



A G E N D A

Finance, Audit and Risk Committee

**Council Chambers
36 Weld Street
Hokitika**

**Thursday 22 February 2018
Commencing at 9.00 am**

Deputy Mayor L.J. Martin – Chairperson
His Worship the Mayor R.B. Smith
Deputy Mayor Cr H.M. Lash
Crs D.L. Carruthers, R.W.(G) Eatwell, D.M.J. Havill ONZM,
J.A. Neale, G.L. Olson, D.C. Routhan.



FINANCE, AUDIT AND RISK COMMITTEE

AGENDA FOR A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE OF WESTLAND DISTRICT COUNCIL, TO BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 22 FEBRUARY 2018 COMMENCING AT 9.00 AM

22 February 2018

COUNCIL VISION

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental, cultural and natural resource base to enhance lifestyle and opportunity for future generations.

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities;
and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Apologies & Leave of Absence

1.2 Interest Register

2. CONFIRMATION OF MINUTES:

2.1 Finance, Audit and Risk Committee Meeting – 25 January 2018 (Pages 5-7)

3. ACTION LIST

The Action List is attached (Page 8)

4. REPORTS TO COUNCIL

4.1 AUDIT MANAGEMENT REPORT YEAR ENDED 30 JUNE 2017 (Pages 9-26)

4.2 FINANCIAL REPORT JANUARY 2018 (Pages 27-39)

4.3 STATEMENT OF SERVICE PERFORMANCE REPORT FOR QUARTER ENDED 31 DECEMBER 2017 (Pages 40-92)

5. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely

5.1 Confidential Minutes

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
5.1	Minutes January 25 2018	Confidential Minutes – Finance, Audit and Risk Committee	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

Finance, Audit and Risk Committee Minutes

MINUTES OF A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE OF WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 25 JANUARY COMMENCING AT 9.30AM

1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Members Present

Deputy Mayor Cr L.J. Martin (Chair)
His Worship the Mayor R.B. Smith
Deputy Mayor Cr H.M. Lash
Crs R.W. Eatwell, D.M.J. Havill (ONZM), J.A. Neale, G.L. Olson, D.C Routhan,
Cr D.L Carruthers

Apologies:

No Apologies or leave of absence requests are recorded.

Staff in Attendance:

S. Bastion, Chief Executive; L.A. Crichton, Group Manager: Corporate Services; J.D Ebenhoh, Group Manager: Planning Community and Environment; D. Inwood Group Manager: District Assets, V.M.Watson, Business Support Officer/ Committee Secretary.

Visitors in Attendance:

Andrew Michl and Mark Butcher from New Zealand Local Government Funding Agency (LGFA)

1.2 Interest Register

Chair Deputy Mayor Martin circulated the Interest Register no amendment is noted.

2. CONFIRMATION OF MINUTES:

2.1 Confirmation of Minutes – Finance, Audit and Risk Committee Meeting held 14 DECEMBER 2017

Moved by Cr Neale, seconded Deputy Mayor Lash and **Resolved** that the Minutes of the Finance, Audit and Risk Committee Meeting held on the 14 December 2017 be confirmed as a true and correct record of the meeting

3. ACTION LIST

The Chair confirmed no items are currently on the Action list.

It was noted due to the resignation of the Finance Manager and current operational workload of the rest of the Finance Team, the Quarterly Financial Performance Report was unable to be prepared in time for circulation to the February Finance Audit and Risk Committee Meeting.

4. ITEMS FOR INFORMATION

4.1 Visiting Representatives from Local Government Funding Agency

Welcome to the Manager of Credit & Client relations Andrew Michl and the Manager of Credit & Client relations Mark Butcher here to provide an introduction of Local Government Funding Authority They spoke to the presentation making the following key points.

- Westland District Council have passed the 'due diligence' and been accepted, it is noted during the presentation that Westland District Council are in a strong financial position.
- The function on the LGFA is to maximize effective debt funding with optimum funding terms and conditions for participating local authorities.
- Westland District Council will not be a 'Guarantor', but a 'borrower' only.
- Westland is performing in a strong financial position.
- Independent Treasury Advisory Services, advise individual Council.

Moved by Cr Routhan, seconded by Cr Carruthers and **Resolved** that Committee accept the presentation from LGNZ.

5. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely

5.1 Confidential Minutes

5.2 Risk Register

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
5.1	Minutes	Confidential Minutes – Finance, Audit and Risk Committee	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
5.2	Risk Register	Confidential Update	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

Moved by Cr Olson, seconded Cr Eatwell and **Resolved** that Committee move into public excluded at 10.25 am.

Moved by Deputy Mayor Lash, seconded Cr Carruthers and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and accordingly the meeting went back to the open part of the meeting at 10.40 am. Council then closed the meeting at 10.40am

MEETING CLOSED AT _____

Confirmed by:

Deputy Mayor Latham Martin
Chair – Finance, Audit and Risk Committee

Date

Action List

Date of Meeting	Meeting	Item	Action	Who Responsible	Timeframe	Status

No items currently outstanding or added to the action list on 25.01.18.

Report

DATE: 22 February 2018

TO: Finance, Audit and Risk Committee

FROM: Group Manager, Corporate Services

AUDIT MANAGEMENT REPORT YEAR ENDED 30 JUNE 2017

1 SUMMARY

- 1.1 The purpose of this report is to present the Audit Management Report (attached as **Appendix 1**) for the year ended 30 June 2017.
- 1.2 The report is written by Bede Kearney, Audit Director for Audit New Zealand and has been reviewed by Council management. Observations and comments from both are contained within the report.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that the Committee receive the Audit Management Report for the year ending 30 June 2017 and approves it for public release.

2 BACKGROUND

- 2.1 Audit Management Reports are provided annually to Council and provide commentary and recommendations on observations made by the audit team during the Annual Report audit process.
- 2.2 In the first instance, the CE and Group Manager, Corporate Services receives a draft report for staff to provide a response to the comments. This then enables elected members to receive a full report on the issues and recommendations and the action being taken by staff to address them.

3 CURRENT SITUATION

- 3.1 The Audit Management Report for 30 June 2017 notes the turnover of key staff in both the Finance and District Assets area; however, the report also notes that Council has continued to make substantial progress in many areas. The favourable commentary embellishes Council's drive for continuous improvement.
- 3.2 There are no items described as 'Urgent' in the report. Council has cleared or is already addressing most of the recommendations from this and previous audits.
- 3.3 The recommendations contained in the report will be incorporated into the development of Council's internal controls framework and risk management framework.
- 3.4 The report also reflects on the quality and completeness of Council's statements of service performance. The financial year ended 30 June 2017 is the second year of reporting against the performance measures contained in the Long Term Plan 2015-25, which include the mandatory measures introduced by the Department of Internal Affairs.
- 3.5 It has been noted that Council has made progress in this area, however as per the previous report, there are still some where improvement is required and some specific actions are noted.

4 OPTIONS (WITH ANALYSIS)

- 4.1 The Committee can decide to receive or not receive the report. Should the Committee decide not to release the report to the community it would sacrifice the opportunity to provide a useful and objective perspective on how Council is discharging its obligations of financial stewardship and control over service delivery.

5 SIGNIFICANCE AND CONSULTATION

- 5.1 This report is for information and deemed to be of low significance. No consultation is required.

6 RECOMMENDATION

- A) **THAT** the Committee receives the Audit Management Report for the year ended 30 June 2017.
- B) **THAT** the Committee approves the public release of the Audit Management Report for the year ended 30 June 2017.

Lesley Crichton
Group Manager, Corporate Services

Appendix 1: Audit Management Report 30 June 2017

Appendix 1

14 December 2017

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PO Box 2, Christchurch 8140

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Fax: 03 961 3059

Bruce Smith
Mayor
Westland District Council
Private Bag 704
Hokitika 7842

cc Simon Bastion, Chief Executive
Lesley Crichton, GM Corporate Services

Dear Bruce

Final report on the audit of Westland District Council for the year ended 30 June 2017

1 Introduction

We have completed the audit for the year ended 30 June 2017 of Westland District Council (the District Council). This report sets out our findings from the audit and where appropriate makes recommendations for improvement. It covers our findings from our final audit.

We issued a separate interim management reported dated 28 August 2017.

2 Our audit opinion

We issued an unmodified audit opinion on 31 October 2017. This means that we were satisfied that the financial statements and statement of service performance presented fairly in all material aspects the District Council's activity for the year and its financial position at the end of the year.

In forming our audit opinion, we considered the following matters.

2.1 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we discussed with management any misstatements we found, other than those which were clearly trivial. All misstatements discussed with management were adjusted. We are satisfied that any uncorrected misstatements are individually and collectively immaterial.

2.2 Assessment of the control environment

As outlined in our interim report to the Council dated 28 August 2017, the October 2016 election delivered a new council, with only one councillor returning from the previous council. In addition to these changes to the governing body, three of the four senior managers resigned during the financial year. This has meant that staff in key roles were stretched over the latter parts of this financial year in particular. This affected all areas of the business, but in particular the assets and the Finance teams. The disruption and the need to keep the District Council's services operating meant a heightened risk that some key aspects of the control environment did not operate effectively throughout the year.

In assessing the effectiveness of the control environment through discussion and observation, we focussed in particular on the financial management processes and the financial and non-financial systems that directly impacted the annual report. We gained an understanding of how key aspects of the high level control environment were operating. Overall, we did not identify any significant new deficiencies that we needed to bring to your attention.

Following our final audit our assessment on the control environment remains unchanged.

2.3 Property, plant and equipment valuations

PBE IPSAS 17 Property, Plant and Equipment, requires that valuations are carried out with sufficient regularity to ensure that the carrying amount of an asset class does not differ materially from its fair value.

The District Council last revalued Land and buildings in 2015 and infrastructure assets in 2016. The District Council is required to demonstrate that the fair value of these assets had not significantly changed since that last valuation.

Management prepared an assessment for land and buildings and engaged an external valuer ANA group, to carry out a fair value assessment of all its infrastructure assets. ANA were the valuers that carried out the last two infrastructure valuations of these assets. ANA has a good knowledge of the assets under review.

Management concluded the fair value of property plant and equipment was not materially different from the carrying value. We reviewed the assessments provided, and agreed with management's conclusion that no revaluation was required.

Land and buildings are due to be revalued in 2017/18. This will be an area of focus for the 2018 audit.

Infrastructure assets are not due for revaluation until the 2018/19 year. The District Council will need to carry out a fair value assessment close to 30 June 2018 to determine if unit rates have materially moved or not. If the movement is significant, the District Council may need to revalue its infrastructure assets earlier than planned. It should also consider whether the current valuations provide a sufficiently robust base for developing the forecasts in the 2018-28 LTP.

We ask that the Finance team keep us informed on progress on this matter during the LTP and 2018 audits.

2.4 Severance payments

During the year there were three severance payments totalling \$230k.

We reviewed all three payments and sought advice from our accounting technical team and the legal team at the Office of the Auditor-General. This advice confirmed the amounts disclosed in the annual report were in accordance with the requirements of Schedule 10 clause 33 of the Local Government Act (LGA) 2002.

In our review we considered whether:

- The payments were based on sound decisions to settle.

We understand the District Council took legal advice prior to resolving the dispute and finalising the settlement.

- The payments were reasonable for the public sector.

The payments are relatively large compared to most payments in Local government. The settlements were a result of arms' length negotiations.

- There were any issues of probity.

While there was the issue of the SFO investigation, we were satisfied there were no probity issues directly impacting either of the agreements themselves.

- Payments were approved in accordance with financial delegations.

We draw to your attention the possibility that some aspects of the settlement agreements may give rise to some tax exposure for the District Council (as outlined below):

2.4.1 PAYE exposure

Recommendations

Seek professional advice and if appropriate consider making a voluntary disclosure to the IRD.

Findings

The District Council has a potential PAYE exposure in relation to payments made to former employees as some of the payments made through the settlement agreements were tax free.

Management comments

Management will take independent tax advice on the tax issues raised.

3 Significant matters, issues, or risks considered in this audit

3.1 Capacity and capability of the Finance Team

Due to on-going staff changes across the District Council over the past few years, and in Finance in particular, staff have been stretched. During the year the Finance team lost the GM Corporate Services and the Strategy and Communications Advisor. However, all vacant roles in the Finance team were filled by financial year end.

Having a full Finance team has meant the 2016/17 annual report process has been better than previous years. The new Finance team was able to provide us with an almost complete draft annual report at the start of the audit. Other information was largely provided as per the agreed timeframes outlined in our audit arrangements letter date 23 June 2017. However, again this year the delivery of service performance information caused delays to the audit process. We acknowledge that key staff change was the main reason why information was not prepared on time. Our discussions with staff and management identified there were poor handover processes resulting leaving gaps in knowledge. The loss in knowledge has meant extra time and effort spent on completing this part of the audit by both staff and the audit team. We expect this part of the audit to run more smoothly next year due to existing staff now understanding what is required.

3.2 Audit arrangements

For the first time this year, at managements' request we shortened our time on-site from five days per week to three days per week. The arrangement worked well and was positive for both us and the District Council. The arrangement provided Finance with the opportunity each week to progress work while we were working off site. It enabled the audit team to spend less time away on travel. It also reduced the disbursement costs for the audit this year.

The arrangement did not significantly hinder our ability to complete the audit. We completed our audit within the District Council's statutory reporting deadline of 31 October 2017. We acknowledge the assistance management and the Finance team provided to us during the audit.

We will continue to work with management to improve the audit process. We plan to hold a post audit debrief with management to go over how the process can be further enhanced on both sides.

3.3 Non-financial performance reporting

We reviewed the District Council's control environment, processes, and controls for developing its service performance objectives and targets, as well as reporting and monitoring on its performance.

As part of our year-end audit of the District Council's reported service performance information, we focused on:

- the quality of the overall "story" the performance reporting tells;
- the reliability/accuracy of the reporting;

- the completeness of the reporting against the performance framework as outlined in the LTP; and
- compliance with relevant legislation (in particular the Local Government Act 2002, Schedule 10).

Consistent with our conclusion in the prior year, we found that the Statement of Service Performance had some shortcomings. However, overall we were able to issue an unmodified audit opinion because the systems and processes supporting the key performance measures were sufficiently reliable. The narrative complemented this information by providing a reasonable “performance story”.

This was the second year that the District Council has had to report on the mandatory performance measures required by Department of Internal Affairs. While in the overall context of the annual report the systems and reporting were sufficiently reliable for our audit purposes, there are areas identified where systems and reporting need to be improved. We discussed this with the District Council staff during the audit.

Our recommendations for system improvements are included below:

3.3.1 Service requests

Recommendations

- 1 In relation to the system which supports a number of customer requests/complaints measures, develop processes and controls that can be put into place to:
 - Record the time of notification and ensure all customer services requests are recorded in a consistent manner (i.e. record all calls/complaints about sewerage or drinking water supply in the customer service request system at the time those calls are received).
 - Accurately record the time of attendance by the contractor – explore options with the contractor to record job data and auto-update the information in the customer service request system. The District Council needs to consider what controls it can put in place to ensure that the attendance time recorded on the paper job card is transferred accurately into the service request system;
 - Accurately record the resolution time by the contractor. The same considerations need to be given to this as above for attendance times; and
 - Provide training and develop guidance material for the customer service officers that are taking the calls in the first instance so that the classification for such events is accurate.
- 2 For information provided from the contractor, the District Council will need to engage and train the contractor on how to record the required information. The contractor may need live access to the service request module to achieve this.

Findings

We confirmed the reported result in the statement of service performance (SSP), for each measure we considered significant. For these measures overall, we found the information in the SSP to be complete, and a reasonable reflection of the Council's performance during the year.

However, we found that the District Council was unable to accurately report against the completion times for the mandatory services request performance measures. This affected three performance measures in the 3 waters and transport activities.

The District Council was able to report reliably the number of requests it received during the financial year and it has reported this information. It clearly disclosed the lack of relevant and available information regarding response times against each measure.

Management comment

Improving Council's ability to monitor and report on performance measures is a priority and a Service Request System review process is already underway with more work to come. Council is aware of the reporting requirements of the Act and is improving the Service Request System's ability to report against these measures. This is a long term project. Some improvements have already been noted however more improvements are needed over the next 12 months including:

- 1 *Programming the service request fields to automatically default select the appropriate response timeline as set out in the Long Term Plan.*
- 2 *Continuing 1:1 and group service request training tutorials to identify limitations of the current system, identify and implement solutions and ensure all new and existing staff are trained in the correct processes and that this knowledge is refreshed regularly.*
- 3 *Creating a full service request manual covering how to accurately log, update and sign off various scenarios.*
- 4 *Upgrading staff knowledge of how to accurately generate reports of the data contained with the service request database.*
- 5 *Removing redundant/confusing fields in service request system to reduce the ability for human error.*
- 6 *Improving the culture of staff and contractors to ensure that service requests are updated and closed off in a timely manner.*
- 7 *Ensuring that Council can report not only on the timeframes regarding the resolution of an issue, but also the timeframe in which an incident was attended by Council's contractors, and ensuring that this data is recorded not only in the Service Request System but also the records of our contractors e.g. job sheets.*

3.3.2 Dry weather overflows

Recommendation

Implement a system to capture wet weather sewer overflow events. In the interim the contractor should record the weather conditions when they attend sewer overflows.

Findings

The District Council is required to report all its dry weather overflows as outlined in one of the mandatory performance measures set by DIA.

Because the District Council does not have the systems to track rain events it is unable to exclude wet weather overflows from the measure. National rain data does not cover all areas of Westland district. Management believes the cost exceeds the benefit if it was to implement rain gauges across the whole district. Due to the high rainfall in the District this would also require additional staff to read these meters. All overflows have been reported as dry weather overflows. We have accepted this approach on the basis of materiality as there were only three sewer overflows during the year.

Management comment

As noted above, the national measure is not particularly applicable to Westland region. Average monthly rainfall in Westland District varies between just over 150mm in the driest parts of the year (February) to just under 300mm most other months of the year (refer <https://weather-and-climate.com/average-monthly-Rainfall-Temperature-Sunshine,Hokitika,New-Zealand>). This represents on a daily basis an average rainfall of between 5 and 10mm of rain per day.

Therefore, Council believes that the resources needed to establish whether the conditions for a wet weather overflow (i.e. 1mm of rain in a 24 hour period) have been met or not are not only cost prohibitive but also not a good use of resources given the very few instances of sewer overflows.

3.4 Kumara and Whataroa water treatment plant upgrades

The District Council awarded a contract to upgrade the two water schemes to Techno Economic Services (NZ) Limited (TES). The contract was subsequently terminated due to delays in implementation of the project and due to the contract being put on hold for the District Council internal investigation. We sighted a letter from TES's lawyer dated 20 June 2017 confirming the termination of the contract by mutual agreement between both parties.

We followed up whether any review was carried out on the process for awarding the contract. We understand the acting Chief Executive, engaged a local engineering firm, MWH/Stantec to carry out a review of the tendering process to ensure the District Council has complied with its internal processes. MWH/Stantec verbally confirmed to the Acting Chief Executive that the District Council had followed its processes.

Management comments

There was no formal engagement for this review. The CE met with a consultant of MWH/Stantec to discuss the tender evaluation process that had been used. The consultant was on the original evaluation panel. The discussion was verbal and was reported back to Council, that management were satisfied with the process followed.

3.5 Asset Management

We followed up on the District Council's progress in updating its asset management plans for the 2018-28 LTP. Management informed us that the asset management plans are in the process of being updated with help from the external consultant ANA Group.

We will review the updated asset management plans as part of the 2018-28 Long-Term Plan audit.

3.6 Fixed asset register

Recommendation

As management is not going to migrate the fixed asset register spreadsheet data in to the finance system (MagiQ), we recommend that someone regularly reviews the manual spreadsheet register to ensure changes to the spreadsheet such as asset additions and depreciation are being correctly calculated. It is also important this spreadsheet is regularly reconciled with general ledger within the Finance system.

Findings

Currently the Finance team manages the fixed asset register in a manual Excel spreadsheet. Management has informed us that that currently MagiQ does not meet the users' needs. Using a manual Excel spreadsheet gives rise to additional risk. In particular the added risk of human error in managing the spreadsheet, such as, inputting incorrect formula into depreciation calculations, tracking changes to the spreadsheet, identifying duplicate assets and making transposition errors when updating the general ledger

We understand the District Council is planning to upgrade the current MagiQ in March 2018. If the module meets the needs the Finance team, it may also migrate the current fixed asset register to MagiQ.

Management comment

The MagiQ system does not contain the functionality to break down assets into the component level that is required to provide meaningful data and ensure that depreciation rates are correct for each component class of asset.

There has not been any consideration to migrate back to the MagiQ Fixed Asset System. There may be other systems other than MagiQ explored in the future, until that time the Fixed Asset Register will remain an excel model.

Management will investigate building checks and controls into the excel model.

4 Other areas of interest

4.1 Rates

As part of our audit, we reviewed the District Council's compliance with key aspects of the Local Government Rating Act 2002 (LGRA). We focussed on the rates setting process – the consistency and completeness of the resolution and the Funding Impact Statement (FIS). We also reviewed a sample of targeted rates to assess whether the matters and factors used are consistent with the LGRA.

No issues were noted from our review to bring to your attention.

It is important to note that our review of compliance with legislation is for the purposes of expressing our audit opinion. It is not, and should not be seen, as a comprehensive legal review. This is beyond the scope of the audit, and our expertise as auditors. The Council is responsible for ensuring that it complies with applicable laws and regulations.

4.2 The District Council's governance role in completion of SOIs for CCOs

CCOs are responsible for meeting their accountability requirements under the Local Government Act 2002 (LGA). This includes preparing SOIs with appropriate involvement from their parent entities.

Local Authorities are responsible for the effective oversight of their CCOs. This includes reviewing and commenting on draft SOIs within the timeframe in the LGA. They should also monitor the CCOs' performance against the SOI targets.

Our review this year has confirmed non-compliance with the LGA 2002. In particular Schedule 2 part 8 which required the Board of the CCO to provide its draft Statement of Intent to its shareholder before 1 March. Due to the uncertainty of the group structure Westland Holdings Limited's 2017/18 draft Statement of Intent was not submitted to the Council for approval by 1 March 2017.

No other breaches of significant legislations were noted. We encourage the District Council to work with its CCOs to ensure compliance with significant legislative requirements.

4.3 Potential changes to the structure of the District Council's CCOs

4.3.1 Change in group structure

During the financial year, the District Council proposed changes to the Westland Holdings Limited Group. This included the disestablishment of Westland Holdings Limited and the merging of the Hokitika Airport Limited and Westland District Property Limited. The changes were planned to be in place before 30 June 2017.

As a result of this proposed merger, there was a change in Board members of Westland Holdings and a joint board, of new board members, was formed for the Hokitika Airport Limited and Westland District Property Limited. These new board members were appointed by Westland District Council not Westland Holdings Limited.

The proposed changes to the group structure have not gone ahead yet. We understand the District Council is reconsidering the future structure. The two entities are continuing to operate as separate entities with a common CEO, and Board, and combined processes.

Please keep us up to date with any potential changes to the structure of the group.

4.4 Other sector issues interest noted in our audit planning letter

As part of the audit we confirmed that the District Council complied with the Local Government Elected Members Determination and disclosed the remuneration of each member in the annual report. We noted the Mayor was overpaid by \$41 due to an incorrect formula in the spreadsheet. We confirmed the overpayment was subsequently reimbursed.

We also noted that the change in the determination meant the underpayment of the Deputy Mayors' and the Chairs of Audit and Risk Committee (pre and post-election). The remuneration for these additional responsibilities has increased with the updated determination. This resulted in an under payment of around \$1200 for the previous Deputy Mayor and Chair of Audit and Risk pre-election, and \$200 for Deputy Mayors and Chair Audit and risk committee post-election. We verbally informed management of the underpayment during the final audit.

No issues were noted from our review of related parties and conflicts of interest.

No fraud has been noted from our audit review and our enquiries of management and council.

5 Status of previous recommendations

The status of each matter that was outstanding in last year's report to the District Council is summarised in Appendix 2 (unless it is mentioned in the body of the report).

We have not revisited some matters in our interim management report around the systems of internal controls improvements as the final audit focussed on the audit of the Annual Report. This will be followed up as part of the 2018 interim visit and reported to the District Council in the 2018 interim management report.

Summary of action taken against previous years' recommendations:

Number of recommendations from previous years' audits	Current status
3	Matters that have been resolved
5	Still outstanding

Appendix 1: Explanation of priority rating system

Our recommendations for improvement and their priority are based on our assessment of how far short the District Council is from a standard that is appropriate for the size, nature, and complexity of its business.

We have developed the following priority ratings for our recommended improvements:

<p>Urgent Major improvements required</p>	<p>Needs to be addressed <i>urgently</i></p> <p>These recommendations relate to a significant deficiency that exposes the District Council to significant risk. Risks could include a material error in the financial statements and the non-financial information; a breach of significant legislation; or the risk of reputational harm.</p>
<p>Necessary Improvements are necessary</p>	<p>Address at the earliest reasonable opportunity, generally <i>within 6 months</i></p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine the system of internal control or create operational inefficiency.</p>
<p>Beneficial Some improvement required</p>	<p>Address, generally <i>within 6 to 12 months</i></p> <p>These recommendations relate to deficiencies that result in the District Council falling short of best practice. These include weaknesses that do not result in internal controls being undermined or create a risk to operational effectiveness. However, in our view it is beneficial for management to address these.</p>

Appendix 2: Status of previous recommendations

The recommendations raised in our previous management reports are still valid and are being progressed. Cleared issues and outstanding issues have been summarised below:

Matters that have been resolved

Issues	Outcome
Landfill provision calculation	
Provide information to support the landfill inputs included in the landfill calculation.	An updated landfill provision calculation was provided to us during the final audit. We are satisfied that the rates used in the calculations are adequately supported and the provision has been calculated in compliance with accounting standards.
Receipt of year-end financial information from the Council's CCO	
Request draft financial information from the CCOs at an earlier date.	The District Council received the financial information from the Westland Holdings group in time for the preparation of the District Council's annual report.
Journals review	
Journals should be reviewed by an independent person before being posted.	There are now adequate controls in place to ensure segregation of duties around journal processes.

Matters still outstanding

Recommendation	Priority	Management comment
Renewals planned expenditure against actual expenditure		
Ensure planned renewal expenditure are sufficient to avoid significant failure of assets in future years due to delayed maintenance not being carried out.	Necessary	<p>Funding has been allocated to replace assets based on material type and age using our database. This process is now being enhanced with funding being made available to test representative samples of assets such as pipes to enable condition rating in conjunction with age and material.</p> <p>Additional audit comment We will focus on the levels of renewals as part of the LTP audit.</p>
Legislative compliance		
Introduce a formal legislative compliance system. This should identify legislative risks and responses, as part of a broader risk management framework. Ideally this would be integrated within the District Council's risk management software system.	Necessary	<p>This complies with and can be seen within all plans, reports, policies and decision making.</p> <p>Additional audit comment We acknowledge that these processes are a way of checking compliance with legislation as the District Council makes decisions. However a sound legal compliance system has organisation level processes for identifying and recording potential risks and assessing the likelihood of those risks across all activities of the organisation. Relying solely on the knowledge of staff exposes the organisation to risk, especially when staff change.</p>
IT Disaster Recovery Plan (DRP)		
Update the DRP plan.	Necessary	Currently in progress.
Fraud process		
Regularly review areas susceptible of fraud and update the fraud policy. We understand an external review of the fraud policy and internal controls was due to be completed by October 2017, however we understand this was pushed back to later in 2017.	Necessary	The review process started in November 2017. A draft report is expected to be available by the end of December 2017 with a final report early 2018.

Recommendation	Priority	Management comment
Assets stocktake		
Perform a physical stocktake to verify assets included in the fixed asset register still exist.	Beneficial	<i>A new engineering role has been created that has 50% of time dedicated to asset management data update and review. Data is also being transferred into a more reliable and accessible system to assist the data management process. Annual audits and documentation of 'critical' assets is being progressed.</i>

Appendix 3: Mandatory disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the District Council of their responsibilities.</p> <p>Our audit engagement letter contains a detailed explanation of the respective responsibilities of the auditor and the District Council.</p>
Auditing standards	<p>We carry out our audit in accordance with generally accepted audit standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The District Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We confirm that, for the audit of the District Council's financial statements for the year ended 30 June 2017, we have maintained our independence in accordance with the requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.</p> <p>Other than the audit of the Group and its subsidiaries, we have not provided any engagements for the District Council during the year ended 30 June 2017. In addition, we have no relationships with, or interests in, the District Council.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the District Council during or since the end of the financial year.</p>
Unresolved disagreements	<p>We have no unresolved disagreements with management about matters that individually or in aggregate could be significant to the financial statements. Management has not sought to influence our views on matters relevant to our audit opinion.</p>

Report



DATE: 22 February 2018
TO: Mayor and Councillors
FROM: Acting Finance Manager

FINANCIAL PERFORMANCE: JANUARY 2017

1 SUMMARY

- 1.1 The purpose of this report is to provide an indication of Council's financial performance for one month to 31 January 2018.
- 1.2 This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receive the financial performance report to 31 January 2018, attached as **Appendix 1**.

2 BACKGROUND

- 2.1 Council receives monthly financial reporting so that it has current knowledge of its financial performance and position against targets and objectives adopted in the Long Term Plan 2015-25.

3 CURRENT SITUATION

- 3.1 Council now receives a monthly financial summary report in a consistent format.

3.2 The Financial Performance Report to 31 January 2018, is attached as **Appendix 1** and contains the following elements:

- 3.2.1 Segmental graphs for net cost of services, operating revenue and expenditure with the addition of the actual amounts.
- 3.2.2 Update on Rates Debtors.
- 3.2.3 Whole of Council Cost of Service Statement.
- 3.2.4 Variance analysis
- 3.2.5 Council approved unbudgeted expenditure
- 3.2.6 Debt report including budgeted debt, forecast debt and actual debt.
- 3.2.7 Capital Expenditure 2017-18
- 3.2.8 Carryover Schedule 2017-18
- 3.2.9 Balance Sheet

4 OPTIONS

4.1 Council can decide to receive or not receive the report.

5 SIGNIFICANCE AND CONSULTATION

5.1 This report is for information only and, while feedback is invited from Council in order for staff to continuously improve the quality of information provided, no assessment of significance or consultation and no options analysis is required.

6 RECOMMENDATION

A) **THAT** Council receives the Financial Performance Report to 31 January 2018

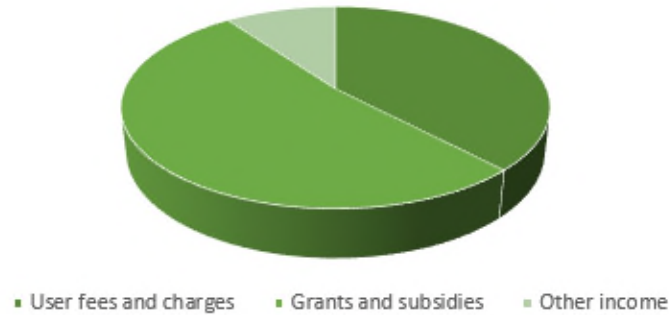
Lavinia Hamilton
Acting Finance Manager

Appendix 1: Financial Performance January 2018

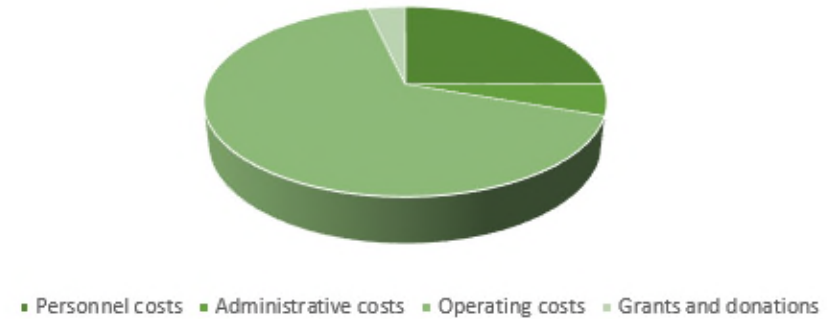


Financial Performance January 2018

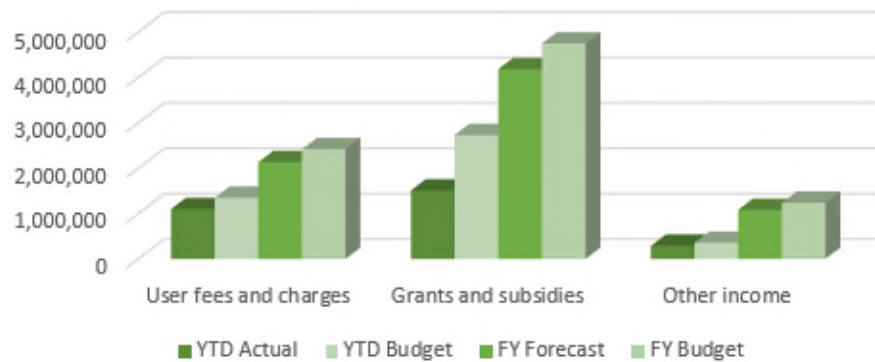
Operating revenue
Actual year to January



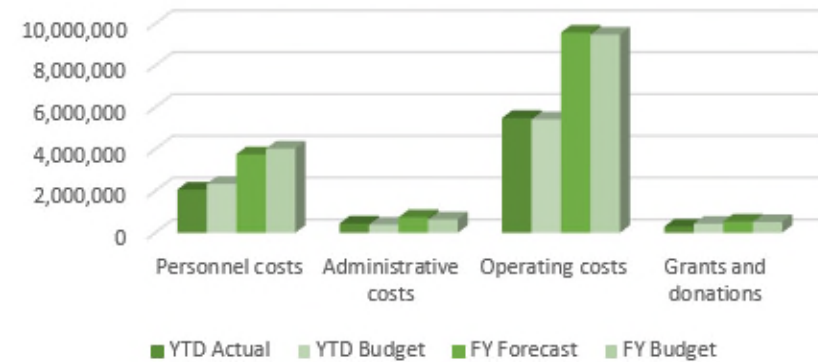
Operating expenditure
Actual year to January



Operating revenue



Operating expenditure



	User fees & Charges	Grants & Subsidies	Other Income
Actual YTD	1,096,733	1,510,020	289,715
Budget YTD	1,348,236	2,730,049	357,619
Variance	(251,503)	(1,220,029)	(67,904)
FY Forecast	2,132,973	4,181,909	1,080,524
FY Budget	2,418,583	4,746,309	1,238,334

	Personnel	Administration	Operating	Grants & donations
Actual YTD	2,067,600	451,624	5,492,776	298,857
Budget YTD	2,344,851	394,858	5,427,612	433,436
Variance	(277,251)	56,767	65,165	(134,579)
FY Forecast	3,757,815	740,753	9,576,903	541,741
FY Budget	4,023,177	638,727	9,484,130	521,300

Rates Debtors

Rates Debtors at 31 December 2017		893,006
Rates instalment	3,439,943	
Less payments received	-380,626	
Paid in advance	-566,695	
Write off's	-40,772	
Penalties	35,539	
Court costs awarded	709	
		2,488,099
Total Rates Debtors at 31 January 2018		3,381,105
Arrears included above at 31 January 2018	3,381,105	
Arrears at 31 January 2017	3,649,345	
Increase/(decrease) in arrears		-268,241

Debt Management January 2018

- New direct debit arrangements 24

Rates Debt - Aged at 31 January 2018

Financial Year	Jan-18	Jan-17	Dec-17
Pre 2013	62,107	120,322	64,629
2013-14	43,073	74,752	47,652
2014-15	57,440	114,318	61,789
2015-16	59,017	272,909	63,946
2016-2017	162,882	3,067,045	200,769
Current	2,996,585	-	454,220
Total	3,381,105	3,649,345	893,006

WESTLAND DISTRICT COUNCIL	Year to January			Full Year 2017-2018	
	Actual	Budget	Variance	FY Forecast	Budget
Operating revenue					
Rates (includes targeted rates and metered water)	10,673,925	10,729,771	(55,846)	15,204,691	15,204,697
User fees and charges	1,096,733	1,348,236	(251,503)	2,132,973	2,418,583
Grants and Subsidies	1,510,020	2,730,049	(1,220,029)	4,181,909	4,746,309
Other income	289,715	357,619	(67,904)	1,080,524	1,238,334
Overhead recoveries	3,619,881	4,186,193	(566,311)	6,610,022	7,176,333
Total revenue (A)	17,190,275	19,351,868	(2,161,593)	29,210,119	30,784,256
Operating expenditure					
Personnel costs	2,067,600	2,344,851	(277,251)	3,757,815	4,023,177
Administrative costs	451,624	394,858	56,767	740,753	638,727
Operating costs	5,492,776	5,427,612	65,165	9,576,903	9,484,130
Grants and donations	298,857	433,436	(134,579)	541,741	521,300
Overheads	3,594,742	4,183,867	(589,125)	6,522,001	7,172,293
Total operating expenditure (B)	11,905,600	12,784,623	(879,023)	21,139,213	21,839,627
Net operating cost of services - surplus/(deficit) (A - B)	5,284,675	6,567,245	(1,282,570)	8,070,906	8,944,629
Other expenditure					
Interest and finance costs	442,031	453,600	(11,570)	766,024	777,593
Depreciation	3,523,968	3,387,925	136,043	6,157,670	5,807,919
(Gain)Loss on swaps	(37,744)	(102,385)	64,641	(110,876)	(175,517)
(Gain)Loss on disposals	(23,935)	0	(23,935)	(23,935)	0
Total other expenditure (C)	3,904,320	3,739,141	165,179	6,788,882	6,409,995
Total expenditure (D = B + C)	15,809,920	16,523,764	(713,844)	27,928,095	28,249,622
Net cost of services - surplus/(deficit) (A - D)	1,380,355	2,828,104	(1,447,750)	1,282,024	2,534,634

Variance Analysis

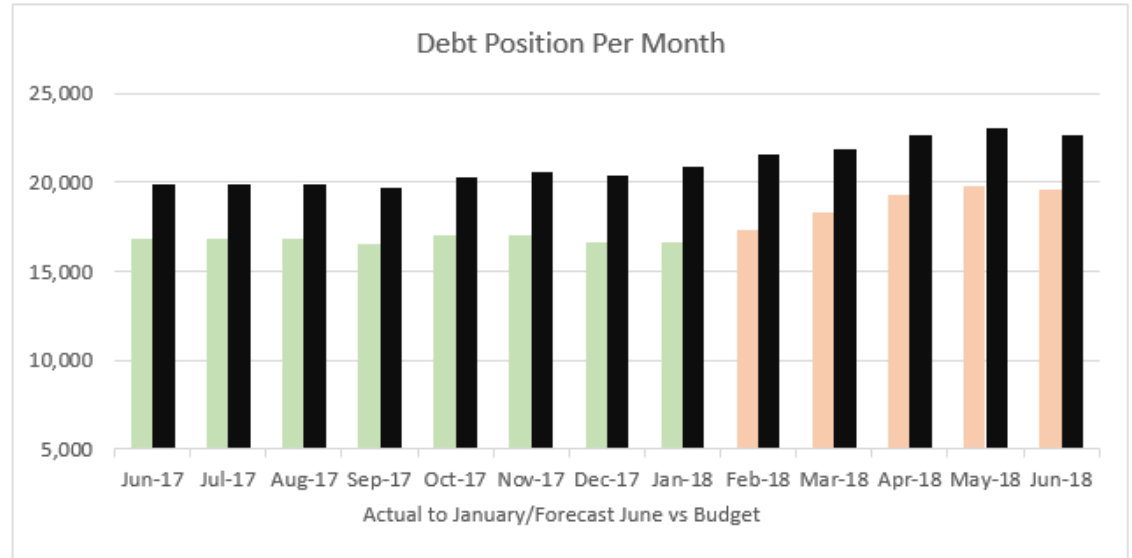
Operating Revenue	
Rates revenue	Metered water rates are lower than budget year to date due water restrictions and timing issues (quarterly charging, summer water usage) this is still expected to meet budget
User fees and charges	Building Control consents and fees \$126k lower than budget year to date. Processing figures are tracking at the same level as the previous FY and Inspection fees are only 20k lower than the previous year
	Hokitika trade waste fees \$90k lower than budget year to date but tracking exactly the same as previous financial year
Grants and Subsidies	NZTA subsidy \$786k lower than budgeted year to date. Most of this is for the NZTA portion of Whitcombe Valley Road, the income for this project will most likely be received in April or May
	WCWT cycle trail budgeted grant contribution of \$479k from MBIE was not able to be claimed as at January 2017. Entire WCWT cycle trail grant contribution of \$479k budgeted in September 2017.
Operating Expenditure	
Personnel costs	Positive variance due to budgeted unfilled staff vacancies, in District Assets, Museum, Building Control and IHPS.
Operating costs	Rates write-offs, remissions and discount \$95k greater than budget due to timing of rates write-offs, remissions and discount and phasing of budget, and rural properties merging which there were a significant number of this year
Grants and Donations	Community assistance, community township development and Public Toilet grants are all lower than budget, however these are still expected to be claimed in the current financial year
Other Expenditure	
Depreciation	This has increased as assets are capitalised, including unbudgeted capital expenditure
(Gain)/Loss on Swaps	Swap values are based on market factors and are difficult to predict. Any gain or loss on swaps would not materialise unless swaps were cashed in before maturity.

Council Approved Unbudgeted Expenditure

Dated Approved	Description	Amount Approved \$	Amount Spent \$	Status
Sep-17	5.9 Sunset Point Erosion	2,880	2,880	Complete.
Oct-17	10.1 Hokitika Regent Theatre	30,000	10,000	To allow time for formulation of long term emergency recovery
Apr-17	7.2 Hokitika SPCA	20,000	20,000	Contribution towards fit-out of dog pound.
Aug-17	5.3 Management of the Carnegie Building	40,000	23,333	Monthly management Fee
Total		92,880	56,213	

Forecast Debt Position per Annual Plan 2017-18

Forecast as at	Jul-17	Jan-18
Opening Balance	19,887	16,790
Loan funded capex forecast	4,552	4,557
Forecast repayments 2017-18	(1,792)	(1,792)
Forecast balance June 2018	22,647	19,555



	Debt Position per month												
	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Budget	19,887	19,887	19,887	19,689	20,289	20,564	20,341	20,841	21,566	21,825	22,650	23,050	22,647
Forecast at 1 July 2017	16,790	16,790	16,790	16,592	17,192	17,467	17,674	18,614	19,769	20,028	20,853	21,253	20,850
Actual + Forecast	16,790	16,790	16,790	16,572	17,062	17,062	16,614	16,614	17,279	18,301	19,290	19,836	19,555
Waste Management loan	2,401	2,401	2,401	2,338	2,338	2,338	2,251	2,251	2,251	2,227	2,277	2,304	2,306
Water Supply loan	2,205	2,205	2,205	2,150	2,150	2,150	2,075	2,075	2,075	2,051	2,470	2,470	2,496
Wastewater loan	0	0	0	230	720	720	720	720	1,235	1,335	1,485	1,635	1,725
Structured Infrastructure loan for Council assets	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845
Stormwater loan	760	760	760	744	744	744	720	720	720	711	711	711	702
Transportation	100	100	100	80	80	80	50	50	50	540	540	540	530
Vehicle loan	52	52	52	50	50	50	44	44	44	44	44	44	44
Cass Square rehabilitation loan	120	120	120	118	118	118	112	112	112	112	112	112	112
Other loans	0	0	0	0	0	0	0	0	150	519	889	1,258	1,257
Hokitika Water supply upgrade	3,307	3,307	3,307	3,017	3,017	3,017	2,798	2,798	2,798	2,918	2,918	2,918	2,538

Capital Projects 2017-18
As at 31/01/2018

		Legend - Key	
Forecast on Budget			Project Delayed - Will not be completed by 30th June 2018
Forecast over Budget			Project on-Track - Will be completed by 30th June 2018
			Project Complete - 100% Progress

Project / Activity	YTD Exp	2017-18	Forecast	Budget Track	Progress / Track	Progress Comments
	\$0	\$0	\$0			
LEADERSHIP						
Council HQ Refurbishment	10,099	150,000	150,000			
IT Equipment Renewals	21,797	130,000	130,000			
Information Management - Shelving	-	10,000	10,000			On hold, shelving was to be constructed in Drummond Hall for storage, but with Museum closure this doesn't make sense at this stage unless Council files need to be shifted urgently.
	31,896	290,000	290,000			

LIBRARY						
Library - Chromebooks For Children's Code Club	4,162	5,000	5,000			On track.
Library - iPad Pro For Digital Literacy Classes	1,293	1,200	1,200			Completed.
Library - Whiteboard For Digital Literacy Classes	510	600	600			Completed.
Library - Book Trolleys	626	850	850			Completed.
Library - Book Display Holders	344	800	800			Completed.
Library - Website Upgrade	1,209	8,000	8,000			On track.
Library - Audio/Visual Resource	1,689	4,000	4,000			On track.
Library - Free Adult Books	7,129	15,000	15,000			On track.
Library - Adult Non Fiction	10,522	15,500	15,500			On track.
Library - Junior Publications	4,747	11,500	11,500			On track.
Library - Large Print Books	2,784	6,000	6,000			On track.
	35,015	68,450	68,450			

WATER SUPPLY						
Hokitika - River Water Intake Upgrade	411,388	-	500,000			Loan funded by WWP
Hokitika - Water Treatment Plant Improvements	-	420,000	0			Project rescoped within LTP - Not to be progressed 2017-2018 FY
Hokitika - Mains Upgrades	-	100,000	100,000			
Ross - Water Treatment Plant - Seismic Valves	-	30,000	30,000			
Whararoa - Pump Upgrades	-	35,000	35,000			
Fox Glacier - Water Treatment Plant Upgrade	-	450,000	50,000			Project rescoped within LTP - First phase only in 2017-2018 FY
Fox Glacier - Seismic Valves	-	30,000	30,000			
	411,388	1,065,000	745,000			

WASTEWATER						
Hokitika - WWTP Upgrade	-	300,000	300,000			
Franz Josef - New WWTP - Floodwall	1,228,151	-	1,235,000			Floodwall Emergency works to protect settling ponds required to Tourism Infrastructure Funding \$1,985,800, WDC loan funded contribution \$265,000. Rescoped within the LTP - Not to be
Franz Josef - New WWTP	-	1,500,000	0			
Fox Glacier - WWTP upgrade	-	100,000	100,000			
	1,228,151	1,900,000	1,635,000			

CEMETERIES						
Cemetery - Hokitika Upgrade & Expansion	-	10,000	10,000			
	0	10,000	10,000			

SWIMMING POOLS						
Hokitika Swimming Pool - Earthquake Strengthening	30,000	30,000	30,000			Project complete.
Hokitika Swimming Pool - Ventilation Compliance	15,696	16,000	15,696			Project complete.
	45,696	46,000	45,696			

COMMUNITY SERVICES DEVELOPMENT						
Community Halls - Custom House Roof Replacement	-	18,000	18,000			Scheduled to be completed in April
Township Maintenance - Kumara Rubbish Bins	-	3,000	3,000			
Township Maintenance - Hokitika Rubbish Bins	-	7,000	7,000			
Township Maintenance - Fox Rubbish Bins	-	3,000	3,000			
Township Maintenance - Haast Rubbish Bins	-	2,000	2,000			
	0	33,000	33,000			

ELDERLY HOUSING						
Elderly Housing - Roof Repairs	20,140	50,000	50,000			Roof repairs completed previous financial year. Funds to be spent on double glazing under capital requirements.
	20,140	50,000	50,000			

OFFICE EQUIPMENT						
i-SITE/CSC - Replacement Television Screens	5,438	4,125	5,438			Project complete.
Laminator	861	-	861			Replacement of broken Corporate Services laminator
Ibis Pro Rates Modelling	13,757	-	13,757			Ibis Pro Rates Modelling software upgrade to assist with the LTP
Customer Service Centre	1,030	-	1,030			Purchase of bar code scanners, wireless headset, keyboards and mice, printer and switch due to change of Customer Service Centre location.
	21,086	4,125	21,086			

MOTOR VEHICLES						
Pool Vehicle	-	31,000	31,000			Being ordered presently
Ford Ranger XL Double Cab	38,039	-	38,039			Replacement vehicle for Ford Ranger Ute. Cost \$38,039 insurance payment \$23,913
Ford Escape Ambiente	29,778	-	29,778			Replacement vehicle for Hyundai Santa Fe. \$29,778 trade in \$12,174
	67,817	31,000	98,817			

NEW TOILET & ASSOCIATED FACILITIES						
Kapitea Reservoir	89,439		17,690			Tourism Infrastructure Funding \$100,000, WDC loan funded contribution \$17,690.
Okarito	605		32,715			Tourism Infrastructure Funding \$204,435, WDC loan funded contribution \$32,715.
Fox Glacier	-		25,125			Tourism Infrastructure Funding \$136,125, WDC loan funded contribution \$25,125.
Franz Josef	104,537		88,452			Tourism Infrastructure Funding \$463,068, WDC loan funded contribution \$88,452.
Bruce Bay	-		23,024			Tourism Infrastructure Funding \$117,216, WDC loan funded contribution \$23,024.
Haast Township- New Toilet Facilities, Dump Station, Shelter, Bus Depot & Carpark	-		262,880			Tourism Infrastructure Funding \$394,320, WDC loan funded contribution \$262,880.
Sunset Point - New Toilets, Shelter & Carparks	-		500,000			Tourism Infrastructure Funding \$485,325, WDC loan funded contribution \$500,000.
	194,581	0	949,886			
SOLID WASTE						
Haast - Toilet Office building	-	32,000				Project rescope within LTP - Not to be progressed 2017-2018 FY
	0	32,000	0			
LAND & BUILDINGS						
Land & Buildings - Car Parking	-	15,000	15,000			
	0	15,000	15,000			
MUSEUM						
Hokitika Museum Upgrade & Future Development Options	-		75,000			Preparation of construction drawings and assistance with the tender process for the strengthening of the Carnegie Building.
	0	0	75,000			
PARKS & RESERVES						
Reserves - Cass Square - Repairs To Statues	-	5,000	5,000			
Reserves - Cass Square - Playground Equipment Upgrade	-	20,000	20,000			
Reserves - Cass Square - Playground Rubber Matting	-	20,000	20,000			Contractors to confirm costing scope.
Reserves - Lazar Park Upgrade	-	45,000	45,000			This is currently being held awaiting community input (Lions and Rotary).
	0	90,000	90,000			
TRANSPORTATION						
Unsealed Road Metalling	108,912	270,000	270,000			Contract item.
Sealed Road Resurfacing	-	782,000	782,000			Currently out to joint tender GDC/WDC.
Maintenance - Drainage Renewals	43,979	150,000	150,000			Replacement for old/failed culverts. Drainage
Structures Component Replacement	85,931	200,000	200,000			Structural report - repairs and ongoing reports HPMV 50 max.
Traffic Services Renewals	-	120,000	120,000			Streetlights. Road marking.
Sealed Road Pavement Rehabilitation	-	100,000	100,000			Preseal works. Special Purpose Roading (SPR).
Associated Improvements	-	1,500,000				Project rescope within LTP - Not to be progressed 2017-2018 FY
Sealed Road Resurfacing	58,900	159,000	159,000			SPR Road.
Drainage Renewal	-	27,000	27,000			SPR Culverts.
Structures Component Replacement	22,494	53,000	53,000			SPR Structures.
Traffic Services Renewals	-	11,000	11,000			SPR Signs Road marking.
Minor Improvements	147,100	190,000	190,000			Local Roads. Minor safety improvements.
Minor Improvements	29,500	29,000	29,000			SPR Minor safety improvements.
Footpath Upgrades	-	45,000	45,000			Business area Hokitika. Tile extension.
	496,816	3,636,000	2,136,000			
Total	2,552,585	7,270,575	6,262,935			

Carryover Schedule to 2017-18

Activity	Detail	Approved \$	Actual \$	Forecast \$	Balance \$	Approved Variance in 2017	Status
Township Development	Upgrade footpaths and driveways over next three years	5,000	0	5,000	5,000	Capital	Community project.
Township Development	Repairs and Maintenance to Hokitika Statues	5,000	0	5,000	5,000	Capital	Discussion with contractor and Heritage Hokitika has occurred. Currently low priority.
Water Supply	Replace Water meters (on-going) - Hokitika	190,000	0	190,000	190,000	Capital	Now in detailed scoping. The budget is for Hokitika and Franz Josef. Currently Fox Glacier is in progress on meters replacement.
Corporate Services	Council HQ - Roof over skylights	20,000	0	20,000	20,000	Capital	Completion expected in Feb 2018
Corporate Services	Council website	13,250	5,115	13,250	8,135	Capital	
Water Supply	Kumara - Water treatment plant - seismic valves	30,000	0	30,000	30,000	Capital	
Water Supply	Hokitika - Pumps Replacement	50,000	0	50,000	50,000	Capital	
Water Supply	Whataroa - Water treatment plant	216,895	3,384	216,895	213,511	Capital	Contract now awarded, project completion approximately 26 weeks.
Water Supply	Whataroa - Seismic valves	20,000	0	20,000	20,000	Capital	
Wastewater	Hokitika - Mains upgrade	138,854	0	138,854	138,854	Capital	
Wastewater	Haast - Mains upgrade	20,000	0	20,000	20,000	Capital	
Wastewater	Haast - De-sludge oxidation ponds	150,000	0	150,000	150,000	Capital	
Cemetaries	Cemetery - Hokitika improvements	8,170	6,934	6,934	1,237	Capital	Completed
Township Development	New footpaths - Franz	25,000	0	25,000	25,000	Capital	
Township Development	Footpath upgrades - Hokitika	27,000	0	27,000	27,000	Capital	
Township Development	Footpath upgrades - Kumara	5,000	0	5,000	5,000	Capital	
Township Development	Footpath upgrades - Franz	15,000	0	15,000	15,000	Capital	
Wildfoods Festival	Replacement of promotional assets	19,434	0	19,434	19,434	Capital	PO was recently created to spend some of this.
Land & Buildings	Land & Buildings - car parking	15,000	0	15,000	15,000	Capital	
Parks & Reserves	Reserves - Cass Square - Repairs to Statues	5,000	0	5,000	5,000	Capital	
Parks & Reserves	Reserves - Cass Square - Playground equipment upgrade	25,000	0	25,000	25,000	Capital	
Stormwater	Hokitika - Tancred, Bealey and Rolleston street upgrades	307,689	352,176	352,176	(44,487)	Capital	Completed Stage one
Depreciation Funded		1,311,292	367,608	1,354,543	943,684		
WCWT	Completion of Trail	339,241	380,075	339,241	(40,834)	Capital	Existing spend work in progress.
Subsidy Funded		339,241	380,075	339,241	(40,834)		

Solid Waste	Landfills - Butlers Site Shed - Hazardous Washdown Facility	15,000	0	15,000	15,000	Capital	
Solid Waste	Intermediate Capping for Butlers	50,000	0	50,000	50,000	Capital	
Solid Waste	Landfill- Haast - Digout new Cell	3,740	0	3,740	3,740	Capital	
Solid Waste	Haast intermediate cap current cell	10,000	0	10,000	10,000	Capital	
Solid Waste	Franz Josef Landfill	25,000	0	25,000	25,000	Capital	
Corporate Services	Information Management - DMS	200,000	0	0	200,000	Capital	Project rescoped within LTP - Not to be progressed 2017-2018 FY
Water Supply	Kumara - Water treatment plant	418,595	13,380	418,595	405,215	Capital	
Wastewater	Franz Josef - New WWTP	89,943	0	89,943	89,943	Capital	
Wastewater	Fox Glacier - WWTP upgrade	100,000	0	0	100,000	Capital	Project rescoped within LTP - Not to be progressed 2017-2018 FY
Transportation	Hokitika Gorge & Whitcombe Valley Road - Upgrade Of Existing Toilet Facilities, Carparks, Road Widening, Seal & Extension.	500,000	0	500,000	500,000	Capital	Whitcombe Valley Project Budget is \$500,000, unsubsidised by NZTA. 2016- 2017, spent Keogans Road, unsubsidised seal extension, \$81,087, (\$100,000 Budget approved by Council) Approval granted from NZTA for 58% subsidy (\$500,000 + \$690,000 = \$1,190,000) for the Whitcombe Valley Project
Loan Funded		1,412,278	13,380	1,112,278	1,398,898		
Township Development	Franz Josef Urban Revitalisation Plan	100,000	0	100,000	100,000	Capital	Awaiting further study / work with community, regional council and central government on a "master plan" for the township before this streetscape / revitalisation work takes place.
Waterfront carry forward	Hokitika Waterfront Development	10,007	10,000	10,000	7	Capital	No large procurement process will take place- this funding is now being set towards redevelopment work around Sunset Point.
Township Development	Hari Hari Township Development fund	9,000	0	9,000	9,000	Operating adverse	To be held until Hari Hari decides what they want to allocate funds to.
Reserves	Reserves - Marks Road Reserve	10,000	0	10,000	10,000	Capital	
Reserves	Reserves - Hokitika Waterfront Development	100,000	5,940	100,000	94,060	Capital	
Reserves	Reserves - Hokitika Heritage Trail signs	3,500	0	3,500	3,500	Capital	
Reserve Funded		232,507	15,940	232,500	216,567		
		3,295,318	777,004	3,038,562	2,518,314		

Balance Sheet as at 31 January 2018	Council		
	Actual	Budget	Actual
	Jan-18 \$'000	Jun-18 \$'000	Jun-17 \$'000
Assets			
Current assets			
Cash and cash equivalents	3,062	6,763	2,733
Debtors and other receivables	4,264	2,666	2,964
Other financial assets	31	0	813
Inventory	0	0	0
Work in progress	0	0	0
<i>Total current assets</i>	7,356	9,429	6,511
Non-current assets			
Property, plant and equipment	431,043	452,670	430,487
Intangible assets	62	71	81
Derivative financial instruments	0	0	0
Council Controlled Organisations	8,695	8,695	8,695
Other Financial Assets	359	1,398	34
Investment property	0	0	0
Term inventory	0	0	0
Assets under construction	663	0	1,309
<i>Total non-current assets</i>	440,822	462,834	440,606
Total assets	448,179	472,263	447,118
Liabilities			
Current liabilities			
Creditors and other payables	1,538	2,423	1,956
Derivative financial instruments	0	0	1
Borrowings	0	6,343	0
Employee entitlements	193	296	182
Provisions	0	0	0
Tax payable	3	3	3
Other current liabilities	584	193	376
<i>Total current liabilities</i>	2,318	9,258	2,518
Non-current liabilities			
Derivative financial instruments	471	384	508
Borrowings	16,614	16,304	16,790
Employee entitlements	22	29	20
Provisions	2,090	1,000	2,090
Deferred Tax	91	30	28
<i>Total non-current liabilities</i>	19,289	17,747	19,434
Total liabilities	21,607	27,005	21,952
Net assets	426,571	445,258	425,167
Equity			
Retained earnings	151,356	151,687	149,951
Restricted reserves	5,613	8,777	5,606
Revaluation reserves	269,538	284,794	269,545
Other comprehensive revenue and expense reserve	64	0	64
Net assets	426,571	445,258	425,167

Report



DATE: 22 February 2018
TO: Finance, Audit and Risk Committee
FROM: Group Manager, Corporate Services

STATEMENT OF SERVICE PERFORMANCE REPORT FOR QUARTER ENDED 31 DECEMBER 2017

1 SUMMARY

- 1.1 The purpose of this report is to present the statements of service performance (attached as **Appendix 1**) for the quarter ended 31 December 2017.
- 1.2 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that the Committee receive the statement of service performance report for the quarter ending 31 December 2017.

2 BACKGROUND

- 2.1 Statement of Service performance are provided quarterly to Council within the quarterly performance report, alongside the financial performance. However, due to a resignation in the finance area the quarterly report as at December 2017 was not presented to Council.
- 2.2 These statements of service performance include mandatory measures introduced by the Department of Internal Affairs, and are incorporated into Council's Long Term Plan.
- 2.3 Council must report performance against these measures in the Annual Report, therefore quarterly reporting provides an understanding of how Council is performing against these measures throughout the year.

3 CURRENT SITUATION

- 3.1 The report reflects on the quality and completeness of Council's statements of service performance contained in the Long Term Plan 2015-25, which include the mandatory measures introduced by the Department of Internal Affairs.
- 3.2 Council has made progress in this area; however, there are still some areas where improvement is required.
- 3.3 The main focus of improvement is around the recording and sign off of service requests from contractors. It should be noted that the issue is with validation, and not that service requests are not being completed.
- 3.4 Enhancements to the service request system are in progress, to include new fields and the removal of redundant fields that are causing confusion.
- 3.5 Staff training is also being undertaken during the year to increase staff knowledge, and a full manual of how to log, update and sign off will be created.
- 3.6 A mandatory measure relating to dry weather sewerage overflows is more problematic. The measure requires that a dry weather overflow does not have rain of more than 1mm per 24 hours period. Management do not feel this is a reasonable measure for Westland due to:
 - 3.6.1 Average daily rainfall for Westland is between 5-10mm per day.
 - 3.6.2 Council does not have systems to track rain events.
 - 3.6.3 National rain data does cover all areas of Westland District.
 - 3.6.4 The cost exceeds the benefit of implementing rain gauges throughout the district.
- 3.7 Audit have acknowledged that this is a difficult measure for Westland, however management will endeavour to find a solution.
- 3.8 Although further improvement is expected during the year, it is unlikely that the improvements will cover the whole of the financial year.

4 OPTIONS (WITH ANALYSIS)

- 4.1 The Committee can decide to receive or not receive the report.

5 SIGNIFICANCE AND CONSULTATION

5.1 This report is for information and deemed to be of low significance. No consultation is required.

6 RECOMMENDATION

A) **THAT** the Committee receives the Statement of Service Performance Report for the quarter ended December 2017.

Lesley Crichton
Group Manager, Corporate Services

Appendix 1: Statement of Service Performance Report for the quarter ended December 2017.

Statements of Service Provision

The following section of the Quarterly Report contains:

- Commentary about Councils activity within each Group
- Council's non-financial performance for each activity, measured against a set of 'key performance measures' that are in the Long Term Plan 2015 -2025.

Note:

Where a LOS performance measure is “% of residents satisfied”, Council holds results from the last survey of residents which was carried out in March 2016. The next survey of residents will be undertaken in January/February 2018.

A full explanation of the 2016 Resident Survey results is contained in Council's Annual Report 2015/16 and the survey itself can be obtained from the Council.

Leadership Group

- Democracy
- Corporate Services
- Council Controlled Organisations

Commentary

Corporate Services

Note – The i-SITE is a part of the Corporate Services function. The commentary and service performance tables for this activity are however included in the “Leisure Services & Facilities” section of this report, along with those for the Customer Services Centre.

Information Technology:

Council’s IT staff contributed skills and expertise towards the West Coast’s very own Civil Defence Emergency Management (CDEM) website which went live in the first week of November. Westland District Council’s Information Systems Support Officer, John Stowell, helped boost the functionality of the website by implementing mapping tools and an offline-capable app that allows data to be collected and plotted to help paint the picture about the impact of an emergency event. This can be utilised to provide behind-the-scenes intelligence to support the response efforts of a range of services such as Police, Defence Force, Fire and Emergency New Zealand, St John, Department of Conservation and Community Public Health.

The Information Technology team also ordered 10 new Chromebooks for Westland District Library as part of a managed solution. The Chromebooks will be used for the Code Club for children at the library and for teaching residents a wide range of computer skills. The devices will also have barcodes attached to them so that they can be loaned out for community use.

Other technology improvements this quarter have included upgrading the media players which power the Hokitika i-SITE’s digital screens which display signage and advertising.

Finally, Council have deployed a new email signature which has the added functionality of being able to display visual banners with “calls to action” which encourage people who receive emails from a Council member to take a type of action. Currently, this email signature is encouraging the public to provide their thoughts for our Long Term Plan. The banners on the email signature can be updated, rotated and changed to display seasonal-specific messages in the future e.g. reminders to purchase Wildfoods tickets or holiday greetings with a link to our holiday hours.

Strategy and Communications:

The Council’s Strategy and Communications Advisor continued work on the Long Term Plan for 2018-2028.

Two monthly editions of the Westland Matters electronic newsletter were produced and published during this period and feedback from the community about the content of these newsletters has been extremely positive.

In addition, Council's Facebook presence has increased. Council's Facebook page likes increased from 400 to 600 during this period. Council's response time to Facebook messages continues to decrease, with the average response time decreasing from 6 hours to 20 minutes.

In addition, the Council's Strategy and Communications Advisor worked with members of District Assets, IT and Civil Defence on plans for a new text alert service that could be used by Council to send quick text messages with urgent announcements e.g. boil water notices. A database has been created in Microsoft Access as a more user-friendly interface for the system (owned by Spark New Zealand). Council already has access to this technology; the plan is to simply make greater use of the existing system to improve communications where timeliness is critical. The next step in this project is pulling data of cell phone numbers together, educating the public and rolling out a test.

The Strategy and Communications Advisor also invested a lot of energy into writing and editing funding applications for events and infrastructure with the Tourism Infrastructure Funding Coordinator. It was pleasing to see the results of this: with over \$3.25 million dollars of successful infrastructure funding achieved as well as \$5,000 each towards a Waitangi Day event and a multi-ethnic festival, both to be held in 2018.

The Strategy and Communications Advisor also obtained a CIMS 4 qualification through Tai Poutini in October and attended a one-day media training event at West Coast Regional Council specific to dealing with media enquiries regarding Civil Defence situations. Both were very valuable.

A new media and social media policy for staff members was implemented and staff training regarding the expectations and process outlined in the policy took place.

Council Controlled Organisations

Westland District Property Limited manages activities for Council. This information has been supplied by WDPL:

Jackson Bay Wharf:

There has been little activity at the wharf this quarter. There are only four licenced vessels landing product at the wharf and a reduced number of casual users. Despite this, there continues to be a lot of recreational fishermen using the wharf and the concept of building a boat ramp was revisited this quarter and is being considered for inclusion in the Long Term Plan.

Westland District Property has been looking at installing a secure gate to restrict unauthorised vehicle access to the wharf.

Carnegie Building:

The Carnegie Building continues to be open four hours a day, seven days a week. Over 6,500 people have visited between March 2017 and December 2017. Members of the public have donated more memorabilia for display. The courtyard has been cleaned and opened for people to enjoy.

Hokitika Airport

No change since last quarter. Development of the farm is ongoing and honey from the hives indicates the season has been successful. Moss collection is above average and the airport storage occupancy is high.

Text for the following activities that are managed by WDPL are included in the activity sections of this Quarterly Report:

Elderly Housing
Hokitika Swimming Pool
Some land management matters

Democracy

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Responsible leadership	% of residents satisfied with Council's leadership	Not measured	65%	Not yet measured	The next Residents survey is currently in progress and full results should be obtained by end of March.
The community understands what Council does	% of residents who understand how Council makes decisions	Not measured	50%	Not yet measured	The next Residents survey is currently in progress and full results should be obtained by end of March.

Corporate Services

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Provide accountability about Council activities	Legally compliant financial plans and reports adopted	100%	Annual Plans & Annual Report adopted on time	100%	
A comprehensive Customer Service Centre	% of residents satisfied with the service they receive	Not measured	75%	Not yet measured	The next Residents survey is currently in progress and full results should be obtained by end of March.
Effective engagement of the community during public decision-making opportunities	% of residents that believe they have been consulted appropriately	New measure	60%	Not yet measured	The next Residents survey is currently in progress and full results should be obtained by end of March.

Council Controlled Organisations

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
CCOs comply with their Statements of Intent	All performance measures in the CCO Statement of Intent are met, as reported in half yearly and annual reports	70% Westland Holdings achieved 12 out of 19 measures (including those that weren't applicable during this financial period) Westland District Property achieved 7 out of 9 Westroads achieved 3 of 4 Hokitika Airport Limited achieved 4 of 5	100%	No information to date	We will not receive this information until next half yearly report.

Planning and Regulatory Group

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

Commentary

Inspections and Compliance

Building:

Consent numbers were steady for this reporting period. Consents issued -

October	12
November	16
December	21

Food Premises:

18 food audits were completed during this quarter, and about half of the food audits for the year have been completed thus far. Two new food premises were registered; these being the Hokitika Sandwich Company and Cowboy Paradise. Two other existing premises have had a change of ownership: The Clocktower Cafe in Hokitika and The Last Kitchen in Fox Glacier.

A number of premises will have to upgrade to the new template food control plan over the coming months and have this be registered with Council by 31 March and implemented by 30 June 2018.

Alcohol:

25 Alcohol inspections and site visits were completed during this quarter.

Liquor licences have been granted to the new owners of the Pioneer Hotel, the new owners of the Last Kitchen Restaurant in Fox Glacier, the Hokitika RSA (club) and Cowboy Paradise (following a hearing in December 2017).

An application for a new On-licence has been lodged by East Eat Restaurant.

Resource Management

The planning team has had a full complement of staff this quarter which has been very pleasing. Although the Planner gave notice of their resignation on the 6th November (effective 18th January 2018), recruitment began immediately, and a new planner was signed up by the end of December.

Statutory timeframes for resource consents have been met with 100% compliance with processing timeframes for this quarter.

A number of significant consents were issued in the past quarter, including for portions of the West Coast Wilderness Trail, five subdivisions and Environment Court determination approving a conditional helipad and associated office at Whitcombe Valley Road.

On October 18th changes to the RMA 1991 were implemented to include Boundary Activities and Marginal or Temporary Activities, requiring a special consultative process around setting fees for two new activities. This was completed with no submissions received.

Animal Control

Council awarded a two-year contract beginning 1 November 2017 to Westland Dog Services for dog control services, maintaining the same level of service as per the previous contract with the SPCA. This includes regular patrols as well as a priority-based response system for callouts.

Council sought to prosecute a dog owner in relation to an alleged attack on a cat by two dogs, but withdrew the charges due to indications by the Court that our evidence was unlikely to meet the required legal tests for a prosecution. Council is now considering other options with respect to these dogs.

Emergency Management/ Civil Defence (CD):

Strengthening our Emergency Operating Centre (EOC)

Formative discussions began for an alternate venue for council's Emergency Operating Centre (EOC). Work progresses to scope options for a designated EOC venue that is stand-alone from the Weld Street premises. A concept proposal will be discussed with the Chief Executive in the New Year.

In December, Council staff members successfully trialed the use of eTXT to send short text messages to a group of recipients at once. The test was successful and the hope is to use this in the event of a Civil Defence emergency to send a message out to all volunteers at once.

Hokitika Civil Defence Network and Response Team

The Hokitika Network met again on 16 November. This was the first meeting since the inaugural exercise in August where a door-to-door exercise was undertaken. A 2018 exercise schedule was agreed to, with a planning committee meeting set for 13 February and an exercise in April 2018.

Capability Building

- Two staff completed the Coordinated Incident Management System (CIMS) training on 4 October. This training provides the building blocks to run an Emergency Operating Centre. The structure is utilised nationally across civil defence and a range of emergency services.
- Another two staff also completed Civil Defence Centre (CDC) training on 9 – 11 October. The course teaches how to establish a CDC, the different functions and lead agencies that might be required in a CDC and how to supervise the activities.
- A Workplace First Aid course was run at the Kumara Hall in December. The intention was to make the course more accessible to local residents. The course was attended by a mix of people, including local volunteers, and staff from various agencies including WDC, WCRC, DHB, and the Hokitika Airport. Positive feedback with attendees appreciating the opportunity to network across councils and agencies.
- We supported the Franz Josef Civil Defence team in an Emergency Operating Centre exercise on 28 October 2017. Twenty local residents attended a facilitated a half-day exercise located at the Franz medical centre.
- Two staff attended Media Training on 15 November, along with key civil defence staff across the region.

Community Engagement

Work continues to assist communities to plan for and respond to emergencies. In this quarter we have delivered information session for Westland High School, met with Arahura Marae, scoped Tsunami sign locations at Okarito, and visited residents in Fox, Bruce Bay and Haast.

Inspections and Compliance

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Timely processing of Building Consents	% of building consents processed within 20 working days as per the requirements of the Building Act	<p>New building consents lodged in Alpha One: 99% completed within 20 working days</p> <p>Amendments to existing building consents (processed manually): 93% completed within 20 working days</p>	100%	100%	Processing building consents within 20 working days has risen from 96% last quarter to 100% this quarter. This improvement is pleasing and the performance target has been met.
Provide appropriate advice to customers	% of users satisfied with the quality of the advice provided on building consent, environmental health and Liquor Licensing matters	<p>Result for Building Consents: 79% user satisfaction</p> <p>Result for Environmental Health: 100%</p> <p>Result for Liquor Licensing: 88%</p>	85%	Last year's data is the most recent data available.	

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
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	89% of Food premises inspected; and 100% of Liquor premises inspected	100%	18 food premises and 25 Liquor premises were inspected between October and December.	

Resource Management

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Resource consents processed in accordance with the Resource Management Act	% of resource consents processed within statutory timeframes	77%	100%	100% for October - December	This is the first full quarter of 100% compliance with statutory timeframes for the Resource Management Team for some time which has been helped greatly by filling staff vacancies in planning department.
Provide appropriate advice to customers	% of users satisfied with the quality of the advice provided on resource management matters	72%	85%	Last year's data is the most recent data available.	

Animal Control

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Keep the public safe from dogs and wandering stock	% of residents satisfied with the protection provided	Not measured	90%	Not yet measured	The next Residents survey is currently in progress and full results should be obtained by end of March.

Emergency Management

Civil Defence:

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Effective natural hazard readiness	<p>Suitable emergency response training has occurred</p> <ul style="list-style-type: none"> - Emergency Management personnel meet CIMs 4 and EOC standards - Volunteers are offered at least 2 training opportunities per annum - Number of trained volunteers increases by 10% 	100%	100%	On track to meet 100% by year's end.	
Suitable response plans are in place	Community emergency response plans are in place for all Westland townships	50% Response plans are in place for Ross, Hari Hari, Whataroa, Franz Josef and Fox Glacier (5 out of 10 plans).	90-100%	Response plans for Haast, Hokitika township, Kumara, Okarito and Otira continue to be works in progress.	

Community Services Group

- Community Development and Assistance
- Community Halls
- Townships (the development fund & improvement projects)

Commentary

Community Development and Assistance:

The Community Development Advisor assisted with:

1. Judging the local Hero Awards for Kiwibank
2. Collating the Westlander of the Year awards nominations
3. Collating community nominations for the Creative Communities Local Assessment Committee.
4. Helping the Whataroa Community Association, Westland High School and Haast Promotions Group with their MDI applications.
5. Attending a planning day with the Okarito community to look at long term goals for Okarito which involved dealing with the effects of tourism, infrastructure and democracy and how the community can work together.
6. Community consultation in Haast concerning the development of Marks Road Reserve.

Safe Community Coalition:

Safe Community Coalition accreditation has been maintained with a community meeting in November which focussed on local alcohol issues. The main speaker was Stuart Dodd, Southern Regional Manager for the Health Promotion Agency. The Coordinator also attended a meeting of the Westland Soroptimists to inform them about the Community Champions Project.

Hokitika Reserves and Environs Community Group:

This group met in November to discuss issues and concerns about local reserves.

West Coast Disability Action group:

This group met in November to further advance a proposed strategy for District Councils. There was also a partners meeting at Heartlands for opportunities to network with local agencies.

Funding:

MDI Funding was allocated for the Kumara Chinese Reserve.

Funding was approved from the Hari Hari Complex Reserve for the Hari Hari Community Association to pay for the community swimming pool to be covered.

Additional funding uplifted in the quarter was:

- Half Price Taxi Chits for seniors who have voluntarily given up driving (funded by local charities).
- Westland Community Centre additional grant \$5,000
- Tourism West Coast quarterly grant \$21,500

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Provide safe and useful community halls	% of residents satisfied with the standard of their local hall	Not measured	80%	Not yet measured	The next Residents survey is currently in progress and full results should be obtained by end of March.

Leisure Services & Facilities Group

- Cemeteries
- Elderly Housing
- Hokitika Museum
- Hokitika Wildfoods Festival
- i-SITE
- Land and Buildings
- Parks and Reserves
- Public Toilets
- Swimming Pool
- West Coast Wilderness Trail
- Westland District Library

Commentary

Cemeteries

Works have started to the RSA plots especially RSA number 1 with the assistance of \$40,000 of Veterans Affairs funding. This will be used to lift, level and tidy up the rock walls and rock furniture and conduct painting and other maintenance. This work will be ongoing through quarter 3.

There was an act of vandalism during this period to the boundary fence at Hokitika cemetery that connects with the East and Northern boundaries shared with Seaview. Costs have been incurred as a result of this act of vandalism and this matter has been referred to the Police.

A growing rabbit population has emerged at Hokitika cemetery and this population is causing damage to the grass surfaces and burrowing under headstones. Council is investigating options to deal with this and will most likely commission a pest control firm.

No notable matters regarding Kumara or Ross cemeteries have occurred during this period but they continue to operate as business as usual. All other cemeteries in Westland and run by community groups not Council.

Elderly Housing

This information has been supplied by Westland District Property Limited:

The reroofing project of the Elderly Housing in Hokitika was completed during this period. In addition, four flats have been refurbished in recent months as tenants change over.

Hokitika Museum

The number of enquiries dealt within this reporting period October to December is 123.

25	Collection
16	General
20	Photograph
4	Public Programmes
4	WW100
54	Research/Genealogy

The revenue from retail and enquiries is \$2462.46 (nearly double last quarter).

The Passchendaele Exhibition “Mud, Sweat and Tears” was well attended with an average of 20 people visiting per day. The exhibition was open for approximately four hours per day for three weeks in October, giving a total of approximately 420 visitors. Held at the RSA, it was a collaboration between the RSA and the Hokitika Museum, with help from members of Westland Industrial Heritage Park. It was staffed by RSA volunteers.

Hokitika Museum has welcomed a new museum volunteer, Nigel Snoep, to assist with cataloguing the map collection.

Julia Bradshaw, the former Director of Hokitika Museum, now Curator of Human History at Canterbury Museum, delivered a slide talk ‘An introduction to the story of the Chinese on the West Coast’. It was held at the Old Lodge Theatre on 15 November and had 86 attendees, including people from Kumara, Greymouth and Ross, and a few tourists. The open forum at the end of the talk generated good discussion.

Staff at the research centre have received a higher number of cemetery enquiries than usual, which have been dealt with to the satisfaction of our customers.

Long term staff member, reception supervisor, Christine Abbott, resigned after 13 years working for Hokitika Museum. Christine’s skills and local knowledge will be greatly missed.

Hokitika Swimming Pool

This information has been supplied by Westland District Property Limited:

The swim school programme continues to be a huge success with ever growing numbers of active participants. All exercise classes are well attended and create a friendly and safe environment for all.

Free admission for children under 12 was introduced for the 2017/2018 School Holiday period. This has been very popular, with 80 kids a day (on average) taking advantage of this offer on average admissions to the end of December. The highest number of free admissions during this period was 137 for a single day.

Hokitika Wildfoods Festival

Sarah Brown, was appointed Wildfoods Manager for the 2018 Hokitika Wildfoods Festival in October. A Wildfoods Advisory Group has been established with relevant members of the local community. This group meets weekly on a Thursday evening in the Council Chambers, chaired by Mike Keenan.

Discounted Coasters' tickets have been made available to purchase for West Coast residents and these are available at Hokitika, Greymouth, Reefton and Westport i-SITEs and the Karamea Visitor Information Centre. The Hokitika i-SITE sold 74 Adult, 2 Family and 1 Child pass in December.

27 stallholders were confirmed for the 2018 Festival by 31 December 2017. The aim is to have 40-45 stalls on March 10.

Entertainers have been engaged for the 2018 Festival including Sons of Zion (headline act), The River Jesters, My Baby, Dee May and the Saints and the New Zealand Army Band.

Acts have been confirmed for the Hokitika Homegrown stage: Westland Brass, the Kokatahi Band, Laura Sonneveldt and the Cool Little Band.

Sponsorship commitments have been received from Air New Zealand, Westland Milk Products, Grey Ford, Monteiths, Montana Wines and the West Coast salmon farm.

There has been a lot of engagement on the Wildfoods Facebook page and excitement is building.

Jim Butzbach was appointed in November as the Wildfoods Event Assistant on a full-time fixed-term contract.

Customer Service Centre and i-SITE

The decision was made in October to separate the services of the Hokitika i-SITE and Council's Customer Service Centre. A new Council Customer Services Centre was opened using the former Council entrance at 36 Weld Street. Two existing staff members were redeployed to the new Services Centre.

New fixed term and casual staff were hired and trained (including training in dealing with disgruntled customers) to join the i-SITE team.

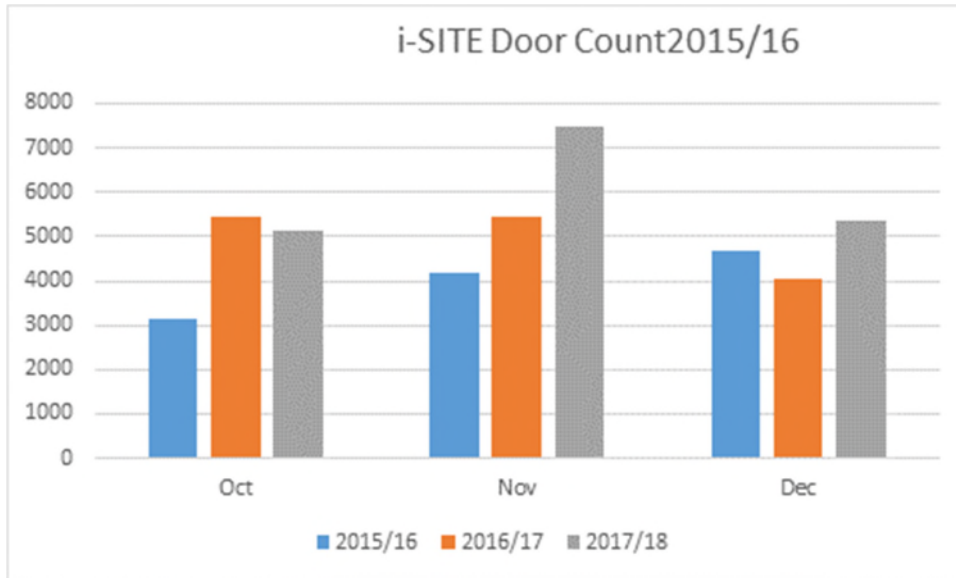
Celebrating 30 years of the TranzAlpine train, TranzRail offered a special 30% discount to residents of the West Coast for the month of November 2017. Advertisements in the Hokitika Guardian promoted this discount and tickets were sold at the i-SITE. Take up on this offer was small however due to it only be offered for the journey one-way.

The i-SITE is an agent to sell discounted Coasters' Hokitika Wildfoods Festival tickets. This offer was advertised in the lead up to Christmas, and saw a strong increase of sales.

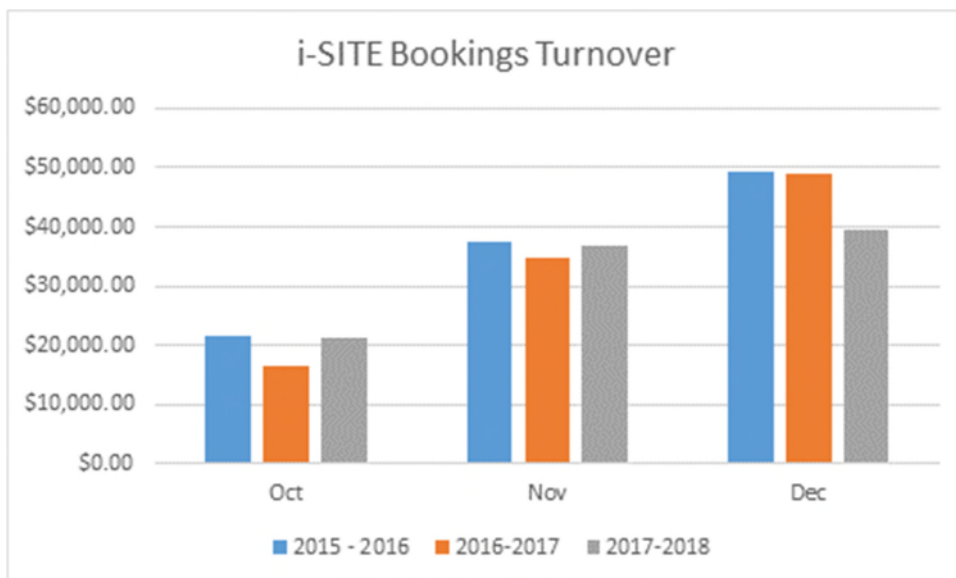
Two i-SITE staff members attended the Regional i-SITE meeting held at Arahura Marae. The national i-SITE conference will be held on the West Coast in 2018.

The West Coast is having a very strong tourist season. There is an increase not only in tourist numbers but also in associated turnover and employment. The growth in Westland as reported by Tourism New Zealand is 10.9% for the last year.

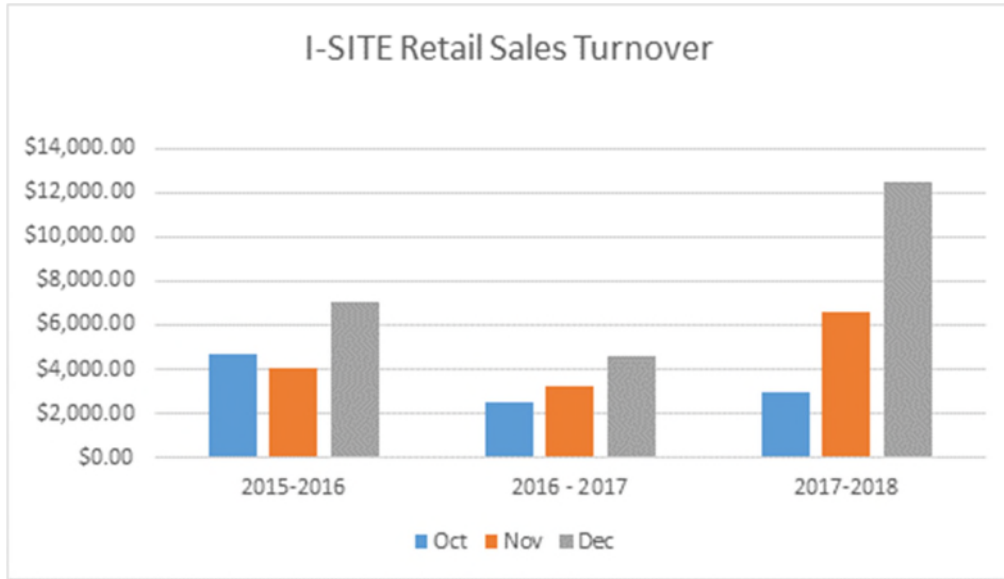
The door count figures at the i-SITE reflect a very busy season so far with a large peak in November:



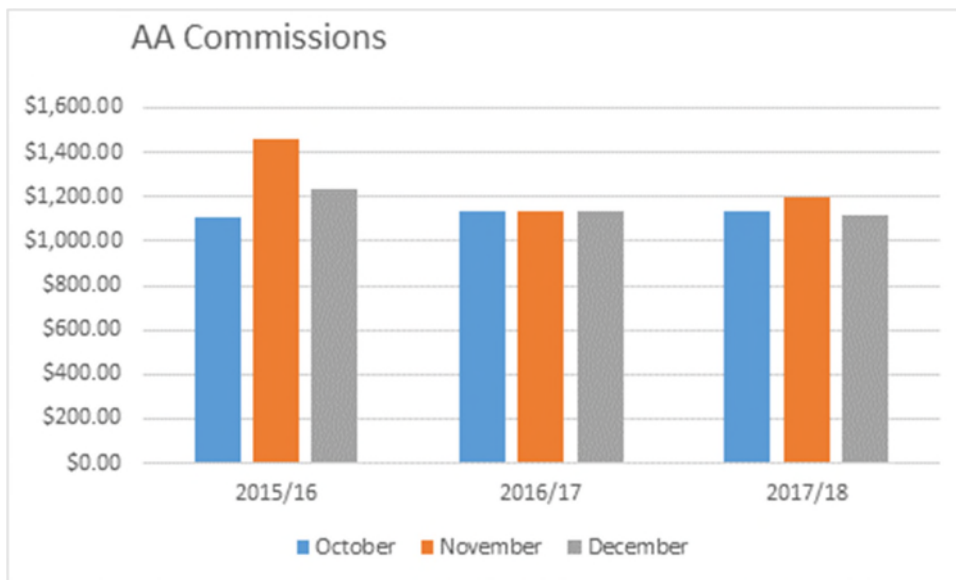
Bookings made by the i-SITE with operators have been overall fairly consistent with previous years, excepting a decline in December. This may be due to increase in customer personal online data use.



The i-SITE has increased its line of retail offerings and this has resulted in a significant increase in retail turnover.



AA commissions have remained consistent for the period.



Land and Buildings

This information has been supplied by Westland District Property Limited:

Occupations on unformed legal road (road reserve) continue to expand in small niches i.e. grazing, food caravans and farm outbuildings. Westland District Property Limited are increasingly identifying and licencing a number of occupations and structures on unformed legal road including baches, mining sheds and farm sheds.

Parks and Reserves

Cass Square's surface condition remains in very good condition – both the playing field surface and the gardens. During the extreme dry spell this quarter, Cass Square needed irrigation and this was conducted by Westroads on Council's behalf.

There have been two different types of complaints fielded by Council staff from members of the public regarding Prossers Bush. The first relates to horses using this area and damaging the ground condition. The second, and most concerning, is the presence of broken glass on the walking track. This is a safety issue and incurs costs to Council to clean up the broken glass.

Public Toilets

A significant amount of time was invested into working through the supply and construction of new public toilets in Kapitea, Okarito, Franz Josef, Fox Glacier and Bruce Bay as part of the grant funding received from the NZ Government. The Kapitea public toilet was installed during this period and is open to the public. Construction of the new public toilets for Franz Josef are underway at a remote location.

During this quarter, the toilet seat at the Fox Glacier public toilets was vandalised and there was a breakdown with the flushing valve for this toilet also. New parts have been ordered to rectify this issue.

Council received news in December that its Tourism Infrastructure Funding applications for new public toilets for Haast and Sunset Point were successful and these amenities once completed will be a great asset for their respective communities.

West Coast Wilderness Trail

Progress has continued on the West Coast Wilderness Trail. One of the sections of the Mahinapua Creek was completed: from Mahinapua walkway to Lake Tarlton outlet.

Additionally, construction of the bridges for the Kaniere Tram are underway and these will be installed in January 2018.

Westland District Library

The library is now fully staffed as Natasha Morris joined the team on 17th October as the Deputy Librarian. Natasha previously worked as a libraries supervisor in a public library in Perthshire, Scotland.

Working in conjunction with Hairy Lemon (web developers), the major project for this quarter has been the re-fresh of the library website. The current website was developed in 2009 and a more modern, mobile-responsive design was needed to ensure a better user experience. The option of a multi-site with the Westland District Council was chosen in order to streamline both the design process of the library website, as well as any ongoing costs.

The 'go live' date for the library website is scheduled for February/March 2018. The aim is to connect more with library users in the digital space and encourage them to use their online library more.

Two library staff were busy during this quarter visiting nearly all the schools in Westland to promote the upcoming Summer Reading Challenge. Last year 200 children completed the incentive based programme and

it is hoped that a similar number will complete the challenge this year. Funding from The Lion Foundation, the West Coast Community Trust and the Westland District Council means that we can provide great prizes.

A morning tea was held mid-December to thank the Friends of the Library volunteers for all their assistance during the year. At present we have six volunteers who contribute a total of 18 voluntary hours each week to assist staff in providing excellent library services to the District.

Cemeteries

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Cemeteries have sufficient capacity	Each cemetery has at least 12 months capacity ahead	Hokitika 100% Kumara 100% Ross 80%	Hokitika 100% Kumara 100% Ross 50%	Last year's data is most recent available.	

Elderly Housing

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
A safe and efficient service	Occupancy is maximised	100%	100%	100%	Elderly Housing units continue to be fully occupied
	% tenants satisfied with the service	100%	>95%	100%	

Hokitika Museum

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
A quality museum experience	Visitor numbers are showing an upward trend	2,266 as at 22 September 2016, when the museum staff relocated to temporary premises in Hokitika due to seismic concerns about the Carnegie Building.	An increase of 5% each year	N/A since museum closure	
	% of residents satisfied with their museum experience	Not measured.	85%	Not yet measured	This will not be re-measured until a full Museum experience is available again.

Hokitika Wildfoods Festival

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
A quality attendee experience	% of attendees satisfied (post event satisfaction survey)	90%	85%	N/A	Next Wildfoods Festival is 10 March 2018.
	Growth is experienced annually (to a limit of 10,000)	170 Warm Up 5,888 Festival 1,176 Afterparty	8,500	N/A	Next Wildfoods Festival is 10 March 2018.

i-SITE

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
A quality customer experience	i-SITE NZ and Qualmark standards are met	<p>Pass</p> <p>Hokitika i-SITE continued to meet the i-SITE NZ Standards, although no formal assessment was held in 2016-17.</p> <p>Qualmark have moved away from scoring i-SITEs on a percentage basis and are instead rating them as pass/fail.</p>	80%	Last year's data is most recent available.	
Increase resident population knowledge about what the i-SITE has to offer locals	Bookings made by local population	i-SITE bookings made by the local population have increased by 5% from last year; whereas AA NZ bookings have decreased by 5%.	Maintain or Increase	Last year's data is most recent available.	

Parks and Reserves

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Reserves are pleasant, enjoyable and safe places	% of residents satisfied with parks and reserves	Not measured	90%	Not yet measured	The next Residents survey is currently in progress and full results

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
					should be obtained by end of March.

Public Toilets

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Provide public toilets throughout the district	% of residents satisfied with the service	Not measured.	100%	Not yet measured	The next Residents survey is currently in progress and full results should be obtained by end of March.
	Facilities are available for use during the day	100%	100%	100%	

Westland District Library

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Provide quality library services in the District	% of residents satisfied	Not measured.	95%	Not yet measured	The next Residents survey is currently in progress and full results should be obtained by end of March.
	% of residents who are library members	46%	42%	45%	
Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
A quality swimming or exercise experience at the Hokitika Pool	% of residents satisfied	100%	85%	The last satisfaction survey was undertaken in August 2017 and had a 100% satisfaction rating.	Next satisfaction survey will be undertaken in June 2018.
	Maintain PoolSafe Accreditation	100%	100%	The pool has PoolSafe certification	

Swimming Pool

West Coast Wilderness Trail

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
The cycle trail is well used	Numbers using the trail as measured by trail counters	Average annual usage of 8,647 users across accumulation of counts at four counter locations (excluding Grey District).	10,000 per annum	Average monthly trail usage is 330 trail riders.	Figure consistent with last quarter but staff believe that this figure is significantly undervalued due to faults with trail counters. New trail counters arriving in February.

Transportation Group

Commentary

Council secured \$1.19 million of funding from NZTA towards Whitcombe Valley Road (this is inclusive of Council's own contribution towards the project of \$500,000). The work for this project will be going to tender in January 2018.

The independent evaluation of the Haast-Jackson Bay Special Purpose Road (which currently receives a 100% subsidy) were completed and the report from the panel is currently being reviewed.

Council appointed its new Transportation Manager, Karl Jackson, formerly of Grey District Council. He commenced his employment on 18 December 2017.

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
The transportation network is safe for all users in Westland District	Road safety: The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	NZTA data for local roads showed 2 x serious injuries and zero fatalities resulting from two separate incidents: one in Hokitika township and one on Lake Kaniere Road	Less than the previous year	We have not been able to obtain an update on fatalities and serious injury crashes from NZTA for local roads for this quarter.	The last data received from NZTA (up to 30 September 2017) showed no serious injury crashes and no fatalities.
The surface condition of roads in Westland is of good quality	Road condition: The average quality of ride on a sealed local road network, measured by smooth travel exposure	96%	>90%	Year to date data from NAARA index shows 96%. Target met.	
	Residents are satisfied with the standard and safety of Council's unsealed roads	Not measured	50% of residents are satisfied with Council's unsealed roads	Not yet measured.	The next Residents survey is currently in progress and full results should be obtained by end of March.
The surface condition of roads in Westland is maintained to a high standard	Road maintenance: The percentage of the sealed local road network that is resurfaced	7.5%	>7%	Data from last year is most recent data available.	

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Footpaths are maintained in good condition and are fit for purpose	<p>Footpaths:</p> <p>The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan)</p>	<p>Measure not yet determined.</p> <p>No known exceedances for deliverable standards.</p>	90%	<p>The process of transferring footpath data to AssetFinda has commenced. Delays in the implementation of this have been due to difficulties in ascertaining the most accurate data set to transfer and import. Once this importation of data is complete, all footpaths will be assigned a condition rating of 1-5. Council intends to have no condition 4 or 5 footpaths within the next 5 years.</p>	
Response to service requests are dealt with promptly	<p>Customer service requests:</p> <p>The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.</p>	<p>No known timeline exceedances for response from NCS database.</p>	100%	<p>Council believe roading and footpath requests are being addressed within correct time frames, however, service requests are not being correctly closed and signed off, thus creating the appearance that many requests are overdue. This does not accurately reflect response times but does highlight a need to correctly update our system once jobs have been completed.</p>	

Water Supply Group

Commentary

There were 98 water related service requests recorded between 1 October 2017 and 31 December 2017, of which there were 40 requests relating to water shortages as a result of drought conditions. The number of most other water service requests were comparable with last quarter, with the exception being the reduction in water quality service requests from quarter one when the Hokitika water quality incident occurred.

TYPE	QUARTER 1: 1 July - 30 September 2017	QUARTER 2: 1 October – 31 December 2017	YEAR-TO-DATE
Leaks	29	25	54
Toby faults (including leaking tobies)	5	12	17
Water Quality, or Pressure Complaint (including no water)	70	45	115
Other Complaints	1	0	1
New Water Connections & Service Location Requests	5	10	15
General Enquiry	5	6	11
TOTAL ISSUES	115	98	213

The contract to carry out upgrades to Water Treatment Plants at Kumara and Whataroa was awarded to Southwater. Both water treatment plants are expected to be completed by mid 2018.

We had a boil water notice in place in Fox Glacier briefly in November after a positive e.Coli test result, however, this was resolved very quickly and the notice was able to be lifted soon after, following three successive clear results.

November and December weather was extremely dry and the West Coast experienced a very rare drought event. This caused all township supplies to be put on a new graded water alert system for water restrictions that was introduced in early December. Feedback to the colour-coded water alert system has been extremely positive.

The drought prompted our contractors - Westroads - and Westland Milk Products to get certified as official water carriers. Both now have approval to cart water for the next 12 months. This is a great achievement not only for Westland but for the whole of the West Coast, which has not had a certified water carrier for quite some time.

During the drought, Council received requests from private water users for water from our township supplies as private users' water tanks ran dry. Westroads carted a total of 252,000 litres of water on our behalf to private water users (for a cost – inclusive of three loads to Grey District from their water supply) and an additional 26,000 litres of water were delivered by Westland Milk Products on our behalf to Bruce Bay.

An issue emerged during this period where Council became aware of people stealing water from the stock truck effluent disposal site north of Hokitika on State Highway 6. This was concerning to Council staff and also Dr Cheryl Brunton, the Medical Officer of Health for Community and Public Health on the West Coast.

Dr Cheryl Brunton noted that: "Taking water from an area where stock effluent wash down occurs is very risky indeed. The water is likely to be contaminated with organisms that can cause disease like campylobacter and cryptosporidium. These bugs can cause diarrhoea and vomiting and more serious illness in susceptible people."

A police complaint was laid against one individual stealing water from this site who became physically aggressive when confronted by staff members from Westroads.

Issues with the Ross water supply caused by a mining event involving Elect Mining continued during this period. A letter was sent by Council to a representative acting on behalf of Elect Mining requesting their financial assistance in rectifying the issues at the Ross Water Treatment plant. A response was received which did not admit to culpability but indicated that they intended to pay over and above the full costs of remedying the Ross water supply as a gesture of goodwill. To date, we have not been able to carry out the chemical wash needed for the Ross water supply due to unsupportive weather conditions which mean there is insufficient water in the catchment for this to proceed.

Due to an ongoing staff vacancy for a 3 Waters Engineer, Steph Thompson from Stantec was engaged on secondment to fill the breach until a more permanent human resource can be found for this activity.

The following service performance table includes a measure about response times for addressing the service requests logged during this period:

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Council supplied potable water is safe to drink	<p>Safety of drinking water:</p> <p>The extent to which the local authority's drinking water supply complies with:</p> <p>(a) part 4 of the drinking-water standards (bacteria compliance criteria), and</p> <p>(b) part 5 of the drinking-water standards (protozoal compliance criteria).</p>	<p>a) 4 out of 9 supplies fully compliant with bacterial compliance criteria at both the water treatment plant and in the distribution zone</p> <p>b) 0 out of the 9 supplies compliant with protozoal compliance criteria.</p>	<p>Years 1-3</p> <p>These drinking water schemes will comply with parts (a) and (b) of the key performance measure: Hokitika, Ross, Harihari, Franz Josef, Haast</p> <p>Years 2-3</p> <p>These drinking water schemes will comply with parts (a) and (b) of the key performance measure: Kumara, Whataroa</p> <p>Years 2-3</p> <p>These drinking water schemes will comply with parts (a) and (b) of the performance measure: Fox, the Arahura scheme if it is continued as a Council service</p>	Last year's data is the most recent available.	Council's Water Treatment Plants that are capable of compliance are unable to log the data required to prove compliance. Council is investigating SCADA improvements.
Requests for service are dealt with promptly	<p>Fault response times:</p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption</p>	The response time for urgent callouts (under 2 hours):	<p>(a) 100%</p> <p>(b) 100%</p> <p>(c) 100%</p> <p>(d) 100%</p>	Last year's data is the most recent available.	Council has confidence that the response times, in particular urgent requests, are being

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
	<p>to its networked reticulation system, the following median response times measured:</p> <p>(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and (2 hours)</p> <p>(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (12 hours)</p> <p>(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and (24 hours)</p> <p>(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (72 hours)</p>	<p><i>Council had 2 requests for service that were assigned an emergency/critical priority rating of 3 hours</i></p> <p>The resolution of urgent callouts (under 12 hours): <i>Council does not have a 12 hour response field in our service request system and therefore had zero requests for service logged with a 12 hour response timeframe</i></p> <p>The response time for non-urgent callouts (under 24 hours): <i>Council had one request for service that was logged as priority 2 (24 hours)</i></p> <p>The resolution of urgent callouts (under 72 hours):</p>			<p>achieved, as otherwise there would be an increase in service request complaints and multiple calls related to the same issue. However, improving our ability to validate this with our data is a top priority.</p>

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
		<i>Council had five requests that were logged as priority 3 (2 working days)</i>			
Council supplied water is reliable	Maintenance of the reticulation network: The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).	Not measured.	Council does not intend to measure this as it will impose an unreasonable cost	Not measured.	Like many councils around New Zealand Westland District Council has not measured real water losses due to the excessive cost involved and being unable to identify a system which accurately detects this. However, the data for our average water consumption per person per day for Hokitika (refer next line below) shows that this is within (and even under) typical daily usage which suggests that there is no water loss issue

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
					for the Hokitika water supply.
	<p>Demand management:</p> <p>The average consumption of drinking water per day per resident within the territorial authority district.</p>	<p>Initial calculations conducted on our behalf by Calibre Group (exclusive of Westland Milk Products' commercial water consumption) shows a winter water usage of 253 litres per head per day increasing to 480 litres per head per day in summer. This is within acceptable limits.</p>	<p>The average water consumption per person per day is < 500l/day</p>	<p>Last year's data is most recent data available.</p>	
<p>Customers are generally satisfied with the Council supplied water</p>	<p>Customer satisfaction:</p> <p>The total number of complaints received by the local authority about any of the following:</p> <ul style="list-style-type: none"> (a) drinking water clarity (a) drinking water taste (b) drinking water odour (c) drinking water pressure or flow (d) continuity of supply, and 	<ul style="list-style-type: none"> (a) 0 (b) 4 (2 of these are also reported in water odour below) (c) 2 (these service requests were joint water odour & water taste issues) (d) 3 	<p>Type and number of complaints received (25 per 1000 connections)</p>	<p>Total number of service connections = 2620</p> <p>Target not met.</p> <p>A large number of abnormal water events occurred in quarter 2, similar to quarter 1.</p>	

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
	(e) the local authority's response to any of these issues Expressed per 1000 connections to the local authority's networked reticulation system.	(e) 0 Based on the total number of service connections = 2620 Total number of complaints = 13 Complaints per 1000 connections = 5			

Wastewater Group

Commentary

There were 18 wastewater related service requests recorded between 1 October 2017 and 31 December 2017.

	QUARTER 1 1 Jul - 30 Sept 2017	QUARTER 2 1 Oct – 31 Dec 2017	YEAR-TO-DATE
General Enquiries	5	3	8
Service Locate	0	0	0
Private Issues	0	0	0
Complaint	0	1	1
New Sewer Connections	0	1	1
Odour Complaints	0	8	8
Blockages	3	2	5
Overflow	1	3	4
TOTAL ISSUES	9	18	27

Issues were experienced with Hokitika's 'Z' line again between Revell and Sewell streets during this quarter. This was investigated just after the completion of this financial period and a large quantity of steel banding, rags and towels were found in the sewerage pipeline.

This has resulted in discharges from manholes on to private property and road reserves.

The type of material recovered from the pipeline indicates that the blockages and issues the infrastructure has experienced may have been a result of contractors incorrectly disposing of waste from their work on private properties.

Sewerage blockages have also been experienced at West Drive and on the Kaniere scheme due to residents disposing of non-biodegradable sanitary wipes down the toilet.

The issues outlined above have resulted in higher operational costs than Council would like with call-outs and public health issues.

The hot, dry start of the summer period with extremely low wind has also meant that some service requests were recorded in relation to odour of the Hokitika sewerage ponds on State Highway 6.

The following service performance table includes a measure about response times for addressing the service requests logged during this period:

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Council wastewater systems are managed without risk to public health	<p>System and adequacy:</p> <p>The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.</p>	<p>Council has had a total of three sewerage overflows in total (dry and wet weather combined due to difficulty separating them out). This gives a ratio of 1.5 per 1000 which is significantly under the performance target.</p> <p>Total number service connections = 2052</p>	Number: 10 per 1000	<p>Total number of service connections = 2052</p> <p>Total number of overflows from quarters one and two (dry and wet combined) = 4</p> <p>Dry weather overflows per 1000 connections = 1.9</p>	Currently unable to measure service requests related specifically to dry weather overflows
Council wastewater systems are safe and compliant	<p>Discharge compliance:</p> <p>Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <ul style="list-style-type: none"> (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, <p>Received by the territorial authority in relation those resource consents.</p>	<ul style="list-style-type: none"> (a) 1 (b) 0 (c) 1 (d) 0 	100%	<ul style="list-style-type: none"> (a) 0 (b) 0 (c) 1 (d) 0 	West Coast Regional Council issued an enforcement order against Westland District Council on 18 November 2016 requiring Council to undertake works by April 2018 to have a fully operational and compliant Franz Josef Wastewater Treatment Plant in place. This is still being resolved.

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Customers are generally satisfied with the Council wastewater systems	<p>Fault response times:</p> <p>Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:</p> <p>(a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and (2 hours)</p> <p>(b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. (4 hours)</p>	Unable to measure accurately using information in our existing service request system.	100%	No update. Council is working with contractor and improving internal processes to begin reporting this measure over the coming months.	
	<p>Customer satisfaction:</p> <p>The total number of complaints received by the territorial authority about any of the following:</p> <p>(a) sewage odour</p>	<p>(a) 3</p> <p>(b) 2 (the 2 faults relate to sewerage overflows as a result of pump issues)</p> <p>(c) 2</p> <p>(d) 0</p>	25 per 1000	<p>Total for quarter 1 and quarter combined equals:</p> <p>(a) 8</p>	

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
	(b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, Expressed per 1000 connections to the territorial authority's sewerage system.	Key performance measure has been met: Total number of complaints = 7 Total number service connections = 2052 Complaints per 1000 connections = 3.4		(b) 11 (of which 3 faults were caused by external contractors cutting through our pipes) (c) 8 (d) 0 Total number of complaints = 27 Total number service connections = 2052 Complaints per 1000 connections = 13.2	

Stormwater Group

Commentary

There were 16 stormwater related service requests recorded between 1 October 2017 and 31 December 2017. 11 of the 15 stormwater related service requests were complaints or requests for maintenance. An additional five stormwater service requests were either requests for information or stormwater issues that Council has no jurisdiction over (i.e. private stormwater connections).

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
Council Stormwater systems have the capacity to resist major storms and flooding events.	<p>System adequacy:</p> <p>(a) The number of flooding events that occur in a territorial authority district.</p> <p>(b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)</p>	<p>(a) 0</p> <p>(b) 0</p>	<p>(a) 2</p> <p>(b) 10 per 1000</p>	<p>(a) 0</p> <p>(b) 0</p>	
Requests for service are dealt with promptly	<p>Response times:</p> <p>The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (1 hour)</p>	No flooding events during reporting period.	100%	No flooding events during reporting period.	
	<p>Customer satisfaction:</p> <p>The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties</p>	<p>Key performance measure condition has not been met:</p> <p>Total number of connections = 508</p>	10 per 1000	<p>Key performance measure condition has not been met:</p> <p>Total number of connections = 508</p>	

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
	connected to the territorial authority's stormwater system.	Total number of complaints = 11 Complaints per 1000 connections = 21.7		Total number of complaints from quarters one and two combined = 21 Complaints per 1000 connections = 41.3	
Key performance measure condition has not been met: Total number of connections = 508 Total number of complaints = 11 Complaints per 1000 connections = 21.7	Discharge compliance: Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, Received by the territorial authority in relation those resource consents.	(a) 0 (b) 0 (c) 0 (d) 0	100%	(a) 0 (b) 0 (c) 0 (d) 0	

Solid Waste Management Group

Butler's landfill:

Butler's landfill continues to be monitored under contract with VCS Limited.

Surrender of consents:

No consents have been surrendered during this period.

Refuse and recycling collection service:

This continues to run mostly very smoothly. There have been complaints received from residents of Racecourse Terrace and Ballarat Terrace due to the residents having to walk their bins down to the collection point.

Transfer station fees:

There has been no change to transfer station fees during this period.

Enviro Schools programme:

Educating children about waste minimisation has continued through the Enviro Schools programme. Preschools and schools in Westland have taken part in the Paper for Trees programme which has diverted paper and cardboard from landfills.

Glass recycling receptacles:

Glass recycling receptacles were installed along the Hokitika beachfront in December and feedback to these has been positive.

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
A reliable refuse and recycling collection service is provided	% of residents that receive the service are satisfied	No data available due to residents' survey not being undertaken in this period.	100%	No information to date.	The next Residents survey is currently in progress and full results should be obtained by end of March.
A reliable transfer station service	% of residents satisfied	No data available due to residents' survey not being undertaken in this period.	100%	No information to date.	The next Residents survey is currently in progress and full results should be obtained by end of March.
Solid waste is managed appropriately	All necessary consents for solid waste activities and capital projects are applied for, held and monitored accordingly	Consents in place = 100% Monitoring of Butlers now being completed by external company.	100%	A review is underway of the compliance and monitoring for all other sites.	
Education about waste minimisation is provided to the community	Number of visits to schools and community groups	3 different school groups have been taken to the transfer station and landfill. Handouts and	3 schools, 3 groups per annum	EnviroSchools programme continues to run and results in a significant amount of material being diverted from the landfill.	

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 31 December 2017	Explanation about any variances
		informative narrative undertaken.			