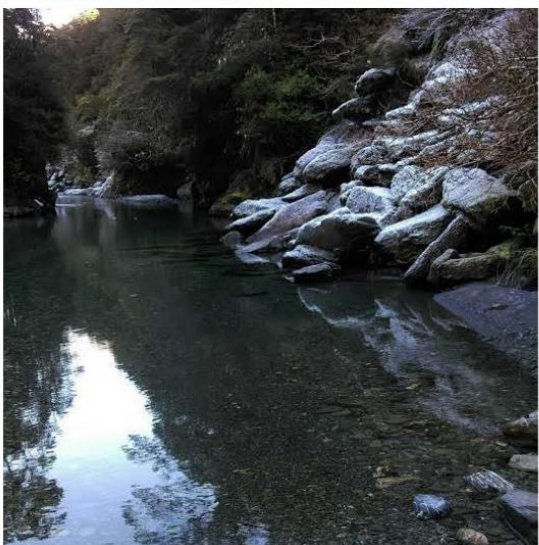


WESTLAND DISTRICT COUNCIL



Summary of the third Annual Report under
Council's Long Term Plan 2015 - 2025



ANNUAL REPORT 2017/2018

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Introduction

This report summarises Westland District Council's financial and service delivery performance for the year ended 30 June 2018. It provides an overview of how we delivered against planned activities and budgets.

It has been prepared in accordance with PBE FRS43 – Summary Financial Statements and was authorised for issue by the Mayor and Chief Executive on 17 December 2018.

Westland District Council's Annual Report has been prepared in observance of Local Government (Financial Reporting and Prudence) Regulations 2014 along with the Local Government Act 2002, which brings additional disclosure requirements. The 'whole story' is contained in the full Annual Report 2017/18 which was adopted and authorised for issue by Council on 22 November 2018. The Annual report is available from:

Westland District Council's website: <https://www.westlanddc.govt.nz/annual-plans-and-reports>

Westland District Council's Customer Service Centre, 36 Weld Street Hokitika

Some key facts

Population (as at last Census Night 2013)	11,136
Resident in District	8,307
Total Area	1,186,272 ha
Rateable Area	127,933 ha
No. of Rateable Assessments	6,678
No. of Non-rateable Assessments	742
Proportion of general rates to total income	29%
Average general rates per rateable property	\$1,019
Public debt (as a percentage of property, plant & equipment)	4%
Public debt (per rateable property)	\$2,698

A few words from The Mayor and Chief Executive

Kia Ora Kotou

Westland District Council's focus over the last year has been to improve the District's infrastructure and value to rate payers. By creating a solid foundation in road maintenance, three waters, and parks and reserves we will be well placed to build on this in future years.

We have worked with Central Government to utilize funding opportunities as they become available and we have made a number of applications for projects under the Tourism Infrastructure Fund and Provisional Growth Fund. The quality of the applications has been exceptional and we have successfully received \$725 thousand dollars in the 2017/18 financial year from these funds, with further applications awaiting decision in the next financial year. Using these funds, we have been able to continue the rebuild of Sunset Point, and improve facilities at the Hokitika Gorge, Okarito, and Franz Josef, among others.

Our thanks go to both the previous government and the current government for recognising the impact that large tourist numbers have on a small ratepayer base and more importantly acting quickly to give councils the tools and the capital needed to upgrade our infrastructure.

Between May and June 2018 Council consulted on and developed a Westland Economic Development Strategy, which is providing the catalyst for future projects – it is exciting to see that we have a number of opportunities to grow our regional economy with the support of Central Government.

The West Coast Wilderness Trail has now been included as a Major Great Ride, part of Nga Haerenga, The New Zealand Cycle Trail, and is highly rated by trail users. The fact that it is a grade 2 in terms of rideability means we are seeing the majority of riders over 50 years old. We have plans to enhance the experience further dependant on further funding. There have been very positive results for our economy with a number of new businesses arising due to the popularity of the trail.

In-house the focus has been to improve value for money for rate-payers, by reducing consultant spending and focussing on core council functions. This is being achieved with new recruitment and bringing services back under Council control.

Westland community resilience was demonstrated at the beginning of 2018 during ex-cyclones Fehi and Gita, which caused serious storm damage to the West Coast. Our communities rallied to help not only local residents but also tourists visiting our region. Council staff were able to get into the community and assist with disaster relief, while also maintaining essential Council services. The storms highlighted areas where we need to improve our preparedness and we have a clear roadmap for this going forwards.

Finally, we were thrilled to work with community partners to bring a colourful and enjoyable Christmas Lights display to Hokitika. It was truly outstanding and created a tremendous amount of goodwill for the festive season. Particular thanks to the Hokitika Lions Club who donated the town Christmas Tree.

Nā māua noa, nā

A handwritten signature in blue ink, appearing to read 'B. Smith', written in a cursive style.

Bruce Smith
MAYOR 2017/18

A handwritten signature in blue ink, appearing to read 'Simon Bastion', written in a cursive style with a long horizontal line extending to the right.

Simon Bastion
CHIEF EXECUTIVE

Highlights from the year

Cemetery and playground improvements

Funds were used from the cemetery reserves to make improvements in the Hokitika Cemetery by adding additional concrete berms and from the parks renewal reserves to upgrade the soft fall matting under the playground equipment in Cass Square.

SMS e-TXT alerts

Council implemented an SMS e-TXT alert information system to use to alert the community of important, time-sensitive matters such as Civil Defence messages and Boil Water notices. These alerts are free to the community members who choose to sign up for the service.

Amalgamation of Hokitika Airport Ltd and Westland District Property Ltd

Two CCO's, Hokitika Airport Ltd and Westland District Property Ltd were amalgamated on 29 June 2018 into a new company, Destination Westland. This streamlined the CCO structure and reduced administrative costs.

Passchendaele Exhibition "Mud, Sweat and Tears"

Museum staff collaborated with the Hokitika RSA to host an exhibition held at the RSA. The exhibition was open for three weeks and was very successful with approximately 420 visitors.

Responding to ex-Cyclones Fehi and Gita

Westland was hit by two ex-cyclones in early 2018. Working with Civil Defence Council was able to respond to the needs of the local communities, while maintaining essential Council services.

Library purchases and feedback

The library purchased 69% more books (169) in response to customer requests than in 2016/17. The library website was refreshed and customer feedback has been positive.

Collaborating for NZTA funding

Westland District Council collaborated with Buller and Grey District Councils to write a Business Case Activity Management Plan to qualify for NZTA road funding. The collaborative approach ensured successful completion of the Business Case and Westland District Council obtained \$15.45M in road maintenance and renewal funding over the next three years.

Council's performance across all activities:

This is a summary of Council's performance in delivering services, measured against selected non-financial targets. The entire range of performance results is reported in the full Annual Report 2017/18.

Council set many non-financial targets in its 2015-2025 Long Term Plan. To assess Council's performance against these measures, a multitude of measures were used:

- Some Council departments and Council Controlled Organisations conducted their own tailored customer surveys.
- Responsiveness measures were assessed with reference to incidents reported on Council's service request system. These are captured when customers contact the Council helpdesk to request assistance, and retrospectively when staff or contractors have responded to emergencies and later report the details to customer service.
- Certain other targets are industry specific or Local Government Association mandatory benchmarks.

The data gathered is combined with the statistics and measurements captured in Council's systems to give a balanced scorecard of where we are meeting our objectives, and the areas where improvement is required.

Leadership

(Full details are in pages 94 -- 106 in the Annual Report 2017/18)

DEMOCRACY

OK

The biannual resident's satisfaction survey was undertaken. 58% of residents rated the Council 'Fairly good / very good'. The figure increases to 88% including 'just acceptable responses'. Community understanding of how Council makes decisions demonstrated a good outcome with 77% of residents surveyed indicating that they understand this.

Council still needs to identify a secondary data collection method for alternate years when the biennial Residents Survey is not undertaken. New technologies may be of assistance.

* CORPORATE SERVICES



Council continues to meet its deadlines for corporate planning and reporting. Our community engagement can be improved but is above the national average for Council's that conducted a residents' satisfaction survey. The Customer Service Centre and Hokitika i-SITE functions have been separated to improve services for the community and tourists.

COUNCIL CONTROLLED ORGANISATIONS



Westland Holdings achieved 4/19; Destination Westland achieved 8/10; and Westroads 2/4 of their performance targets. **Some of the performance targets were not met due to changes to the group structure during the year.**

-
- * Since the end of this financial period, the Corporate Services department has all vacant staff positions filled. Council expects that this will contribute to much better Corporate Services performance in next Annual Report.

Planning & Regulatory

(Full details are in pages 107 -- 117 in the Annual Report 2017/18)

INSPECTIONS & COMPLIANCE



Timely processing of building consents (2017/18: 96.96%, Target 100%), User satisfaction for Environmental Health and Building consents service users of 100%, and all food and liquor premises inspected (2017/18: 100%, Target 100%).

RESOURCE MANAGEMENT



Definite improvement on the previous year due to a full staff and a culture of achieving full compliance. 100% of resource consents issued within statutory timeframes (2017: 77%). User satisfaction 90% (2017: 72%).

EMERGENCY MANAGEMENT



Emergency management achieved 70% against all its performance targets. A range of training courses were delivered, including with iwi partners, Te Rūnanga of Makaawhio and Te Rūnanga o Ngāti Waewae. Existing Community Response Plans (CRP) required updating to ensure all communities have a CRP and a review process. 5 out of 10 plans are in place.

ANIMAL CONTROL



Animal Control improved to 39% (most recent comparison data 2016: 29%) however customers still report a low satisfaction level. The service has been brought back in-house, which should assist in improving satisfaction. Note: the question was only asked to people who had made animal control complaints.

Community Services

(Full details are in pages 118 -- 122 in the Annual Report 2017/18)

COMMUNITY HALLS

**Not
measured**

Community halls were not included in the 2018 Residents' Satisfaction Survey. Council will be looking for alternative methods for understanding the level of satisfaction with the standard of Community.

+ COMMUNITY
DEVELOPMENT
& ASSISTANCE

+ TOWNSHIPS

+ Council does not have non-financial performance measures for these two activities, they are subject to financial accountability reporting.

Leisure Services & Facilities

(Full details are in pages 123 -- 144 in the Annual Report 2017/18)

CEMETERIES



These facilities are important to our communities and performance targets were all met and/or exceeded. Alternative options are being investigated for the Ross community.

ELDERLY HOUSING



Destination Westland conducts a yearly survey of the housing unit occupants. 100% of occupants surveyed were satisfied with the quality of housing and the services offered to the tenants. 98% of residents are satisfied by the overall perception of living conditions. There is a waitlist of 38 individuals.

HOKITIKA MUSEUM

**Not
measured**

This was not measured as a full Museum experience with professionally curated exhibitions was not available in 2017/18 due to seismic issues with the Museum buildings. Hours were also reduced compared with previous years.

HOKITIKA WILDFOODS FESTIVAL

**Not
measured**

This was not measured as contact details were not available for attendees. Anecdotal feedback from multiple sources was positive. Feedback for future improvements was also recorded. Ticket sales were recorded by tickets issued, not tickets used

i-SITE



Hokitika i-SITE continued to meet the i-SITE NZ and Qualmark standards. i-SITE bookings made by the local population decreased, largely due to a change

in the method of recording Wildfoods ticket sales. AA transactions remained steady. The overall door count increased 13.1% and many take advantage of the free wifi.

PARKS & RESERVES



Parks and Reserves contracted with Westroads and contractors are performing well. There have been some issues with vegetation removal / modification of the 'green belt' by adjoining residents. Remedial work to Sunset Point is ongoing, with a longer term Development Plan in progress.

PUBLIC TOILETS



Central government funding assisted in installing new public toilets in Fox Glacier, Okarito, Franz Josef and Dillmans Dam. Resident satisfaction is 80% (most recent comparison data 2016: 66%), which could be attributed to an increase in cleaning during the tourist season.

SWIMMING POOL



No satisfaction survey undertaken. Investigating how to survey the wider community. The PoolSafe Accreditation was renewed for the 2017/18 season.

WEST COAST WILDERNESS TRAIL



The trail is being well utilised with an average monthly use of 1,300 on the Hokitika Kaniere section and 645 on the Taramakau and Kaniere Water race section. Recent data shows 9,000 to 18,000 users can be expected on different trail sections. A definitive count is unavailable due to the location of counters and length of the trail.

WESTLAND LIBRARY



Satisfaction with the library is very high. Based on a population of 8,307 (2013 Census) 47% of residents are library members, an increase of 130 new members this year. Eight community libraries are supplied with books on a quarterly basis, with very positive reports from borrowers.

Infrastructure

(Full details are in pages 145 -- 176 in the Annual Report 2017/18)

TRANSPORTATION



Council road and footpath infrastructure performing well against targets on surface condition and road safety. Smooth travel exposure is 96% (target >90%). Reseals are 7.5% (target 7%). 74% of residents surveyed are satisfied with unsealed road conditions (target 50%).

WATER SUPPLY



There were a number of failures to meet bacteria compliance criteria. The number of water treatment plants achieving full compliance in both the plant itself and the distribution zone has dropped slightly from 2016-17 with three schemes, Hari Hari, Haast and Ross achieving full compliance. Improvement and progress is still to be made. Council addresses bacterial compliance by issuing boil water notices or treating with chlorine and has not had a health incident. A total of 45.4 complaints per 1000 connections was received. **Improvement is a priority**

WASTEWATER



Council had compliance issues with the Franz Josef Wastewater Treatment Plant receiving an abatement notice from the West Coast Regional Council and an enforcement notice from the Environment Court, requiring Council to undertake works by April 2019 to have a fully operational and compliant Franz Josef

Wastewater Treatment Plant in place and this is a top priority.

Improvement is a priority

STORMWATER

OK

All performance measures met with the exception of customer satisfaction. Number of complaint's per service connections was 26.6 per 1000 connections (target is 10 and 2017: 21.7 per 1000 connections) 100% discharge compliance achieved. No flooding incidents were reported in the Service Request system in this catchment.

We could do better

SOLID WASTE MANAGEMENT



All consents in place for Solid waste. The amount of solid waste going to landfill decreased slightly at Butler's Landfill. There was a greater volume of waste received at Haast Refuse Station, but this could be attributed to the ex-cyclones in early 2018.

The resignation of the Solid Waste Officer reduced the amount of education provided by Council. A new Officer is in place.

-
- # Council is improving its ability to report against performance measures in all of its infrastructure activities. This issue has been recognised as significant and council staff have developed an action plan to improve the system moving forward

Our financial performance

This is an overview of the financial results for the year ended 30 June 2018. The information is extracted directly from the financial statements contained in the full audited Annual Report 2017/18. The audited financial statements comply with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The summary Financial Statements do not include all the disclosures that are provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements. For a complete understanding of Council's financial performance, financial position and cash flows; readers are encouraged to refer to the full Annual Report 2017-18.

The Group figures in these statements represent the consolidated financial statements for Council and the Group (which includes Westland Holdings, Westroads and Destination Westland). Figures are presented in New Zealand Dollars and rounded to the nearest thousand.

The full financial statements of the Council have been prepared in accordance with Tier 1 PBE Standards. The full financial statements comply with PBE Standards.

The Audit opinion is included in the Annual Report, it is an unqualified opinion. It states that the information in the Annual Report fairly presents Council's financial and non-financial performance and that Council's financial statements comply with generally accepted accounting practice in New Zealand.

Rates (General)	\$6,808,000
Net surplus/(deficit)	\$238,000
Working Capital	\$1,181,000
Public Debt	\$18,018,000
Total Assets	\$449,340,000

We have –

Other comprehensive revenue and expense deficit of \$134,000 after the movement in landfill provision and loss on revaluations*:

This is \$19.6 million unfavourable against Budget. The main variances are shown below:

Description	Actual (\$ 000)	Budget (\$ 000)	Variance (\$ 000)	Cash (\$ 000)	Non Cash (\$ 000)
Refuse aftercare provision	(117)	-	(117)		(117)
Loss on disposals	(473)	-	(473)		(473)
NZTA Subsidy	3,763	4,113	(350)	(350)	
Contractors	(684)	(375)	(309)	(309)	
Loss on Swaps	(33)	176	(208)		(208)
Water repairs & maintenance	(824)	(484)	(340)	(340)	
Rates	14,934	15,215	(281)	(281)	
Depreciation	(5,919)	(5,808)	(112)		(112)
All other revenue & expenditure variances	(10,409)	(10,302)	(107)		(107)
	238	2,535	(2,297)	(1,280)	(1,017)
Loss on Asset Revaluation	(341)	16,977	(17,318)		(17,318)
Movement in Land fill provisions	(31)	-	(31)		(31)
	(134)	19,511	(19,645)	(1,280)	(18,366)

Comprehensive Revenue and Expenses

The Council did not comply with the Local Government (Rating) Act 2002. The Council adopted its annual plan for the 2017/18 financial year on 27 April 2017. The annual plan included the funding impact statement which identified the rates that the Council would set, included the amounts payable for each rate by ratepayers, and the total amount of revenue the Council forecast that it would collect from each type of rate.

The Council then set the rates identified in the funding impact statement, by the adoption of the rates resolution on 22 June 2017. The rates resolution identified the rates that the Council would set, included the amounts payable for each rate by ratepayers, and the total revenue the Council forecast that it would collect from each type of rate. This total rates revenue was the revenue the Council required to fund its activities.

The amounts payable for each individual rate by ratepayers was calculated incorrectly due to the incorrect number of rateable units being used to calculate that rate in both the funding impact statement and the rates resolution.

*Total Comprehensive revenue and expense does not represent cash or ratepayer funding.

The Council issued rates assessment notices and rates invoices to ratepayers using different amounts payable for each rate than the amounts included in the rates resolution and funding impact statement. The total revenue collected from the rates assessed and invoiced on this basis was the same as the total of revenue the Council forecast that it would collect in the funding impact statement and rates resolution.

Had the Council assessed and invoiced rates on the basis set out in the rates resolution and funding impact statement it would have collected \$140,000 less than the projected total rates revenue in those documents.

Review and disposal of assets in the fixed asset register was a cause of the increase in total operating expenditure. Along with increased maintenance activities from drought conditions, increased water quality standards and an underperforming network that required additional expenditure contributed to a significant variation of expenditure within the water supply network.

Land and Building Assets were revalued at the end of the 2017/18 financial year. Revaluations were budgeted as an increase, however there was a decrease in value. This was mainly due to lower than expected property value increase, impairments of some buildings being assessed as earthquake prone, and reserve land values being retained at carrying value; this class of land is not easy to sell and the costs of sale would negate any increase in value.

The landfill provision is an Accounting entry for Council's estimate of aftercare required on the landfills. With the updated Asset management plans, Council staff have better information and have updated the assumptions that form the basis of the provision. The landfill provision is unbudgeted and unfunded. This was a particular focus for the new audit team throughout this audit, and resulted in some elements of the provision being capitalised straight onto the balance sheet. This reduced the expected loss.

The NZTA subsidy was not received in full, mostly due to Whitcombe Valley Road not being completed at the end of the financial year. The subsidy is part of a three-year plan that finished at the end of the 2017/18 financial year, however NZTA granted an exemption for the Whitcombe Valley Road project to carry over the subsidy into the 2018/19 financial year.

Contractor costs were significantly higher than budget due to unfilled staff vacancies. Council needed to contract external services to cover those vacancies.

Council approved unbudgeted expenditure includes \$2,888 for remedial work at Sunset Point, \$30,000 for Hokitika Regent Theatre, \$20,000 contribution to the SPCA fit-out of the dog pound, \$61,699 heating for the Harihari community pool and \$40,000 for management of the Carnegie building.

Financial Position:

Public debt has increased by a net \$1.22 million. This is made up of debt repayments of \$1.8 million and further drawdown of debt funding of \$3.02m.

Debtors and other receivables are \$2.6 million higher than budgeted, mainly due to \$2 million accrual of the NZTA subsidy expected but not yet received and other timing differences. Creditors and other payables are not significantly different from budgeted, and are expected to be timing differences. The balance of rates debtors is \$203,000 lower than in 2017, and the ageing profile has improved markedly.

Cash and Cash receivables are \$4.7 million lower than budget, this is due to the NZTA timing difference of \$2 million and unbudgeted/unfunded expenditure using up cash reserves.

Prior Period Error

The Council and group has adjusted its comparative year financial statements for the year ended 30 June 2017 for the correction of two prior period misstatements related to the landfill aftercare provision.

- The 2017 landfill aftercare provision was calculating using a discount rate of 1.89%. The discount rate was the Treasury Risk-free Discount Rate for Accounting Valuation Purposes for 2018, and was not representative of the profile of the forecast cashflows which span decades. The application of an appropriate weighted average discount rate derived from the Treasury Risk-free Discount Rates determined that the provision was overstated by \$240k.
- The increase in the 2017 landfill aftercare provision relating to the Butlers landfill was expensed through other expenses. As this related to an asset carried at revaluation, a portion of the increase should have offset the revaluation reserve pertaining to this asset and a further portion should have increased the asset's value. Accordingly, the expense recognised in other expenses was overstated by a further \$551k.

The financial statements for 2017, which are presented as comparative information in the 30 June 2018 financial statements, have been restated to amend these misstatements as outlined below:

	2017 Before adjustments \$000	Correction of error \$000	2017 After adjustments \$000
Council			
Expenditure			
Other expenses	13,305	(791)	12,514
Other Comprehensive Revenue and Expense			
Movement in landfill aftercare provision pertaining to assets carried at revaluation	0	(37)	(37)
Non-current Asset			
Property, Plant & Equipment	430,487	514	431,001
Non-current liabilities			
Provisions	2,089	(240)	1,849
Equity			
Retained earnings	149,951	791	150,742
Revaluation reserves	269,545	(37)	269,508
Group			
Expenditure			
Other expenses	16,396	(791)	15,605
Other Comprehensive Revenue and Expense			
Movement in landfill aftercare provision pertaining to assets carried at revaluation	0	(37)	(37)
Non-current Assets			
Property, Plant & Equipment	446,359	514	446,873
Non-current liabilities			
Provisions	2,089	(240)	1,849
Equity			
Retained earnings	152,934	791	153,725
Revaluation reserves	270,376	(37)	270,339

Subsequent Events

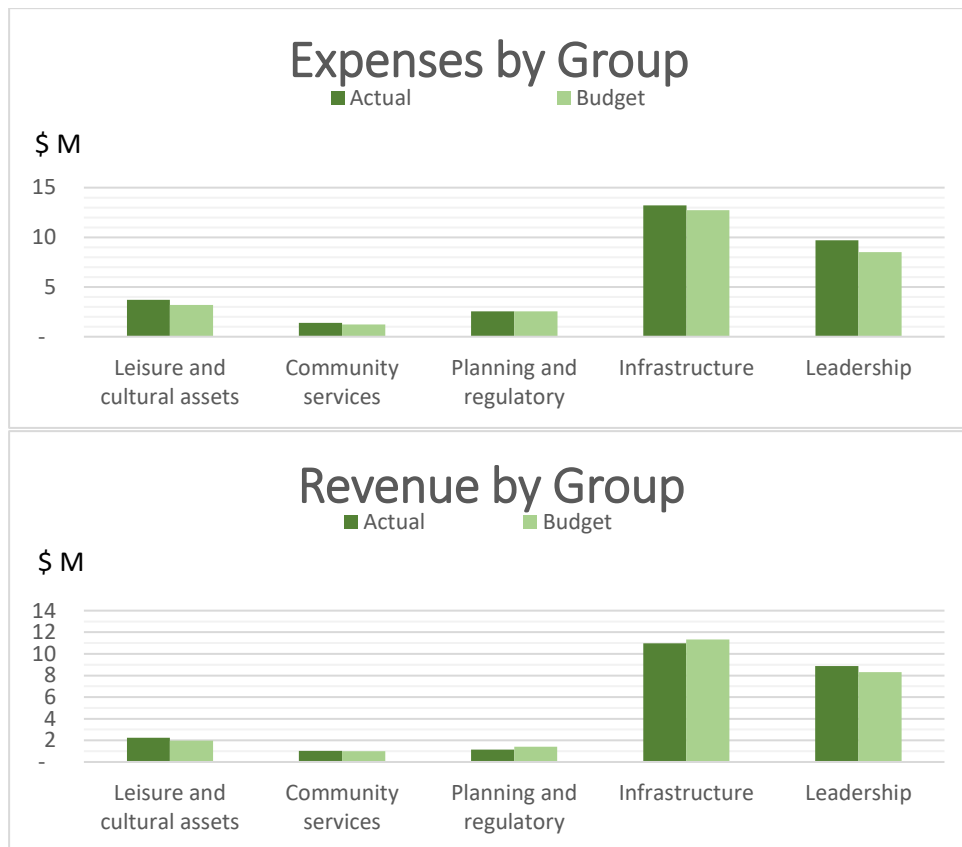
On 3 July 2018 Council transferred the management of the Museum, i-SITE, Events and West Coast Wilderness Trail activities to Destination Westland. This created a 20% reduction in the rates requirement. The actual assets are still Council owned. This is to allow Council to concentrate on core Council activities.

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2018

	Council			Group	
	Actual 2018 \$000	Budget 2018 \$000	*Actual 2017 \$000	Actual 2018 \$000	*Actual 2017 \$000
Revenue					
Rates	14,934	15,215	14,781	14,934	14,781
Fees and Charges	1,758	2,090	1,853	1,758	1,853
Subsidies and grants	4,615	4,621	3,258	4,615	3,258
Interest revenue	82	100	96	83	96
Other revenue	1,701	1,600	1,531	22,191	16,065
Total revenue	23,090	23,625	21,519	43,581	36,053
Expenses					
Personnel costs	3,628	4,023	3,823	14,209	12,349
Depreciation and amortisation expense	5,919	5,808	5,800	7,909	7,583
Finance costs	805	778	709	1,174	1,082
Other expenses	12,496	10,482	12,514	18,069	15,605
Total expenses	22,848	21,090	22,846	41,361	36,619
Surplus/(deficit) before tax	242	2,535	(1,327)	2,220	(566)
Income tax expense/(benefit)	4	0	(2)	575	217
Surplus/(deficit) after tax	238	2,535	(1,325)	1,645	(783)
Other comprehensive revenue and expense					
Financial assets at fair value through other comprehensive revenue and expense	0	0	0	0	0
Gain/(loss) on revaluation of assets	(341)	16,977	0	(1,172)	0
Gain/(loss) on Disposal of revalued asset	0	0	0	0	
Movement in Landfill Provision	(31)	0	(37)	(31)	(37)
Total other comprehensive revenue and expense	(372)	16,977	(37)	(1,203)	(37)
Total comprehensive revenue and expense	(134)	19,511	(1,362)	442	(820)

* The 2017 results have been restated for prior period adjustments which are detailed on page 17.



Statement of Changes in Equity

For the year ended 30 June 2018

	Council			Group	
	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Balance at 1 July 2017	425,920	425,746	427,282	429,734	430,554
Assets disestablished	(1,006)	0	0	(1,006)	0
Restatement adjustment	323	0	0	323	0
Total comprehensive income	(134)	19,511	(1,362)	442	(820)
Balance at 30 June 2018	425,104	445,258	425,920	429,493	429,734

Statement of Financial Position

As at 30 June 2018

	Actual 2018 \$000	Council Budget 2018 \$000	Actual 2017 \$000	Group Actual 2018 \$000	Actual 2017 \$000
Assets					
Current assets					
Cash and cash equivalents	2,021	6,763	2,733	2,256	3,065
Debtors and other receivables	5,277	2,666	2,964	8,207	5,343
Other financial assets	310	323	769	310	769
Inventory	0	0	0	548	582
Work in progress	0	0	0	496	217
Total current assets	7,609	9,753	6,466	11,818	9,976
Non-current assets					
Property, plant and equipment	429,889	452,668	431,001	446,885	446,873
Intangible assets	143	71	81	294	232
Derivative financial instruments	5	0	0	5	0
Council Controlled Organisations	8,695	8,695	8,695	0	0
Other Financial Assets	302	77	78	302	78
Investment property	0	0	0	1,382	968
Term inventory	0	0	0	351	350
Assets under construction	2,698	1,000	1,309	2,698	1,309
Total non-current assets	441,732	462,511	441,164	451,917	449,810
Total assets	449,340	472,264	447,632	463,735	459,786
Liabilities					
Current liabilities					
Creditors and other payables	2,604	2,423	1,793	4,117	3,389
Derivative financial instruments	1	0	1	1	1
Borrowings	3,000	6,343	0	4,488	1,198
Employee entitlements	358	296	345	1,214	1,121
Provisions	0	0	0	0	0
Tax payable	3	3	3	498	19
Other current liabilities	461	193	376	504	419
Total current liabilities	6,428	9,258	2,518	10,823	6,146
Non-current liabilities					
Derivative financial instruments	545	384	508	545	508
Borrowings	15,018	16,304	16,790	20,365	21,146
Employee entitlements	35	29	20	121	113
Provisions	2,179	1,000	1,849	2,179	1,849
Deferred Tax	32	30	28	208	292
Total non-current liabilities	17,810	17,748	19,194	23,419	23,907
Total liabilities	24,238	27,006	21,712	34,242	30,053
Net assets	425,104	445,258	425,920	429,493	429,734
Equity					
Retained earnings	148,031	151,687	150,742	152,420	153,725
Restricted reserves	7,622	8,777	5,606	7,622	5,606
Revaluation reserves	269,387	284,794	269,508	269,387	270,339
Other comprehensive revenue and expense reserve	64	0	64	64	64
Net assets	425,104	445,258	425,920	429,493	429,734

Statement of Cash Flows

For the year ended 30 June 2018

	Actual 2018 \$000	Council Budget 2018 \$000	Actual 2017 \$000	Group Actual 2018 \$000	Actual 2017 \$000
Cash flows from operating activities					
<i>Cash provided from</i>					
Rates	14,461	15,205	15,322	14,379	15,219
Fees and Charges	1,758	2,409	1,853	1,758	1,853
Interest received	81	100	96	82	96
Dividends received	120	523	0	0	0
Subsidies and grants	2,822	4,626	3,259	2,822	3,259
Receipts from other revenue	1,571	3,900	1,707	20,486	15,933
<i>Cash paid to</i>					
Payments to suppliers and employees	(15,631)	(17,762)	(16,442)	(30,952)	(27,367)
Interest paid	(668)	(778)	(709)	(1,037)	(1,082)
Income tax paid	0	0	0	(114)	(53)
Net cash flow from operating activities	4,513	8,224	5,087	7,423	7,859
Cash flows from investing activities					
<i>Cash provided from</i>					
Receipts from sale of property, plant and equipment	43	0	0	232	471
Movement in Westpac bonds	459	450	191	459	191
<i>Cash paid to</i>					
Purchase of intangible assets	(101)	0	(21)	(101)	(21)
Purchase of property, plant and equipment	(6,629)	(7,371)	(3,590)	(10,858)	(5,436)
Acquisition of Investments	(229)	0	0	(476)	0
Net cash flow from investing activities	(6,457)	(6,921)	(3,420)	(10,744)	(4,795)
Cash flows from financing activities					
<i>Cash provided from</i>					
Loans raised	3,020	4,552	990	4,859	1,090
Capital Works Loan repayments	4			4	
<i>Cash paid to</i>					
Loan repayments	(1,792)	(1,792)	(1,800)	(2,351)	(3,458)
Net cash flow from financing activities	1,232	2,760	(809)	2,512	(2,368)
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts	(712)	4,063	857	(808)	696
<i>Cash and cash equivalent 01 Jul 2017</i>	2,733	2,700	1,875	3,065	2,369
Cash and cash equivalent 30 Jun 2018	2,021	6,763	2,733	2,256	3,065

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the readers of Westland District Council and Group's summary of the annual report for the year ended 30 June 2018

The summary of the annual report was derived from the annual report of the Westland District Council and Group (the District Council) for the year ended 30 June 2018.

The summary of the annual report comprises the following summary statements on pages 6 to 22:

- the summary statement of financial position as at 30 June 2018;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2018; and
- the summary statement of service provision.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2018 in our auditor's report dated 22 November 2018.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council. In addition, the Auditor-General is carrying out an inquiry under section 18 of the Public Audit Act 2001 into the District Council's procurement of remedial works for the Franz Josef wastewater plant.



Scott Tobin,
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
17 December 2018