



A G E N D A

Council

Council Chambers

**Thursday 23 May 2013
commencing at 9.00 am**

Her Worship the Mayor, M.H. Pugh (**Chairperson**)
Deputy Mayor Councillor B.O. Thomson
Councillors J.G. Birchfield, A.N. Bradley,
J.H. Butzbach, K.J. Eggeling,
A.M. Hurley, M.D. Montagu,
K.R. Scott, F.I.W. Stapleton, C.A. van Beek.

NOTICE IS HEREBY GIVEN THAT AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 23 MAY 2013 COMMENCING AT 9.00 AM

Tanya Winter
Chief Executive

17 May 2013

Council Vision

"Westland will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service."

This will be achieved by:

- *Involving the community and stakeholders*
- *Having inspirational leadership*
- *Having expanded development opportunities*
- *Having top class infrastructure for all communities*
- *Living the '100% Pure NZ' brand*

"Westland, the last best place"

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 AND APOLOGIES

1.1 Apologies

1.2 Register of Conflicts of Interest

2. CONFIRMATION OF MINUTES

2.1 Confirmation of Minutes of Meetings of Council

2.1.1 Ordinary Council Meeting – 24 April 2013 (Pages 5-12)

2.2 Minutes and Reports to be received

2.2.1 Westland District Safer Community Council Meeting – 26 April 2013. (Pages 13-15)

2.2.2 Minutes of the Public Excluded portion of the Westland District Council Meeting, held on Wednesday 24 April 2013

(Refer Public Excluded Minutes).

3. PUBLIC FORUM

The public forum section of the meeting will commence at 9.00 am.

4. REPORTS

4.1 Mayor

Recommendation

That the Mayor's monthly report be received. (Page 16)

4.2 Chief Executive

Recommendation

That the Chief Executive's monthly report, including the Q3 Management Report for 2012-2013 (Appendix 1) and Financial Reports (including Reserves and Treasury reports) (Appendix 2) to 31 March 2013 be received. (Pages 17-19)

4.3 Report back from Councillors appointed to External Organisations

Attached is a list of appointments. (Pages 20-21)

Morning Tea Break at 10.30 am

5. GENERAL BUSINESS

5.1 Adoption of 2013/2014 Draft Annual Plan (Pages 22-32)

- 5.2 Funding Assistance Rate (FAR) – Submission to New Zealand Transport Agency (NZTA) (Pages 33-39)
- 5.3 Report on Wildfoods Festival 2013 (Pages 40-45)
- 5.4 West Coast Wilderness Trail – Project Update (Pages 46-54)
- 5.5 Changes to Liquor Legislation (Pages 55-60)
- 5.6 Six Monthly Reports – Westland Holdings Ltd and Subsidiaries (Pages 61-95)

Lunch Break at 12.30 pm.

6. 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:

6.1 Public Excluded Minutes of Meetings of Council

6.2 Statements of Intent – Westland Holdings Limited and subsidiaries

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 this 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
1.	Public Excluded Minutes of Meetings of Council	Confirmation of April Public Excluded Council Minutes.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
2.	Report to Council	Statements of Intent – Westland Holdings Limited and Subsidiaries	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

**NEXT MEETING: THURSDAY 27 JUNE 2013
COMMENCING AT 9.00 AM**

Ordinary Council Minutes

MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON WEDNESDAY 24 APRIL 2013 COMMENCING AT 9.01 AM

The opening prayer was read by Councillor Stapleton.

1. MEMBERS PRESENT

Her Worship the Mayor, M.H. Pugh (Chairperson)

Deputy Mayor, B.O. Thomson

Councillors J.G. Birchfield, A.N. Bradley, J.H. Butzbach, K.J. Eggeling, A.M. Hurley, M.D. Montagu, K.R. Scott, F.I.W. Stapleton, C.A. van Beek.

1.1 Apologies

Nil.

Also in Attendance

T.L. Winter - Chief Executive, P.G. Anderson – Team Leader - Operations, R. Beaumont – District Planner (in attendance for part of the meeting), V. Goel – Group Manager Assets and Operations, S.H. Halliwell - Acting Group Manager Corporate Services (in attendance for part of the meeting), R.J. McWha – Consultant, D.M. Maitland - Executive Assistant, E. Newman, District Building Inspector and Liquor Licensing Officer (in attendance for part of the meeting), T.B. O'Malley - Chief Financial Officer.

1.2 Register of Conflicts of Interest

The Conflicts of Interest Register was circulated and no amendments were noted.

2. CONFIRMATION OF MINUTES

2.1 Confirmation of Minutes of Meetings of Council

2.1.1 Council Meeting- 28 March 2013

Moved Councillor Stapleton, seconded Councillor Bradley and **Resolved** that the Minutes of the Ordinary Meeting of Council, held on the 28 March 2013, be confirmed as a true and correct record of the meeting subject to the following amendment:

"3.2 Hokitika Community Patrol

...and that a letter of thanks be sent to the Mayor and Councillors thanking them for their support for the five years that the Community Patrol has been in existence."

EA

2.1.2 Minutes of the Public Excluded portion of the Westland District Council Meeting, held on Thursday 28 March 2013.

(Refer Public Excluded Minutes)

2.1.3 Special Council Meeting – 11 April 2013.

Moved Councillor Butzbach, seconded Councillor van Beek and **Resolved** that the Minutes of the Special Council Meeting, held on the 11 April 2013, be confirmed as a true and correct record of the meeting, subject to the following amendment:

"Apologies

Councillor K.J. Eggeling for lateness due to being on Council business."

EA

2.2 Minutes and Reports to be received

Nil.

3. PUBLIC FORUM

The following members of the public attended the Public Forum Section of the Meeting:

3.1 Mr Arthur Thomson, Ross

Mr Arthur Thomson from Ross attended the meeting and noted that he had written to Council on the 22 September 2010 regarding the proposed Ruatapu to Ross Cycleway to which he has not yet had a reply.

Mr Thomson had asked that Council please confirm that his current access will continue when the cycleway is completed.

Her Worship the Mayor thanked Mr Thomson for attending the meeting and advised that Council will be replying to his letter.

GMAO

3.2 Wayne Jones – Ross Endowment Fund

Mr Wayne Jones from Ross attended the meeting with various Ross residents asking that Council release sufficient funds from the Ross Endowment Fund to line the Ross Swimming Pool.

Mr Jones noted that in both instances support had been received for project from the Ross Community Society and the Ross Community. Releasing of funding will ensure that there is no extra burden on ratepayers in the Ross community.

Mr Jones tabled a letter from Charlie McBeath, Chairperson of the Ross Community Society Incorporated endorsing the Community Society's support for the Ross Swimming Pool's request for use of Ross endowment monies to line the swimming pool.

Her Worship the Mayor thanked Mr Jones for attending the meeting and advised that the letter will be considered as part of the Annual Plan process.

GMAO

4. REPORTS

4.1 Mayor

Moved Councillor Butzbach, seconded Councillor Montagu and **Resolved** that the Mayor's Report for March/April 2013 be received.

4.2 Chief Executive

The Chief Executive spoke to this report and noted that there was an article in the Hokitika Guardian (24 April 2013) titled "Ministerial Watch on Westland". The Chief Executive advised that Westland District Council is not on a "Ministerial Watch List".

The Chief Executive introduced Rebecca Beaumont – District Planner and Eddie Newman – District Building Inspector to the meeting who were in attendance to answer questions from Councillors with regard to the Management Report to Council.

Moved Councillor Montagu, seconded Councillor Butzbach and **Resolved** that the report of the Chief Executive dated 24 April 2013 be received.

5. **GENERAL BUSINESS**

5.2 **The Sale and Supply of Alcohol Act 2012: Local Alcohol Policies**

The District Building Inspector/Liquor Licensing Officer spoke to this report.

Moved Councillor Hurley, seconded Councillor Scott and **Resolved** that Council support the development of a single joint Local Alcohol Policy across the three territorial authorities on the West Coast and that the Buller and Grey District Councils are encouraged to do likewise.

The meeting adjourned for morning tea at 10.39 am and reconvened at 11.02 am.

5.1 **West Coast Wilderness Trail**

The Chief Executive spoke to this report.

Moved Councillor Montagu, seconded Councillor Birchfield and **Resolved** that Council:

CE

- i) Advises Development West Coast of the outcome of the consultation process on the use of the \$2m Extraordinary Distribution Fund.
- ii) Reconfirms their intention to use the \$2m from the Development West Coast Extraordinary Distribution Fund on the West Coast Wilderness Trail.

5.3 **Adoption of the 2013-2014 Draft Annual Plan**

The Chief Executive and Acting Corporate Services Group Manager spoke to this report.

Moved Her Worship the Mayor, seconded Councillor Butzbach and **Resolved** that Council instruct the Chief Executive to bring back a report by 31 August 2013 to Council on the work required for a major review of the rating system in Westland, including the process required, staffing and timetable.

CE

The meeting adjourned at 12.52 pm for lunch and reconvened at 1.23 pm.

The Acting Group Manager Corporate Services spoke to this item.

Her Worship the Mayor tabled a memo dated 24 April 2013 titled "Rates Discussion", if accepted by Council, would adjust the rates consultation figure to a 9.2% rate increase.

The meeting adjourned for afternoon tea at 3.06 pm and reconvened at 3.25 pm.

The Deputy Mayor left the meeting at 3.25 pm.

Moved Councillor Stapleton, seconded Councillor Butzbach that the memo from Her Worship the Mayor be adopted and the rates consultation figure to a 9.2% increase figure.

The motion was put to the meeting and was tied therefore the motion was lost.

Moved Councillor Hurley, seconded Councillor Birchfield that:

- i) The Draft Annual Plan 2013/14 be adopted for consultation.
- ii) The Chief Executive be authorised to make necessary minor drafting or presentation amendments prior to publication of the Draft Annual Plan.

The motion was put to the meeting and was lost.

Moved Her Worship the Mayor, seconded Councillor Eggeling that Council reallocate \$250,000 transportation costs into the Uniform Annual General Charge and leave the balance of the paper from Her Worship the Mayor as is.

The motion was put to the meeting and was tied therefore the motion was lost.

The Deputy Mayor returned to the meeting at 4.08 pm.

Moved Councillor van Beek, seconded Councillor Butzbach and **Resolved** that Council reallocate \$300,000 transportation costs into the Uniform Annual General Charge and leave the balance of the memo (adjusting the rates consultation figure to a 9.2% rate increase) from Her Worship the Mayor as follows:

AGMCS

1. Re-allocate some transport costs into the Uniform Annual General Charge so those costs are more evenly spread across the District.	\$300,000 (Reallocated)
2. Remove budget for Flood Damage and loan fund if required.	-\$100,000
3. Remove a proportion of the Parks & Reserves Budget change to standard of berm mowing (\$20,000) and sanding of Cass Square (\$10,000).	-\$30,000

4. Remove a proportion of the District Plan review budget.	-\$20,000
5. Remove a proportion of the cost of negotiating Trade Waste agreements.	-\$10,000
6. Remove those grants that are still considered discretionary:	
– Community Township Development	-\$140,000
– Regent Theatre	-\$25,000
– Enterprise Hokitika	-\$39,000
– Glacier Country Grant.	-\$65,000
7. Unfund Library Administration depreciation (100%) as per the Austerity Depreciation Policy.	-\$35,000
8. Loan fund the Fitzherbert Street Waste Water Pump	-\$325,000
	+\$16,000 (loan repayment)
9. Introduce depreciation for Waste Water (50%) as per the Austerity Depreciation Policy.	-\$201,179
10. Cost saving.	\$649,179

Moved Councillor Butzbach, seconded Councillor Bradley and **Resolved** that the Chief Executive be instructed to prepare a 2013/2014 Draft Annual Plan to be adopted on 23 May 2013 for public consultation.

CE

5.4 **Annual Plan Consultation**

The Acting Group Manager Corporate Services spoke to this report.

Moved Councillor Montagu, seconded Councillor Bradley and **Resolved** that Council adopts Option 2 (Public Meetings, Submission Booth, Advertisements) as the 2013-2014 Annual Plan Consultation Plan as follows:

CE

	Cost
Neutral Ground Submissions Booth in the Council caravan that will be stationed in Hokitika as well as tour the Westland District. The travel to satellite towns will coincide with any public or special interest meetings being held. It is envisaged that the caravan will have expanded information on the key consultation issues and be staffed for a two hour period each day. The staffing will be a combination of senior staff and elected members on a rostered basis.	Petrol, vehicle, and potential accommodation costs \$470

A series of display boards expanding the key consultation issues will be produced for use in the caravan, public meetings and high foot traffic areas.	Printing of large format information posters	\$400
Two Public Meetings – General Format, one in Hokitika and one in Franz Josef.		
An open offer will be extended to stakeholder and community groups, to meet with staff and elected members on specific issue of consultation.		
There will be a continuous web presence with a dedicated webpage containing downloadable documents and further information. The website will also be encouraged to be the portal for submissions.	Web Form Set Up Cost	\$170 (estimate)
Advertising will be half page adverts in the Hokitika Guardian over the four week consultation period.		
<ul style="list-style-type: none"> Week 1 - (One Advertisement). Advertising the Draft Annual Plan and how to access information. Weeks 2-3 (Three Advertisements per week). Expanded detail on specific consultation issues. Week 4 - (One Advertisement). How to submit. 	Hokitika Guardian Advertising	\$5,824
<ul style="list-style-type: none"> One advertisement per week in the West Coast Messenger. 	4 weeks	
<ul style="list-style-type: none"> An A3 folded to A4 Summary Document will be inserted into the West Coast Messenger (week 2 of the consultation period). 	Printing	\$1,204
	Insertion and distribution	\$360
	Total Cost	\$8,424

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

Moved Councillor Eggeling, seconded Councillor Butzbach and **Resolved** that Council exclude the public in accordance with 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:

6.1 Public Excluded Minutes of Meetings of Council

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 this resolution are as follows:

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

No.	Reason for protection of interests	Ref NZS 9202:2003 Appendix A
1.	Public Excluded Minutes of Meetings of Council	A2(a), A2(b)(ii) A2(h)

Moved Councillor Butzbach, seconded Councillor van Beek and **Resolved** that the business conducted in the "Public Excluded Section" be confirmed and the public be readmitted.

MEETING CLOSED AT 4.26 PM

**NEXT MEETING: THURSDAY 23 MAY 2013
COMMENCING AT 9.00 AM**

Confirmed by:

Maureen Pugh
Mayor

Date

MINUTES OF MEETING OF THE WESTLAND DISTRICT SAFER COMMUNITY COUNCIL HELD IN THE WESTLAND DISTRICT COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA, ON FRIDAY 26 APRIL 2013 COMMENCING AT 9:30 A.M.

D. Blight opened the meeting with prayer.

1. MEMBERS PRESENT:

Councillor Kyle Scott (Chair), Councillor Frances Stapleton, Cathy Blincoe, Colleen Freitas, Bev Kaio, Charles Lucas, Ned Tauwhare, Derek Blight.

Also in attendance: Jan Rogers from Family and Community, The Community Development Division of Anglican Care.

The Chair welcomed Jan to the meeting.

2. APOLOGIES:

Her Worship the Mayor Maureen Pugh, Constable Jon Armstrong, Corrina Gestro-Best, Jan Weaver, Lucy Waller,

Moved C. Lucas, seconded N. Tauwhare and **Resolved** that the apologies be received.

3. MINUTES OF PREVIOUS MEETING HELD 22 FEBRUARY 2013:

Moved Councillor Stapleton, seconded C. Lucas and **Resolved** that the Minutes of the previous meeting of the Westland District Safer Community Council be confirmed as a true and correct record of the meeting.

4. AGM MINUTES OF THE BIG BROTHERS BIG SISTERS BOARD 8 APRIL, AGM MINUTES OF HOKITIKA COMMUNITY PATROL 17 APRIL AND MINUTES OF AN ORDINARY MEETING OF THE HOKITIKA COMMUNITY PATROL 17 APRIL 2013:

Moved Councillor Scott, seconded Councillor Stapleton and **Resolved** that the Minutes of the above meetings be received.

5. **INWARD/OUTWARD CORRESPONDENCE:**

Moved N. Tauwhare, seconded Councillor Stapleton and **Resolved** that the Inward Correspondence be received and the Outward Correspondence be endorsed.

6. **FINANCIAL STATEMENTS:**

Moved N. Tauwhare, seconded C. Lucas and **Resolved** that the Financial Statements be received.

7. **GENERAL BUSINESS:**

7.1 **Guest Speaker:**

Jan Rogers, from the Community Development Division of Anglican care addressed the meeting. D. Blight presented some graphs which showed how many people had used the Taxi Chit scheme over the last three years and where the donations for the Taxi Chit Scheme had come from.

7.2 **Police Report:**

Wildfoods 2013:

This year's festival gets a big thumbs up from the Hokitika Police. The arrest statistics for the 2 days have been one of the lowest on record and could be attributed to a number of factors: a large and highly visible Police presence, a better behaved and perhaps slightly older attendee, a strict liquor licence adherence at hotels and no camping facility in town ie. North Beach Street, have all played a part in the success of the event.

Three graphs are attached to compare the 2012 and 2013 policing stats. The two highest offences of Breach of Liquor Ban and Disorderly Behaviour both have an alcohol element and most have occurred within the CBD and not at the Cass Square venue. It should also be noted that 9 of the 10 Disorderly offences and 8 of the 10 BOLB offences were committed by "out of towners". In fact only 8 of the total of 37 charges were for local Hokitika people.

Well done to everyone involved.

Ross Police Officer:

On 2 April 2013, Senior Constable Jason MARTIN left the sole charge policing position in ROSS and took up employment with the Queensland Police in AUSTRALIA. The ROSS vacancy has been advertised and will hopefully be filled by the end of June. As a result of the vacancy however, the staffing resources at HOKITIKA will be stretched even further with as we now have to cover as far south as MT HERCULES."

Moved Councillor Scott, seconded B. Kaio and **Resolved** that the Police Report be received.

- 7.3 **International Safe Community Process and setting up of Steering Committee:**
This was put on hold until Council's annual plan 2013-2014 is approved.

8. **COORDINATOR'S REPORT:** The Coordinator's Report was received.

9. **OTHER BUSINESS:**

9.1 B. Kaio distributed copies of the Nationwide Contact Card for members to distribute to their organisations.

9.2 C. Freitas discussed the need for the vegetation in the planter boxes at the corner of Weld and Tancred Streets to be trimmed so people on mobility scooters could see what was coming when they crossed the street. The Coordinator was asked to refer the matter to John Bainbridge.

10. **NEXT MEETING DATE:** Friday, 28 June, 2013 at 9:30am.

The meeting closed at 10:55am.

Confirmed as a true and correct record.

_____ (Chairperson) _____ (Date)

MAYOR'S ACTIVITIES APRIL/MAY 2013

- Meeting with legal and planning team for mining operation
- Citizenship Ceremony
- Preparation meeting for ANZAC Day
- Annual Plan Council meeting
- ANZAC Day Service
- Leadership session with visiting Venturers Units from top of the South
- Support for funding application for Summer Reading Challenge
- Teleconference for Conference Committee, LGNZ
- Attendance at AGM of Franz Inc
- Attendance at presentation of the final Revitalisation Plan for Franz
- Session with Chambers PR re cycle trail marketing
- Visit with President and CEO of LGNZ
- Meeting with our Auditor, John Mackey
- Meeting with Office of the Auditor General's team
- Preparation meeting for Civil Defence exercise
- Presentation by Tourism Industry Association.

This month I sought support from the Region's two other Mayors to write to the Minister of Conservation regarding the DOC restructuring proposed for the Coast. A joint letter was sent.

Another wonderful turn out to ANZAC Day services across the country, and Westland's were no exception. I was guest speaker at the Hokitika service this year and participated in the laying of wreaths and the ceremony at the cenotaph. It was a wonderful spectacle.

We have been fortunate to have had support from our representative body, LGNZ, this month with a visit from the President, Lawrence Yule, and CEO, Malcolm Alexander. The message we received is that they have confidence in the process we are following to reset our budgets. The OAG team were very supportive and provided clear guidance on procedural matters going forward.

Franz Inc has completed the consultation on their Revitalisation Plan for the town. Following a huge amount of community feedback over the past few years they have adopted their plan and will be asking Council to support them in having it included as part of our District Plan Review.

Report



DATE: 23 May 2013

TO: Mayor and Councillors

FROM: Chief Executive

CHIEF EXECUTIVE'S REPORT

1.0 SUMMARY

1.1 The purpose of this report is to present:

- 1.1.1 The Management Report for the period 24 April 23 May 2013
- 1.1.2 KPIs for the third quarter of 2012-13 (1 July 2012 – 31 March 2013)
- 1.1.3 Financial reports for the third quarter of 2012-13 (1 July 2012 – 31 March 2013)
- 1.1.4 Updates on any other matters of significance.

1.2 This report is on the agenda so that Council are kept fully apprised of Council business and are aware of how the organisation is tracking against its budget and the Key Performance Indicators.

1.3 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.

Vision's Objectives	Achieved By
<p>The CE's report supports all objectives in Council's Vision Statement:</p> <ul style="list-style-type: none">• Involving the community and stakeholders.• Having inspirational leadership.• Having expanded development	<p>Ensuring Council fulfils the commitments made to the community in the Long Term Plan.</p>

<p>opportunities.</p> <ul style="list-style-type: none"> • Having top class infrastructure for all communities. • Living the “100% Pure NZ” brand. 	
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- 1.4 This report concludes by recommending that Council receives the Chief Executive’s report dated 23 May 2013.

2.0 COMMENT

- 2.1 Management provide reports monthly to Council on progress towards meeting outcomes as stated in the Long Term Plan. This report updates Council on key successes, any issues of significance and relevant statistics in the five operational areas of Council:

- 2.1.1 Governance
- 2.1.2 Corporate Services
- 2.1.3 Community Services
- 2.1.4 Assets and Operations
- 2.1.5 Planning and Regulatory

- 2.2 May’s report is significant in that 31 March 2013 is the end of the third quarter of Council’s financial year. Included in the Management Report is information that tracks how Council is doing against the KPIs outlined in the Long Term Plan and financial reports for each activity area as at 31 March 2013.

- 2.3 Some of the KPIs in the Long Term Plan are yet to be measured, and are reliant on Council conducting a resident satisfaction survey. Council is reminded that there is no provision in the 2012-13 budget for this survey, and this item is not budgeted for in the 2013-14 draft Annual Plan.

- 2.4 A new item is included on this agenda titled “Report back from Councillors Appointed to External Organisations.” This item is intended to ensure accountability back to Council by those Councillors who have formal appointments to external organisations. The Chief Executive requests feedback on the usefulness of this agenda item.

- 2.5 A report on the progress of the West Coast Wilderness Trail is attached.

- 2.6 A report on the 2013 Wildfoods Festival is attached.

- 2.7 The week starting 6 May 2013 saw representatives from the Office of the Auditor General, Local Government NZ and Audit NZ visiting Council to meet with the Mayor and Chief Executive. It was quite clear from these visits

that Westland District Council is not on “ministerial watch” but we are being supported by those agencies who have a statutory obligation to monitor local government.

3.0 RECOMMENDATION

- A) **THAT** the report of the Chief Executive titled “Chief Executive’s Report” dated 23 May 2013 be received.

Appendix 1: Q3 Management Report for 2012-13.

Appendix 2: Quarterly Financial Report to 31 March 2013.

Tanya Winter
Chief Executive

APPOINTMENTS TO ORGANISATIONS

<i>Organisation</i>		<i>Appointment</i>
<i>Big Brothers Big Sisters</i>		Cr Neil Bradley
<i>Community Associations</i>	Enterprise Hokitika	Cr Kyle Scott
	Kumara	Cr Murray Montagu
	Heritage Hokitika	Cr Kyle Scott
	Kokatahi/Kowhitirangi	Cr Murray Montagu
	Ross Community Society	Cr Bryce Thomson
	Harihari Community Association	Cr Bryce Thomson
	Whataroa Community Association	Cr Bryce Thomson
	Okarito Community Association	Cr John Birchfield
	Franz Josef Community Forum	Cr John Birchfield
	Franz Inc.	Cr John Birchfield
	Fox Glacier Community Association	Cr John Birchfield
	Glacier Country Tourism Group	Cr John Birchfield
	Haast Promotions Group	Cr Kerry Eggeling
<i>Organisation</i>		<i>Appointment</i>
<i>Development West Coast – Appointment Panel</i>		Mayor Maureen Pugh
<i>Local Government New Zealand & National Council Representative</i>		Mayor Maureen Pugh
<i>West Coast Regional Transport Committee</i>		Cr Kerry Eggeling
<i>West Coast Rural Fire District</i>		Cr Murray Montagu
<i>West Coast Waste Management Group</i>		Mayor Maureen Pugh Cr Frances Stapleton Cr Jim Butzbach
<i>Westland Tourism Management Transition Committee</i>		Cr Murray Montagu (Council's appointment)

GENERAL APPOINTMENTS

<i>Committee</i>	<i>Appointment</i>
<i>Hearings and Licensing Commissioners</i>	Mayor Maureen Pugh Cr Allen Hurley
<i>LTP Working Group</i>	Cr John Birchfield Cr Jim Butzbach Cr Murray Montagu Cr Kyle Scott Cr Kees van Beek
<i>Pensioner Flat Allocation Committee</i>	Mayor Maureen Pugh Cr Kyle Scott
<i>Safer Community Council</i>	Cr Frances Stapleton Cr Kyle Scott Cr Kees van Beek
<i>Westland Holdings Limited Directors</i>	Mayor Maureen Pugh
<i>Westland Wilderness Trust</i>	Mayor Maureen Pugh Cr Allen Hurley
<i>Westroads Limited Directors</i>	Deputy Mayor – Cr Bryce Thomson

Report



DATE: 23 May 2013

TO: Mayor and Councillors

FROM: Acting Group Manager - Corporate Services

ADOPTION OF 2013/2014 DRAFT ANNUAL PLAN

1.0 SUMMARY

- 1.1 The purpose of this report is to formally adopt the 2013/2014 Draft Annual Plan for consultation.
- 1.2 This issue arises from legal compliance.
- 1.3 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 to provide good-quality local infrastructure, local public services and regulatory functions in a manner that is most cost-effective for households and businesses. Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders Having inspirational leadership Having expanded development opportunities Having top class infrastructure for all communities Living the '100% Pure NZ' brand	The Draft Annual Plan contributes to all objectives.

- 1.4 This report concludes by recommending that Council adopt the Draft Annual Plan attached at Appendix 1.

2.0 BACKGROUND

- 2.1 Council first drafted the Annual Plan for 2013/14 when preparing and adopting the LTP 2012/22.
- 2.2 In the normal course of business the first annual plan after the adoption of an LTP would reflect only minor changes, and would be a relatively quick process.
- 2.3 In November 2012, Council received an unexpected adverse financial result for the year ending 30 June 2012. Council were later advised that the problems that led to the unexpected result included systemic budgeting problems, which would most likely be reflected in the 30 June 2013 result also.
- 2.4 The audited LTP 2012/22 contains errors for which there is no explanation. Most significantly, debt and employee benefits were incorrectly included, which has led to under budgeting of costs and is reflected in comparison explanations between the Draft Annual Plan proposal compared with the LTP 2012/13 figures.
- 2.5 Council has delayed its consultation process as late as possible to better understand its financial circumstances and options available to it. These delays aside it has been very challenging to meet these deadlines, which means there may be typos or grammatical errors that will need correcting during the print preparation stage.
- 2.6 Council has planned to adopt the Draft Annual Plan on 23 April 2012, however the 17.5% proposed rate increase did not receive support and Council made significant amendments to the plan.
- 2.7 The Draft Annual Plan looks different from previous Annual Plans as a result of efficiency changes made to the Local Government Act 2002 which are intended to shorten the reporting requirements, minimise LTP amendments and be much more efficient. Given our time pressures we have taken every opportunity to be efficient.
- 2.8 Council must adopt an Annual Plan (it cannot be delegated).
- 2.9 Rates in 2013/14 cannot be adopted with an Annual Plan. Rates must be set consistent with an Annual Plan. A rates resolution will need to be adopted on 1 August 2013.
- 2.10 A consultation plan has been adopted.

3.0 CURRENT SITUATION – Late Adoption

3.1 As a result of the last meeting Council will now not meet the statutory date for adopting the Annual Plan (30 June 2013). The consequences of this are:

- New timetable
- Late rates instalment
- Risk from legislative non-compliance
- Impact on spending after 30 June 2013

3.2 New Timetable

3.3 Council's Annual Plan timetable is amended as follows:

Date	Type of Meeting	Description
24 May	Adopt Draft Annual Plan	Ordinary Council Meeting. To confirm document for consultation, no debate.
27 May to 27 June	Consultation	Consultation Plan to be confirmed.
4,5,8 July	Hearing of Submissions	Formal Meeting to listen to and read submissions.
5/8 July	Consideration of Submissions	Formal Meeting to consider submissions and seek further advice from Officers
18 July	Last Debate	Formal Meeting to debate final Annual Plan amendments.
1 August	Adopt Annual Plan	Ordinary Council Meeting to adopt Annual Plan. No debate

3.4 Late Rates instalment

3.5 Adopting and setting the rates on 1 August 2013 requires a change in the rates instalment dates. A rates assessment and rates invoice would normally be posted about 27 July for payment due date of 31 August and penalty date of 1 September.

3.6 It is proposed that a late instalment be collected with:

- Invoices posted about 20 August 2013
- Payment due 20 September 2013

- Penalty Date 23 September 2013
- 3.7 The date of the 20 September was chosen to align with businesses paying their monthly accounts.
 - 3.8 There is a cost of the timing difference in lost interest revenue or higher interest costs depending on our cash position at the time, of approx. \$5,000.
 - 3.9 An alternative is to invoice on time at 25% of the 2012/13 rates, followed by the three remaining instalments being higher. The impact of these higher instalments on low income earners is high and as such this option has not been recommended.
 - 3.10 Any change to this proposal amends the Funding Impact Statement in the Draft Annual Plan.
 - 3.11 Risk from legislative non-compliance**
 - 3.12 Council has been advised by the Department of Internal Affairs and the Office of the Auditor General to have regard to the consequences of legislative non-compliance. There is currently a challenge to the validity of Kaipara District Council's LTP and consequently their rates simply on the fact that the LTP was adopted outside the time-frame stipulated. There is a Bill in draft that proposes to validate the LTP, although the preamble to the Bill indicates this is procedural. We have read advice from the Crown Solicitor on the late adoption of LTCCP's that supports the late adoption is valid and does not affect the validity setting of rate. Late adoptions have been common and with the possible exception of Kaipara DC, have not led to serious consequences.
 - 3.13 Council has sought its own legal advice and this advice confirms that the late adoption of an annual plan in itself does not invalidate the rates for 2013/14.
 - 3.14 Impact on Spending and Activities After 30 June 2013**
 - 3.15 Decisions intended to be applied from 1 July may not be able to be applied until after Council has adopted the Annual Plan.
 - 3.16 Certain decisions under section 97 (significant changes in levels of service and transfer of strategic assets) can only be made by Council. At this time it is not intended that any such decisions are to be made.

- 3.17 Delegations are strongly linked to budgets, and without an Annual Plan budgets do not exist. Delegations can be modified by Council to meet the circumstances.
- 3.18 It is proposed that at a future meeting Council further consider the implications of late adoption and makes the necessary resolutions to allow business to continue.

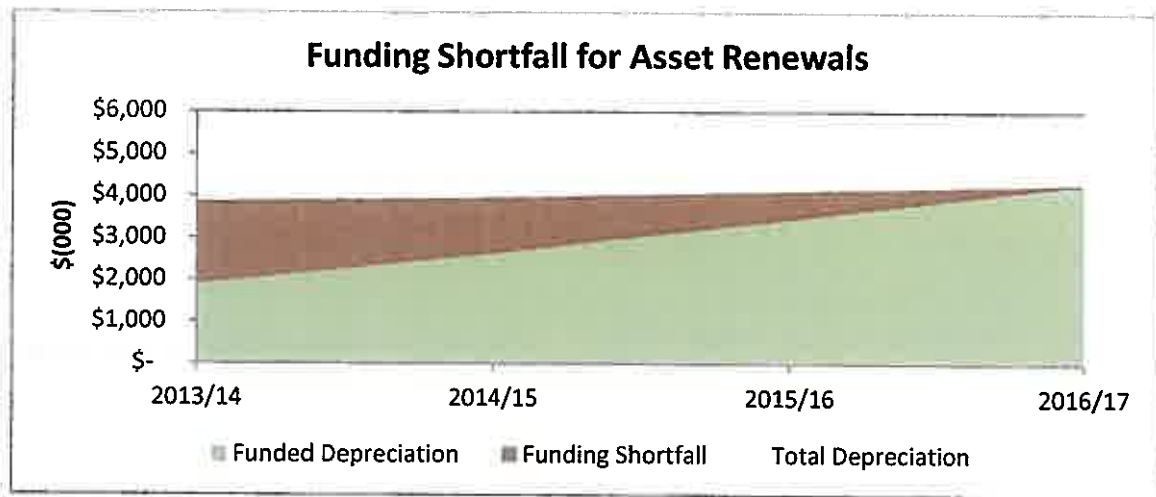
4.0 CURRENT SITUATION – Content of Draft Annual Plan

- 4.1 Attached as **Appendix 1**, is a final proof of the Draft Annual Plan.
- 4.2 The plan proposes a 9.29% rates increase and includes some changes to service levels and costs.
- 4.3 Council must consider two important matters before adopting the draft plan as presented:
- Is an LTP Amendment required?
 - Is the proposed unbalanced budget prudent?
- 4.4 **Is an LTP Amendment required?**
- 4.5 Council has already considered this during its decision making on the proposal to change levels of service in the Community Services activities (Library, Museum, Community Development, Events and I-site)
- 4.6 In the report supporting the Council decision it was noted that a detailed review of the proposed changes as compared with the service levels described in the LTP had been undertaken. It was concluded that these proposed service levels changes did not significantly alter the service levels as described in the LTP, and as such these did not meet the criteria stipulated in the LGA to be an amendment.
- 4.7 At the Council Meeting of 23 April Council proposed service level reductions:
- removal of Township Development Funds
 - removal of Transportation Flooding budget
 - reduction in maintenance at Cass Square
 - reduction in maintenance of grass berms
 - removal of Enterprise Hokitika funding
 - Removal of Glacier Country Promotions grant

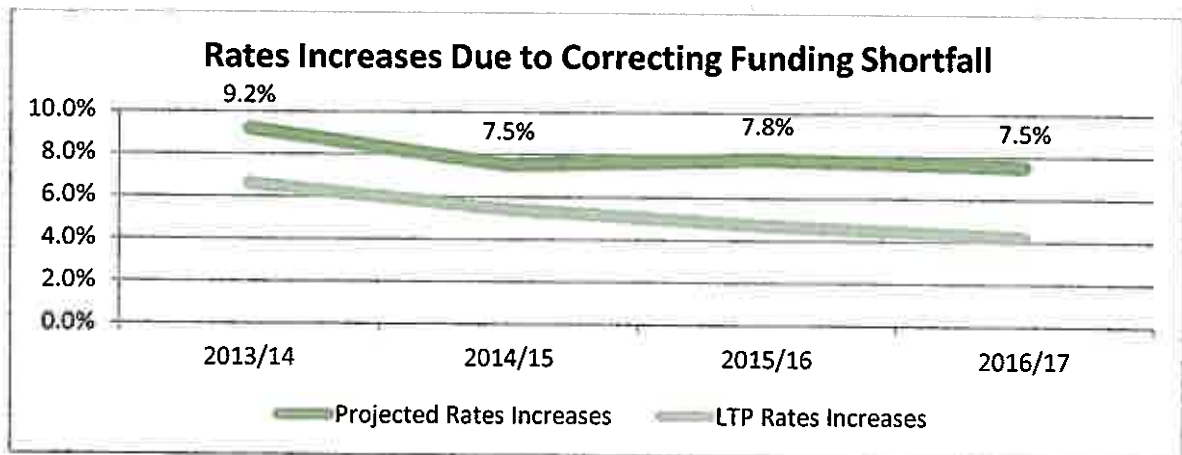
- 4.8 The Enterprise Hokitika and Glacier Country funding is mentioned once in the I-site activity (although it is not funded in this budget). The KPI's for service level in this activity may be affected by the removal of these grants but given the main operation of the I-site continues it is unlikely that service levels for this activity will be significantly changed.
- 4.9 The parks reductions are minor and will have no significant impact on service levels.
- 4.10 The flooding budget represents only 2% of the transportation budget and Council has resolved to loan fund any flooding works, if required.
- 4.11 Community Township development is a separate activity in the LTP. Removal of this funding means that this activity will not continue in 2012/13. Whilst this is a significant change in this activity for 2012/13 it may not be a significant change in service level in the context of current and future communities, as there is no proposal that this is for more than one year. Therefore; if Council intends this decision to be a one year hold on the funding then the decision is less significant as the impact on current and future communities is also small. If the decision is intended to be for a longer period (subject to future annual plans) then Council must also turn its mind as to whether this is a significant activity.
- 4.12 At \$140,000 it represents less than 1% of Council's total expenditure in 2012/13. At \$140,000 of a proposed \$1.4m to be spent over 10 years it represents 10% of the current planned programme. So it is not a large amount of money. The small communities that would receive this funding in any one year represent a small number of people affected by this decision and under Council's significance policy would not be significant.
- 4.13 A question for Council to consider; will the impact or consequence of the decision on the affected persons be substantial? The current programme has half the fund spend in rotation across five small communities. The decision delays each town's funding allocation by one year. The nature of these projects is such that this shouldn't be significant to those affected parties. Likewise for the Glacier Towns, which receive \$70,000 every second year lose just one year's allocation.
- 4.14 In conclusion Council must determine whether in its opinion these changes constitute a significant change in service level to a significant activity. If Council determines that the proposals are not significant it should resolve to do so and continue with the Draft Annual Plan. If Council determines these

changes are significant then an LTP amendment must be completed. Council has two options in this regard.

- 4.14.1 Delay the Draft Annual Plan and add the requirements for a LTP amendment and undertake a concurrent special consultative procedure.
- 4.14.2 Continue with the Draft Annual Plan and should the community support the proposal prepare a LTP amendment and undertake a separate special consultative procedure before the decisions are implemented.
- 4.15 Council also made a change to the amount of the UAGC. If this was to be interpreted as a change to the Revenue and Financing Policy, this would result in an LTP Amendment. While the policy states the UAGC is part of the General Rates it does not state any limits or calculation methodology. As such it is concluded this change does not amend the Revenue and Financing Policy.
- 4.16 **Is the proposed unbalanced budget prudent?**
- 4.17 That LGA requires councils to have a balanced budget and be prudent. Not only that, Council must pass a resolution to this effect.
- 4.18 The Draft Annual Plan Statement of Comprehensive Income shows that Council is budgeting a deficit after tax of \$2.0m. This deficit arrives primarily from the adoption of Council's Austerity Depreciation Funding Policy. Note that through the process of developing the plan a number of changes were made to the funding of depreciation. For clarity and transparency and due to the significance of this decision it is suggested that Council confirm the amended austerity depreciation policy.
- 4.19 The following chart shows the funding shortfall and how the implementation of the policy intends to get Council back to an appropriate level of funding within four years.



- 4.20 Funding the shortfall by 2016/17 will also reinstate a balanced budget.
- 4.21 By implementing this policy Council will be funding \$832,000 into depreciation reserves in 2013/14, which are currently depleted.
- 4.22 This policy also results in a smoothing of rates increases by spreading the impact of Council's revenue shortfall over four years.
- 4.23 Assuming no changes in service levels, 2.97% inflation (same as LTP) and no changes in other funding sources (especially NZTA) then the following increases for the whole of Council's budgets:



- 4.24 Without this policy an increase of around 20+% would be required this year followed by at inflation increases in the following years. Council considers that smooth and predictable rate increases are more beneficial to the community.
- 4.25 Council is required to conclude whether or not the unbalanced budget is prudent in the circumstances.

5.0 OPTIONS

- 5.1 Council can adopt the Draft Annual Plan as drafted and continue with the revised timetable; or
- 5.2 Further debate items in the plan and revise the consultation and final annual plan adoption timetable.

6.0 SIGNIFICANCE AND CONSULTATION

- 6.1 The decision to adopt an Annual Plan is significant, hence the legislative requirement to adopt a statement of proposal (Draft Annual Plan) and summary and then consult with the community on that proposal.

7.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 7.1 Option 1: Council's financial circumstances are leading to much higher rates increases than projected in the LTP. Some sectors are hit harder than others (see the rates samples in the Draft Annual Plan). The community has a good level of engagement with Council's challenges which opens an opportunity for quality consultation. The community is ready to talk to us and we are ready to listen.
- 7.2 Option 2: Council has had four meetings debating the Draft Annual Plan components. If Councillors wish to further change the plan prior to seeking the communities' views it may amend the current timetable. Officers may need to investigate and consider the impacts of the direction and prepare proper reports with considered analysis and options.

8.0 PREFERRED OPTION(S) AND REASONS

- 8.1 Option 1 is the preferred option.

9.0 RECOMMENDATION(S)

- A) **THAT** the service level changes proposed in the Draft Annual Plan are not considered by Council to be a significant change in levels of service to any significant activity.
- B) **THAT** the amended Austerity Depreciation Funding Policy (Appendix 1) be adopted.
- C) **THAT** the unbalanced budget proposed in the Draft Annual Plan is considered by Council to be prudent in the circumstances of Council's current financial situation.

- D) **THAT** the Draft Annual Plan 2013/14 be adopted for consultation.
- E) **THAT** the Chief Executive be authorised to make necessary minor drafting or presentation amendments prior to publication of the Draft Annual Plan.

Appendix 1: Austerity Depreciation Funding Policy

Appendix 2: Draft Annual Plan 2013/2014 (attached separately).

Stephen Halliwell

Acting Group Manager - Corporate Services

Appendix 1

AUSTERITY DEPRECIATION FUNDING POLICY

Due to the situation Council finds itself, with low financial reserves, multiple years of deficits, moderate to high debt and high proposed rates increases the following policies are proposed in addition to the LTP adopted Funding of Depreciation Policy (p285):

1. Council fully funds depreciation on:
 - a. Short life assets (technology and vehicles)
 - b. Library books
 - c. Ross Pool
 - d. HQ Building.
2. Council unfunds:
 - a. 3 waters depreciation on the following reducing annual schedule 50%, 33% 15%, 0% over the next 3 years.
 - b. 100% of solid waste depreciation over the remaining 20 years of the Butlers landfill loan.
 - c. Buildings, township works, toilets and cemeteries depreciation on the following reducing annual schedule 75%, 50%, 25%, 0% over the next 4 years.
 - d. Administrative activities depreciation on the following reducing annual schedule 100%, 66%, 33%, 0% over the next 4 years.
 - e. 100% of Hokitika swimming pool, Elderly Housing and Jackson Bay Wharf depreciation, pending the outcome of consultation on the transfer to WDPL.
 - f. Transportation depreciation in excess of the unfunded NZTA share, on the following reducing annual schedule 100%, 66%, 33%, 0% over the next 4 years.

Report



DATE: 23 May 2013

TO: Mayor and Councillors

FROM: Group Manager: Assets and Operations

FUNDING ASSISTANCE RATE (FAR) – SUBMISSION TO NEW ZEALAND TRANSPORT AGENCY (NZTA)

1.0 SUMMARY

- 1.1 The purpose of this report is to seek approval from the Council retrospectively for the FAR submission to NZTA.
- 1.2 This issue arises from the proposed FAR review initiated by NZTA.
- 1.3 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.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	The Council will take an approach which would benefit the public and help fund the roading networks at an optimum level.
Having inspirational leadership	

- 1.5 This report concludes by recommending that Council approves the submission retrospectively.

2.0 BACKGROUND

- 2.1 When a land transport activity undertaken by a council or other approved organisation qualifies for funding from the National Land Transport Fund (NLTF) the funding assistance rate (FAR) determines the proportion of the approved costs of that activity that will be paid from the Fund.
- 2.2 The NZTA is currently undertaking a comprehensive review of the approach used to setting FARs. The first round of consultation on this review closed on 3 May 2013. A second round of consultation will begin in November 2013.

3.0 CURRENT SITUATION

NZTA's proposed FAR review will follow a five stage approach.

Stage one – up until March 2013

In stage one the focus was on developing a common understanding of the scope of the review.

To assist this discussion NZTA prepared a background document which captures the history of central government funding of land transport activities. This document was made available to Council by email for their information.

Stage two - March to May 2013

The second phase of the project involved consultation with a wide range of stakeholders on what overall approach(es) should be used in setting FARs and what principles the NZTA should use to decide which overall approach (or combination of overall approaches) to use.

Westland District Council submitted on the proposal. A copy of the submission letter is attached as **Appendix 1**.

Stage three - May – November 2013

The third stage of the Review involves the review of the submissions received on the Discussion Document. In July the NZTA will decide on what overall approach(es) to take in setting FARs going forward.

Also in July NZTA will ask the Minister of Transport whether he wishes to issue criteria for how the NZTA sets FARs.

Options will then be developed for specific methods for setting FARs based on the chosen overall approach(es) and any Ministerial criteria.

Stage four – November 2013 – January 2014

This phase is the second formal consultation phase of the FAR Review. It will be a period of formal consultation on an Options Document which contains options for specific methods for setting FARs (which use the overall approach(es) chosen in July 2013) and discusses the implications of the different options for Councils and other approved organisations.

Stage five - end of Quarter 1 2014

During the fifth and final stage of the FAR Review, NZTA will decide on the specific methods that it will apply in setting FARs going forward and the likely funding assistance rates for the National Land Transport Programme 2015-18. If NZTA decides to make changes to how it sets FARs, it will also decide on what arrangements to make to transition those changes in. This information will then be communicated back to all stakeholders, along with details of the likely implications of these outcomes on their programmes leading into the next NLTP.

4.0 OPTIONS

- 4.1 The options available to Council on this decision are limited because the submission has already been sent to the NZTA.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 According to Council's Policy on Significance in the LTP 2012-22, this matter is deemed to be of high significance. Impact of FAR changes will have an effect on overall rate requirements and planning works for the transportation activity. It is important that Council has input at every stage of the process.
- 5.2 Any consultation undertaken during the proposed stage 2 of FAR review, will involve Council stakeholders.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Stage 1 of the consultation focuses on the principles of FAR and does not include detailed financial implications.

7.0 REFERRED OPTION AND REASONS

- 7.1 There is only one option. The submission is complete and this report is to seek a retrospective approval.

8.0 RECOMMENDATION

- A) **THAT** Council retrospectively approves and adopts the FAR submission as in **Appendix 1** to the New Zealand Transport Agency for stage 1 submitted on 3 May 2013.

Vivek Goel
Group Manager: Assets and Operations

Appendix 1: FAR submission to NZTA



FILE REF: NZT 5

Westland District Council
36 Weld Street
Private Bag 704
Hokitika 7842

Phone 03 756 9010

Fax 03 756 9045

Email council@westlanddc.govt.nz

03 May 2013

FAR Review Discussion Document Submissions
NZ Transport Agency
Wellington
Attention: Claire Sinnott

Email: farreview@nzta.govt.nz

Dear Claire

FUNDING ASSISTANCE RATE REVIEW - SUBMISSION

Westland District Council submits that the current funding model for FAR - Status Quo remains.

Westland District Council identified core principles in the 2012/22 Long Term Plan that form the basis for developing our financial strategy. These principles include:

- Economic uncertainty.
- Focus on core services.
- Financial responsibility and affordability.
- Continuous improvement in service to everyone in our district.

With these principles in mind Council requires a Funding Assistance Rate (FAR) Model, in partnership with the NZ Transport Agency (NZTA) that best addresses the following attributes:

- Affordability (Effect on Westland ratepayers).
- A whole of network approach.
- Social and environmental responsibility.
- Certainty of funding.
- Efficient to apply.
- Transparency.

Council considers that the status quo FAR model currently supports these attributes.

Westland District has a lateral footprint of over 350 kms which includes 700 kms of local road network and 290 bridges. At the 2006 census the resident population of the District was 8,403. Our current average FAR ranges from 57% to 61%. Having a small rating base means a 1% change on the status quo FAR will result in a change in overall rating requirement for the District of \$45,000 per annum or approximately \$8 per ratepayer per annum. Rating for transportation is the single biggest item in Westland's budget, with NZTA our largest non-rate income source. The effect of a reduction has a huge effect and if current service levels are to be maintained it will make rates un-affordable for many. The consequence of this on our community will be major.

The current FAR model is based on "ability to pay and need" of the District. While it is arguable that the "differences approach" is based on a similar model, we don't see this important principle used in any other proposed approaches within the review document.

We submit that the omission of local affordability measures and need from the principles is a step backwards for the current FAR model.

Westland District Council's Preferred Option(s)

Status Quo – the Westland District Council, with the information available, believes that the current system meets the needs of our District and Council would prefer to retain it.

The second most favoured approach for the Westland District Council is the "differences approach" which allows for recognition of the various factors including ability to pay and need.

Westland District also supports a combination of "Differences approach" and "Incentives approach", but with incentives to be a cherry on the top. A portion of the total funding can be made available on contestable basis in addition to already approved funding. Again it has to be divided among different categories of district sizes. This will encourage authorities to implement improved asset management practices and also provides an opportunity to tap into a contestable fund to help in improving the asset management planning.

The current discussion document is limited and does not provide any examples of what these incentives could be? Further information is required before a detailed analysis can be carried out.

Specific Comments (other approaches)

None of the other proposed approaches or options address the fundamental principle of affordability to pay. Without addressing this principle these options are flawed and unsustainable for large rural Districts.

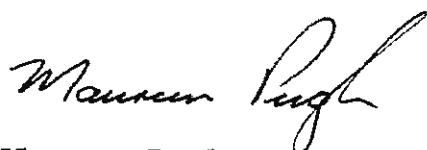
We therefore do not support the other proposed options.

Westland District Council is committed to working with NZTA and acknowledges that the current model should be reviewed to ensure it still fulfils its intended purpose. While the discussion document provided by NZTA highlights advantages and disadvantages of proposed approaches, more detailed analysis of the effects of the changes on our District is required to allow Council to understand these effects.

Council is open to further discussion on any model that takes into account the principles we have identified.

The Westland District Council would like to thank NZTA for the opportunity to comment on the proposed review of the FAR. Council looks forward to reviewing and working further with NZTA on the options document which is produced as a result of this discussion process.

Sincerely



Maureen Pugh
Mayor

Report



DATE: 23 May 2013

TO: Mayor and Councillors

FROM: Event Manager

REPORT ON WILDFOODS FESTIVAL 2013

1.0 SUMMARY

- 1.1 The purpose of this report is to provide Council with an overview of the 2013 Wildfoods festival experience.
- 1.2 This issue arises from the need to ensure Council is aware of the final result of this event.
- 1.3 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.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
<ul style="list-style-type: none">• Involving the community and stakeholders• Having Inspirational leadership• Having expanded development opportunities	<ul style="list-style-type: none">• Encouraging community organisations to be involved (stall holders, campsites, waste management, accommodation)• Making a significant contribution to the regional tourist industry and economy of over 6 million dollars.

• Living the '100% Pure NZ' brand.	• Responsibly managing waste and recycling created at the Festival.
------------------------------------	---

- 1.5 The report concludes by recommending that this information be received.

2.0 BACKGROUND

- 2.1 The Wildfoods Festival is 24 years old, and attendance numbers have fluctuated over that time. Since the Canterbury earthquakes attendance numbers have reduced significantly, and the festival has recently struggled with securing a major cash sponsor.
- 2.2 The 2013 Wildfoods Festival returned to Council control as part of the Community Service's Team, when the Westland Business Unit was disbanded.
- 2.3 In January 2013 the Wildfoods budget in the 2012-22 Long Term Plan was reviewed to align it with 2012 actual results. This new budget was adopted by Council on 24 January 2013.

3.0 CURRENT SITUATION

- 3.1 An analysis of the financial accounts indicates that the 2013 Wildfoods Event will have a negative variance against the revised budget of \$35,709.
- 3.2 The cause of this deficit is due to the fact the Festival did not meet the proposed budget targets in terms of ticket sales.
- 3.3 Table 1 below provides a breakdown of ticket sales.

Table 1: Wildfoods Festival Ticket Sales

TABLE	NUMBER	PRICE
Adult	8,405	\$33.00
Children	399	\$15.00
Complimentary	1,608	\$0.00
TOTAL Estimated	10,412	\$283,350
Less GST		36,958
Less Booking Fees		20,274
Revenue Estimated		\$226,118

- 3.4 Based on the numbers attending and the ticket price the revenue from ticket sales was \$225,288. This varies slightly from the above estimation. This is

against the budget adopted by Council on 24th January, 2013 of \$270,000, the difference being \$44,712 on admission fees.

- 3.5 The total number of tickets sold was 8,804. Council will recall a media release on 18th March, 2013 that provided ticket figures of 13,000. The difference between that number and the final numbers above are because Ticket Direct (ticket summary/website), supplied tickets to both the i-Site and Events Department. These tickets were included in the 'sold' summary report instead of just 'supplied' for the Festival.

4.0 SIGNIFICANCE AND CONSULTATION

- 4.1 This matter is administrative in that it is a report back on an event that has already taken place and is in Council's Long Term Plan. Therefore the decision to receive the information is of low significance and consultation is not relevant to this report.

5.0 COMMENT

- 5.1 The Wildfoods Festival makes a major contribution to the regional tourist industry and local economy. Accordingly to the research and analysis undertaken by BERL in 2012, the economic impact of the Wildfoods Festival upon the District economy was over \$6 million.
- 5.2 Information from Ticket Direct indicates that over 90% of the Festival attendees come from outside the West Coast Region; this is a unique feature of the Wildfoods Festival. Other large Festivals and Events such as WOMAD and the International Arts Festival predominately attract locals.
- 5.3 Using the BERL report as a basis for calculation the direct spending from 9,700 people who attended the Festival from outside Westland is estimated to be over \$5 million.
- 5.4 Unfortunately the 2013 Wildfoods financial results show that the Event has a negative variance against the revised budget of \$35,709, with further overhead charges to come. The cause of this deficit is largely due to the fact the Festival did not meet the proposed revenue budgets. Details are provided in **Appendix 1**.
- 5.5 The Events Unit will continue to accrue cost until June 30th 2013.

6.0 RECOMMENDATION

A) **THAT** this information is received.

Mike Keenan
Event Manager

Appendix 1: Financial Report for the 2013 Wildfoods Festival

APPENDIX 1

Financial Report for the 2013 Wildfoods Festival

Revenue	LTP Budget	2012 Actuals	2012/13 Budget	2012/13 Actuals	Notes
Grants	82,000	30,000	60,000	29,830	1
Admission Fees and Sales	515,388	445,609	421,500	383,950	2
Total Revenue	597,388	475,609	481,500	413,780	
Total Direct External Costs	374,451	355,256	339,200	352,167	3
Surplus (Deficit) after Direct External Costs	222,937	120,353	142,300	61,613	
Direct Internal Costs to 30 April.	90,354	59,824	83,250	81,774	4
Overheads to 30 April.	30,055	1,314	30,055	15,548	5
Research and Development	0	10,336	5,000	0	6
Surplus (Deficit) After Overheads	\$102,528	\$48,879	\$23,995	\$(35,709)	

NOTES:

1. **Grants:**

Applied for \$50,000 and only received \$30,000.

2. **Admission:**

In 2012 11,847 tickets were issued, comprising 10,839 revenue tickets and 552 complimentary tickets. In 2012 a surplus of \$48,738 was realised. Ticket price was \$36 and \$40 on the day.

In 2013 8,804 revenue tickets and 1,608 complimentary were issued, with a revenue short fall of \$44,712 on ticket sales. The reason being there were not enough Festival tickets sold having budgeted for 10,000 Festival attendees. Council also incurred additional costs through the outside charges for bookings fees of \$20,274.

AND

Beer & Wine Sales:

Beer and Wine sales were down \$7,000 below budget.

	Year	Actual Income	Budget Income
(a)	2012	\$98,156	100,000
(b)	2013	\$97,106	105,000

Campsites:

	Year	Wadeson Island	Actual Income	Budget Income
(a)	2012	435	\$17,415	\$25,000
(b)	2013	1116	\$39,779	\$30,000

Therefore the variance on total revenue of \$67,720 is largely made up off under budget grants \$30,000 and admissions of \$44,700 off set by a good result in campsites.

3. **Total Direct External Costs:**

These costs are close to budget varying by only 3.8%

4. **Direct Internal Costs to 30 April:**

These costs largely relate to the cost of running the event from Council. These costs are close to budget at 30 April, this will change however as costs will continued to be incurred until 30 June.

5. **Overheads to 30 April:**

This is the overhead costs of Council that would continue with or without the events activity operating. These costs will continue to be charged to the cost centre until 30 June.

6. **Research and Development Costs**

This is the bi annual survey economic impact not due to be done in 2013.

Report



DATE: 23 May 2013

TO: Mayor and Councillors

FROM: Team Leader, Operations

WEST COAST WILDERNESS TRAIL – PROJECT UPDATE

1.0 SUMMARY

- 1.1 The purpose of this report is to provide an update on the West Coast Wilderness Trail (WCWT) project and seek direction from Council regarding the shortfall in capital funding.
- 1.2 This issue arises from the obligation to keep Council fully informed of the progress of the project.
- 1.3 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.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Having top class infrastructure for all communities	Providing a cycle trail that generates social, environmental and economic benefits for Westland
Living the '100% Pure NZ' brand	The West Coast Wilderness Trail is part of "Nga Haerenga – The New Zealand Cycle Trail" which is intended to showcase the very best

	of New Zealand's landscape, environment, culture and heritage.
--	--

- 1.5 This report concludes by recommending to Council that the project is reviewed and completed within the available budget.

2.0 BACKGROUND

- 2.1 In 2009, Council submitted an application in conjunction with Grey District Council (GDC) to the Ministry of Tourism for funding to undertake construction of a cycle trail.
- 2.2 The WCWT is intended to offer a four day cycling adventure from Greymouth to Ross as part of Nga Haerenga: The New Zealand Cycle Trail. The ride is an outstanding landscape ride through dense rainforest, past glacial rivers and lakes, through wetlands, all the way from the Tasman Sea to the Southern Alps and back again.
- 2.3 The Westland Wilderness Trust (WWT) was developed to help promote sustainable outdoor recreational opportunities in Westland, and was reconvened to provide governance for the WCWT.
- 2.4 The original design estimate for the WCWT was \$8,900,000. This estimate was reviewed and adjusted to \$7,310,000 to reflect the limited funding opportunities available to the WWT.
- 2.5 The WWT was successful in securing funding for the WCWT to a value of \$6,890,000. A shortfall of \$420,000. This shortfall has been discussed with Council a number of times. (This shortfall was calculated based on the business case estimate not actual contract rates)

3.0 CURRENT SITUATION

- 3.1 An update on the project status is included in **Appendix 1**. This update is as at 30th April 2013.
- 3.2 Table 1.0 shows the current budget status. This is the Westland District Council portion only and excludes the Grey District Council section of the trail.

Table 1.0 – Summarised Budget Status – West Coast Wilderness Trail (excl GDC)

National Cycle Way Funds	\$2,567,607
Development West Coast	\$627,386
Development West Coast (Extraordinary Distribution Fund)	\$2,000,000
Sale of Land	\$241,839
Pub Charity	\$30,000
DWC/MED Study Grants	\$25,000
Total available	\$5,436,832
Expenditure to date	\$3,397,622
Balance available	\$2,039,210
Works in progress (Balance Estimate)	2,475,000
Shortfall	-\$435,790

4.0 OPTIONS

4.1 The options available to Council are:

Option 1: Do nothing and continue constructing the trail until the funding is expended

Option 2: Stop work now

Option 3: Review the scope of the project to reflect the funding available

Option 4: Investigate and obtain more funding

5.0 SIGNIFICANCE AND CONSULTATION

5.1 In accordance with Council's Policy on Significance, this decision is assessed as having a moderate to high degree of significance for the following reasons:

- Council have not budgeted for the extra funding of \$435,790 required and may need to borrow to fund it.
- This project has generated a high level of interest from the community.
- Council's ability to manage projects within budget is topical in light of the current financial situation.

5.2 Consultation is not relevant to this report, but stakeholders have been advised.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

6.1 **Option 1:** Do nothing

This is not a preferred option. Status quo means the WCWT will be completed but will not provide a marketable product for the projected demographic as outlined in the original business case. It is likely that if work continues until the funding runs out the part of the trail that will not be completed is the Hokitika to Ross section.

6.2 **Option 2:** Stop work now

This is not a preferred option. Stopping work now will result in a trail constructed to a completely different standard than proposed in the funding application to the Ministry of Tourism over a significantly reduced length. It will also mean that the Development West Coast Extraordinary Distribution Fund grant of \$2m would not be uplifted.

6.3 **Option 3:** Review scope of project to reflect funding available

This is the preferred option.

As per table 1.0, assuming Council can draw on the additional \$2m Development West Coast Grant, then the estimated shortfall is \$435,790. It is a possibility that if minor alterations to the original proposal occurred, then this shortfall can be absorbed in the current available funding.

If Council approves Option 3, staff will undertake an extensive review to assess this option further. This requires staff to review the design of the trail to provide options for the Westland Wilderness Trust to consider when they next meet.

This is seen as a prudent approach to managing the shortfall in funding while still achieving the length of trail that was approved by the government in 2009.

A provisional list of review options is attached as **Appendix 2**.

6.4 **Option 4:** Investigate and obtain more funding

This is a possible option. This would require the identification of appropriate funders, applications made, with potential for delays while the outcomes of applications are received. It would also require dedicated staff time.

Even if this option is not selected staff will continue to seek funding opportunities to develop and improve the trail.

7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option 3 to enable the WCWT to be completed from Greymouth to Ross. This would mean the length of the trail would be retained as was originally planned for the concept proposal in 2009, however adjustments would be made to the design of the trail to meet available budget. This will enable “a four day adventure from Greymouth to Ross which travels wild beaches, rainforests, lush wetlands and lakes, on a route explored by pioneering rush miners”.

An improvement programme will be developed which identifies sections of the trail that, due to budget constraints, differs from the original design proposed. This programme will prioritise work and form the basis for improvements in service level if future funding opportunities present themselves.

8.0 RECOMMENDATION

- 8.1 **THAT** Council instructs the Chief Executive to undertake a design review of the West Coast Wilderness Trail with an aim to absorb the shortfall of \$435,790 within current budgets.
- 8.2 **THAT** the Westland Wilderness Trust make the decisions on final design.

Peter Anderson
Team Leader, Operations

Appendix 1: Trail Status Report to 30 April 2013
Appendix 2: Design Review Options

Appendix 1

West Coast Wilderness Trail - Status Report to 30th April 2013

	Section	Total section length km	Total Length completed	Project tasks	Start Construction	Complete Construction	Original Project Budget	Revised Project Budget	Expenditure to Date
1	Day One - Greymouth to Kumara	25.3	17.9				\$1,477,610	1,477,610	\$309,479.13
1.1	Railway Station to Blaketown	4.2	4.2	Work currently underway by GDC. Preston Road Bridge construction complete.	June 2012	March 2013			
1.2	Blaketown to Paroa	8.7	8.7	Track completed. Track officially opened.	Aug 2011	June 2012			
1.3	Paroa to Taramakau Bridge	6.9	5.0	Construction completed from Paroa to New River utilising State Highway. Investigating alternative route off state highway from "New River" to Pandora Avenue. Monitoring coastal erosion.	Aug 2012	July 2013			
1.4	Taramakau Bridge	0.3	-	Proposal to 2012-15 RLTP for a clip on by NZTA on the existing bridge. RLTP approved. Clip on project approved for design.	Sept 2012	July 2013			
1.5	Taramakau Bridge to Kumara	5.2	-	Design and consent application prepared. Archaeologist investigation of site underway. Some initial construction started.	Sept 2012	July 2013			
2	Day Two - Kumara to Milltown	30.8	30.6				\$2,373,492	\$3,133,000	\$3,097,622
2.1	Kumara to Kapitea Reservoir	3.5	3.5	Larrikins Track construction completed. Switchback up to Kapitea Res complete. Climb to Stafford Loop Rd construction commenced on Larrikins Road. 99% complete.	Dec 2011	March 2013			
2.2	Kapitea Reservoir to Loopline Road	3.5	3.5	Section completed.	Dec 2011	April 2013			
2.3	Loopline Road to Old Christchurch Rd	7.0	7.0	Track completed. Boardwalk construction underway.	Dec 2011	March 2013			
2.4	Old Christchurch Rd to Kawhaka Res	4.6	4.6	Section completed. Minor sight distance improvement required at Old Chch Rd and Loopline Rd intersection. New track completed. Switchback investigation needed at the Milltown Forestry Rd end. (Part of future improvement programme) Structures construction complete.	Dec 2011	Feb 2013			
2.5	Kawhaka Res to Milltown Forestry Rd	6.6	6.6		Dec 2011	Feb 2013			

2.6	Milltown Forestry Rd to Cowboy Paradise	5.6	5.4	New track currently under construction. 98% complete. Includes suspension bridge construction. Suspension bridge building consent approved.	Dec 2011	April 2013			
3	Milltown to Hokitika	31.8	16.1				\$1,338,000	\$1,638,000	\$300,000
3.1	Cowboy Paradise to Arahura River	1.5	1.5	Section completed.	April 2012	Feb 2013			
3.2	Arahura River to Lake Kanieri Rd	9.7	9.7	Although not ideal...intend utilising the existing road formation due to funding constraints. Changing speed restriction to 70km.	June 2012	Feb 2013			
3.3	Lake Kanieri Rd to The Landing	1.2	1.2	Although not ideal...intend utilising the existing road formation due to funding constraints. Changing speed restriction to 70km.	June 2012	Feb 2013			
3.4	Water Race Track : The Landing to Wards Road	2.7	-	Current contract extended to include this work. Construction underway.	July 2012	July 2013			
3.5	Water Race Track : Wards Road to Kennedys Creek	5.0	-	Design and consent application underway. Route confirmed. Current contract extended to include this work.	July 2012	July 2013			
3.6	Kennedys Creek to Kanieri Township	6.3	-	Although not ideal...intend utilising the existing road formation due to funding constraints. Investigating alternative route for the last 2km. Changing speed restriction to 70km.	June 2012	Feb 2013			
3.7	Kanieri Township to Start Kanieri Tram	2.0	2.0	Using existing road formation. Changing speed restriction to 50km.	June 2012	Feb 2013			
3.8	Kanieri Tram : Pine Tree Road to Hokitika	1.7	-	Survey completed. Current contract extended to include this work. Resource consent applied for. Archaeologist report pending. Minor construction commenced.	June 2012	Feb 2013			
3.9	Hokitika Stopbank	1.7	1.7	Utilising the existing formation.		Dec 2012			
4	Hokitika to Ross	29.4	14.6				\$2,121,479	\$1,063,000	\$0.00
4.1	Hokitika Bridge	0.7	0.7	Cycleway on bridge existing	Dec 2012	Dec 2012			
4.2	Golf Links Rd to Golf Course	2.5	2.5	Using existing road formation. Changing speed restriction to 70km.	June 2012	Feb 2013			
4.3	Golf Course to State Highway	1.5	1.3	Using existing road formation. Changing speed restriction to 50km.	June 2012	Feb 2013			
4.4	State Highway to Mahinapua Creek	0.1	-	Discussing with NZTA	Feb 2013	April 2013			
4.5	Mahinapua Creek: SH6 to Mahinapua Track	2.5	-	Design/route consultation	Feb 2013	July 2013			
4.6	Mahinapua Track : Bridge to Woodstock Rimu Rd	3.5	-	Retro-fitting existing track	April 2013	July 2013			
4.7	Woodstock Rimu Rd to State Highway	4.8	4.8	Using existing road formation. Changing speed restriction to 50km.	June 2012	Feb 2013			
4.8	State Highway : Woodstock Rimu Rd to Paiera Rd	2.3	2.3	Using existing road formation.	June 2012	Sept 2012			

4.9	Ross Rail Trail : Patere Rd to Totara River	9.3	1.0	Track formed. Upgrade underway. Structures contract required.	May 2013	Nov 2013		
4.10	Totara River Bridge	0.2	-	Discussing with Kiwi-Rail. (Suspension Bridge)	April 2013	Oct 2013		
4.11	Ross Beach Rd : Totara River	2.0	2.0	Using existing road formation. Changing speed restriction to 50km.	Sept 2013	Nov 2013		
	TOTAL	117.3	79.2				\$7,310,581	\$7,310,610
								\$3,707,101

Appendix 2

Design Review Options

Table 2.0 describes sections of the current proposed trail design, identifies possible review alternatives and shows the effect this reduction in service level will have on project estimates.

Table 2.0 – Design Review Options

<u>Section</u>	<u>Description</u>	<u>Original Estimate</u>	<u>Reviewed Estimate</u>	<u>Variance</u>
Hokitika to Ross	<p><u>Current:</u> Trail constructed beside state highway from Mahinapua Creek Bridge to Mahinapua Creek Walkway.</p> <p><u>Proposed:</u> Cyclists utilise existing state highway carriageway.</p>	\$100,000	\$0.00	\$100,000
Hokitika to Ross	<p><u>Current:</u> Upgrade of Mahinapua Creek Walkway.</p> <p><u>Proposed:</u> Reduce specification to include sections of single trail.</p>	\$100,000	\$75,000	\$25,000
Hokitika to Ross	<p><u>Current:</u> Trail beside state highway from Woodstock Rimu Road to Pairere Road.</p> <p><u>Proposed:</u> Cyclists utilise existing state highway carriageway.</p>	\$100,000	\$0.00	\$100,000
Hokitika to Ross	<p><u>Current:</u> Upgrade of structures on Ross Ruatapu Rail Track.</p> <p><u>Proposed:</u> Revised design to include alternative design and materials.</p>	\$400,000	\$275,000	\$125,000
Hokitika to Ross	<p><u>Current:</u> Complete upgrade of Totara Rail Bridge/Suspension Bridge.</p> <p><u>Proposed:</u> Review design to upgrade existing structure and only deck half the existing width.</p>	\$312,000	\$200,000	\$112,000
Total:		\$1,012,000	\$550,000	\$462,000

Report

DATE: 23 May 2013

TO: Mayor and Councillors

FROM: Manager Planning and Regulatory

CHANGES TO LIQUOR LEGISLATION

1.0 SUMMARY

- 1.1 The purpose of this report is to outline the changes to liquor legislation that affect the Council and identifies the issues that the Council needs to address over the next several months.
- 1.2 This issue arises from the Government passing the Sale and Supply of Alcohol Act 2012 (the new Act). The new Act introduces a transitional phasing in of the new requirements.
- 1.3 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.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	Engaging the public through the development of a local alcohol policy and ensuring that

Having inspirational leadership	appropriate people are represented on the District Licensing Committee.
Living the '100% Pure NZ' brand	Creating a regulatory environment that reflects the purposes of the new Act.

- 1.5 This report identifies the need for significant change and concludes by recommending that Council appoints two elected members to oversee the changes required to be made by the Council.

2.0 BACKGROUND

- 2.1 The Sale of Liquor Act 1989 was a major reform and had significant ramifications for Local Government in that liquor licensing became a core regulatory function.
- 2.2 Parliament made several amendments to the 1989 legislation including giving greater authority to Councils to deal with, in particular, uncontested applications.
- 2.3 The 2012 legislation builds on the devolution of responsibility to Local Government by granting greater duties and powers.
- 2.4 The new legalisation increases the ability of communities to have a say on local alcohol licensing matters through local-level decision making, local alcohol policies and maximum hours of trading.

3.0 CURRENT SITUATION

- 3.1 Council operates under the provisions of the Sale of Liquor Act 1989. The Secretary of the Agency has delegated authority to deal with all uncontested applications with contested applications being dealt with by the Liquor Licensing Authority (LLA) (now the Alcohol Regulatory and Licensing Authority (ARLA)). The Inspectors of Licenced Premises are less than a single FTE and they act independently of the Secretary and the Council. Contested applications for special licences and temporary authorities are dealt with by specific delegation to Councillor Thomson.
- 3.2 The new Act has made significant changes that will come into effect during the balance of this year. There is currently a transition period where there is "business as usual" with the exception that the LLA is now referred to as the ARLA.

- 3.3 From 18 June 2013 all licence applications will need to meet new criteria under the new Act. Such new criteria include an assessment of any application in terms of the object of the Act (that the sale, supply and consumption of alcohol should be undertaken safely and responsibly and that harm caused by excessive or inappropriate consumption of alcohol should be minimised). In assessing any new applications the design and layout of premises is to be considered as well as the issue of amenity and good order which is defined in the Act as being the extent, and the ways in which, and the locality in which the premises concerned are situated is pleasant and agreeable.
- 3.4 Also, from 18 June 2013 all licence applications will be subject to new grounds of objection which are provided for in Section 105 of the Act and are criteria that reflect the new purpose of the Act. Objections are restricted to objections from people who have a greater interest in the application than the public generally (for example, nearby residents). The “greater interest” test is the same as the existing Sale of Liquor Act.
- 3.5 From 18 June 2013 all contested applications will continue to be dealt with by the ARLA.
- 3.6 The question of a Local Alcohol Policy (LAP) was considered by Council at its last meeting. LAPs do provide some flexibility to the Council in dealing with applications. LAPs are not compulsory but are an excellent way for the community to engage in the licensing procedures.
- 3.7 From 18 December 2013 the rest of the Act comes into force. These are:
- 3.7.1 The new maximum trading hours will apply. Premises that have existing longer hours will need to comply with the new maximum trading hours from 18 December 2013.
- 3.7.2 Local Alcohol Policies can be adopted.
- 3.7.3 The District Licensing Agency will cease to exist and the Council will need to be ready to commence with the replacement body to be known as a District Licensing Committee (DLC).

District Licencing Committees

- 3.8 The DLC’s are an important part of the object of the Act and the devolution of responsibility.

- 3.9 Every Council must establish a DLC to make decisions on all licences and manager's certificates. The decision making process cannot be delegated.
- 3.10 DLC's will be responsible for considering all licence applications and renewals, regardless of whether they are contested or not. DLC's will also deal with all manager's certificate applications and renewals, regardless of contestability. Enforcement applications relating to licence suspensions for non-compliance with public health or fire precaution requirements will also be dealt with by a DLC.
- 3.11 A DLC will be made up of either a Chairperson who is an Elected Member of the relevant Council or a Commissioner appointed to the DLC by the Council. The DLC will also consist of two Committee members.
- 3.12 The Committee members on the DLC are selected from a list of potential DLC members who will represent the wider interests of the community.
- 3.13 The DLC for Westland will need to be in place by 18 December 2013.

Identified changes to be addressed

- 3.14 There are a number of changes that will need to occur, particularly in terms of assessment of applications. The Ministry of Justice is currently working on new application forms.
- 3.15 The way in which applications are administered and the reporting criteria and format is important for the future and will be a change from that which occurs at the moment. The staff concerned will be continuing further training and dealing with appropriate amendments to procedure.
- 3.16 The LAP will proceed as a Regional instrument if the other Council's adopt such a concept.
- 3.17 There is an important political and community component to the new Act which relates to the DLCs. Every single decision that is made will be made by the DLC although, realistically, many of those decisions will be "on the papers" because applications are uncontested or are readily able to comply with the new criteria. However, the DLC will need to make the decision and reporting and procedural requirements will be essential for meeting timeframes and complying with the requirements of the Act.
- 3.18 It will be essential that the DLC consists of people who are able to judicially assess applications and write sound decisions based on the requirements of the Act.

- 3.19 The Ministry of Justice (and others) are currently working on training and up skilling requirements.
- 3.20 Staff will be working towards the necessary administrative amendments but it is important that there is a political, elected and public participatory input into the membership of the DLC.
- 3.21 At a Council level the single Councillor with experience in liquor licensing requirements is Councillor Thomson.

4.0 OPTIONS

- 4.1 Option 1: The status quo.
- 4.2 Option 2: All new processes and procedures could be established by staff.
- 4.3 Option 3: Leadership to the changed statutory environment being provided by Council.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 The decisions required to be made in relation to this matter are not, at this time, significant and are preparatory in nature.
- 5.2 Consultation is not a matter that is pivotal at this time but will become more important in terms of the development of a LAP and the constitution of the DLC.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 The status quo is not acceptable as the legislation is reform legislation and existing procedures are statutorily unacceptable.
- 6.2 To leave the preparation for the transfer under the transitional provisions to staff is not in accordance with the objective of increasing the ability of communities to have a say on local alcohol licensing matters.
- 6.3 Councillor Thomson has experience in Liquor Licensing procedures and could, with some assistance, provide the necessary political input into proceeding towards the requirements of the new Act.

- 6.4 The up skilling of staff and Councillors with a view to a managed implementation of the reform legislation is an important component of the change.
- 6.5 Financial implications are not considered as significant at this time. The preparatory work can be accomplished within existing budgets although training and up skilling costs will be additional but not considerable. The implementation costs are readily manageable and the operational costs under the new Act should be readily met by fees and charges (yet to be established by the Ministry of Justice) which will, apparently, be set using a risk-based approach.

7.0 PREFERRED OPTION AND REASONS

- 7.1 Option 3 above is the preferred option as it involves the direct input of elected representatives which is seen as essential to implementing the changes brought about by the new Act.
- 7.2 The new Act clearly has an objective of empowering communities to take a leading role in the administration of the liquor licensing reforms and to this end it is essential that leadership for the implementation of the changes comes from the Council.

8.0 RECOMMENDATION

- A) **THAT** Council appoints two elected members work with staff to form a working group to lead the changes required to be made for the Council to be able to be compliant with the Sale and Supply of Alcohol Act 2012.

Richard Simpson
Manager: Planning and Regulatory

Report



DATE: 23 May 2013

TO: Mayor and Councillors

FROM: Acting Group Manager - Corporate Services

WESTLAND HOLDINGS LTD AND SUBSIDIARIES - SIX MONTHLY REPORTS

1.0 SUMMARY

- 1.1 The purpose of this report is to update Council on the performance of its investment in Westland Holdings Limited and its subsidiaries (Westroads Limited, Westland District Properties Limited and Hokitika Airport Limited).
- 1.2 This issue arises as a requirement of the Local Government Act 2002 and is good practice in investment management.
- 1.3 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.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	Each CCO contributes to Council's vision in different ways.
Having inspirational leadership	Collectively they contribute to all of

Having expanded development opportunities	Council's vision objectives.
Having top class infrastructure for all communities	Council by managing its investments effectively contributes significantly to providing inspirational leadership.
Living the '100% Pure NZ' brand	

- 1.5 This report concludes by recommending that Council receive the six monthly reports from Westland Holdings Limited and its subsidiaries.

2.0 BACKGROUND

- 2.1 Westland Holdings Limited (WHL) is required to provide its shareholder with a six monthly report (31 December 2012) in accordance with s 66 Local Government Act 2002.
- 2.2 A half year report is required to be delivered to the shareholder within 2 months of 31 December. The report must include the information required by the Statement of Intent (SOI). This would normally include a financial report, report against SOI KPI's and a chairperson's report.
- 2.3 The six monthly reports are not required to be audited.

3.0 CURRENT SITUATION

- 3.1 WHL's SOI does not include a specific clause on the contents of the six monthly reports. This has created some confusion and caused delays in delivering their report to Council. Their report was received on 15 May 2013.
- 3.2 WHL have provided its own consolidated report and the financial and written reports of each of the subsidiaries. (Note: the subsidiaries are only required to provide their reports to their shareholder under the LGA2002).
- 3.3 The reports do not include information required by the SOI that is necessary to enable an informed assessment of the operations of that organisation and its subsidiaries, including—
- (i) a comparison of the performance of the organisation and its subsidiaries with the statement of intent; and
 - (ii) an explanation of any material variances between that performance and the statement of intent.

4.0 SYNOPSIS

- 4.1 Six monthly reports can be difficult to translate into annual financial results. The nature of the contracting and tourism business is seasonal and so the six monthly report will not reflect half of a year's financial performance.
- 4.2 Westland Holdings Limited have reported distributions of \$340,000 paid in the six months.
- 4.3 The Consolidated Statement of Comprehensive Income show the Group has made a surplus of \$609,000 after tax. There are no comparative figures or budgets on which to compare this performance.
- 4.4 The Consolidated Statement of Cash Flows show positive cash flows from operations activities, an increase in net increase in Group debt of \$505,000 (mostly Westroads) and \$1.2m of plant property and equipment purchased (mostly Westroads).
- 4.5 From the information provided the Companies appear to be doing well.

5.0 PREFERRED OPTION(S) AND REASONS

- 5.1 Having considered the reports Council should record that it has received them.

6.0 RECOMMENDATION(S)

- A) **THAT** Council receive the Westland Holdings Limited and subsidiaries Six Monthly Reports to 31 December 2012.
- B) **THAT** Council thank the Director's for their hard work and diligence during this particular turbulent time as Council re-organises its finances.

Appendix 1: Westland District Holdings Ltd and subsidiaries Six Monthly Report as at 31 December 2012

Stephen Halliwell
Acting Group Manager - Corporate Services

WESTLAND HOLDINGS LTD (GROUP)

HALF YEARLY REPORT

For The 6 Months Ended 31 December 2012

Westland Holdings Ltd (Group)

DIRECTORS REPORT

The Directors of Westland Holdings Ltd (Group) hereby present the unaudited Half Yearly Report for the six months ended 31 December 2012.

Principal Activities

The Company is a holding company for the various commercial interests of the Westland District Council. It currently has 3 operating subsidiaries which it owns 100% of, namely

- Westroads Ltd
- Hokitika Airport Ltd &
- Westland District Property Ltd

Review of Operations

	Group Dec 12 \$000
Result for the period ended 31 December 2012	
Net surplus before Taxation	846
Income Taxation	<u>237</u>
Net Surplus after Taxation and total comprehensive income	<u>609</u>

During the period dividends of \$340,000 were paid.

Dividend

No dividend has been declared for the period ended 31 December 2012 at this stage.

For and on behalf of the Board


G P King
Chairman
10th May 2012

WESTLAND HOLDINGS LTD (GROUP)
STATEMENT OF COMPREHENSIVE INCOME
For the period 1 July 2012 to 31 December 2012

	Group 2012 \$000
Revenue	6,635
Cost of Sales	4,276
Gross Profit	<u>2,359</u>
Other Income	648
Administrative Expenses	<u>2,078</u>
Results from operations	929
Interest Received	4
Interest Paid	87
Net finance costs	<u>83</u>
Profit before Income Tax	846
Income tax expense	237
Profit for the period	<u>609</u>
Other Comprehensive Income	-
Total Comprehensive Income	<u><u>609</u></u>

WESTLAND HOLDINGS LTD (GROUP)
STATEMENT OF MOVEMENT IN EQUITY
For the period 1 July 2012 to 31 December 2012

	Share Capital	Retained Earnings	Total
Balance 1 July 2011	8,695	2,367	11,062
Loss for the period and Total Comprehensive Income	-	609	609
Dividends to equity holders	-	(340)	(340)
Balance 30 June 2012	<u>8,695</u>	<u>2,636</u>	<u>11,331</u>

WESTLAND HOLDINGS LTD (GROUP)
STATEMENT OF FINANCIAL POSITION
as at 31 December 2012

	Note	Group 31 Dec'12 \$000	Group 30 Jun'12 \$000
EQUITY			
Share capital		8,695	8,695
Current Period Dividends Paid or Provided		(340)	(100)
Retained Earnings Brought Forward		2,367	1,463
Current Period Net Profit/(Loss) after Tax		609	964
		<u>11,331</u>	<u>11,022</u>
represented by:			
CURRENT ASSETS			
Bank current account		244	244
Receivables		1,554	1,821
Prepayments		70	3
Tax Refundable		41	-
Inventory		440	421
Work in Progress		143	95
		<u>2,492</u>	<u>2,584</u>
CURRENT LIABILITIES			
Bank Overdraft		110	65
Bank Flexible Facility		600	-
Accounts payable and accruals		723	1,193
Current Portion Term Loans		364	400
Income in Advance		21	24
Subvention Payment Payable		128	128
Tax Payable		185	78
WDC Advance		100	-
Employee entitlements		719	627
		<u>2,950</u>	<u>2,515</u>
WORKING CAPITAL		(458)	69
NON-CURRENT ASSETS			
Property, Plant & Equipment	1	10,912	10,316
Investment Property		908	908
Term Inventory		1,036	989
Intangible Assets		436	448
Deferred tax benefit		43	37
		<u>13,335</u>	<u>12,698</u>
NON-CURRENT LIABILITIES			
Deferred Tax Liability		278	318
Term Loan		1,268	1,427
		<u>1,546</u>	<u>1,745</u>
		<u>11,331</u>	<u>11,022</u>

<p style="text-align: center;">WESTLAND HOLDINGS LTD (GROUP) STATEMENT OF CASHFLOWS For the period 1 July 2012 to 31 December 2012</p>
--

	Note	Group 2012 \$000
<u>Cash Flows from Operating Activities</u>		
<i>Cash was provided from:</i>		
Receipts from customers and other sources		7,427
Interest received		4
Total Cash Inflows from Operating Activities		7,431
<i>Cash was disbursed to:</i>		
Payments to employees and suppliers		6,194
Income taxes paid		176
Purchase & Development Land Costs		5
Purchase of term inventory		42
Interest paid		81
Total Cash Outflows from Operating Activities		6,498
<u>Net Cash Inflow from Operating Activities</u>	2	<u>933</u>
<u>Cashflows from Financing Activities</u>		
<i>Cash was provided from:</i>		
Proceeds from Short Term Advance - WDC		100
Proceeds of Bank Advances		600
Total Cash Inflows from Financing Activities		700
<i>Cash was applied to:</i>		
Repayment of Loans		195
Dividends paid		340
Total Cash Outflows from Financing Activities		535
<u>Net Cash Inflow/(Outflow) from Financing Activities</u>		<u>165</u>
<u>Cashflows to Investing Activities</u>		
<i>Cash was provided from:</i>		
Proceeds from sale of property, plant and equipment		129
Total Cash Inflows from Investing Activities		129
<i>Cash was applied to:</i>		
Purchase of property, plant and equipment		1,272
Total Cash Outflows from Investing Activities		1,272
<u>Net Cash Outflow from Investing Activities</u>		<u>(1,143)</u>
Net Decrease in Cash Held		(45)
Cash & cash equivalents at 1 July		179
Cash & cash equivalents at 31 December		134

Westland Holdings Ltd (Group)

STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2012.

REPORTING ENTITY

Westland Holdings Limited is registered under the Companies Act 1993. Westland Holdings Limited is wholly owned by the Westland District Council.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of Westland Holdings Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993, and the Local Government Act 2002.

The Group consists of Westland Holdings Limited, Hokitika Airport Limited, Westland District Property Limited, Westroads Limited and its 100% owned subsidiary, Westroads Greymouth Limited. All group companies are incorporated in New Zealand.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis are followed by the Group, with the exception of certain items for which specific accounting policies are identified.

ACCOUNTING POLICIES

Accounting Policies are consistent with those published in annual Financial Statements except the treatment of the provision of employee entitlements which are not split between current and non-current and is reported as current liability only and that investment properties have not been revalued during this period. Interim Financial Statements are prepared in accordance with Financial Reporting Standard no. 24

CHANGES IN ACCOUNTING POLICIES

Other than mentioned above, there have been no changes in accounting policies. All policies have been applied consistently during the period

COMPARATIVE FIGURES

There are no last year comparative figures as the Half Yearly Report for the Group was not completed for the period ended 31 December 2011. However, comparatives at 30 June 2012 have been included in the Balance Sheet.

Westland Holdings Ltd (Group)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2012

1. PROPERTY, PLANT & EQUIPMENT

	Group Dec 12 \$000
Land & Buildings	3,313
Less accumulated depreciation	<u>484</u> 2,829
Plant, Equipment & Motor Vehicles	11,849
Less accumulated depreciation	<u>(5,986)</u> 5,863
Office Furniture and Equipment	325
Less accumulated depreciation	<u>(256)</u> 69
Airport Runway Infrastructure	2,400
Less accumulated depreciation	<u>(258)</u> 2,142
Asset under Construction	9
Total Fixed Assets	<u>10,912</u>

Westland Holdings Ltd (Group)

2. RECONCILIATION OF NET PROFIT AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES

	Group Dec 12 \$000
Reported surplus after taxation	609
Add(less) non cash items:	
Depreciation	626
Loss (Gain) on Disposal	<u>(68)</u>
	1,167
Movement in working capital:	
Movement in tax	62
Increase (decrease) in Accounts Payable & Employee Provisions & Income in advance	(414)
(Increase) decrease in Receivables, Prepayments & Work in Progress	184
(Increase) decrease in inventory	<u>(66)</u>
	(234)
Net cash inflow from operating activities	<u>933</u>



HALF YEARLY REPORT

WESTROADS LIMITED (GROUP)

For The 6 Months Ended 31 December 2012

Westroads Limited (Group)

DIRECTORS REPORT

The Directors of Westroads Ltd (Group) hereby present the unaudited Half Yearly Report for the six months ended 31 December 2012.

Principal Activities

The Company & Group's principal activities during the year were Roading Maintenance, Urban Works, Bridge and Building Maintenance and the supply of Crushed Metal and Aggregate.

Financial Results

The main points of the half yearly report to 31 December 2012 are: -

- Group Revenue up \$200K on budget
- Net Profit before tax up \$326K on budget to \$701K
- Cashflows from operations of \$857K

The result for the first half of the year is strong and continues on the back of the record high profit from last year. The directors expect that this will slow in the next half of the year.

During the period Westroads successfully retained the Grey District Council Parks & Reserves contract (\$600k p.a.) for a maximum 5 year period. There were no other major contracts gained during the period although there has been numerous smaller one off work and on-going work on the cycle trail. At the end of June Westland District Council's Roading, Utilities and Parks and Reserves contracts all expire. We are working with Council in relation to these.

To recognise the effort staff had put in during our record 2011/12 year, we paid a bonus to all staff in December 12.

Dividend

The directors will approve an interim dividend at the meeting on 1 March.

For and on behalf of the Board



D M J Havill
Chairman

28 February 2012



WESTROADS LTD
STATEMENT OF COMPREHENSIVE INCOME
For the period 1 July 2012 to 31 December 2012

	Group 2012 \$000	Group Budget \$000	Group 2011 \$000
Revenue	6,242	6,000	5,070
Cost of Sales	4,375	4,665	3,679
Gross Profit	1,867	1,335	1,391
Other Income	73	10	23
Administrative Expenses	1,167	900	1,060
Results from operations	773	445	354
Interest Received	4	-	2
Interest Paid	76	70	83
Net finance costs	72	70	81
Profit before Income Tax	701	375	273
Income tax expense	196	105	76
Profit for the period	505	270	197
Other Comprehensive Income	-	-	-
Total Comprehensive Income	505	270	197



WESTROADS LTD

BALANCE SHEET

as at 31 December 2012

	Note	Group 31 Dec'12 \$000	Group 31 Dec '11 \$000
EQUITY			
Share capital		1,385	1,385
Current Period Dividends Paid or Provided		(360)	(110)
Retained Earnings Brought Forward		3,896	3,189
Current Period Net Profit/(Loss) after Tax		505	197
		<u>5,426</u>	<u>4,661</u>
represented by:			
CURRENT ASSETS			
Bank current account		-	1
Receivables		1,285	1,250
Prepayments		65	54
Tax Refundable		41	-
Inventory		440	646
Work in Progress		143	195
		<u>1,974</u>	<u>2,230</u>
CURRENT LIABILITIES			
Bank Overdraft		110	223
Bank Flexible Facility		600	650
Accounts payable and accruals		446	530
Current Portion Term Loans		332	307
Subvention Payment Payable		150	105
Tax Payable		140	16
Employee entitlements		719	609
		<u>2,497</u>	<u>2,524</u>
WORKING CAPITAL		(523)	(294)
NON-CURRENT ASSETS			
Fixed assets	1	6,799	6,286
Term Inventory		262	124
Deferred tax benefit		2	-
		<u>7,063</u>	<u>6,410</u>
INTANGIBLE ASSETS			
Goodwill		3	8
Mining Licences		9	28
		<u>12</u>	<u>36</u>
NON-CURRENT LIABILITIES			
Deferred Tax Liability		-	43
Term Loan		1,126	1,448
		<u>1,126</u>	<u>1,491</u>
		<u>5,426</u>	<u>4,661</u>



WESTROADS LTD

STATEMENT OF CASHFLOWS

For the period 1 July 2012 to 31 December 2012

	Note	Group 2012 \$000	Group 2011 \$000
<u>Cash Flows from Operating Activities</u>			
<i>Cash was provided from:</i>			
Receipts from customers and other sources		6,641	5,269
Interest received		4	2
Total Cash Inflows from Operating Activities		6,645	5,271
<i>Cash was disbursed to:</i>			
Payments to employees and suppliers		5,492	4,552
Income taxes paid		176	-
Purchase of term inventory		42	2
Interest paid		76	76
Total Cash Outflows from Operating Activities		5,786	4,630
Net Cash Inflow from Operating Activities	2	859	641
<u>Cashflows from Financing Activities</u>			
<i>Cash was provided from:</i>			
Proceeds of Bank Advances		600	-
Total Cash Inflows from Financing Activities		600	
<i>Cash was applied to:</i>			
Repayment of Loans		180	252
Dividends paid		360	110
Total Cash Outflows from Financing Activities		540	362
Net Cash Inflow/(Outflow) from Financing Activities		60	(362)
<u>Cashflows to Investing Activities</u>			
<i>Cash was provided from:</i>			
Proceeds from sale of property, plant and equipment		129	33
Total Cash Inflows from Investing Activities		129	33
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment		1,167	529
Total Cash Outflows from Investing Activities		1,167	529
Net Cash Outflow from Investing Activities		(1,038)	(496)
Net Decrease in Cash Held		(119)	(217)
Cash & cash equivalents at 1 July		9	(5)
Cash & cash equivalents at 31 December		(110)	(222)

Westroads Limited (Group)

STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2012.

REPORTING ENTITY

Westroads Limited is registered under the Companies Act 1993. Westroads Limited is wholly owned by Westland Holdings Limited.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of Westroads Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993, and the Local Government Act 2002.

The Consolidated financial statements are those of Westroads Limited including its fully owned subsidiary Westroads Greymouth Limited.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis are followed by the Company, with the exception of certain items for which specific accounting policies are identified.

ACCOUNTING POLICIES

Accounting Policies are consistent with those published in annual Financial Statements except the treatment of the provision of employee entitlements which not split and is reported treated as current liability only. Interim Financial Statements are prepared in accordance with Financial Reporting Standard no. 24

CHANGES IN ACCOUNTING POLICIES

Other than mentioned above, there have been no changes in accounting policies. All policies have been applied consistently during the period

Westroads Limited (Group)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2012

1. FIXED ASSETS

	Group Dec 12 \$000	Group Dec 11 \$000
Building Improvements	1,188	995
Less accumulated depreciation	<u>(226)</u> 962	<u>(194)</u> 801
Plant, Equipment & Motor Vehicles	11,703	11,108
Less accumulated depreciation	<u>(5,934)</u> 5,769	<u>(5,847)</u> 5,261
Office Furniture and Equipment	316	272
Less accumulated depreciation	<u>(254)</u> 62	<u>(229)</u> 43
Buildings under Construction	6	181
Total Fixed Assets	<u>6,799</u>	<u>6,286</u>

Westroads Limited (Group)

2. RECONCILIATION OF NET PROFIT AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES

	Group Dec 12 \$000	Group Dec 11 \$000
Reported surplus after taxation	505	197
Add(less) non cash items:		
Depreciation	591	616
Loss (Gain) on Disposal	<u>(68)</u>	<u>(23)</u>
	1,028	790
Movement in working capital:		
Movement in tax	21	76
Increase (decrease) in Accounts Payable & Employee Provisions & Income in advance	(466)	(183)
(Increase) decrease in Receivables, Prepayments & Work in Progress	337	147
(Increase) decrease in inventory	<u>(61)</u>	<u>(189)</u>
	(169)	(149)
Net cash inflow from operating activities	<u>859</u>	<u>641</u>

Mel Crossman

From: Bruce Smith [raycemanagement@xtra.co.nz]
Sent: Thursday, 28 February 2013 4:47 p.m.
To: Bruce Smith
Subject: WDPL Interim Reports for WHL
Attachments: WDPL Interim Accounts for the period ended 31December 2012.pdf
The Directors
Westland Holdings Ltd

By Email.

The Board of Westland District Property Ltd are pleased to report the 6 month result to the 31st of Dec 2012.

Pre tax profit is \$56,000

This figure takes into account expensing costs on the Haast Hollyford road project of \$129,513.88.

Revenue of \$719,000 is up \$402,000 on last years result.

The company achieved net cash flows from operations of \$48,000.

The company continues its focus on improving aged care facilities and opportunities in Westland.

Up grading of services and improving facilities at the Hokitika Swimming pool has continued. The installation of heat pumps in both changing rooms has been completed and planning continued for further upgrades. The number of pool users is up 23% on last year.

Jackson Bay wharf has had a number of repairs carried out and all fishermen with the exception of two are filing monthly returns enabling payment of levies. We expect to receive the resource consent to enable the boat ramp to be upgraded in February.

We expect the second 6 months to be consistent with the first 6 months.

Durham Havill
Chairman

From: Melanie Anderson [mailto:Melanie@cuffs.co.nz]
Sent: Thursday, 28 February 2013 3:34 p.m.
To: Bruce Smith
Subject: WDPL Interim Reports for WHL

Attached are the interim accounts for WDPL for the period ended 31 December 2012.

Note I am yet to have any feedback from Sue.

4/03/2013

HOKITIKA AIRPORT LTD

HALF YEARLY REPORT

For The 6 Months Ended 31 December 2012

DIRECTORS REPORT

The Directors of Hokitika Airport Ltd hereby present the Half Yearly Report for the six months ended 31 December 2012.

Principal Activities

The Company's principal activities during the six months were:

- Operation of the aerodrome at Hokitika Airport
- Management of the land and buildings surrounding the Airport as Landlord
- Operation of the Glacier Country Helipad facility.

Six Month Results

- Net profit of \$103,000

Outlook for Second Six Months

- Purchase of storage facilities at Hokitika Airport
- Completion of carpark extension at Hokitika Airport
- A profit before tax is forecast for the year ended 30 June 2013
- It is anticipated a dividend will be paid for the year ended 30 June 2013

For and on behalf of the Board

R B Smith
Chairman

12 February 2013

STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2012

REPORTING ENTITY

Hokitika Airport Limited is registered under the Companies Act 1993 and is domiciled in New Zealand. Hokitika Airport Limited is wholly owned by Westland Holdings Limited.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002 with the company's ultimate parent being the Westland District Council.

The financial statements of the company have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993, and the Local Government Act 2002.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis.

ACCOUNTING POLICIES

Accounting Policies are consistent with those published in the annual Financial Statements.

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CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. All policies have been applied consistently during the period.

<p style="text-align: center;">HOKITIKA AIRPORT LTD</p> <p style="text-align: center;">STATEMENT OF FINANCIAL PERFORMANCE</p> <p style="text-align: center;">For the period 1 July 2012 to 31 December 2012</p>
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	31-Dec-12 Actual \$000	31-Dec-12 Budget \$000	31-Dec-11 Actual \$000
Operating Revenue	288	285	277
Operating Expenditure	185	199	232
NET SURPLUS BEFORE TAXATION	103	86	45
Taxation Expense	-	-	-
NET SURPLUS AFTER TAXATION	103	86	45

HOKITIKA AIRPORT LTD

STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

	Note	31-Dec-12 \$000	30-Jun-12 \$000
EQUITY			
Share capital		2,718	2,718
Retained Earnings		(131)	(131)
Net Profit/(Loss) after Tax		103	
		<u>2,690</u>	<u>2,587</u>
represented by:			
CURRENT ASSETS			
Cash and cash equivalents	1	32	25
Trade and other receivables	2	70	87
		<u>102</u>	<u>112</u>
CURRENT LIABILITIES			
Trade and other payables	3	7	75
Current Portion Term Loan	4	32	47
Income in advance		1	1
		<u>40</u>	<u>123</u>
WORKING CAPITAL		62	(11)
NON-CURRENT ASSETS			
Property Plant & Equipment	5	3,048	3,020
		<u>3,048</u>	<u>3,020</u>
NON-CURRENT LIABILITIES			
Term Loan		142	142
Deferred Tax Liability		278	280
		<u>420</u>	<u>422</u>
		<u>2,690</u>	<u>2,587</u>

<p style="text-align: center;">HOKITIKA AIRPORT LTD STATEMENT OF CASHFLOWS For the period 1 July 2012 to 31 December 2012</p>
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	Note	Year to Date 31 Dec '12 \$000
<u>Cashflows from Operating Activities</u>		
<i>Cash was provided from:</i>		
Receipts from customers and other sources		305
Interest received		0
		<u>305</u>
<i>Cash was disbursed to:</i>		
Payments to employees and suppliers		219
Interest paid		5
		<u>224</u>
Net Cash Inflow from Operating Activities	6	81
<u>Cashflows From Investing Activities</u>		
<i>Cash was applied to:</i>		
Purchase of fixed assets		59
		<u>59</u>
Net Cash Outflow from Investing Activities		-59
<u>Cashflows From Financing Activities</u>		
<i>Cash was applied to:</i>		
Loan repayments		15
Dividends paid		0
		<u>15</u>
Net Cash Outflow from Financing Activities		-15
Net Increase (Decrease) in Cash Held		7
Cash & Cash Equivalents at 1 July 2012		25
Cash & Cash Equivalents at 31 December 2012		<u>32</u>

HOKITIKA AIRPORT LTD

NOTES TO THE FINANCIAL STATEMENTS

for the 6 Months ended 31 December 2012

31-Dec-12
\$000

1. CASH AND CASH EQUIVALENTS				
Cash at Bank				32
				<u>32</u>
2. TRADE AND OTHER RECEIVABLES				
Trade Debtors				70
				<u>70</u>
3. TRADE AND OTHER PAYABLES				
Trade Creditors				3
GST Payable				4
				<u>7</u>
4. TERM LOAN				
Current Portion Term Loan (<1 year)				49
Non Current Portion Term Loan (> 1 year)				125
				<u>174</u>
5. PROPERTY, PLANT AND EQUIPMENT				
	Book Value 30-Jun-12	Additions	Depn to 31-Dec-12	Book Value 31-Dec-12
Land & Buildings	811	56	12	855
Plant & Equipment	52	3	4	51
Runways, Roading, Drainage & Lighting	2,156		14	2,142
Under Construction	1	2		3
	<u>3,020</u>	<u>59</u>	<u>30</u>	<u>3,048</u>
6. RECONCILIATION OF NET SURPLUS AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES				
				31-Dec-12 \$000
Net surplus after taxation				103
Add (less) non cash item				<u>30</u>
				133
Movement in working capital:				
Increase/(decrease) in Trade and other payables				(69)
Increase/(decrease) in Income received in advance				0
(Increase)/decrease in Trade and other receivables				17
				<u>(52)</u>
Net cash inflow from operating activities				<u>81</u>



HALF YEARLY REPORT

Westland District Property Ltd

For The 6 Months Ended 31 December 2012

Westland District Property Ltd

DIRECTORS REPORT

The Directors of Westland District Property Ltd hereby present the unaudited Half Yearly Report for the six months ended 31 December 2012.

Principal Activities

The Company's principal activity during the period was property management.

Financial Results

The main points of the half yearly report to 31 December 2011 are: -

- Revenue up \$354K on budget and \$402K on last years results
- Net Profit before tax down \$51K on budget
- Cashflows from operations of \$48K

Dividend

No dividend has been declared for the period ended 31 December 2012

For and on behalf of the Board



D M J Havill
Director

28 February 2012



Westland properties

STATEMENT OF COMPREHENSIVE INCOME

For the period 1 July 2012 to 31 December 2012

	2012 \$000	Budget \$000	2011 \$000
Revenue			
Lease & Licences Receipts	499	272	297
Services	280	153	80
	<u>779</u>	<u>425</u>	<u>377</u>
Less Expenditure			
Administrative Expenses	575	252	122
Occupancy Expenses	139	61	26
Depreciation	5	5	-
	<u>719</u>	<u>318</u>	<u>148</u>
Other Income	-	-	3
Results from Operations	<u>60</u>	<u>107</u>	<u>232</u>
Interest Received	-	-	1
Interest Paid	4	-	-
Net finance cost/(income)	<u>4</u>	<u>-</u>	<u>(1)</u>
Profit before Income Tax	56	107	233
Income tax expense	16	30	65
Profit for the period	<u>40</u>	<u>77</u>	<u>168</u>
Other Comprehensive Income	-	-	-
Total Comprehensive Income	<u>40</u>	<u>77</u>	<u>168</u>



Westland properties

BALANCE SHEET as at 31 December 2012

	Note	31 Dec'12 \$000	31 Dec'11 \$000
EQUITY			
Share capital		2,627	2,627
Retained Earnings Brought Forward		18	(20)
Current Period Net Profit/(Loss) after Tax		40	168
		<u>2,685</u>	<u>2,775</u>
represented by:			
CURRENT ASSETS			
Cash & Cash Equivalents		104	150
Prepayments		5	-
Trade and other Receivables		249	85
		<u>358</u>	<u>255</u>
CURRENT LIABILITIES			
Trade and other Payables		311	26
Accrued Interest		4	-
Income in Advance		20	-
Subvention Payment Payable		24	-
Tax Payable		16	65
WDC Advance		100	-
		<u>475</u>	<u>91</u>
WORKING CAPITAL		(117)	164
NON-CURRENT ASSETS			
Investment Property		1,718	1,680
Fixed assets	1	282	228
Deferred tax benefit		28	5
Term Inventory		774	698
		<u>2,802</u>	<u>2,611</u>
		<u>2,685</u>	<u>2,775</u>



Westland properties

STATEMENT OF CASH FLOWS

For the period ended 31 December 2012

	Note	2012 \$000	2011 \$000
<u>Cash Flows from Operating Activities</u>			
<i>Cash was provided from:</i>			
Receipts from customers and other sources		580	311
Interest received		-	1
Total Cash Inflows from Operating Activities		580	312
<i>Cash was disbursed to:</i>			
Payments to employees and suppliers		527	146
Purchase & development land costs		5	-
Total Cash Outflows from Operating Activities		532	146
<u>Net Cash Inflow from Operating Activities</u>	2	48	78
<u>Cash Flows from Investing Activities</u>			
<i>Cash was provided from:</i>			
Sale of property plant & equipment		-	23
Total Cash Inflows from Investing Activities		-	23
<i>Cash was applied to:</i>			
Purchase of property plant & equipment		44	-
Total Cash Outflows from Investing Activities		44	-
<u>Net Cash Inflow/(Outflow) from Investing Activities</u>		(44)	23
<u>Cash Flows from Financing Activities</u>			
<i>Cash was provided from:</i>			
Loan Advances		100	-
Total Cash Inflows from Financing Activities		100	-
<u>Net Cash Inflow from Financing Activities</u>		100	-
Net (decrease)/increase in cash & cash equivalents		104	101
Cash & cash equivalents at 1 July		-	49
Cash & cash equivalents at 30 June		104	150
<i>Made up of:</i>			
Bank current accounts		104	150
Bank overdraft		-	-
		104	150

Westland District Property Ltd

STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2012

REPORTING ENTITY

Westland District Property Limited is registered under the Companies Act 1993. Westland District Property Limited is wholly owned by Westland Holdings Limited.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of Westland District Property Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993, and the Local Government Act 2002.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis are followed by the Company, with the exception of certain items for which specific accounting policies are identified.

ACCOUNTING POLICIES

Accounting Policies are consistent with those published in annual Financial Statements. Interim Financial Statements are prepared in accordance with Financial Reporting Standard no. 24 except that investment properties have not been revalued during this period.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. All policies have been applied consistently during the period.

Westland District Property Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2012

1. FIXED ASSETS

	Group Dec 12 \$000	Group Dec11 \$000
Land & Buildings	233	226
Less accumulated depreciation	<u>1</u> 232	<u>-</u> 226
Plant & Equipment	29	-
Less accumulated depreciation	<u>1</u> 28	<u>-</u> -
Office Furniture and Equipment	9	2
Less accumulated depreciation	<u>2</u> 7	<u>-</u> 2
Motor Vehicles	17	-
Less accumulated depreciation	<u>2</u> 15	<u>-</u> -
Total Fixed Assets	<u>282</u>	<u>228</u>

Westland District Property Ltd

2. RECONCILIATION OF NET PROFIT AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES

	Group Dec 12 \$000	Group Dec 11 \$000
Reported surplus after taxation	40	168
Add(less) non cash items:		
Depreciation	5	-
Loss (Gain) on Disposal	<u>-</u>	<u>(3)</u>
	45	165
Movement in working capital:		
Movement in tax	16	65
Increase (decrease) in Accounts Payable & Income in advance	189	2
Increase (decrease) in Accrued Interest	4	-
(Increase) decrease in Receivables & Prepayments	(201)	(85)
(Increase) decrease in term inventory	<u>(5)</u>	<u>(69)</u>
	3	(87)
Net cash inflow from operating activities	<u>48</u>	<u>78</u>