	Before Reclassification 2013 \$000	Reclassification 2013 \$000	After Reclassification 2013 \$000
Council			
Income			
Rates	8,415	(8,415)	-
Rates, excluding targeted rates for water supply	-	6,664	6,664
Fees, Charges, and targeted rates for water supply	-	1,750	1,750
Development and Financial contributions	-	-	-
Subsidies and grants	-	2,812	2,812
Finance Income	-	183	183
Other Revenue	9,522	(2,994)	6,528
Gains/(Losses)	(596)	-	(596)
Total Income	17,341	-	17,341
Group			
Income			
Rates	8,415	(8,415)	-
Rates, excluding targeted rates for water supply	-	6,664	6,664
Fees, Charges, and targeted rates for water supply	-	1,750	1,750
Development and financial contributions	-	-	-
Subsidies and grants	-	2,812	2,812
Finance Income	-	197	197
Other Revenue	15,244	(3,008)	12,236
Gains	9	-	9
Total Income	23,668	-	23,668

RESERVE FUNDS



RESERVE FUNDS

There are two major types of reserve funds that Council manages:

- **Restricted Reserve Funds** Reserves for which Council has a legal obligation on the use of the funds.
- **Council Created Reserve Funds** Discretionary reserves to meet Council policy objectives. These reserves often include project funds, depreciation reserves, emergency or risk management funds, rates smoothing funds, provisions and carry forwards.

Council approved a list of Reserves in the Long Term Plan 2012/22 (p.223). After the realization of Council's financial results for 2011/12 it became clear that Council had insufficient funds to meet the reserve fund obligations.

As a result Council needed to assess the reserves, ensure its legal obligations were met by funding Restricted Reserves Funds and then adjusting Council Created Reserve Fund balances to an amount equivalent to the actual cash funds that were available. Council completed this in March 2013 and consulted with the community through the Draft Annual Plan 2013/14. Following the consultation some adjustments were made in August 2013.

COUNCIL CREATED RESERVE FUNDS SUMMARY REPORT							
As At 30 June 2013		(\$000)					
Description	Purpose	Opening Balance June 2012	Adjustments March 2013	Balance March 2013	Deposits	Expenses	Closing Balance June 2013
Foreshore Protection	To provide for emergency works	35.54	(11.61)	23.93	-	-	23.93
Glacier Country Promotions	Unspent rate funds	57.40	20.02	77.42	66.32	(50.80)	92.93
Three Mile Domain	Project fund	203.72	22.81	226.53	0.24	-	226.77
The Preston Bush Trust	Bush development	6.47	(0.54)	5.92	-	(0.42)	5.50
Harihari Community Complex	Project fund	-	289.06	289.06	-	-	289.06
Guy Menzies Day	Project fund	-	5.51	5.51	-	-	5.51
Kumara Township Fund	Project fund	-	-	-	(70)	70	-
Emergency Contingency Fund	To provide for emergency works	-	45.23	45.23	-	-	45.23
Cycle Way - Milk Products Land Sale	Project funding	-	-	-	242.00	-	242.00
	TOTAL COUNCIL CREATED RESERVE FUNDS¹	303.13	370.47	673.60	238.56	(18.78)	930.93

1. In August 2013 Council resolved in adopting the Annual Plan 2013/14 to reallocate funds to the Whataroa, Ross, Haast, and Fox township funds from the Three Mile Domain fund, these amounts do not show in the closing balances for 30 June 2013 but will show in the transactions for 2013/14.

RESTRICTED RESERVE FUNDS SUMMARY REPORT
As At 30 June 2013
\$(000)

Name	Purpose	Opening Balance June 2012	Adjustments March 2013	Balance March 2013	Deposits	Withdrawals	Closing Balance June 2013
Reserve Development	Monies collected from developments. Imposed by RMA/District Plan	510.55	-	510.55	61.39	-	571.94
Offstreet Parking	Collected from developments in town to pay for off-street parking. Imposed by RMA/District Plan	40.60	(12.11)	28.49	-	-	28.49
Bond	Driveway bonds held until works complete	159.35	-	159.35	36.11	(33.45)	162.01
Kumara Endowment	Proceeds from sale of Endowment land	298.00	-	298.00	142.56	-	440.56
Ross Endowment	Proceeds from sale of Endowment land	-	235.72	235.72	0.93	-	236.65
Museum Assistance Fund	Originally the Museum Bequest Fund (\$8,458) & Carnegie Furnishings Fund (\$3,929)	17.92	-	17.92	-	-	17.92
Euphemia Brown Bequest	Bequest to provide Christmas cheer or comfort for orphan children, or aged or infirm persons residing in and around Hokitika.	21.05	2.16	23.21	-	-	23.21
Waiho River-Franz Josef	Crown money to pay for relocation of properties south of the Waiho or returned to the Crown.	301.50	30.90	332.40	-	-	332.40
Mayors Trust Funds	Contributions from James & Margaret Isdell Trust; Coulston Herbert Trust.	30.66	-	30.66	1.20	(0.35)	31.51
Big Brothers Big Sisters	Grant funding received	-	1.02	1.02	21.49	(17.99)	4.52
Community Patrol	Grant funding received	(17.39)	19.90	2.51	0.87	(1.34)	2.04
Graffiti	Grant funding received	-	0.97	0.97	-	(0.36)	0.61
Taxi Chits	Grant funding received	-	0.54	0.54	2.17	(2.46)	0.25
Listed Separate Funds ²	No longer required	(276.68)	276.68	-	-	-	-
Listed Special Funds ³	No longer required	1,555.22	(1,555.22)	-	-	-	-
Free School Books	No Longer maintained	3.20	(3.20)	-	-	-	-
Creative NZ	No Longer maintained	0.25	(0.25)	-	-	-	-
Hokitika Community Pool Trust	No Longer maintained	(14.93)	14.93	-	-	-	-
	Adjustment to 2012 closing balances ⁴	192.56	(192.56)	-	-	-	-
	TOTAL RESTRICTED RESERVE FUNDS	2,821.87	(1,180.52)	1,641.34	266.73	(55.94)	1,852.12
	TOTAL ALL RESERVE FUNDS	3,125.00					2,783.05

2. This includes the following discretionary funds Council resolved in March 2013 as not able to be funded or no longer required; Pensioner Flats, Dog Control, Waste management, Free Books in Schools, Creative New Zealand, Hokitika Community Pool Trust and Wildfoods.
3. This includes the following discretionary funds Council resolved in March 2013 as not able to be funded or no longer required; Westland County Fund; Medical Fund; Kokatahi Fire Engine; Emergency Health and Westland Working Fund.
4. This adjustment is an irreconcilable difference in the reserves amount stated in the statement of equity (Note 23) for the 2011/12 accounts.

STATEMENTS OF SERVICE PERFORMANCE



INTRODUCTION

The purpose of the Statements of Service Performance is to assist the reader by demonstrating whether the Council delivered the level of service it intended to, made any changes to levels of service and to advise reasons for any significant variation in service levels from what was intended.

The following Statements of Service Performance group the activities of Council as they were grouped in the Long Term Plan 2012/22. The Statements report the significant performance measures of each activity and the operating financial performance. For each group of activities a Funding Impact Statement compares actual performance with the budget performance from the Long Term Plan 2012/22 to both operating performance and capital expenditure.

As stated in the Introduction to this Annual Report, Council has discovered that the Long Term Plan 2012/22 is unreliable for comparing budget and actual performance. Many performance measures are of little value for assessing the major performance aspects of the groups of activities (as required by the legislation). In December 2012, when reviewing the Annual Report 2011/12 reported, Council discovered how unreliable the Long Term Plan 2012/22 budgets are. With the year already half through and the budgets set six months earlier it was too late to change things.

Council is not reporting against 13 performance measures from the Long Term Plan 2012/22. In this Annual Report Council has revisited these and is now of the opinion that these measures provide little assistance to the assessment of the major performance matters for the groups of activities. An additional 27 measures have not been able to be measured due to Council's decision to not fund or implement the systems to reliably collect the information needed to assess performance. Council has provided additional information to assist in assessing performance.

None of these changes in the reporting of performance measures have affected the service levels Council adopted in the Long Term Plan 2012/22 and intended delivering.

Council is clear in the view that rectifying and focussing on its financial performance is the matter of greatest significance for the last financial year and the next few financial years.

Residents Survey

Following the financial result for 2011/12 financial year, Council needed to make savings in the 2012/13 financial year. One of these savings was made when Council resolved not to proceed with the annual resident satisfaction survey. In August 2013 Council further resolved not to fund the resident satisfaction survey for 2013/14. The result of this is that 24 performance measures identified in the Long Term Plan 2012/22 cannot be measured. A discussion was held with Audit New Zealand, who suggested that Council look for alternative ways to measure satisfaction. Council has decided that the measuring of satisfaction is best measured by a statistically accurate survey and that alternatives that could be derived post year-end are likely to be a poor substitute, time consuming, un-auditable and of low quality for the assessment of satisfaction. In order to minimise annual report costs in this area, and consistent with Council's intention when resolving not to complete the resident satisfaction

survey there is no measurement of satisfaction completed in 2012/13 for which readers can use to assist them in their assessment of Council delivery of service levels.

Activity Financial Performance Statements

Due to irreconcilable differences between the activity financial figures in the Long Term Plan and the Statement of Financial Performance in the Long Term Plan the Activity Financial Performance Budgets for all activities do not sum of the overall budgets. The actual figures for 2012/13 and comparative 2011/12 figures do reconcile to Note 2 of the Financial Statements.

Notes to the Statement of Performance

The Statement of Service Performance for each activity and group contain many note references to assist the users to understand the performance measures and to comment on the variances.

Notes	
1.	A Residents Survey was not undertaken in 2012/13. As such Council is unable to reliably assess customer satisfaction by the method advised in the LTP or by any other reliable method.
2.	This is a new measure in 2012/13 and there is no comparative data able to be efficiently obtained on which to compare current performance with past performance.
3.	In the absence of data previously being recorded to determine past performance the LTP determined that the 2012/13 performance results would become the baseline for these measures. For this reason the 2012/13 actual performance is exactly the same as the target performance.

PROMOTING AND SUPPORTING THE COMMUNITY



**PROMOTING AND SUPPORTING THE
COMMUNITY**

LEISURE AND CULTURAL ASSETS GROUP

**Library
Museum
Swimming Pools
i-SITE
Events
Community Halls and Buildings
Parks and Reserves
Cemeteries
Elderly Housing**



LIBRARY

Vision

Library services contribute to our vision for Westland by providing a first class service accessible to all residents and by providing a space to involve the community in decision making and getting connected with each other. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and expanded development opportunities. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and sustainability.

What we do

The library collection consists of adult fiction, adult non-fiction, large print, children's and young adults', reference and heritage books, magazines, newspapers, talking books, music CDs and DVDs. The Aotearoa People's Network Kaharoa provides internet access, software applications and wireless capability.

A library website www.westlib.co.nz is available 24 hours per day, 7 days a week providing access to electronic databases, library catalogue and customer access to their individual account.

Other services include household deliveries, inter-library loans, story time for various age groups, youth book club, out-reach story time sessions, school class and group visits, training workshops.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Opening hours are convenient for users of District Library services	% of customers satisfied with opening hours	Resident Satisfaction Survey and Internal Survey	1	Not measured.	90%	Not measured.
Library services are utilised	Number of physical visits to Library	Recorded visitor numbers		88,417	90,000	89,434
Library services are utilised	Increased use of Library facilities	Membership		3,567	3,600	3,636
Library services are utilised	Increased use of Library facilities	Issues		83,924	88,000	88,785
The Library environment is comfortable and user friendly	% of customers satisfied with library environment	Resident Satisfaction Survey	1	Not measured.	90%	96%
A wide range of up to date material is available in a variety of formats and relevant to the community	% of customers satisfied with the selection of material available in print, E-format, audio/visual and IT services	Resident Satisfaction Survey	1	Not measured.	90%	97%
A wide range of up to date material is available in a variety of formats and relevant to the community.	Increased awareness in the community of availability of material	Hits E-Service 'Overdrive'	2 3	1,224	1,224	Not measured.

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
A wide range of up to date material is available in a variety of formats and relevant to the community.	Increased awareness in the community of availability of material.	Hits on website.	2 3	32,242	32,242	Not measured.
The Library meets National Public Library Standards	The Library lending collection is up to date and relevant for the community	Meets NZ Public Library Standard D 3.1. <ul style="list-style-type: none"> • Issues per capita. • Turnover of lending collections. • % of operating budget allocated for purchase of collection material. 	4	0 out of 3 measures.	3 out of 3 measures.	1 out of 3 measures.

1, 2 and 3 see page 54.

4 The Library met 95% of the issues per capita target, 65% of turnover of lending collections target and 55% of the operating budget target allocated for the purchase of collection material. These figures include information from the Westland District Library and the Community Libraries.

Financial Performance

	Library		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	452,116	448,000	453,739
Less Operating Expenditure	462,512	448,057	452,285
Surplus/(Deficit)	(10,396)	(57)	1,454

Overall Assessment of Service Levels and Performance

2012/13 saw Council provide the same library services as the previous year with most performance measures not being achieved while maintaining a tight control on finances. Overall Council considers the non-achievement of these performance measures to not be significant and remains of the opinion that the Library delivered the services the community expected and did so within financial expectations.

MUSEUM

Vision

The Hokitika Museum successfully cares for its collection and shares Westland's stories and heritage through high quality exhibitions and other public programmes. The Hokitika Museum is recognised as a place to discover Westland's tales and treasures and contributes to the marketing of Westland, its heritage experiences and to the community's sense of identity. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and '100% Pure NZ'. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility, building relationships and sustainability.

What we do

The Hokitika Museum manages the community's heritage collection and shares Westland's stories with visitors and residents through exhibitions, displays, publications and public programmes.

The museum has an extensive and valuable collection of objects, archives and photographs that relate to Westland and the wider West Coast region. Along with exhibiting part of this collection the Museum also provides access to it through catalogues and indexes. Copies of archives and photographs are available on a cost recovery basis.

The museum also manages the Carnegie Gallery which is an important space for local artists to exhibit their work and for the museum to house touring shows or temporary exhibitions produced in-house.

The Museum engages with the community by providing assistance and expertise to both local interest groups and individuals on a wide variety of heritage matters.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Users of the Museum visitor service are satisfied with their experience.	% of visitors satisfied with the museum displays and exhibitions.	Resident Satisfaction Survey.	1 2	Not measured.	90%	Not measured.
The Museum environment is comfortable and user friendly.	% satisfied with the museum environment, availability, opening hours and remote access.	Resident Satisfaction Survey.	1	Not measured.	90%	Not measured.
The Museum provides a good quality experience.	Maintain visitor numbers.	Museum visitor records.	3 5	11,573	23,539	22,419
The Museum reflects the history and character of the people of Westland.	Maintain number of exhibitions and programmes per annum.	Number of exhibitions or programmes that relate to Westland.		15	8	8
Research and heritage advisory or related information services are easily accessible.	Requests for service are responded to within 5 working days.	The Museum enquiries register.	2 6	96.8%	100%	Not measured.

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Collection objects, archives and photographs are cared for to industry standard	Museum Collection is maintained and preserved.	Number of objects damaged due to poor climate and pests.	2 7	0	0	Not measured.
Collection objects, archives and photographs are cared for to industry standard.	Museum Collection is maintained and accessible.	Number of donated items catalogued per annum.	8 3	9.3%	6.09%	5.8%
The Museum knows who their visitors are and will develop to meet their needs.	Analyse visitor profiles	Visitor survey.		451 completed surveys.	Completed by June 2013.	256 completed surveys.
The Museum will develop to reflect its stakeholders and the wider community	Strategic review within first year of plan	Plan tabled and recorded in Council minutes	9	Not completed.	Completed by June 2013.	Not measured.

1, 2 and 3 see page 54.

5 The LTP required a baseline figure from the Annual Report 2011/12 visitor numbers. From this baseline the 2012/13 target was increased by 5%. 2011/12 was an extraordinary year as the Museum hosted a Whitebait Exhibition (September 11 – January 12) during the Rugby World Cup 2012 increasing visitor numbers significantly. The Museum cannot practically meet this target and achieve its revenue budget at the same time.

6 The Museum enquiries register commenced in January 2013; since that time 96.8% of enquiries were responded to in 5 days.

7 Poor climate and pest damage can happen over a 10 year period. There is no collection survey in place to gather this information at this time. The collection storage area climate is being monitored via data loggers from May 2013.

8 In the 2012/13 year 5,322 items were donated to the Museum, 496 were catalogued. In the 2011/12 year 11,803 items were donated, 685 were catalogued.

9 Council did not budget to undertake a Strategic Review of the Museum.

Financial Performance

	Museum		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	285,204	264,100	188,136
Less Operating Expenditure	302,524	263,857	339,817
Surplus/(Deficit)	(17,320)	243	(151,681)

Overall Assessment of Service Levels and Performance

2012/13 saw Council provide generally the same museum services as the previous year except for the Whitebait Exhibition which in 2011/12 was free entry and coincided with the Rugby World Cup. This sees visitor numbers much lower than last year, however other museum functions such as collection management improved. Overall Council considers the Museum delivered the services the community expected at an overall cost to ratepayers slightly more expensive than expectations.

SWIMMING POOLS

Vision

The swimming pools in Westland provide an important recreation facility for residents and visitors contributing to our vision of top class infrastructure. This activity contributes to our over arching vision relating to innovation, world class service and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness and safety.

What we do

Provide recreational pool facilities in Hokitika and Ross.
Provision of learn to swim programmes at Hokitika.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Users have the maximum usage of the pool during the year.	Minimum season October to April.	Opening times		43 weeks.	43 weeks.	43 weeks.
The water is a comfortable temperature for swimming.	Water temperature to be maintained at between 27.5 and 28.5 Celsius.	Monthly Report		27-28.5 ^c	28 ^c	27-28.5 ^c
Pool use is maximised by the community.	Increase pool usage by 1% pa.	Annual Report.		17,725	13,947	13,809
Learn to swim courses are available for the community to utilise.	A minimum of 5 courses to be held each year in either swim or exercise programme.	Annual Report.		12 Courses.	6 Courses.	6 Courses.
Pool water is safe for swimming.	Tests compliant with NZS5826:2010	Monthly report for Hokitika Pool		99%	100%	99%
Pool water is safe for swimming.	Tests compliant with NZS5826:2010	Monthly report for Ross Pool.		99%	100%	99%
The pool environment is safe.	Lifeguard supervision provided in accordance with Swimming Pool Guidelines published by New Zealand Recreation Association.	Pool Safe Accreditation.		100%	100%	100%
The future of the pool facility is	Strategic review within first year of	Plan tabled and recorded in	10	Not completed.	Plan completed and tabled by June	Not measured.

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
planned for.	plan.	Council minutes.			13.	

1 and 2 see page 54.

10 Council has not budgeted for a Strategic Review and as such a Strategic Review has not occurred. The Westland District Property Limited has a Pool Revitalisation Plan in place and work has commenced on facility development.

Financial Performance

	Swimming Pools		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	360,153	231,157	325,354
Less Operating Expenditure	408,794	229,348	358,080
Surplus/(Deficit)	(48,641)	1,809	(32,726)

Overall Assessment of Service Levels and Performance

2012/13 saw Council contract the management of the Hokitika Swimming Pool to Westland District Property Ltd. This transaction occurred in January 2013. Some small but noticeable improvements have been made, such as changing room heat pumps that have improved the swimmer experience. The number of learn to swim classes has doubled. The Ross pool continues to be operated by the community with some small capital improvements also improving the swimmer experience. The financial performance shows revenue and expenditure considerably higher than budgeted. This is largely due to taking 6 months to complete the processes to transfer the Hokitika Swimming Pool to Westland District Property Limited. As such the financial performance has an additional 6 months of operating revenues and expenses in Council's actual results. Overall Council considers the Swimming activity to have delivered the services the community expected for a higher than expected cost to ratepayers.

I-SITE

Vision

The i-Site contributes to our vision of Westland as a world class tourist destination. This activity contributes to our over arching vision relating to innovation, world class service and '100% Pure NZ'. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, building relationships and sustainability.

What we do

- Promoting and selling Westland as the last best place to visit, explore and play.
- Working with our tourism community to develop reasons for visitors to stay longer and spend more.
- Investigate ways to increase visitor numbers and the dollars they spend while here.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Increase number of activities and accommodation booked and purchased.	Increase sales of Westland activities and accommodation by 3%.	Recorded information from the IBIS booking and sales system used by i-SITE.	11	\$563,756	\$669,234	\$669,234
Provide excellent customer service.	Maintain customer satisfaction levels at 90%	Bi Annual mystery shopper assessment. Bi Annual Qualmark Assessment	12	Qualmark 86%	90%	Not measured.
Increase visitor numbers to Westland.	The number of Visitors handled by Hokitika i-SITE Visitor Centre maintained.	Recorded information from i-SITE.	11	50,551	53,470	51,951

11 On the 2 January 2013 heavy rain caused the Wanganui River Bridge north of Harihari to wash out, closing the only road south for 5 days. This adversely affected tourism sales and visitor flows well into the summer season.

12 Assessments for Mystery Shopper and Qualmark are assessed bi-annually. 2011/12 Mystery Shopper was cancelled due to the Christchurch Earthquake, previous Qualmark 2010/11 assessment 77%.

Financial Performance

	I-Site		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	475,281	505,165	-
Less Operating Expenditure	506,061	344,727	-
Surplus/(Deficit)	(30,780)	160,438	-

Council has not been able to efficiently calculate meaningful comparative financial performance figures for 2011/12. This is due to the i-Site and other activities and overheads being part of the Westland Business Unit Activity in last year's Annual Report.

Overall Assessment of Service Levels and Performance

2012/13 saw Council directly manage this activity, previously managed indirectly as part of the Westland Business Unit activity. Visitor numbers at the i-Site and throughout the district were tracking ahead of last year until flooding closed the state highway at the Wanganui River Bridge north of Harihari. Although closed for only 5 days cautious tourists resulted in many cancellations and a massive drop in visitors during the peak of the tourism season. This created an adverse variance in i-SITE revenue against the Long Term Plan 2012/22 budget but given the effect of the bridge outage an acceptable result against last year. The budgeted operating expenses for the i-SITE were unrealistically low for the service level Council agreed. Overall Council would have liked better performance, but given the events outside of Council's control, the service levels and financial performance met Council's expectations.

EVENTS

Vision

Brilliant, vibrant and fun events will help drive our vision of being a top class tourist destination by 2030. This activity contributes to our over arching vision relating to innovation, expanded development opportunities and '100% Pure NZ'. The core values that underlie these parts of our vision are affordability, customer focus, quality, accessibility, building relationships and sustainability.

What we do

We work on developing and growing our iconic major event – the Hokitika Wildfoods Festival. As it continues to flourish and prosper our focus will turn to developing at least one other new and iconic event experience by the close of 2013.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Increase visitor numbers to Westland.	Grow the estimated economic impact to the District of major events.	BERL Impact report will not be undertaken in the 2014 year.	13	Not measured.	Baseline from 2011/12.	Not measured.
Increase visitor numbers to Westland.	The number of events and the estimated attendance.	The number of events.	14	2	1	1
Increase visitor numbers to Westland.	The number of events and the estimated attendance.	The number of estimated attendance.	15	12,955	11,847	11,847
Provide excellent and well attended events.	% of residents satisfied with events and festivals.	% of residents satisfied with events and festivals.	1	Not measured.	90%	Not measured.

1 see page 54.

13 The BERL economic survey is a useful tool for understanding the benefit Westland gets from this event. The impact assessment does not change greatly on an annual basis and as such the report is only budgeted to be prepared every few years. Therefore no economic assessment was done in 2012/13.

14 The Events Department undertook 2 Festivals during the 2012/13 year, the Great West Coast Whitebait Festival in October 2012 and the Wildfoods Festival in March 2013.

15 Ticket sales for the Wildfoods Festival were 10,412 (2012: 11,099) and ticket sales for the Great West Coast Whitebait Festival were 2,543 (2012: 0).

Financial Performance

	Events		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	491,003	597,000	-
Less Operating Expenditure	769,958	494,000	-
Surplus/(Deficit)	(278,956)	103,000	-

Council has not been able to efficiently calculate meaningful comparative financial performance figures for 2011/12. This is due to the i-Site and other activities and overheads being part of the Westland Business Unit Activity in last year's Annual Report.

Overall Assessment of Service Levels and Performance

2012/13 saw Council directly manage this activity, previously managed indirectly as part of the Westland Business Unit activity. Council specifically tasked the unit to ensure that as "the Wildfoods Festival continues to flourish and prosper our focus will turn to developing at least one other new and iconic event experience by the close of 2013."

Council's overall assessment of the services levels achieved is that the Wildfoods Festival was enjoyed in great weather by attendees and was well supported by the community. However the new event "the Whitebait Festival" failed to meet all expectations. Overall both events failed to meet financial expectations resulting in a large deficit for the Events activity. The Wildfoods Festival was reviewed after the event and Council, with community support are continuing to hold the festival in 2014 with a revised scope of events.

COMMUNITY HALLS AND BUILDINGS

Vision

Community Halls and Buildings contribute to our vision of having top class infrastructure and involving our stakeholders and communities by engaging them to help care for and use them. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and inspirational leadership. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility and building relationships.

What we do

Provide and manage various buildings and halls to be used by the community.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Buildings and halls provide a safe and useful resource for the local community.	Buildings have current WOF where required.	WOF issued.		100%	100%	100%
Buildings and halls provide a safe and useful resource for the local community.	% of residents satisfied with the standard of their hall or community building.	Resident Satisfaction Survey.	1	Not measured.	80%	77%
Requests for service are dealt with promptly.	Service requests are responded to within 3 working days.	Service Request support system.		100%	100%	100%

1 see page 54.

Financial Performance

	Community Halls & Buildings		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	144,995	79,420	459,290
Less Operating Expenditure	146,518	105,286	527,874
Surplus/(Deficit)	(1,524)	(25,866)	(68,584)

Overall Assessment of Service Levels and Performance

2012/13 saw Council required to unexpectedly have to close the Hokitika RSA Memorial Hall. Council also gave considerable thought to the funding proposals for the Harihari and Fox Community Halls and included these in the Annual Plan 2013/14. These were not budgeted in the Long Term Plan for 2012/13, however, commitments had been made to these projects in previous years.

Overall Council considers the Community Halls and Buildings activity did not deliver the service levels Council had intended and in doing so was able to operate within financial expectations.

PARKS AND RESERVES

Vision

Parks and reserves that are well maintained and used contribute to our vision for top class infrastructure for all our communities. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility, affordability, building relationships and safety.

What we do

The Council manages and maintains a number of parks and reserves throughout the District for active and passive recreation. Recreation and Local Purpose Reserves are managed under the Reserves Act 1977. For the past 18 years the main sports ground in Hokitika, Cass Square, has provided the venue for the famous Wildfoods Festival.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Reserves are pleasant, enjoyable and safe places.	% of residents satisfied with parks and reserves.	Resident Satisfaction Survey.	1	Not measured.	80%	89%
Reserves are pleasant, enjoyable and safe places.	Reported injuries.	Number of reported injuries.		0	0	0
Reserves are pleasant, enjoyable and safe places.	Playground equipment and furniture meet Health and Safety standards.	Playground warrant of fitness.	2 16	Not measured.	WOF issued	Not measured.
Requests for service are dealt with promptly.	Service requests are responded to within 1 day.	Service Request System.	17	66%	100%	Not achieved.
We want to keep the community safe so parks and reserves are maintained to a good standard and in an environmentally sensitive manner.	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly.	Monthly management reports	2	100%	100%	Not measured.

1 and 2 see page 54.

16 There is a contract in place and there are specifications to maintain playground equipment with the contractor. There is no playground warrant of fitness. In the future independent audits will be undertaken to ensure compliance.

17 In 2011/12 there was 1 complaint but not responded to within a day. In 2012/13 there were 3 requests, 2 were responded to within a day.

Financial Performance

	Parks & Reserves		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	402,941	323,960	432,317
Less Operating Expenditure	362,928	351,292	357,634
Surplus/(Deficit)	40,013	(27,332)	74,683

Overall Assessment of Service Levels and Performance

2012/13 saw Council supporting the Whataroa community to access funding for an upgrade of their playground. Overall Council considers the Parks and Reserve activity to have delivered the services the community expected on within financial expectations.

CEMETERIES

Vision

Our beautiful historic cemeteries provide a peaceful resting place for our loved ones who have died. Westland District Council is privileged to provide this service to the people of Westland. This activity contributes to our vision of top class infrastructure for our community. This activity contributes to our over arching vision relating to innovation, world class service and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, affordability and safety.

What we do

The Council manages cemeteries which:

- Provide plots for interment on demand to meet the needs of the bereaved for a suitable resting place for departed relatives or friends.
- Provide areas for the burial and recording of ashes.
- Provide roading, car parks, seating, footpaths and other infrastructure.
- Meet the needs of visitors.
- Meet Council's statutory obligation to provide paupers graves.
- Meet the social and cultural needs of the community.
- Provide park like grounds which are visually appealing for visitors.
- Provide a historical record of the deceased for the community.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Cemeteries are accessible and safe for the community.	% of customers feel safe in cemetery grounds.	Resident Satisfaction Survey.	1	Not measured.	80%	91%
Requests for service are dealt with promptly.	Service requests are responded to within 5 working days.	Monthly meeting and audit report from contractor	18	Not achieved.	100%	No requests.
The Cemetery grounds are clean and tidy.	% of customers satisfaction with state of all cemetery grounds.	Resident Satisfaction Survey.	1	Not measured.	90%	91%
Burials adhere to relevant legislation.	Standards for burial are adherence to Cemeteries & Cremations Act 1964.	Cemetery records.		100%	100%	100%
Cemeteries are accessible and safe for the community.	Opening hours are well advertised and adhered to.	Cemetery opening hours	2	No service requests.	No service requests.	Not measured.

1 & 2 see page 54.

18 There was only 1 request in the 2012/13 year and it wasn't responded to in the timeframe as the staff member was on annual leave.

Financial Performance

	Cemeteries		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	119,069	104,300	111,111
Less Operating Expenditure	120,619	87,000	119,552
Surplus/(Deficit)	(1,550)	17,300	(8,441)

Overall Assessment of Service Levels and Performance

2012/13 saw the cemeteries activity continue to provide the same service levels the community has expected with a slight budget overrun. Overall Council considers the Cemeteries activity to have delivered the services the community expected within financial expectations.

ELDERLY HOUSING

Vision

Providing housing for the elderly gives the community infrastructure to support the elderly. Housing for the elderly that is safe, clean, functional and provides a network of close neighbours and friends is infrastructure that promotes our vision for Westland by making this a great place to live.

What we do

Provide accommodation for the elderly as an alternative to living on their own.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
The units are safe to live in.	Maintenance program is completed each year.	Monitoring against Maintenance Programme	19	Not measured.	100%	100%
The units are clean and comfortable.	% of satisfaction of tenants with living conditions.	Resident Satisfaction Survey.	20	Not measured.	95%	100%
Tenants receive prompt response to their requests for service.	% of requests for maintenance or complaints actioned within 7 working days.	Service Request System.	21	Not measured.	100%	100%

19 Westland District Property Ltd have not yet established an annual maintenance programme. They have however, completed repairs and maintenance to the pensioner flats and have no outstanding maintenance requests.

20 An annual tenant review is personally undertaken in August of each year by visiting each tenant.

21 Requests for service are immediately actioned and recorded on file. The system has not recorded the date received and actioned to determine the achievement or not of the performance measure.

Financial Performance

	Elderly Housing		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	19,790	-	156,420
Less Operating Expenditure	95,027	-	161,488
Surplus/(Deficit)	(75,236)	-	(5,068)

With this activity transferred to Westland District Property Ltd and it intended that the asset would transfer to the company also, Council assumed that there would be no budget required. There was however some small transactions related to the handover of the activity and as the transfer of the assets did not occur, so Council incurred the full depreciation expenses.

Overall Assessment of Service Levels and Performance

2012/13 saw Council contract the management of Elderly Housing to Westland District Property Ltd from July 2012. Although the management contract required the company to measure the Key Performance Indicators, Council neglected to tell the company what to measure. We do know that occupancy levels are up, that rent arrears have been caught up, and we have received reports that the tenants are happier. Without a satisfaction survey however we cannot verify this. Overall Council considers the transfer of the management of Elderly Housing to Westland District Property Ltd has slightly improved the services the community expected however with the asset transfer not occurring Council incurred a large depreciation change it had not planned for.

LEISURE AND CULTURAL ASSETS GROUP

FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
NOTES					
SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties		1,449	1,455	1,416	1,416
Targeted rates (other than a targeted rate for water supply)		6	6	10	10
Fees, Charges and targeted rates for water supply		-	-	-	-
Subsidies and grants for operating purposes	1	67	82	-	10
Interest & Dividends from Investments		-	-	-	-
Fees and charges	2	1,229	1,014	1,585	1,262
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-	-
Total operating funding [A]		2,751	2,557	3,012	2,698
APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers		3,017	2,454	3,112	2,402
Finance costs		-	-	4	-
Other operating funding applications		-	-	-	-
Total applications of operating funding [B]		3,017	2,454	3,116	2,402
Surplus (deficit) of operating funding [A - B]		(267)	103	(105)	296
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		-	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding [C]		-	-	-	-
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
–to meet additional demand	3	-	-	235	-
–to improve the level of service	4	-	24	53	97
–to replace existing assets	5	139	52	38	32
Increase (decrease) in reserves		(406)	27	(431)	167
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding [D]		(267)	103	(105)	296
Surplus (deficit) of capital funding [C - D]		267	(103)	105	(296)
Funding balance: [A - B] + [C - D]		-	-	-	-

Leisure and Cultural Assets Group Major Variances

The following explains the significant variances between actual and budgeted financial performance in the Funding Impact Statement for the Group of activities. These explanations should be read in conjunction with the comments made against each Activity Statement of Performance in the preceding sections. Readers should also note Council's comments with regard to the quality of the Long Term Plan 2012/22 (LTP) budgets on pages 7 and 53.

Sources of Operating Funding

- 1 Subsidies and grants were \$15,000 down on the LTP budget, largely due to a high grants budget for the Events activity. A number of grant applications were made and declined.
- 2 Fees and charges income is down from 2012 actual as MDI funding of \$393,000 was included which related to the Regent Theatre (\$313,000) and Boys Brigade of (\$80,000). Fees and Income is higher than budget by \$214,000.

Applications of Capital Funding

- 3 \$235,000 spent last year is the rebuilding of the Ross Playgroup and development of the i-Site by the Westland Business Unit. No projects to meet additional demand were budgeted in the Long Term Plan.
- 4 The \$24,000 LTP budget was for expansion of the Hokitika Cemetery. No work was undertaken in 2012/13. This capital project has been revised and included in the Annual Plan 2013/14 at \$10,000.
- 5 Difference of actual and LTP budget is \$87,000. The major project contributing to this variance was the rebuild of the Hokitika Heritage Park building, following their fire. This project has been funded from Council's insurance.

**PROMOTING AND SUPPORTING THE
COMMUNITY**

COMMUNITY SERVICES GROUP

Community Development



COMMUNITY DEVELOPMENT

Vision

Community Development involves the community and provides inspirational leadership for the community making Westland a great place to live, work and play. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and inspirational leadership. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility, and building relationships.

What we do

We create educational opportunities for the community around emergency management and waste minimisation.

We communicate with the residents of Westland and ask them to have their say on issues and projects that are important to them.

We manage programmes that contribute to health and well-being and approve requests from Community Groups and Organisations and individuals to assist with recreational and cultural activities and other special events or activities. Provide advice to the community regarding other funding alternatives.

Service Levels and Performance Measures

SAFER COMMUNITY COUNCIL						
Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Build capacity in the community to reduce reported crime.	Maintain low level of family violence, vandalism, and burglary.	Number of reported crimes in Family Violence.		51	70	76
Build capacity in the community to reduce reported crime.	Maintain low level of family violence, vandalism, and burglary.	Number of reported crimes in Vandalism.	2	109	10	Not measured.
Build capacity in the community to reduce reported crime.	Maintain low level of family violence, vandalism, and burglary.	Number of reported crimes in Burglary from NZ Police reports.		48	40	33
Build capacity in the community to reduce reported crime.	At least three programmes are delivered throughout the year that meet the requirements of the funder.	Number of programmes that meet the requirements of the funder.	2	6	3	Not measured.
Create opportunities for the community through building relationships with outside groups and agencies.	Meetings with the Police and other government agencies regarding prevention and programming.	Number of meetings per annum.	2	60	15	Not measured.
Protect the environment from littering.	Monitor freedom campers.	Number of infringements issued.	2	96	50	Not measured.

2 see page 54.

ASSISTANCE FUNDING						
Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Funding is available for community projects.	Advertising of grants occurs 4 times year.	Newspaper ads, advertising in Uniquely Westland.		1	4	4
Funding is available for community projects.	Number of groups/individual applying.	Number of applications received.		18	10	11
Funding is available for community projects.	Funding is made available to all members/groups of the community.	Number of applications approved.		18	10	11
Build capacity in the community to create community projects.	Referrals to external agencies.	Number of referrals recorded.	2	5	5	Not measured
Consult the community on issues of importance.	Number of consultations per year.	Summary of consultation results over year tabled to Council.	2	3	4	Not measured

2 see page 54.

Financial Performance

	Community Development		
	Actual 12/13	Budget 12/13	Actual 2011/12
	\$	\$	\$
Operating Revenue	244,471	155,891	535,623
Less Operating Expenditure	272,376	272,376	506,283
Surplus/(Deficit)	(27,905)	(116,485)	29,340

	Safer Community Council		
	Actual 2013	Budget 2013	Actual 2012
	\$	\$	\$
Operating Revenue	75,534	68,000	51,353
Less Operating Expenditure	29,494	29,494	45,175
Surplus/(Deficit)	46,040	38,506	6,178

Overall Assessment of Service Levels and Performance

2012/13 saw the Community Development Activity have mixed results against performance indicators with those measures Council has direct control over being mostly achieved but most of the outcome type measures were not achieved. Overall Council considers the activity to have delivered the services the community expected within financial expectations.

COMMUNITY SERVICES GROUP FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
Note					
SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	1	165	195	334	334
Targeted rates (other than a targeted rate for water supply)		105	105	104	103
Fees, Charges and targeted rates for water supply		-	-	-	-
Subsidies and grants for operating purposes		24	16	-	38
Interest & Dividends from Investments		-	-	-	-
Fees and charges	2	27	26	149	1
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-	-
Total operating funding [A]		320	342	587	476
APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	3	300	500	550	474
Finance costs		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding [B]		300	500	550	474
Surplus (deficit) of operating funding [A - B]		21	(158)	37	2
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		-	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding [C]		-	-	-	-
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
–to meet additional demand		-	-	-	-
–to improve the level of service		5	-	1	-
–to replace existing assets		15	-	-	-
Increase (decrease) in reserves		-	(158)	36	2
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding [D]		20	(158)	37	2
Surplus (deficit) of capital funding [C - D]		(20)	158	37	2
Funding balance: [A - B] + [C - D]		-	-	-	-

Community Services Group Major Variances

The following explains the significant variances between actual and budgeted financial performance in the Funding Impact Statement for the Group of activities. These explanations should be read in conjunction with the comments made against each Activity Statement of Performance in the preceding sections. Readers should also note Council's comments with regard to the quality of the Long Term Plan 2012/22 (LTP) budgets on pages 7 and 53

Sources of Operating Funding

- 1 The budgets for Community Services were significantly revised in 2012/13 from 2011/12 as a result of a reallocation of overhead budgets away from this activity. This led to budgeted rates revenue being lower than 2011/12 actual rates revenue by \$169,000. The difference between 2012/13 actual rates revenue and 2011/2012 rates revenue is a reduction in rates attributed to this activity.
- 2 2011/12 Fees and Charges revenue was unusually high due to a one off grant of \$100,000 being received on behalf of Franz Josef Health Care.

Applications of Operating Funding

- 3 Payments to staff and suppliers is lower than 2011/12 mainly due to the 2011/12 showing the \$100,000 payment of the grant to Franz Josef Health Care and a reduction in expenditure for Glacier country Promotions of \$140,000.

PLANNING FOR OUR COMMUNITY



PLANNING FOR OUR COMMUNITY

PLANNING AND REGULATORY SERVICES GROUP

**Inspections and Compliance
Resource Management
Animal Control
Emergency Management**



INSPECTIONS AND COMPLIANCE

Vision

Regular inspections and ensuring compliance with standards assists in Westland becoming a world class tourist destination and aiming towards 100% Pure NZ brand. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and expanded development opportunities. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and sustainability.

What we do

The Council's role is principally in the nature of approval, licensing/registration, consents and surveillance. The inspection and compliance function is based on health and safety, community and environmental standards.

This activity comprises of:

- Building Inspection and Control.
- Environmental Health.
- Liquor Licensing.
- Noise Control.
- Onsite effluent disposal for new properties (as delegated by the West Coast Regional Council)

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Process all applications lodged under the Building Act 2004 within the timeframes specified in the Act.	All building consent applications will be processed within 20 working days.	Monthly Reports.		98%	100%	97%
Process all applications lodged under the Building Act 2004 within the timeframes specified in the Act.	All Project Information Memoranda applications will be processed within 20 working days.	Monthly Reports.		98%	100%	100%
Users of the service receive appropriate advice regarding their enquiry.	% of users are satisfied with advice.	Resident Satisfaction Survey.	1	Not measured.	100%	75%
Encourage compliance with health standards by undertaking inspections so that all food, liquor and other licensed premises comply with the relevant legislation.	All licensed and registered premises are inspected at least annually.	Monthly Reports.		99%	100%	98%
Encourage compliance with health standards by undertaking inspections so that all food, liquor and	Work with Police and Community Public Health to reduce the negative impacts of alcohol abuse	Quarterly Report.	2 22	100%	100%	Not measured.

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
other licensed premises comply with the relevant legislation.	through an annual meeting.					

2 see page 54.

22 A meeting of Police, Health and West Coast Council's was held in March 2013.

Financial Performance

	Inspections & Compliance		
	Actual 2013	Budget 2013	Actual 2012
	\$	\$	\$
Operating Revenue	800,746	775,424	891,242
Less Operating Expenditure	786,253	775,117	952,177
Surplus/(Deficit)	14,493	307	(60,935)

Overall Assessment of Service Levels and Performance

2012/13 saw Council maintain its accreditation and registration as a Building Consents Authority which is one of the key service levels for this activity. The volume of work was similar to last year and all the key performance indicators were very close to being met. Financially the activity exceeded revenue targets. Overall Council considers the Inspection and Compliance activity to deliver the services the community expected slightly ahead of financial expectations.

RESOURCE MANAGEMENT

Vision

The District Plan provides the regulatory framework to encourage and direct development in Westland. The processing of Resource Consents allows consideration of development against our vision and performance framework and ensures adverse environmental effects are mitigated. This activity contributes to our over arching vision relating to world class service, inspirational leadership and expanded development opportunities. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility, building relationships and sustainability.

What we do

Day to day activities include:

- Development and review of District Plan, by-laws and policy.
- Processing Resource Consents.
- Issuing Land Information Memoranda (LIM).
- Answering general enquiries.
- Ensuring activities within the District comply with the Resource Management Act and the District Plan.
- Performing environmental monitoring.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
To ensure customers can get on with their project or business opportunities we process Resource Consents within statutory timeframes as specified in Resource Management Act.	100% of Resource Consent processed within the timeframes of the Act.	Monthly Report.	23	95%	100%	98%
Public complaints relating to environment are investigated and responded to in a timely manner.	Council respond to within 10 days.	Monthly Report.		70%	100%	100%
Provide and maintain a District Plan which is reflective of the community.	Work Plan is developed on changes required to the District Plan and these are affected.	Work plan developed and updated annually.	24	2	Reviewed annually.	2
Process all applications lodged under section 44A of the Local Government Official Information and Meetings Act 1987 within the timeframes specified in the Act.	100% of LIMs processed within 10 working days.	Monthly Reports.		100%	100%	100%
Process all	% of fast-track			100%	100%	100%

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
applications lodged under section 44A of the Local Government Official Information and Meetings Act 1987 within the timeframes specified in the Act.	LIMS processed within 3 days.					

23 This percentage was made of the following Resource Consents; non-notified (no hearing) 95%, limited notified (no hearing) 100%, limited notified (hearing held) 100%, publicly notified 100%.

24 One private plan change was approved and one Council led plan change is proceeding.

Financial Performance

	Resource Management		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	415,932	372,176	347,128
Less Operating Expenditure	388,590	372,571	434,522
Surplus/(Deficit)	27,342	(395)	(87,394)

Overall Assessment of Service Levels and Performance

2012/13 saw the Resource Management activity come close to meeting most of its performance measures. Lower than expected performance in responding to public complaints is a concern to Council. Overall Council considers that the Resource Management activity met the service levels the community expected while achieving a slightly better than expected financial performance.

ANIMAL CONTROL

Vision

Sensible animal control and well behaved and registered dogs make the experience of living and residing in Westland much more pleasant and enjoyable. This assists Westland become a world class tourist destination. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and inspirational leadership. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility and building relationships.

What we do

- Undertake dog and animal control functions
- Enforcement and control of roaming dogs and other animals
- Ensure all known dogs are registered
- Education of dog owners through dog control contractors
- Provide a dog pound

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Requests for service are dealt with promptly.	All service requests are responded to within 1 working day.	Customer complaint form.		90%	100%	95%
The public are safe from dogs.	That the public are satisfied with the service.	Resident Satisfaction Survey.	1	Not measured.	95%	56%
The public are safe from dogs.	Records will be kept relating to dog numbers, location, sex and breed and in conformity with the National Dog Database (NDDB).	NDDB.		100%	100%	100%

1 see page 54.

Financial Performance

	Animal Control		
	Actual 2013	Budget 2013	Actual 2012
	\$	\$	\$
Operating Revenue	109,305	92,000	93,496
Less Operating Expenditure	87,730	91,563	94,556
Surplus/(Deficit)	21,575	437	(1,060)

Overall Assessment of Service Levels and Performance

2012/13 saw the Animal Control activity continue to provide the same service levels the community has expected with financial performance slightly exceeding expectations.

EMERGENCY MANAGEMENT

Vision

Good emergency management and leadership will allow Westland to recover quickly in the event of an emergency or natural disaster. This activity involves the community and stakeholders. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and inspirational leadership. The core values that underlie these parts of our vision are customer focus, quality, reliability, responsiveness, accessibility and building relationships.

What we do

The Council's goal is the continued development and maintenance of a Civil Defence Emergency Management Plan which provides for the following:

- Readiness, ensuring the public is aware of the risk and prepared for any civil defence emergency and training volunteers to be able to respond to emergency events.
- Reduction, mitigation of potential problems.
- Response, coordinating response to emergency events.
- Recovery, managing the community recovery after a civil defence emergency.

The Council reduces the likelihood and consequences of rural fire in the District by:

- Preventing fires through education, management of hazards and risks, enforcement and administration.
- Maintaining a level of preparedness which complies with the legislation and meets recognised national standards.
- Responding to out of control fires in the Council Rural Fire Zone with the objectives of minimising loss of human life, and minimising fire damage to property, land, and vegetation.

Service Levels and Performance Measures

CIVIL DEFENCE						
Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
An excellent response to all disasters and emergencies across the District.	Number of exercises held each year.	Monitoring of these measures will be achieved through the management repots at Council's monthly meetings. Two exercises per annum.	25	2	2	1
An excellent response to all disasters and emergencies across the District.	Maintain community awareness.	Management reports at council monthly meetings of school visits.	26	6	12	14
An excellent response to all disasters and emergencies across the District.	Standard Operating Procedures (SOP's) documents are reviewed annually and signed off.	Latest signed documents held on file.	27	Not reported.	100%	100%
An excellent response to all disasters and emergencies across the District.	Plans updated annually and on Council website.	Reports to Regional Civil Defence Emergency Management		Plan available on website at all times.	Plan available on website at all times.	Plan available on website at all times.

CIVIL DEFENCE						
Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
		group.				
An excellent response to all disasters and emergencies across the District.	% of residents that believe they are prepared for a civil defence emergency.	Resident Satisfaction Survey.	1	Not measured.	70%	65%

1 see page 54.

25 Exercise Shakeout was held in September 2012, Exercise Te Ripahapa was held in May 2013.

26 This includes Children's Day where attendance was 4,500.

27 Council has reviewed this measure and resolved that having a set of standard operating procedures reviewed annually does not measure the quality of response to disasters and emergencies.

RURAL FIRE						
Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
The public is aware of Fire Permits and understands how to maintain a controlled fire.	Number of permitted fires that become out of control.	West Coast Rural Fire Authority reports.		0	0	0
The public is aware of Fire Permits and understands how to maintain a controlled fire.	Number of permits issued.	Number per year.		199	200	192
Fires can be fought and extinguished efficiently and effectively.	Equipment complies with NRFA audits.	Compliance.	28	Not measured.	100%	0%
Fires can be fought and extinguished efficiently and effectively.	Number of training sessions is at least two per year.	Number of training sessions recorded.		9 Haast 0 Kaniere 21 Kokatahi	10	9 Haast 0 Kaniere 9 Kokatahi
The public is aware of Fire Permits and understands how to maintain a controlled fire.	Number of permitted fires that become out of control.	West Coast Rural Fire Authority reports.		0	0	0

28 No audit was done in the 2012/13 year therefore not measured.

Financial Performance

	Emergency Management		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	198,785	145,566	160,968
Less Operating Expenditure	89,920	102,720	89,826
Surplus/(Deficit)	108,865	42,846	71,142

Overall Assessment of Service Levels and Performance

2012/13 saw Emergency Management having to respond to the effects of the Wanganui River Bridge washout and participate in the South Island wide Alpine Fault civil defence exercise. Council is pleased with the response to the flooding event and exercise. This activity met community service expectations better than expected financial performance.

PLANNING AND REGULATORY SERVICES

GROUP FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
Notes					
SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties		661	606	709	708
Targeted rates (other than a targeted rate for water supply)		8	8	8	8
Fees, Charges and targeted rates for water supply		-	-	-	-
Subsidies and grants for operating purposes		-	2	-	2
Interest & Dividends from Investments		-	-	-	-
Fees and charges	1	856	778	776	766
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-	-
Total operating funding [A]		1,525	1,394	1,493	1,484
APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2	1,340	1,681	1,548	1,388
Finance costs		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding [B]		1,340	1,681	1,548	1,388
Surplus (deficit) of operating funding [A - B]		185	(287)	(55)	96
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure					
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		-	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding [C]		-	-	-	-
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
–to meet additional demand		-	-	-	22
–to improve the level of service		5	-	22	5
–to replace existing assets	3		82	1	69
Increase (decrease) in reserves		180	(369)	(77)	-
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding [D]		185	(287)	(55)	96
Surplus (deficit) of capital funding [C - D]		(185)	287	55	(96)
Funding balance: [A - B] + [C - D]		-	-	-	-

Planning and Regulatory Services Group Major Variances

The following explains the significant variances between actual and budgeted financial performance in the Funding Impact Statement for the Group of activities. These explanations should be read in conjunction with the comments made against each Activity Statement of Performance in the preceding sections. Readers should also note Council's comments with regard to the quality of the Long Term Plan 2012/22 (LTP) budgets on pages 7 and 53

Sources of Operating Funding

- 1** Fees and charges income is better than expected in the resource management activity.

Applications of Operating Funding

- 2** Payments to staff and suppliers is largely lower than expected due to a reduction in overhead allocated to this group.

Applications of Capital Funding

- 3** Council planned to undertake \$82,000 of work to advance the District Plan Review with more work to be done in the following few years. This was incorrectly categorised as a capital expense in the LTP and the Annual Plan 2013/14 has re-categorised it as an operating expense, with a much lower budget, meaning the review will develop much slower than previously planned.

PROVIDING ESSENTIALS FOR THE COMMUNITY



**PROVIDING ESSENTIALS FOR THE
COMMUNITY**

TRANSPORTATION GROUP



TRANSPORTATION GROUP

Vision

Good roading is essential for our vision of top class infrastructure and opportunities for expanded development. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and safety.

What we do

The major part of Councils transportation activity is to ensure the safe, efficient and sustainable maintenance, operation, renewal and upgrading of the roads and bridges. This activity covers the following:

- Funding and administration of performance based contract for maintenance of the roading asset.
- Programme of roading renewals funded and contracted out.
- Programme of seal extensions, safety improvements and road reconstruction works funded and contracted out.
- Strategy and programme of works to improve walking and cycling network, as part of regional strategy.
- On-going programme of maintaining, improving and constructing new footpaths.
- Funding and support for road safety education programmes in Westland, on all roads.
- Funding and support for passenger transport services.
- Administrative support for Total Mobility scheme.
- Maintenance of the Jackson Bay Wharf.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
The transportation network is constructed and maintained so that it is safe and good to use.	Number of Police reported vehicle crashes per year on Council maintained roads involving injury where the contributing factor is "road factor".	NZTA Crash Analysis System.	2	0	Less than 50	Not measured.
The transportation network is constructed and maintained in a prompt manner.	Contractors respond to and repair faults within timeframes that are specified within the maintenance contract.	Reporting from Contractors.	2	100%	90% compliance rate.	Not measured.
Transportation activities are managed at a standard that satisfies the community.	% satisfied with Council's roading network.	Resident Satisfaction Survey.	1 2	Not measured.	80%	Not measured.
Transportation activities are managed at a standard that	The number of service requests received regarding roading and	Service Request System.	2	37	Less than 12.	Not measured.

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
satisfies the community.	transportation assets.					
Transportation activities are managed at a standard that satisfies the community and legislation.	Consents are applied for held and monitored.	Compliance with West Coast Regional Council resource consent conditions.	2	100%	100%	Not measured.
Roads are comfortable to drive on.	Roads in Westland meet the national average according to the Smooth Travel Index Guide. This is the comparison of the condition of roads across New Zealand, measuring smoothness relative to traffic volume and whether the road is rural or urban.	Road Assessment and Maintenance Management system as a requirement by the New Zealand Transport Agency.		94% Westland. 85.7% National Average.	Better than the National Average.	96% Westland. 87.6% National Average.
The surface condition of roads in Westland is good quality.	Road surfaces meet the national average according to the surface condition index. This represents surface condition of roads and demonstrates Council is maximising the life of road surfaces.	Road Assessment and Maintenance Management system as required by the New Zealand Transport Agency.	2	98.7% Westland. 97.9% National Average.	Better than the National Average.	Not measured.
The transportation network is constructed and maintained so that it is safe and good to use.	The road network is accessible subject to planned or emergency works closure.	Service Request System.	2	0	0 requests for service.	Not measured.
The transportation network is maintained so that failures are prevented as much as possible.	A customer service system is managed for handling emergency calls after hours promptly and efficiently.	Service Request System.	2	6	0 requests for service.	Not measured.
Footpaths are	Service requests	Service Request	2	17	12 requests for	Not measured.

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
maintained and in good condition.	regarding the state of footpaths.	System.			service.	

1 and 2 see page 54.

Financial Performance

	Transport		
	Actual 2013	Budget 2013	Actual 2012
	\$	\$	\$
Operating Revenue	4,132,290	3,845,290	5,527,487
Operating Expenditure	4,791,960	6,896,050	5,295,469
Surplus/(Deficit)	(659,670)	(3,050,760)	232,018

Overall Assessment of Service Levels and Performance

2012/13 saw Council continue to develop the West Coast Wilderness Trail. This flagship project has been funded from external funders and will be opened in late 2013. With accounting rules meaning the grants are shown in the operating revenue and the expenditure on the new asset showing in the balance sheet, the activity is showing a large surplus, when in fact the cycle trail is on budget. The rest of the Transportation activity meet the NZTA approved budget. Council however had not sufficiently funded the local share of the NZTA approved programme, resulting in an operating loss before funding the capital programme. In councils opinion the activity delivered the services the community however council has incorrectly estimated the funding required for this.

	WEST COAST CYCLETRAIL	
	Actual 2013	Budget 2013
	\$	\$
Operating Revenue	1,628,119	-
Operating Expenditure	1,991	-
Surplus/(Deficit)	1,626,127	-

TRANSPORTATION GROUP FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	1	1,006	905	1,399	1,399
Targeted rates (other than a targeted rate for water supply)		-	-	-	-
Fees, Charges and targeted rates for water supply		-	-	-	-
Subsidies and grants for operating purposes	2	666	1,385	2,812	855
Interest & Dividends from Investments		-	-	-	-
Fees and charges		256	472	43	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	113	-	-	115
Total operating funding [A]		2,041	2,762	4,254	2,369
APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers		2,090	2,395	2,168	2,369
Finance costs		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding [B]		2,090	2,395	2,168	2,369
Surplus (deficit) of operating funding [A - B]		(49)	367	2,086	-
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	4	3,720	6,406	1,274	5,843
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		-	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding [C]		3,720	6,406	1,274	5,843
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
–to meet additional demand		-	-	-	4,000
–to improve the level of service	5	-	5,129	-	-
–to replace existing assets		2,092	2,052	2,107	1,843
Increase (decrease) in reserves		1,579	(408)	1,252	-
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding [D]		3,671	6,773	3,359	5,843
Surplus (deficit) of capital funding [C - D]		49	(367)	(2,086)	-
Funding balance: [A - B] + [C - D]		-	-	-	-

Transportation Group Major Variances

The following explains the significant variances between actual and budgeted financial performance in the Funding Impact Statement for the Group of activities. These explanations should be read in conjunction with the comments made against each Activity Statement of Performance in the preceding sections. Readers should also note Council's comments with regard to the quality of the Long Term Plan 2012/22 (LTP) budgets on pages 7 and 53

Sources of Operating Funding

- 1 Council collected \$100,000 more rates than the LTP had indicated, although this higher amount was still insufficient to cover the full cost of operating this group of activities.
- 2 Subsidies and grants includes maintenance and asset management grants for the roading network and some Westland Wilderness Trail grants. The Westland Wilderness Trail continued to be developed and attract subsidies and grants during the year. 2011/12 subsidies and grants were higher due the stage of development of the Westland Wilderness Trail. The LTP anticipated some new grant funding opportunities could be sourced. These were not able to be sourced in the 2012/13 year, but some extra grants were approved post balance date.
- 3 Petrol Tax was budgeted in another activity in 2011/12.

Sources of Capital Funding

- 4 Subsidies and grants for capital expenditure includes monies from the NZ Transport Agency for renewing Council's roading assets as well as grants for the development of the Westland Wilderness Trail exceed applications of capital as the Wilderness Trail costs were held in work in progress.

Applications of Capital Funding

- 5 It was anticipated the Westland Wilderness Trail would be completed in the 2012/13 year. It is now planned that this will happen in 2013/14. The capital cost associated with the building of this asset are held in Work in Progress in the balance sheet and as such do not show up against the budget in 2012/13.

**PROVIDING ESSENTIALS FOR THE
COMMUNITY**

WATER SUPPLY GROUP



WATER SUPPLY GROUP

Vision

Clean and healthy water is vital for our vision of top class infrastructure for our communities. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and safety.

What we do

Manage the supply of clean, safe drinking water.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Requests for service are dealt with promptly.	% of disruptions to water supply are responded to within 4 hours of reporting.	Monthly reports from contractors.	29 30	Not measured.	90%	Not measured.
Council supplied potable water is safe to drink.	The number of illnesses confirmed to be attributed to consuming from Council treated water supplies.	Information provided to Council from the Health Protection Officer, Community Public Health.		No illnesses.	No illnesses.	No illnesses.
Council supplied potable water is safe to drink and tastes good.	% satisfied with water supply and quality.	Resident Satisfaction Survey.	1 2	Not measured.	90%	Not measured.
All Council water supply sources are managed in an environmentally sensitive manner.	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly.	Monthly reports.		100%	100%	100%

1 and 2 see page 54.

29 In 2011/12 Council measured that 100% of water supply interruptions in the 2011/12 period were restored within 12 hours. In 2012/13 Council reduced the performance target to 4 hours from 12 hours. Council did not request the contractor to measure against this revised target. Interruptions in the 2012/13 period were restored within 9 hours.

30 As part of the new maintenance contract a new record sheet has been introduced for the contractor to correctly record the time reported and the time responded to – not the time of blockage displacement as previously recorded.

Additional information:

To further indicate the service levels provided were at the standard the community expected Council can confirm that the water supplies have been tested during the 2012/13 year in accordance with Drinking Water Standards and are compliant. Council has also has not received any correspondence from Community Public Health regarding issues with Council water supplies.

Financial Performance

	WATER SUPPLY		
	Actual 2013 \$	Budget 2013 \$	Actual 2012 \$
Operating Revenue	2,267,373	2,235,800	2,443,588
Operating Expenditure	2,202,355	1,994,199	1,986,686
Surplus/(Deficit)	65,018	241,601	456,902

Overall Assessment of Service Levels and Performance

2012/13 saw the Council continue to deliver water supply services to serviced consumers at the level the community expected and financial performance worse than expected due to the correct allocation of finance costs directly to the activity.

WATER SUPPLY GROUP FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
	Notes				
SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates (other than a targeted rate for water supply)	1	-	1,062	-	1,156
Fees, Charges and targeted rates for water supply	2	2,259	1,174	2,444	684
Subsidies and grants for operating purposes			-	-	
Interest & Dividends from Investments		-	-	-	-
Fees and charges		8	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-	-
Total operating funding [A]		2,267	2,236	2,444	1,840
APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	3	1,048	1,556	1,314	1,063
Finance costs	4	124	133	14	151
Other operating funding applications				-	-
Total applications of operating funding [B]		1,172	1,689	1,327	1,214
Surplus (deficit) of operating funding [A - B]		1,095	547	1,116	626
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure		-		-	-
Development and financial contributions		-		-	-
Increase (decrease) in debt		-	300	-	(59)
Gross proceeds from sale of assets		-		-	-
Lump sum contributions		-		-	-
Total sources of capital funding [C]		-	300	-	(59)
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
–to meet additional demand	5	117	200	469	40
–to improve the level of service	5	919	720	-	-
–to replace existing assets	5	521	120	756	764
Increase (decrease) in reserves		(462)	(193)	(109)	(237)
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding [D]		1,096	847	1,116	567
Surplus (deficit) of capital funding [C - D]		(1,096)	(547)	(1,116)	(626)
Funding balance: [A - B] + [C - D]		-	-	-	-

Water Supply Group Major Variances

The following explains the significant variances between actual and budgeted financial performance in the Funding Impact Statement for the Group of activities. These explanations should be read in conjunction with the comments made against each Activity Statement of Performance in the preceding sections. Readers should also note Council's comments with regard to the quality of the Long Term Plan 2012/22 (LTP) budgets on pages 7 and 53

Sources of Operating Funding

- 1 Incorrect disclosure of targeted water rates in LTP.
- 2 Adding the error as described in 1 fees and charges income is in line with expectations.

Applications of Operating Funding

- 3 Staff and suppliers expenditure is lower than the comparatives due to a reallocation of the overhead expense.
- 4 Finance Costs are higher than previously as a result of the correct allocation of the water supply loan to the activity.

Applications of Capital Funding

- 5 The budget listed \$1,040,000 in capital projects to be completed, with the most significant being:
 - \$70,000 for the Kumara intake improvements,
 - \$500,000 for Franz Josef Treatment upgrade,
 - \$200,000 for Franz Josef New Reservoir, and
 - \$120,000 for Renewals around Hokitika.

The Franz Josef water treatment upgrade was completed \$113,000 over budget. The Franz Reservoir was \$11,000 over budget. The overall difference between actual capital expenditure and budgeted was \$518,000, due to the above items and the completion of an unbudgeted carry forward project for Hokitika Lakeline pipe replacement.

**PROVIDING ESSENTIALS FOR THE
COMMUNITY**

WASTE WATER GROUP



WASTE WATER GROUP

Vision

The management of wastewater contributes to our vision of top class infrastructure. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and safety.

What we do

Provide wastewater services to the townships of the District.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Requests for service are dealt with promptly.	% of disruptions to the wastewater system are responded to within 2 hours.	Monthly reports from contractors.	31 32	Not measured.	90%	90%
Properties that are within the wastewater reticulation system are able to connect to it.	% of properties within urban areas where a reticulated wastewater system is provided by Council have the ability to connect to the system at their boundary.	Number of properties with service laterals to boundary providing the building is no more than 60m away.		100%	100%	100%
Council wastewater systems are managed in an environmentally sensitive manner and are reliable.	No service requests received with regard to odours from Councils wastewater reticulation.	Service Request System.		5	No service requests.	0
Council wastewater systems are managed affordably and appropriately.	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly.	Monthly reports.		100%.	100%	Not achieved.

31 As part of the new maintenance contract a new record sheet has been introduced for the contractor to correctly record the time reported and the time responded to – not the time of blockage displacement as previously recorded.

32 All waste water supply interruptions in the 2011/12 period were restored within 12 hours. Interruptions in the 2012/13 period were restored within 9 hours.

Additional Information:

Over a four week period (December 2012 to January 2013) there were odour issues associated with Hokitika Waste Water Treatment Plant (sewage ponds). This was investigated and a plan implemented to correct the problem. No abatement notice was issued. In June 2013, due to odour, an abatement notice was issued.

Financial Performance

	WASTEWATER		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	805,342	802,000	642,293
Operating Expenditure	732,697	757,490	756,713
Surplus/(Deficit)	72,645	44,510	(114,420)

Overall Assessment of Service Levels and Performance

2012/13 has been a challenging year for the waste water activity. Council has managed resource consent breaches and potential breaches at Hokitika, Franz Josef and Haast. These breaches did not affect the service provided to households and businesses but had potential temporary environmental affects. While there were some costs in mitigating the affects of these breaches Council has been able to meet those within budget. Overall Council is of the view that the Waste water activity has mostly met the community service level expectations within financial expectations.

WASTE WATER GROUP FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
Notes					
SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties					
Targeted rates (other than a targeted rate for water supply)	1	739	739	584	607
Fees, Charges and targeted rates for water supply		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Interest & Dividends from Investments		14	-	-	-
Fees and charges		52	43	58	66
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-	-
Total operating funding [A]		805	782	642	673
APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2	340	619	391	310
Finance costs		-	11	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding [B]		340	630	391	310
Surplus (deficit) of operating funding [A - B]		465	152	252	363
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		-	450	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding [C]		-	450	-	-
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
–to meet additional demand		-	-	-	-
–to improve the level of service	3	117	605	703	325
–to replace existing assets	4	192	200	-	50
Increase (decrease) in reserves		156	(203)	(451)	(12)
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding [D]		465	602	252	363
Surplus (deficit) of capital funding [C - D]		(465)	(152)	(252)	(363)
Funding balance: [A - B] + [C - D]		-	-	-	-

Waste Water Group Major Variances

The following explains the significant variances between actual and budgeted financial performance in the Funding Impact Statement for the Group of activities. These explanations should be read in conjunction with the comments made against each Activity Statement of Performance in the preceding sections. Readers should also note Council's comments with regard to the quality of the Long Term Plan 2012/22 (LTP) budgets on pages 7 and 53

Sources of Operating Funding

- 1 The rates contribution for this activity has increased from the actual last year.

Applications of Operating Funding

- 2 Wastewater is less than actual expenses last year due to the reduction in overhead allocation for 2012/13.

Applications of Capital Funding

- 3 The budget identified \$605,000 in capital expenditure for improving levels of service. These projects were:
 - \$195,000 for Franz Josef Compliance,
 - \$250,000 Haast Treatment Improvements, and
 - Franz Josef, Fox Glacier and Haast Outflow meters.As at 30 June Council has spent \$60,000 on Franz Josef Compliance and this project is ongoing. Outflow meters have now been installed in Franz Josef and Haast at a cost of \$48,000, work has also commenced on Haast Treatment improvements.
- 4 The budget for replacing existing assets of \$200,000 was for replacing the Fitzherbert Street Pump Station. This work was completed under budget by \$94,000. There were however some unbudgeted asset replacement items which related to Hokitika \$62,000, Fox Glacier \$20,000 and Kaniere \$4,000.

**PROVIDING ESSENTIALS FOR THE
COMMUNITY**

STORMWATER GROUP



STORMWATER GROUP

Vision

The management of storm water contributes to our vision of top class infrastructure.

What we do

Provide water supply, wastewater and stormwater services to the townships of the District. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and safety.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Stormwater systems have the capacity to resist major storms and flooding events.	No flooding of properties will occur in events with a return period of 1 in 20 years.	Service Request System.		0	Less than 5	0
Stormwater systems have the capacity to resist major storms and flooding events.	No reports of flooding of properties.	Service Request System.		0	Less than 5	0
Requests for service are dealt with promptly.	% of problems with the Council stormwater system investigated within 24 hours of reporting, prioritised and a remedial plan prepared within 48 hours.	Service Request System.		66%	100%	33%
Council stormwater systems are managed affordably and appropriately.	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly.	Monthly reports.		100%.	100%	100%

Financial Performance

	Stormwater		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	467,924	487,000	435,282
Operating Expenditure	531,426	481,111	449,092
Surplus/(Deficit)	(63,503)	5,889	(13,810)

Overall Assessment of Service Levels and Performance

2012/13 saw the stormwater systems continue to provide the service levels the community expected at a higher than expected cost to ratepayers.

STORMWATER GROUP FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
Notes					
SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties		467	467	435	435
Targeted rates (other than a targeted rate for water supply)		-	-	-	-
Fees, Charges and targeted rates for water supply		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Interest & Dividends from Investments		-	-	-	-
Fees and charges	1	1	20	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-	-
Total operating funding [A]		468	487	435	435
APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2	157	265	129	129
Finance costs		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding [B]		157	265	129	129
Surplus (deficit) of operating funding [A - B]		311	222	306	306
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		-	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding [C]		-	-	-	-
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
–to meet additional demand		-	-	-	-
–to improve the level of service	3	80	257	178	248
–to replace existing assets		28	40	81	165
Increase (decrease) in reserves	4	203	(75)	47	(107)
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding [D]		311	222	306	306
Surplus (deficit) of capital funding [C - D]		(311)	(222)	(306)	(306)
Funding balance: [A - B] + [C - D]		-	-	-	-

Stormwater Group Major Variances

The following explains the significant variances between actual and budgeted financial performance in the Funding Impact Statement for the Group of activities. These explanations should be read in conjunction with the comments made against each Activity Statement of Performance in the preceding sections. Readers should also note Council's comments with regard to the quality of the Long Term Plan 2012/22 (LTP) budgets on pages 7 and 53

Sources of Operating Funding

- 1 The income of \$20,000 for fees and charges in the budget is an error.

Applications of Operating Funding

- 2 Actual payments to suppliers and employees is \$108,000 less than budget and \$28,000 higher than the previous year. This relates mainly to an increase in maintenance costs and overheads from last year.

Applications of Capital Funding

- 3 The budget identified \$257,000 in capital expenditure for improving levels of service. These projects were:
 - \$225,000 for Gibson Quay/Sewell Street mains upgrade, and
 - \$32,622 for new mains in Weld Street.As at 30 June Council has spent \$80,000 on Hokitika Drainage.
- 4 \$40,000 was budgeted to replace existing assets for Dent Road, Kaniere Mains Upgrade of which \$28,000 has been spent on this project.

**PROVIDING ESSENTIALS FOR THE
COMMUNITY**

SOLID WASTE MANAGEMENT GROUP



SOLID WASTE MANAGEMENT GROUP

Vision

Solid Waste Management contributes to our vision of top class infrastructure for our community. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility building relationships and safety.

What we do

The Council manages solid waste across Westland District, including waste and recycling collection in the northern part of the District and the provision of transfer stations and disposal sites, serving all townships. Some small rural settlements are provided with waste/recycling trailers.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
A reliable refuse and recycling collection service is provided to customers.	% of customers satisfied – Collection.	Resident Satisfaction Survey.	1	Not measured	100%	No complaints received
A reliable refuse and recycling collection service is provided to customers.	% of customers satisfied – Recycling.	Resident Satisfaction Survey.	1	Not measured	100%	No complaints received
A reliable Transfer Station service is provided to customers.	% of customers satisfied – Opening hours at sites.	Resident Satisfaction Survey.	1	Not measured	100%	No complaints received
Solid waste is managed affordably and appropriately.	All necessary consents for the solid waste activities and capital projects are applied for, held and monitored accordingly.	Monthly reports.		Butlers – 100%	100%	100%
Waste diversion increases.	Waste diverted from landfill from recycling.	Tonnes recycled.		959 tonnes	970 tonnes	924 tonnes
Recycling and diversion of waste increases.	Increased use of recycling and reuse services.	Calculate diversion rate for all waste through Hokitika Transfer Station based on tonnages reported.		33.6%	30.7%	30.7%
Education about waste minimisation	Number of visits to schools and	Monthly reports to Council.	33	5 Schools 2 Community	6 Schools 3 Community	No visits

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
is provided to the Community.	community groups.			Groups	Groups	

1 see page 54.

33 This includes Children's Day where attendance was 4,500.

Additional Information:

During the year Council received 28 service requests (2012:13). These have been classified as 9 concerning rubbish (2012: 9), 1 for landfill (2012: 1), and 14 for recycling (2012: 3). All requests were answered within 28 days (2012: 69% were answered within 28 days).

Financial Performance

	SOLID WASTE		
	Actual 2013	Budget 2013	Actual 2012
	\$	\$	\$
Operating Revenue	1,633,274	2,010,109	1,374,441
Operating Expenditure	3,105,746	2,130,000	2,335,056
Surplus/(Deficit)	(1,472,472)	(119,891)	(960,615)

Overall Assessment of Service Levels and Performance

2012/13 was another active year for the Solid Waste activity with much of the year planning for changes in refuse collection and recycling to be implemented in 2013/14. Operationally the waste management and recycling targets showed a continually positive trend. Budgeted revenue is overstated with a double up of Butler's fees in the LTP budget. 2012 was the first full year for the solid waste management contract and Butlers depreciation charges. After recognising this the Solid Waste activity operated worse than financial expectations, with better than expected revenues off set by higher than expected costs. Overall Council is of the view that the Solid Waste activity has provided the service level the community at higher expected cost to ratepayers.

SOLID WASTE MANAGEMENT GROUP

FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
Notes					
SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties		107	-	-	-
Targeted rates (other than a targeted rate for water supply)	1	787	894	1,172	1,162
Fees, Charges and targeted rates for water supply		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Interest & Dividends from Investments		-	-	-	-
Fees and charges	2	739	1,236	203	372
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-	-
Total operating funding [A]		1,633	2,130	1,374	1,534
APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	3	2,900	2,117	2,254	1,385
Finance costs		111	158	17	113
Other operating funding applications		-	-	-	-
Total applications of operating funding [B]		3,011	2,275	2,271	1,498
Surplus (deficit) of operating funding [A - B]		(1,377)	(145)	(897)	36
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt	4	-	700	-	347
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding [C]		-	700	-	347
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
–to meet additional demand		-	-	2,720	100
–to improve the level of service	5	69	840	-	610
–to replace existing assets		-	-	-	-
Increase (decrease) in reserves		(1,447)	(285)	(3,617)	(327)
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding [D]		(1,378)	555	(897)	383
Surplus (deficit) of capital funding [C - D]		1,378	145	897	(36)
Funding balance: [A - B] + [C - D]		-	-	-	-

Solid Waste Management Group Major Variances

The following explains the significant variances between actual and budgeted financial performance in the Funding Impact Statement for the Group of activities. These explanations should be read in conjunction with the comments made against each Activity Statement of Performance in the preceding sections. Readers should also note Council's comments with regard to the quality of the Long Term Plan 2012/22 (LTP) budgets on pages 7 and 53

Sources of Operating Funding

- 1 The targeted rates figure for waste is \$385,000 less in this years actuals than last years actuals due to the increase in fees and charges associated with the landfills.
- 2 The difference is of \$497,000 in budgeted fees and charges to actual fees and charges is due to the double budgeting of Butlers fees. The difference of \$536,000 from last years actuals to this years actuals for fees and charges is due to an increase in charges at council's landfills in the LTP.

Applications Of Operating Funding

- 3 Payments to staff and suppliers \$783,000 more than budget. Payments to staff and suppliers is \$646,000 more than 2011/12 due to an increase in the aftercare provision for landfill.

Sources of Capital Funding

- 4 Council had planned to borrow to fund the Hokitika landfills projects but were not undertaken in 2012/13.

Applications of Capital Funding

- 5 The LTP identified five significant projects for the 2012/13 financial year. They were Butlers Construction of sheds and small office \$30,000, Haast landfill, hazardous waste facility \$5,000, Hokitika continued cost of capping landfill \$100,000, Hokitika leachate management system \$500,000 and hazardous waste facility at Franz Josef \$5,000. All these projects were put on hold in December following council realisation of the results of the Annual Report 2011/12. The actual capital expenditure relates to costs incurred before December 2012. These are for Butlers, Refuse site replacement project at \$2,063, capping Hokitika landfill \$26,360 and Hokitika leachate management system \$14,797.

**PROVIDING ESSENTIALS FOR THE
COMMUNITY**

OTHER INFRASTRUCTURAL ASSETS AND SERVICES GROUP

**Community Township Development
Land and Buildings
Public Toilets**



COMMUNITY TOWNSHIP DEVELOPMENT

Vision

Community township development supports our vision for Westland by providing maintenance and creating opportunities for communities to upgrade and develop their town environment. By involving the community and stakeholders we can create beautiful places that are fun to visit and awesome to live in. This activity contributes to our over arching vision relating to innovation, community and stakeholder involvement and expanded development opportunities. The core values that underlie these parts of our vision are affordability, customer focus, quality, accessibility, building relationships and sustainability.

What we do

- Plan for communities and giving direction to future infrastructure.
- Upgrade amenities in communities.
- Respond to and support community initiatives.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
The community contributes to decision making.	Consultation occurs with each plan and projects completed to schedule.	Management reports to council.	34	Kumara	Consultation occurs through a priority list signed off by Council.	Some consultation with Franz and Fox. A draft plan for development has been completed by the Community.
Community township development is understood and the community contributes to the process.	% satisfied with town planning services.	Resident Satisfaction Survey.	1	Not measured.	70%	86%

1 see page 54.

34 In 2012/13 Kumara Township was allocated funding from the Township Development Fund and, after consultation with the local residents association, NZ Transport Agency and Council, a concept plan was finalised. The Community then obtained final approval from NZ Transport Agency and proceeded with physical works to upgrade the main street of Kumara.

Financial Performance

	Community Township Development		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	399,826	399,000	317,608
Less Operating Expenditure	435,792	321,128	233,944
Surplus/(Deficit)	(35,966)	77,872	83,664

Overall Assessment of Service Levels and Performance

2012/13 was Kumara's turn to receive the township development fund and in June the works to improve the Main Street started. The loss of reserves as a result of the 2011/12 financial losses resulted in Township Development funds being a matter of significance in preparing the Annual Plan 2013/14. Operational budgets for township maintenance were exceeded. Overall Council did not meet community expectations due largely to the loss of financial reserves.

LAND AND BUILDINGS

Vision

We manage land and buildings to serve the community. We do this by providing spaces for emergency management, cultural heritage and the space to do business for the community. We do this with the values of service and affordability at the core of our commitment to this activity. This activity contributes to our over arching vision relating to innovation, world class service, community and stakeholder involvement and expanded development opportunities. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and sustainability.

What we do

These cover land and buildings managed commercially. Included are:

- Council Headquarters building.
- Emergency Centre Haast.
- Carnegie Building/Museum.
- Forestry Land at Kaniere and Kumara, managed in conjunction with PF Olsen.
- Licenses to Occupy legal road.
- Three Mile Hall.
- Leased land.
- Westland Industrial Heritage Park.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Maintain buildings so they are safe for the people who work and visit them.	Buildings get current Warrant of Fitness where required.	Warrant of Fitness issued.		100%	100%	100%
Requests for service are dealt with promptly.	Service requests are responded to within 3 working days.	Services request support system.		70%	100% compliance.	66%
Leased buildings or spaces are managed commercially.	Obtain market rental for offices leased.	Market review gained.	35	Under negotiation.	100%	Not achieved.

35 Rental review was undertaken at market rate, tenant has objected and is seeking alternate valuation.

Financial Performance

	Land & Buildings		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	279,169	226,906	499,366
Less Operating Expenditure	486,299	226,906	774,248
Surplus/(Deficit)	(207,130)	-	(274,882)

Overall Assessment of Service Levels and Performance

2012/13 saw the Council Headquarters hit by a tornado causing damage to the disabled entrance and Chief Executive's office. Council also completed a number of property sales of surplus property. These transactions show an unfavourable financial variance as profits on valuations had been recognised in previous years. Overall the land and buildings activity met service level expectations but not within financial expectations.

PUBLIC TOILETS

Vision

The provision of clean, safe and convenient facilities contributes to our vision for Westland as a first class tourist destination and somewhere that has top infrastructure for our community. This activity contributes to our over arching vision relating to world class service, community and stakeholder involvement and top class infrastructure. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, accessibility, building relationships and safety.

What we do

- Provide users with tidy, functional and accessible toilet facilities.
- Provision of public disposal stations at Hokitika and Haast that flow into the sewerage treatment plant.
- Three public dump stations for campervan waste disposal.
- Provision of the changing rooms in Hokitika.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
Requests for service are dealt with promptly.	Service requests are investigated and responded to within one day.	Service Request System.		2 out of 3 complaints were responded to within the timeframe. 66%	Under 5 complaints.	3 complaints. 100%
Public toilets are clean and safe to use.	% residents satisfied with toilet facilities.	Resident Satisfaction Survey.	1	Not measured.	90%	86%

1 see page 54.

Financial Performance

	Public Toilets		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	174,000	174,000	196,874
Less Operating Expenditure	172,115	174,081	177,641
Surplus/(Deficit)	1,885	(81)	19,233

Overall Assessment of Service Levels and Performance

2012/13 saw the Public Toilets activity continue to provide the service levels the community expected within financial expectations.

OTHER INFRASTRUCTURAL ASSETS AND SERVICES GROUP FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
	Notes				
SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties		573	574	512	512
Targeted rates (other than a targeted rate for water supply)		-	-	-	-
Fees, Charges and targeted rates for water supply		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Interest & Dividends from Investments		-	-	-	-
Fees and charges	1	205	329	502	441
Local authorities fuel tax, fines, infringement fees, and other receipts		-	-	-	-
Total operating funding [A]		778	903	1,014	953
APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2	911	810	1,105	794
Finance costs		-	-	-	-
Other operating funding applications		-	-	-	-
Total applications of operating funding [B]		911	810	1,105	794
Surplus (deficit) of operating funding [A - B]		(133)	93	(91)	159
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		-	-	-	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Total sources of capital funding [C]		-	-	-	-
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
–to meet additional demand		-	-	40	-
–to improve the level of service	3	141	220	58	104
–to replace existing assets		-	-	175	-
Increase (decrease) in reserves		(274)	(127)	(364)	55
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding [D]		(133)	93	(91)	159
Surplus (deficit) of capital funding [C - D]		133	(93)	91	(159)
Funding balance: [A - B] + [C - D]		-	-	-	-

Other Infrastructural Assets and Services Group Major Variances

The following explains the significant variances between actual and budgeted financial performance in the Funding Impact Statement for the Group of activities. These explanations should be read in conjunction with the comments made against each Activity Statement of Performance in the preceding sections. Readers should also note Council's comments with regard to the quality of the Long Term Plan 2012/22 (LTP) budgets on pages 7 and 53

Sources of Operating Funding

- 1** Actual fees and charges is \$297,000 less than last year as there were some additional land sales and royalties received in that year.

Applications of Operating Funding

- 2** Actual expenses are \$194,000 less than last year, this is due to several one - off expenses incurred last year which related to sale of property owned by Council.
- 3** The \$220,000 identified as a improvement to levels of services in the budget are for the township development funds:
 - Fox Glacier and Franz Josef at \$70,000,
 - \$70,000 for Kumara's turn as part of the five townships allocation (Kumara, Harihari, Ross, Whataroa and Haast), and
 - \$100,000 for the Franz Josef Urban Revitalisation Plan.The expenditure of \$141,000 doesn't relate to the above projects but relates to transfer from work in progress carry forward capital projects not previously recognised as an asset in prior years.

PROVIDING LEADERSHIP FOR THE COMMUNITY



**PROVIDING LEADERSHIP FOR THE
COMMUNITY**

DEMOCRACY SERVICES GROUP

**Governance
Corporate Services**



GOVERNANCE

Vision

Governance is a key area for Council to deliver on its vision of inspirational leadership. Another key aspect is involving the community in decision making. This activity contributes to our over arching vision relating to innovation, community and stakeholder involvement and inspirational leadership. The core values that underlie these parts of our vision are affordability, customer focus, quality, accessibility and building relationships.

What we do

The Council is an elected body of representatives who assist in the running of the District. Responsibilities of their role include:

- Providing representation of residents views.
- Providing leadership in setting priorities and decision making.
- Development of policy.
- Employment of the CE.
- Provide advocacy to central government for other services and make submissions to central government.
- Take an active role in Major Regional Initiative (MRI) and Major District Initiatives (MDI) in association with Development West Coast and advocacy for economic development.
- Partnering with other organisations to achieve roles.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
The community contributes to decision making.	Public notifications of Council meetings must be at least 10 working days before each meeting.	Adverts placed in local newspaper.		95%	100%	100%
Council decision making is open and transparent.	At least 90% of items on the agenda are conducted in open meetings.	Review agendas for Council.		88%	90%	92%
Council decision making is open and transparent.	Local Government official information and Meetings Act 1987 (LGOIMA) requests are complied within the 20 working days.	Review of requests and written replies.		88%	100%	91%
Council decision making is open and transparent and promotes accountability.	Elected Representatives attend 90% of all meetings and workshops.	Number of meetings attended.	2 3	94%	100%	84.4%
The Community understands what Council does.	% of residents who understand how Council makes decisions.	Resident Satisfaction Survey.	1 2	Not measured.	50%	Not measured.

Overall Assessment of Service Levels and Performance

2012/13 was a challenging year as Council adjusted to a new financial reality. Considerable work was put into improving the 2013/14 Annual Plan and financial monitoring and reporting systems. Overall Council considers that service levels were met at the level the community expected but due to poor budgeting in the LTP not within financial expectations.

The Community contributes to decision making.	At least 80% of residents feel they have some influence on decision making.	Resident Satisfaction Survey.	1	Not measured.	80%	Not achieved.
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1, 2 and 3 see page 54.

Financial Performance

	GOVERNANCE		
	Actual	Budget	Actual
	2013	2013	2012
	\$	\$	\$
Operating Revenue	699,275	909,523	694,349
Operating Expenditure	748,818	688,071	752,871
Surplus/(Deficit)	(49,542)	221,452	(58,522)

Overall Assessment of Service Levels and Performance

2012/13 focused on improved reporting, consultation and being open and transparent. Council received many official information requests and undertook a number of consultations with significant community involvement. Overall Council is of the view that it improved its performance by the end of the year to meet the community's expectations at a slightly higher cost than Council expected.

CORPORATE SERVICES

Vision

Corporate Services provides support and expertise to Council and to staff who work for Westland District Council. We provide the foundation for our vision to be fulfilled through first class customer service, innovation and leadership. This activity contributes to our over arching vision relating to innovation, world class service and inspirational leadership. The core values that underlie these parts of our vision are affordability, customer focus, quality, reliability, responsiveness, and building relationships.

What we do

Corporate Services provides professional services to other Council departments. This includes human resources, finance and information technology. Corporate Services work closely with Community Development in the creation of the Long Term Plan and Annual Plan by consulting the community about their wants and needs. Corporate Services also provides advice on Policy and Strategy. We manage administration and collection of rates and monies for the smooth operation of Westland District Council. In general, the cost of providing these services is charged to the activity receiving the benefit of that service. This means that when reviewing the Council activities and Services pages in this LTP the costs of each activity include the cost of support departments. However, there are some Council wide costs and income which cannot be considered to be part of any activity. These income and expenditure items are includes in this Corporate Services section.

Service Levels and Performance Measures

Level of Service	Performance Measure	Information we will use to measure success	Note	Actual 2013	LTP Target 2013	Actual 2012
The community contributes to decision making.	The annual Plan and LTP must be adopted using the special consultative process, within statutory requirements.	Date of council meeting for adoption.	36	Not achieved.	100%	100%
Council decision making is open and transparent.	The Annual report must be adopted within statutory requirements 31st October.	Date of council meeting for adoption.		2011/12 Annual Report was adopted on 22 November 2012.	100%	
Service and information is provided to the Community.	% satisfied with service at front-line of Council.	Resident Satisfaction Survey.	1 2	Not measured.	90%	Not measured.
To provide value for money for residents and businesses who pay rates.	% reduction in rates arrears per annum.	Quarterly reports.	37	Increase 29.74%	Reduce arrears by 5% per year.	Increase 4.41%

1 and 2 see page 54.

36 The 2013/14 Annual Plan was adopted on 1 August 2013, one month later than the statutory deadline.

37 LTP figures based on performance from 2011/12.

DEMOCRACY SERVICES GROUP FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	Actual 2013 \$000	Budget 2012 \$000	Actual 2013 \$000	Budget 2012 \$000
Notes				
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	695	695	690	690
Targeted rates (other than a targeted rate for water supply)	-	-	-	-
Fees, Charges and targeted rates for water supply	-	-	-	-
Subsidies and grants for operating purposes	-	2	-	2
Interest & Dividends from Investments	-	-	-	-
Fees and charges	4	-	4	16
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding [A]	699	697	694	708
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	743	693	736	693
Finance costs	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	743	693	736	693
Surplus (deficit) of operating funding [A - B]	(44)	4	(42)	15
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding [C]	-	-	-	-
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
–to meet additional demand	-	-	1	-
–to improve the level of service	1	7	115	300
–to replace existing assets	-	(111)	-	-
Increase (decrease) in reserves	(51)	-	(43)	(285)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding [D]	(44)	4	(42)	15
Surplus (deficit) of capital funding [C - D]	44	(4)	42	(15)
Funding balance: [A - B] + [C - D]	-	-	-	-

Democracy Services Group Major Variances

The following explains the significant variances between actual and budgeted financial performance in the Funding Impact Statement for the Group of activities. These explanations should be read in conjunction with the comments made against each Activity Statement of Performance in the preceding sections. Readers should also note Council's comments with regard to the quality of the Long Term Plan 2012/22 (LTP) budgets on pages 7 and 53

Applications of Capital Funding

- 1** Replacement of the Council's server, backup solutions and additional storage were identified as improvements to the level of service in the budget at a cost of \$115,000 these projects have since been correctly included in the Administration Funding Impact Statement.

DIVIDENDS AND INTEREST

	Notes	Actual 2013 \$000
SOURCES OF OPERATING FUNDING		
General rates, uniform annual general charges, rates penalties	1	143
Targeted rates (other than a targeted rate for water supply)		-
Fees, Charges and targeted rates for water supply		-
Subsidies and grants for operating purposes		-
Interest & Dividends from Investments	2	853
Fees and charges		-
Local authorities fuel tax, fines, infringement fees, and other receipts		-
Total operating funding [A]		997
APPLICATIONS OF OPERATING FUNDING		
Payments to staff and suppliers	3	259
Finance costs	4	507
Other operating funding applications		-
Total applications of operating funding [B]		766
Surplus (deficit) of operating funding [A - B]		231
SOURCES OF CAPITAL FUNDING		
Subsidies and grants for capital expenditure		-
Development and financial contributions		-
Increase (decrease) in debt		-
Gross proceeds from sale of assets		-
Lump sum contributions		-
Total sources of capital funding [C]		-
APPLICATIONS OF CAPITAL FUNDING		
Capital expenditure		
–to meet additional demand		-
–to improve the level of service		-
–to replace existing assets		-
Increase (decrease) in reserves		231
Increase (decrease) of investments		-
Total applications of capital funding [D]		231
Surplus (deficit) of capital funding [C - D]		(231)
Funding balance: [A - B] + [C - D]		-

Dividends And Interest Major Variances

The Long Term Plan appears not to have fully budgeted for overhead cost in the activity statements. In order to get the Whole of Council Funding Impact Statement to balance this statement is required. Council is not able to determine the equivalent comparative figures for the Long Term Plan and has not recalculated these for the 2011/12 as these costs were fully allocated to activities and would require alteration of all the Group of Activity's Funding Impact Statements. Council is of the view that these recalculated figures would be unlikely to aide the reader in assessing whether Council's proposed service levels for this activity was delivered or not.

Dividends and Interest Major Variances

Sources of Operating Funding

- 1** The \$143,000 is rates penalties received.
- 2** The Interest and dividends received is \$176,000 from interest and \$677,000 from dividends.

Applications of Operating Funding

- 3** Payments to staff and suppliers of \$259,000 is the rates writeoffs, rates discounts and doubtful debts for the year.
- 4** \$507,000 is the interest cost on loans for the year.

ADMINISTRATION FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Actual 2013 \$000
SOURCES OF OPERATING FUNDING		
General rates, uniform annual general charges, rates penalties		-
Targeted rates (other than a targeted rate for water supply)		-
Fees, Charges and targeted rates for water supply		-
Subsidies and grants for operating purposes		-
Interest & Dividends from Investments		-
Internal Fees & Charges	1	3,573
Fees and charges		-
Local authorities fuel tax, fines, infringement fees, and other receipts		-
Total operating funding [A]		3,573
APPLICATIONS OF OPERATING FUNDING		
Payments to staff and suppliers	2	3,726
Finance costs		-
Other operating funding applications		-
Total applications of operating funding [B]		3,726
Surplus (deficit) of operating funding [A - B]		(154)
SOURCES OF CAPITAL FUNDING		
Subsidies and grants for capital expenditure		-
Development and financial contributions		-
Increase (decrease) in debt		-
Gross proceeds from sale of assets		-
Lump sum contributions		-
Total sources of capital funding [C]		-
APPLICATIONS OF CAPITAL FUNDING		
Capital expenditure		
–to meet additional demand		-
–to improve the level of service		38
–to replace existing assets		70
Increase (decrease) in reserves		(261)
Increase (decrease) of investments		-
Total applications of capital funding [D]		(153)
Surplus (deficit) of capital funding [C - D]		153
Funding balance: [A - B] + [C + D]		-

Administration Group Major Variances

The Long Term Plan appears not to have fully budgeted for overhead cost in the activity statements. In order to get the Whole of Council Funding Impact Statement to balance this statement is required. Council is not able to determine the equivalent comparative figures for the Long Term Plan and has not recalculated these for the 2011/12 as these costs were fully allocated to activities and would require alteration of all the Group of Activity's Funding Impact Statements. Council is of the view that these recalculated figures would be unlikely to aide the reader in assessing whether Council's proposed service levels for this activity was delivered or not.

Administration Group Major Variances

Sources of Operating Funding

- 1 Internal fees and charges is the charges expensed to councils various activities. These internal fees and charges are the cost of running the headquarters and administration costs.

Applications of Operating Funding

- 2 Payments to staff and suppliers of \$4,279,000 relates to the following activities, Corporate Services, Chief Executive, Operations and Regulatory.

COUNCIL CONTROLLED ORGANISATIONS

Westland Holdings Limited

Westroads Limited

Westroads Greymouth Limited

Hokitika Airport Limited

Westland District Property Limited

West Coast Rural Fire Authority

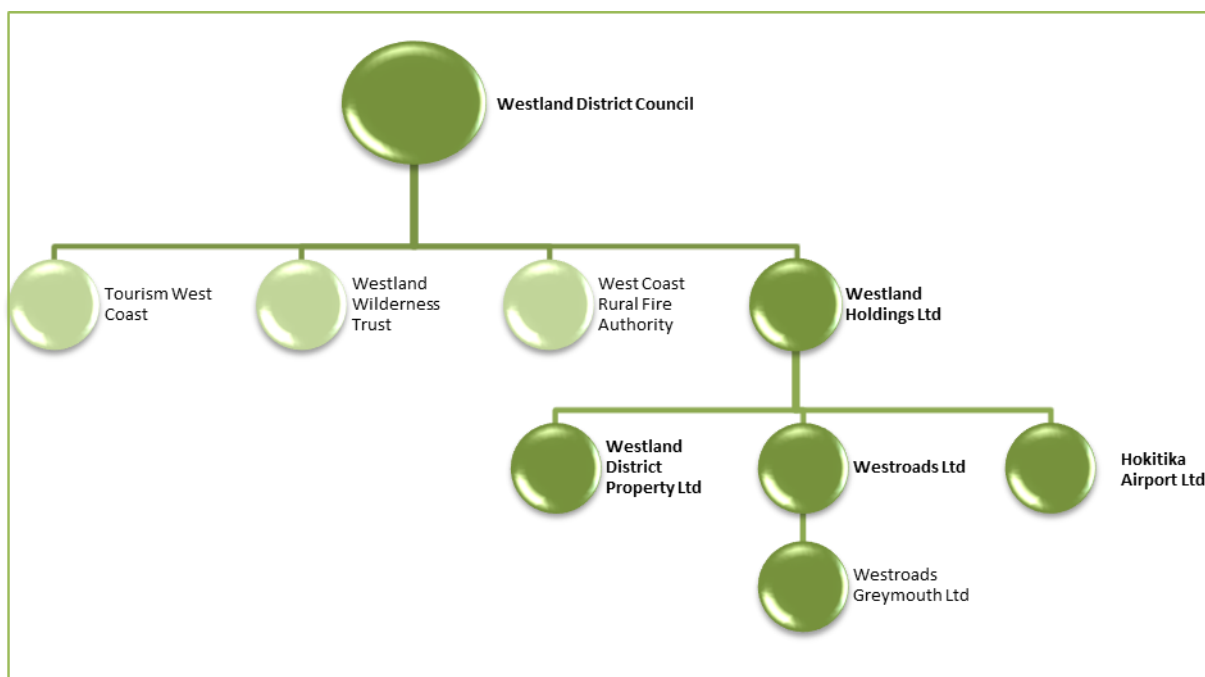
Westland Wilderness Trust



COUNCIL CONTROLLED ORGANISATIONS

Council Controlled Organisations (CCO's) are entities (companies, trusts, or other organisational structure) that a Council or several Councils hold 50% or more of the voting rights or appointments to the governing body. The chart below shows Westland District Council's CCO structure.

Figure 1: WDC CCO Structure 30 June 2013



The Long Term Plan 2012/22 (pages 213-215) sets out Council's significant policies and objectives in regard to ownership and control of these CCO's. The following tables report on the CCO's achievement for the year ended 30 June 2013 as reported by the CCO's in their audited Annual Reports. For further information on these CCO's performance we recommend reading their full Annual Reports.

The past year has seen Council's investment in its CCO's getting higher than normal community interest. There has been particular interest in matters concerning Westland District Property Limited. During the year Council undertook considerable amount of work to improve on its role as shareholder. In 2013/14 the companies have clearer key performance indicators and Council has better articulated its reasons for ownership. These are not reflected in this Annual Report but can be read in each companies Statement of Intent 2013/15, available on Council's website (www.westlanddc.govt.nz).

Council has resolved to undertake a review of the governance structure of the CCO's in 2013/14. This review will consider whether the current structure is the best one for achieving Council's objectives.

Westland District Council resolved on, 18 April 2002, to establish a Holding Company, Westland Holdings Limited, to consolidate its Council Controlled Trading Organisations being Westroads Limited and Hokitika Airport Limited under one governance and reporting entity.

On 6 May 2010, it established a company, Westland District Property Limited which became operational on 1 July 2010, and did not trade before 30 June 2010.

Council also controls Westland Wilderness Trust, formerly Westland Nature Trust, which was originally set up to help promote sustainable outdoor recreational opportunities for Westland. This Trust is currently overseeing the construction of the West Coast Wilderness Trail, with the costs part of Council's Transportation Activity. The Trust had no financial transactions during the 2012/13 year.

The Council has interests in two Council Controlled Organisations that are exempt from Council Controlled Organisation status due to their size; they are Tourism West Coast and West Coast Rural Fire Authority.

Key Objectives

COMPANY	LONG TERM PLAN 2012/22	EXTENT OF ACHIEVEMENT
Westland Holdings Limited	To achieve the objectives of the shareholder, Westland District Council, both commercially and non-commercially as specified in the Statement of Intent in a manner that recognises sound business practice, good employer obligations and social and environmental responsibility.	Westland Holdings Limited, despite having a challenging year with unexpected director resignations in the subsidiary companies and a turbulent political environment, has achieved Council's financial objectives for the group. The directors have worked closely with Council to improve business processes and this has resulted in better Statements of Intent being prepared for 2013/15.
Westroads Limited	Operates 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 in accordance with the Statement of Intent.	Westroads Limited had an outstanding year exceeding financial targets while continuing to deliver a quality service that has enabled them to successfully win major contracts during the year.
Hokitika Airport Limited	To operate the Hokitika Airport in a commercially successful manner in accordance with the Statement of Intent with the aim to extend and further develop the airport activities.	Hokitika Airport Limited continued to successfully operate the Hokitika Airport and Franz Josef Helipad and achieved all Council stated performance outcomes.
Westland District Property Limited	To manage the ownership and operation of the property portfolio in a commercial and strategic manner that will by year 2030 provide a return that contributes to the majority of the General Rate requirement of Council, and to become involved in strategic property development or investment, which will benefit the District and the Company, as opportunities arise.	Westland District Property Limited had a turbulent year in a highly politicised environment. This resulted in the resignation of three directors and appointment of new directors. The company successfully took over the management of Council's Elderly Housing Units and Hokitika Swimming Pool while continuing to work on a number of development opportunities. The financial results for the company are not as Council had expected. Through Westland District Holdings Limited Council has more clearly documented its performance expectations in the Statement of Intent 2013/15.

Key Performance Measures

COMPANY	LONG TERM PLAN 2012/22	ANNUAL REPORT 2012/13
Westland Holdings Limited	<ul style="list-style-type: none"> Return a dividend to Council in accordance with the Statement of Intent. Prepare an Annual Report in accordance with the requirements of the LGA 2002. Subsidiary Statement of Intents will be submitted to the Shareholder (Council) by 31 March and finalised by 30 June. 	<ul style="list-style-type: none"> Distributions of \$565,000 were made to Council exceeding Council's target. Achieved September 2012. Achieved by 30 June 2013.
Westroads Limited	<ul style="list-style-type: none"> Tax paid return on shareholder funds of 9%. Net after tax profit is to be accordance with the Statement of Intent. 	<ul style="list-style-type: none"> Exceeded 11.4% Exceeded target of \$540,000 achieving \$617,000
Hokitika Airport Limited	<ul style="list-style-type: none"> Revenue from commercial businesses is to remain at or above current levels. Revenue from the rental of land and buildings is to remain at or above current levels. 	<ul style="list-style-type: none"> Exceeded target of \$469,000 achieving \$555,000 Not reported in Company Annual Report.¹
Westland District Property Limited	<ul style="list-style-type: none"> The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds of 1% for 2012/2013. The ratio of net profit before taxation and revaluations to average total assets (including any revaluation) of 1% for 2012/2013. A return on property transferred for management purposes greater than that obtained by Council for the 2009/2010 year (\$65,000). Compliance with statutory and regulatory requirements enabling Westland District Property Limited, Westland Holdings Limited and Westland District Council to comply with the Local Government Act 2002. 	<ul style="list-style-type: none"> Not achieved (8.8)% Not achieved (6.8)% Not reported in the Company Annual Report.¹ Not reported in the Company Annual Report.¹
Westland Wilderness Trust	<ul style="list-style-type: none"> The Trust has had no financial transactions from inception. There are no key performance measures at this time. 	<ul style="list-style-type: none"> N/A.

1. Council did not request Westland Holdings Limited to place these key performances indicators in the companies Statements of Intent, as such the companies were unaware of any requirement to measure and report against these.

MAORI CONTRIBUTION TO DECISION MAKING



MAORI CONTRIBUTION TO DECISION MAKING

Section 81 of the Local Government Act 2002 sets out the obligations for Council to both consult Maori and encourage Maori involvement in the Council's decision making processes. Section 35 of the Act requires Council to report on the activities that have been undertaken in the year to establish and maintain processes to enable Maori to contribute.

Council staff meet quarterly with representatives of Te Runanga o Makaawhio to discuss strategic matters largely in relation to the Resource Management Act 1991. The agendas for these meetings have broadened over time to include other topics like consultation on the Annual Plan, and planning for major infrastructure projects. A similar meeting was proposed to be held with Te Runanga o Ngati Waewae but this has never eventuated.

Council has a Safer Community Council that meets bi-monthly and representation from both Makaawhio and Ngati Waewae is invited, with only Makaawhio in regular attendance. These meetings focus on issues of community safety and crime prevention with the minutes of the meeting being formally received by Council.

REPORT OF THE AUDIT OFFICE



Independent Auditor's Report

To the readers of Westland District Council and groups Annual Report for the year ended 30 June 2013

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 audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2013 on page 19;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 17, 18 and 20; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 22 to 52.
- the statement of performance of the District Council on pages 53 to 148 and each group of activities carried out by the District Council on pages 53 to 144;
- the funding impact statements in relation to each group of activities of the District Council on pages 53 to 144;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 53 to 144; and
- the funding impact statement of the District Council on page 21.

In addition, the Auditor-General has appointed me to report on whether the District Council and group's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 39;
 - reserve funds on page 50 to 52;
 - remuneration paid to the elected members and certain employees of the District Council on page 43;
 - employee staffing levels and remuneration on page 43;
 - severance payments on page 43; and
 - council-controlled organisations on page 145 to 148.

- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 150; and
- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive on page 10.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group on pages 17 to 52:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's and group's financial position as at 30 June 2013; and
 - the results of their operations and cash flows for the year ended on that date.
- the statement of performance of the District Council's on pages 53 to 148:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2013, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- The funding impact statements in relation to each group of activities of the District Council on pages 53 to 144, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- The statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 53 to 144, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- The funding impact statement of the District Council on page 21, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council's and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 27 November 2013. This 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 our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported statement of performance within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was

carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and statement of performance that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council and group's financial position, financial performance and cash flows;
 - fairly reflect its performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the *Other Requirements*, 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