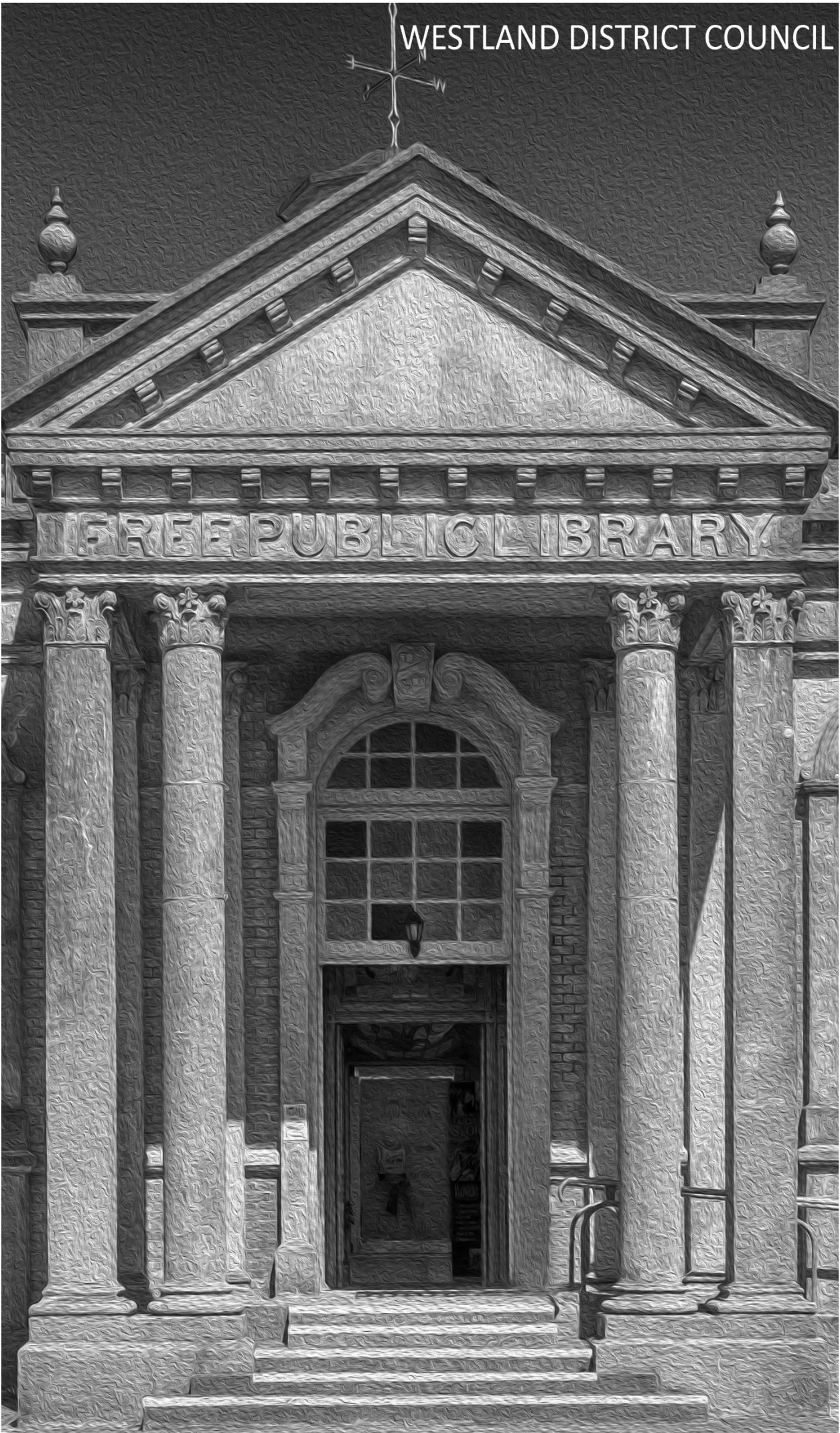


WESTLAND DISTRICT COUNCIL



ANNUAL REPORT 2013/2014



District Office	36 Weld Street, Hokitika
Postal Address	Private Bag 704, Hokitika
Communications	Phone: (03) 756 9010 Fax: (03) 756 9045 Email: council@westlanddc.govt.nz Website: www.westland.govt.nz
Date of Constitution of District	1 November 1989
Population – Census Night (2013)	11,136
Resident in District	8,307
Total Area	1,188,017 ha
Rateable Area	140,604 ha
No. of Rateable Assessments	6,595
No. of Non-rateable Assessments	656
Rateable Capital Value as at 30 June 2013	\$2,284,520,000
Non-rateable Capital Value as at 30 June 2013	\$674,877,200
Rateable Land Value as at 30 June 2013	\$1,354,322,000
Non-rateable Land Value as at 30 June 2013	\$537,552,700
Date of Last Valuation	1 September 2011
Date of Next Valuation	1 September 2014
Auditor	Audit New Zealand, on behalf of the Auditor-General
Bankers	Westpac Bank
Insurance Brokers	Crombie Lockwood
Cover Page	Hokitika Museum

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- Financial Statistics
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- Statement of Compliance
- Mayor and Councillors Contact Details
- Committees
- Executive Team
- Māori Contribution to Decision Making

Mayor and Chief Executive's Report

In October 2013 a new Mayor and Council were elected to lead the Westland district for the next three years. The message that we got from you was that you wanted change. You wanted more transparency, more accountability, and you wanted us to focus on "Getting Real" and getting our house in order.

With that in mind, we are proud to deliver this Annual Report to you this year.

The previous Council put in place an Annual Plan for 2013-14 that started this district on the path to financial sustainability. At this point we would like to thank Maureen Pugh and her team for the contribution they made to the district in their triennium.

This Annual Report tells you that Council is reporting a net surplus of \$1.1 million. After deducting \$2.7 million of grant income received in respect of the West Coast Wilderness Trail and Coastal Erosion Protection, and \$235k of income received in advance, the underlying result is a deficit of \$1.835 million, which is favourable against the Annual Plan [\$2.17 million].

In late 2013 the new Council identified the "Big 3" that we wanted to focus on in the early part of the term. These were: monthly financial reporting, initiating a review of the Council Controlled Organisations (CCOs), and undertaking a rating review. Significant progress has been made on all three projects, and you have provided us with regular feedback that we are on the right track.

In November 2013 the Greymouth to Hokitika sections of the West Coast Wilderness Trail were officially opened at a celebration in Kumara. This \$8million project has been a significant undertaking for this Council, in partnership with Grey District Council, Department of Conservation, landowners, and community volunteers. The economic benefits of the trail are already evident with new businesses emerging to provide support to both locals and visitors using the trail.

The same month we gathered in Franz Josef, and along with a representative from Te Runanga o Ngati Waewae, we opened the



Mike Havill (Mayor) and Tanya Winter (Chief Executive)

new water treatment plant to ensure the security of the supply of treated water to our most popular tourist town.

For many other areas of Council it was business as usual. Staff have gone the extra mile to provide excellent customer service to all who come in contact with us, and this will be a continual focus as we make the transition from the current front counter in the Council building to the new Customer Service Centre in the i-SITE building next year.

One of the ways Council has sought to be more transparent is to hold our monthly meetings around the district. This has provided you with an opportunity to meet us and present any issues that may be facing your community. Thank you to all those who have provided Council with constructive feedback either at these meetings or by other means.

In previous Annual Reports we have acknowledged the challenges we face with a large geographic area and a small population base and we have told you that we need to be smarter and more innovating. This past year has seen several regional initiatives gain traction or come to fruition through the West Coast Mayor's and Chair's Forum. The adoption of a Regional Economic Development Strategy, a review of Regional Tourism Spend, joint approaches to the NZ Transport Agency and central government

ministers, and attendance at important local government forums are some of the projects this Forum has worked on. A plan for a new regional model for Civil Defence was developed throughout the year and came to fruition on 1 July 2014.

Mike Havill
MAYOR

We can't operate in isolated bliss. We need to work collaboratively, and stand strong together as one region on the really important issues. We also need to support each other across the district, and this is the theme of the Rating Review process that we embarked on in 2013-14, which will be concluded next year.

Tanya Winter
CHIEF EXECUTIVE

Preface: Reporting Guidelines and the Long-Term Plan 2012/22 (LTP)

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

Council adopted its current Long Term Plan in June 2012. This Annual Report 2013/14 is the second year of 10 years included in the Long Term Plan 2012/22 (LTP).

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

For service delivery this remains a legitimate comparison and departures are explained in the statements of service performance. However, as described in the Annual Report 2012/13, the LTP contained a number of budgeting errors that rendered it an inappropriate benchmark for comparing financial performance.

This report is prepared in observance of new Local Government (Financial Reporting and Prudence) Regulations 2014 along with the Local Government Act 2002 Amendment Bill (No 3), which bring additional disclosure requirements.

In certain circumstances, particularly with financial prudence benchmarks and funding impact statements for groups of activities, the regulations require comparisons against LTP. These cases aside, comparisons are made against the budgets contained in the 'Getting Real' Annual Plan 2013/14.

Financial Statistics

	2013/14	2012/13	2011/12	2010/11	2009/10
Proportion of general rates to total income	31%	28%	24%	26%	28%
Average general rates per rateable property	\$913	\$778	\$757	\$701	\$678
Public debt (as a percentage of property, plant & equipment)	4%	4%	3%	4%	2%
Public debt (per rateable property)	\$2,232	\$2,350	\$1,842	\$2,352	\$1,216

Financial Performance Summary

	2013/14 \$000	2012/13 \$000	2011/12 \$000	2010/11 \$000	2009/10 \$000
Rates - general	6,034	5,132	4,619	4,662	4,395
Net surplus/(deficit)	1,107	(1,030)	(2,457)	(606)	409
Working capital	3,994	(12,245)	4,452	(4,639)	1,256
Public debt	14,760	15,498	15,479	13,528	7,881
Total assets	392,498	392,302	393,164	399,947	397,052

Financial Prudence

Annual report disclosure statement for year ending 30 June 2014.

What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its annual report in accordance with the [Local Government \(Financial Reporting and Prudence\) Regulations 2014](#) (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

The council meets the rates affordability benchmark if—

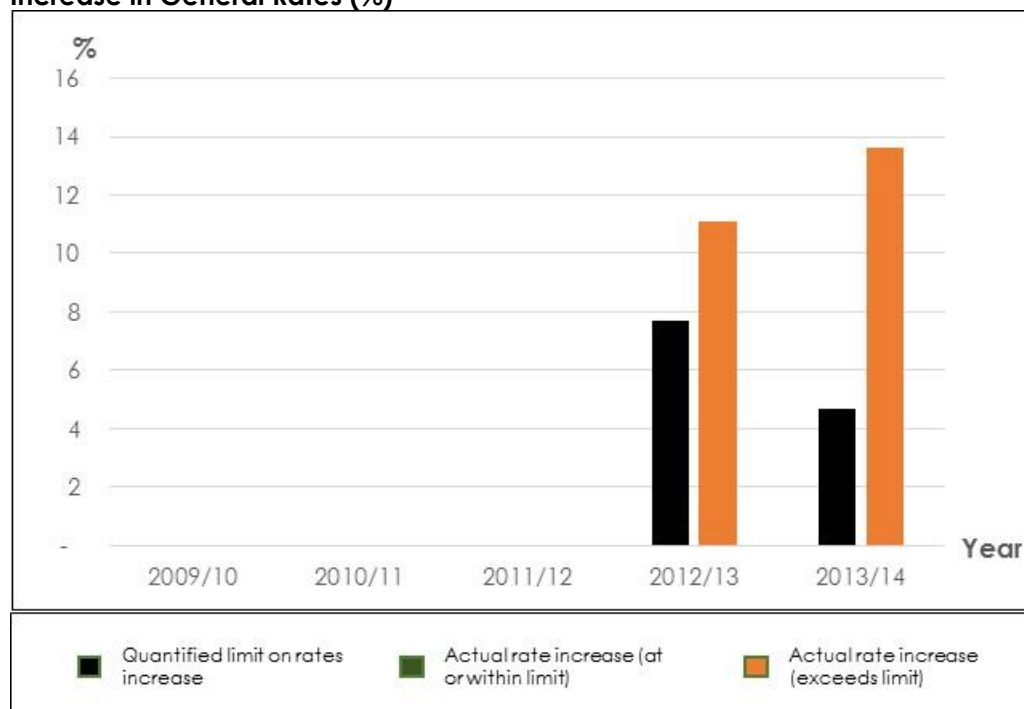
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

There is no limit prescribed in the LTP for rates income, therefore only performance against the benchmarks rates increases for rates increases can be reported.

Rates (increase) affordability – General Rates

Below is a graph for each quantified limit on rates. The graph compares the Council's actual rates increase with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan. The limit was set as a percentage increase on the preceding year with reference to the estimated BERL Overall Local Government Cost Index.

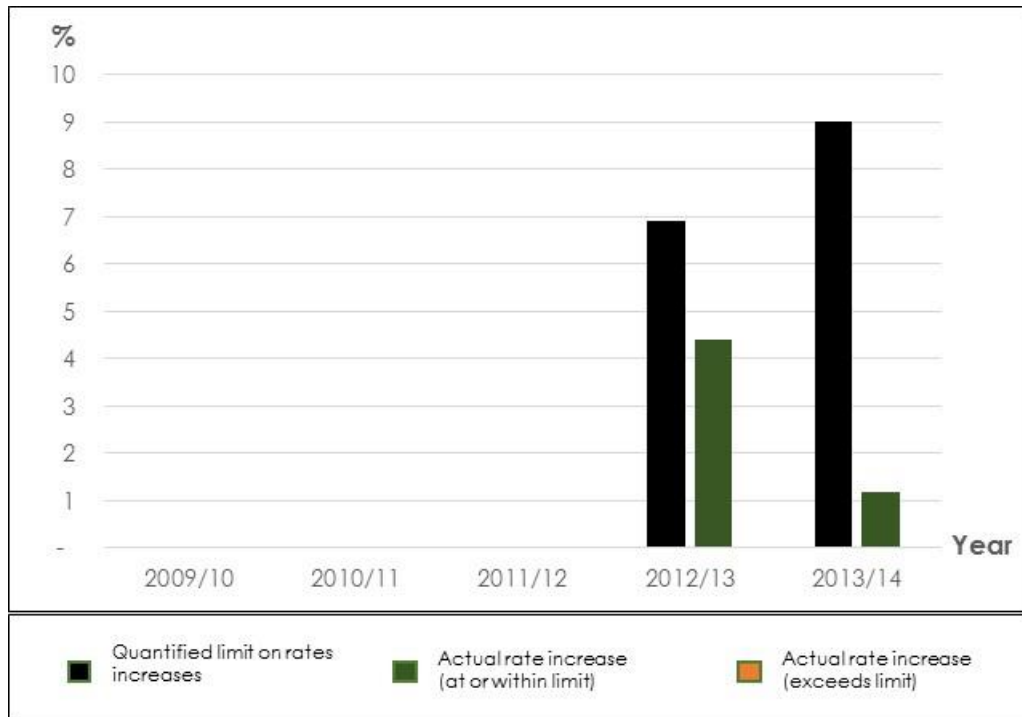
Increase in General Rates (%)



Rates (increase) affordability – Targeted Rates

The following graph compares the council's actual rates increase with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The limit was set as a percentage increase on the preceding year with reference to the estimated BERL Overall Local Government Cost Index.

Increase in Targeted Rates (%)



Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is: the average debt limits will not exceed \$3,000 per property.

Average debt level per property

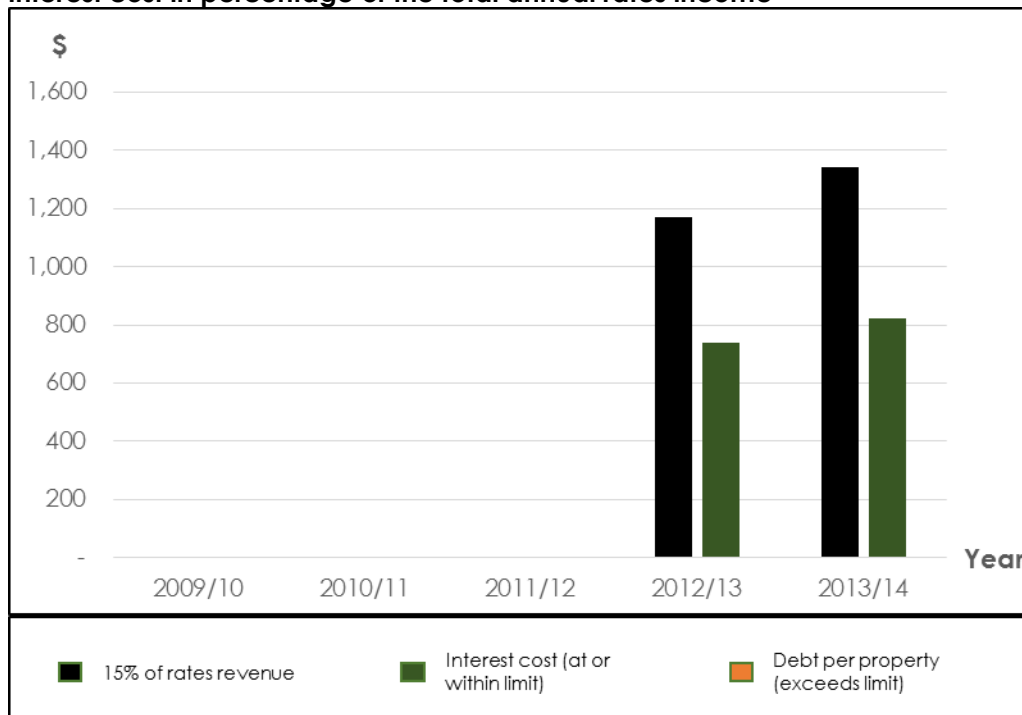


Debt affordability – debt servicing

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is: The total interest cost shall be no more than 15% of the total annual rates income.

Interest cost in percentage of the total annual rates income

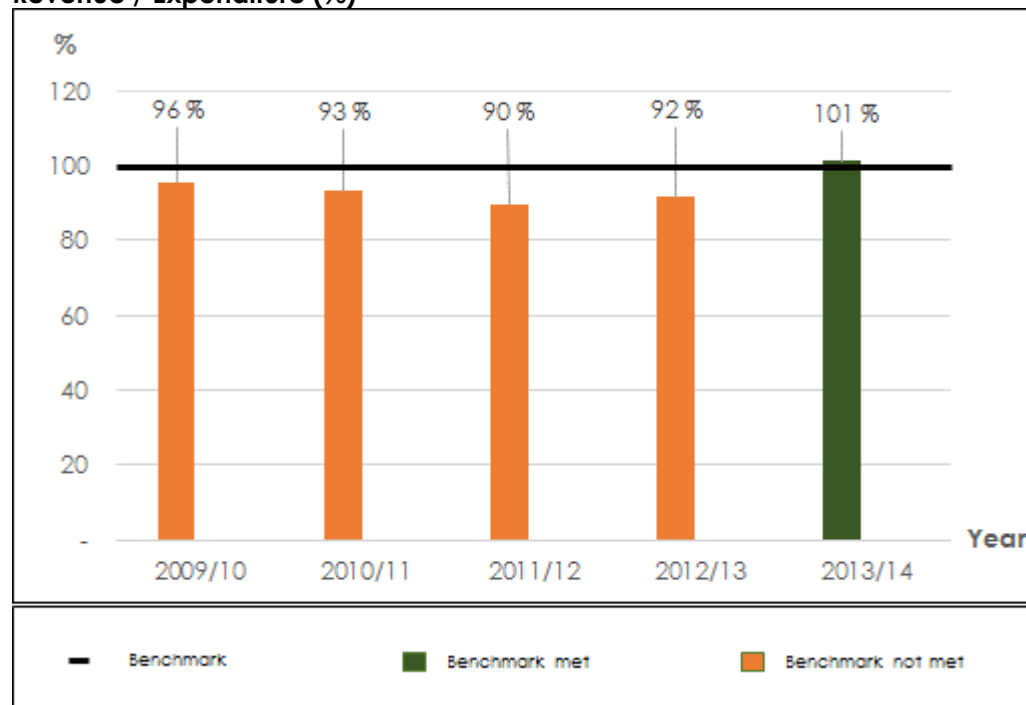


Balanced budget benchmark

The following graph displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets this benchmark if its revenue equals or is greater than its operating expenses.

Revenue / Expenditure (%)

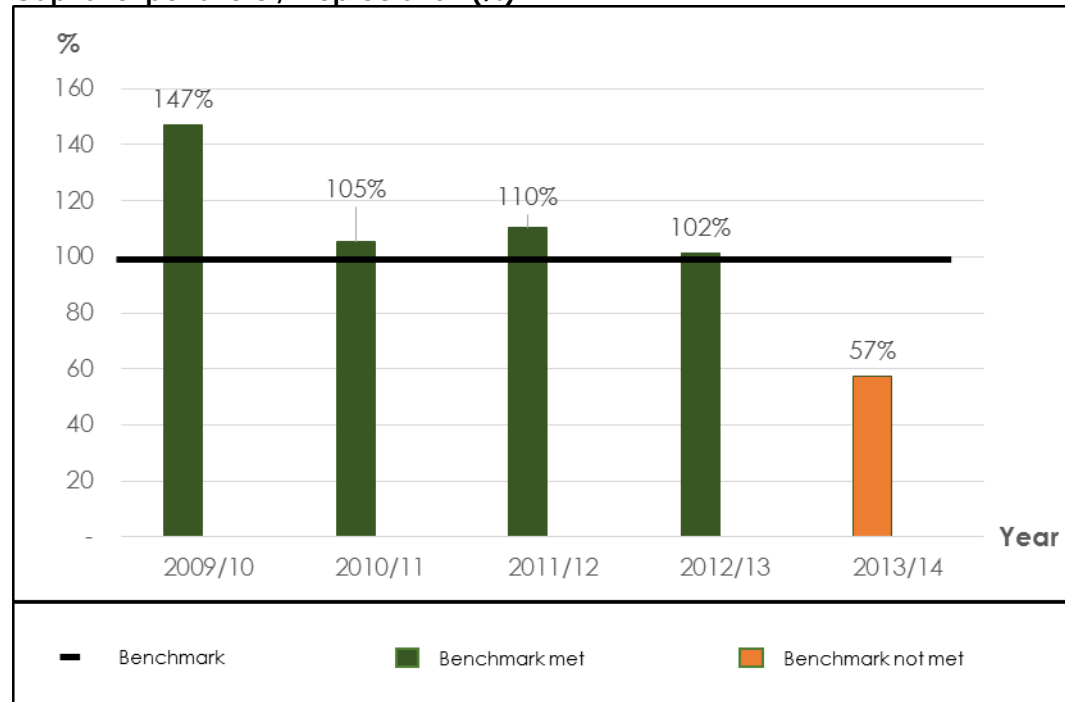


Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network service.

Capital expenditure / Depreciation (%)

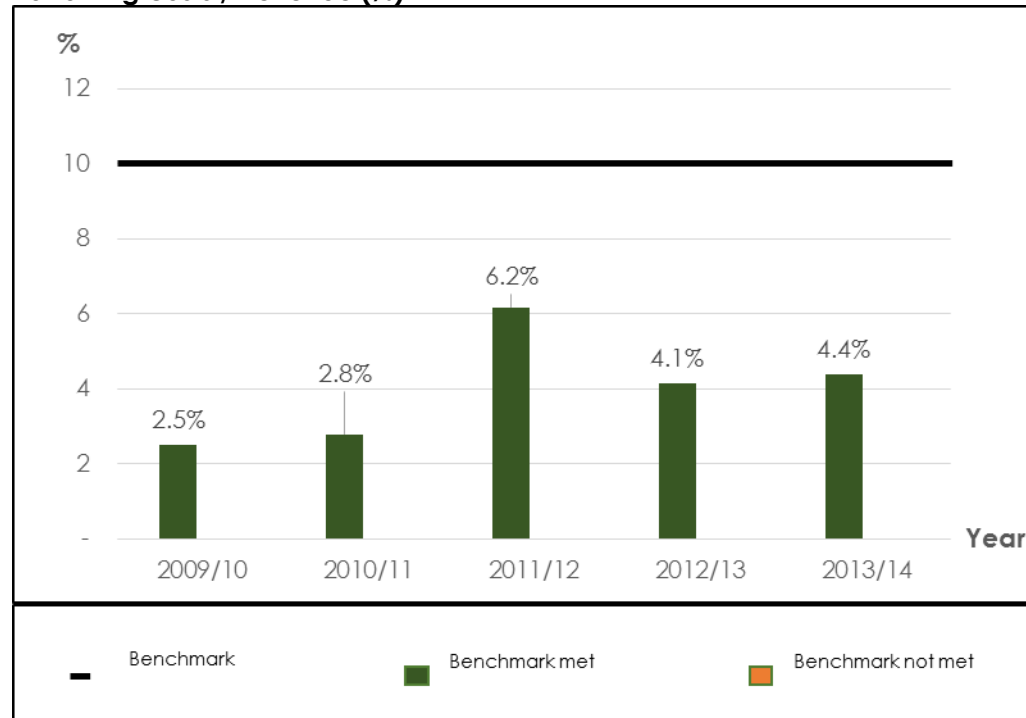


Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

Borrowing costs / Revenue (%)

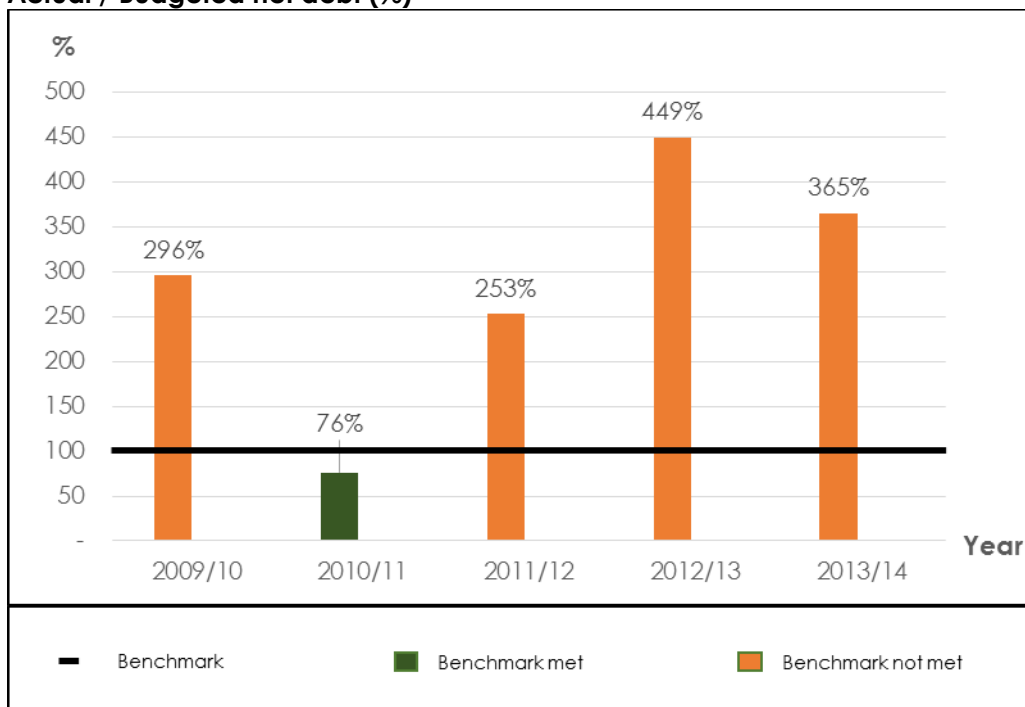


Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

Actual / Budgeted net debt (%)

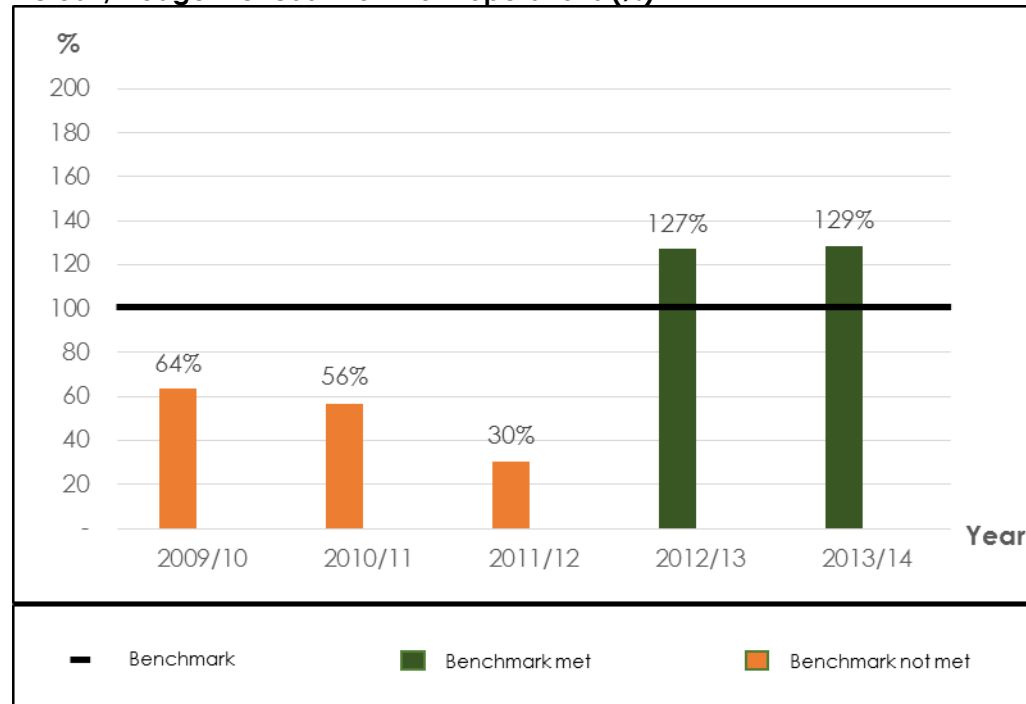


Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

Actual / Budget net cash flow from operations (%)



Statement of Compliance

Westland District Council hereby confirms that all statutory requirements contained in the Local Government Act 2002, in relation to the Annual Report 2013/14 have been complied with, except as noted below.

Council adopted this Annual Report on 29 January 2015, and therefore did not meet the statutory deadline for adoption.

Mike Havill
Mayor
Date

Tanya Winter
Chief Executive
Date

Mayor and Councillors' Contact Details



Back row (L-R): Cr Latham Martin, Cr Murray Montagu, Cr Jim Butzbach, Cr Mark Dawson, Cr Kees van Beek
 Front row (L-R): C.E. Tanya Winter, Cr Greg Hope, Mayor Mike Havill, Deputy Mayor Pauline Cox, Cr Anthea Keenan
 Photograph by: Katrina Thornley Photography

Mayor	Mayor Mike Havill mayor@westlanddc.govt.nz
Northern Ward	Cr Anthea Keenan cr.keenan@westlanddc.govt.nz Cr Murray Montagu cr.montagu@westlanddc.govt.nz Cr Kees van Beek cr.vanbeek@westlanddc.govt.nz
Hokitika Ward	Cr Jim Butzbach cr.butzbach@westlanddc.govt.nz Cr Mark Dawson cr.dawson@westlanddc.govt.nz Cr Latham Martin cr.martin@westlanddc.govt.nz
Southern Ward	Deputy Mayor Pauline Cox cr.cox@westlanddc.govt.nz Cr Greg Hope cr.hope@westlanddc.govt.nz

Committees

Executive Committee	<ul style="list-style-type: none"> • Mayor Mike Havill • Cr Mark Dawson (Chairman) • Deputy Mayor Pauline Cox • Proviso to co-opt one other Councillor
Westland Nature Trust	<ul style="list-style-type: none"> • Deputy Mayor Pauline Cox • Cr Kees van Beek • Francois Tumahai, Te Runanga O Ngati Waewae (Chairman) • Chris Auchinvole MP • Mike Slater, Conservator, Department of Conservation • Cr. Anton Becker, Grey District Council • Natalie Win, Te Runanga O Makaawhio
Creative Communities Local Assessment Committee	<ul style="list-style-type: none"> • Cr Anthea Keenan • Cr Latham Martin • Reilly Burden • Ian Boswell • Kathy Dyzel • Veronika Maser • Nick Meissel
District Licensing Committee	<ul style="list-style-type: none"> • Bryce Thomson (Commissioner) • Cr Jim Butzbach (Deputy Commissioner) • Zelda Martin • Timothy Teen • Richard Gardiner
Hokitika Seawall Joint Committee	<ul style="list-style-type: none"> • Cr Mark Dawson • Cr Jim Butzbach • Cr Kees van Beek
West Coast Emergency Management Committee	<ul style="list-style-type: none"> • Mayor Mike Havill
West Coast Regional Transport Committee	<ul style="list-style-type: none"> • Cr Greg Hope
West Coast Rural Fire District	<ul style="list-style-type: none"> • Cr Greg Hope • CE's Appointment Vivek Goel

Executive Team



L-R Gary Borg, Diane Maitland, Tanya Winter, Vivek Goel, Jim Ebenhoh

Tanya Winter

Chief Executive

Telephone: 03 756 9010

Email: ce@westlanddc.govt.nz

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

- Receives good policy advice
- Delivers all services to the desired standard
- Delivers the Annual and Long Term Plan
- Complies with the law

In order to achieve this, Tanya is responsible for ensuring that she has the right people to do the job. Tanya also oversees the West Coast Wilderness Trail, Civil Defence, Wildfoods Festival, Human Resources and Communications.

Diane Maitland

Executive Assistant

Telephone: 03 756 9038

Email: diane.maitland@westlanddc.govt.nz

As Executive Assistant, Diane provides the Chief Executive, Mayor and Councillors with a comprehensive and efficient administrative and secretarial service. Diane facilitates and maintains a professional link between the Mayor, Councillors, Chief Executive and Executive Teams.

Gary Borg

Group Manager: Corporate Services

Telephone: 03 756 9030

Email: gary.borg@westlanddc.govt.nz

As Group Manager: Corporate Services, Gary's primary responsibility is to provide effective financial management within the policies adopted by Council. Gary's other responsibilities include the financial inputs into the Annual Report, Annual Plan, and Long Term Plan, and ensuring the Council Controlled Organisations meet their reporting requirements. Gary's team also provides frontline customer service for Council, and information to tourists via the i-SITE.

Jim Ebenhoh

Group Manager: Planning, Community & Environment

Telephone: 03 756 9035

Email: jim.ebenhoh@westlanddc.govt.nz

As Group Manager: Planning, Community and Environment, Jim is responsible for the department of Council which deals with resource and building consents, liquor licensing, environmental health and other registration and licensing. Jim is responsible for the preparation of the Annual Report, Annual Plan, and Long Term Plan. Jim is also responsible for the District Library, Museum and Community Development and maintaining the District Plan.

Vivek Goel

Group Manager: District Assets

Telephone: 03 756 9034

Email: vivek.goel@westlanddc.govt.nz

As Group Manager: District Assets, Vivek's primary responsibility is for operating, maintaining and improving Council's infrastructural assets. These include roading, water services, recreational assets, cemeteries, buildings and solid waste disposal. Vivek is also responsible for Transportation Planning, Asset Management and Rural Fire.

Māori Contribution to Decision Making

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

Council has a current 'Māori Consultation Policy' within the existing Long Term Plan. The policy will be subject to statutory consultation through its inclusion in the 2015-2025 Long Term Plan and will be revisited more thoroughly in 2015/16.

Council staff meet quarterly with representatives of Te Rūnanga o Makaawhio to discuss strategic matters largely in relation to the Resource Management Act 1991 at an officer level. The agendas for these meetings have broadened over time to include initial consultation on other topics such as the Annual Plan, and planning for major infrastructure projects.

Council has a Safer Community Council that meets bi-monthly and agendas and previous minutes of those meetings are emailed to both Makaawhio and Ngāti Waewae. Both iwi have been personally invited but attendance has been sporadic. These meetings focus on local issues of community safety and crime prevention.

The Westland Nature Trust is responsible for overseeing the development of the West Coast Wilderness Trail. It meets quarterly and has representation from the Mawhera Incorporation and Te Rūnanga o Ngāti Waewae.

STATEMENTS OF SERVICE PERFORMANCE

- Promoting and Supporting our Community
- Providing Essentials for our Community
- Providing Leadership for our Community
- Planning for our Community

INTRODUCTION

The purpose of this section of the report is to evaluate the extent to which Council was able to deliver on the levels of service and complete projects within the budgets set out in the 'Getting Real' Annual Plan 2013/14.

Each activity is examined in turn. As with previous years the Residents' Satisfaction Survey was not completed due to budgetary constraints. This was a performance measure for several activities in the Long Term Plan 2012/22.

Responsiveness measures are assessed with reference to incidents reported on Council's service request system. These are captured when customers contact the council helpdesk to request assistance, and retrospectively when staff or contractors have responded to emergencies and later report the details to customer service.

PROMOTING AND SUPPORTING OUR COMMUNITY

"Hokitika Museum's major highlight for 2013/14 was the permanent installation of the special exhibition produced for visitors during the Rugby World Cup in 2011 with funding from NZ Lotteries. The permanent installation of the exhibition (which had been in storage since early 2012) was supported by The Lion Foundation and the West Coast Whitebaiters Association. As part of the same process other displays in Drummond Hall were also updated and this process is continuing."

Julia Bradshaw
Director, Hokitika Museum



"The library highlight of the year is the reciprocal borrowing agreement between Westland and Grey District Libraries that started on 1 July 2014. This agreement gives residents of both districts access to a total collection size of more than 60,000 items as well as a wider choice of material, especially fiction."

Sarah Thompson
District Librarian, Hokitika Library

"A highlight in the Parks and Reserves activity was the rehabilitation of playing surface at Cass Square, some further development of Preston's Bush and additional works to walkway tracks around Hokitika"

John Bainbridge
Field Inspections Officer



Leisure and Cultural Assets Group

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

Leisure and Cultural Assets Group Funding Impact Statement

For the year ended 30 June 2014

	2014 Actual \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,577	1,500	1,455
Targeted rates (other than a targeted rate for water supply)	18	6	6
Subsidies and grants for operating purposes	43	84	82
Fees, charges, and targeted rates for water supply	710	1,044	1,014
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	6	0	0
Total operating funding (A)	2,355	2,635	2,557
Application of operating funding			
Payments to staff and suppliers	2,409	2,528	2,454
Finance costs	0	0	0
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,409	2,528	2,454
Surplus/(deficit) of operating funding (A-B)	(54)	107	103
Sources of capital funding			
Subsidies and grants for capital expenditure	2,198	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	106	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	2,304	0	0
Application of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	1,648	20	24
- To replace existing assets	79	78	52
Increase/(decrease) in reserves	523	9	27
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	2,250	107	103
Surplus/(deficit) of capital funding (C-D)	54	(107)	(103)
Funding balance ((A-B)+(C-D))	0	0	0

Library

Vision

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

What we do

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

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

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Opening hours are convenient for users of District Library services	% of customers satisfied with opening hours	Resident Satisfaction Survey and Internal Survey	Not measured	90%	Not measured
Library services are utilised	Number of physical visits to Library	Recorded visitor numbers	76,166	90,000	88,417
Library services are utilised	Increased use of Library facilities	Membership	3,921	3,600	3,567
Library services are utilised	Increased use of Library facilities	Issues	80,365	88,000	83,924
The Library environment is comfortable and user friendly	% of customers satisfied with library environment	Resident Satisfaction Survey	Not measured	90%	Not measured
A wide range of up to date material is available in a variety of formats and relevant to the community	% of customers satisfied with the selection of material available in print, E-format, audio/visual and IT services	Resident Satisfaction Survey	Not measured	90%	Not measured
A wide range of up to date material is available in a variety of formats and relevant to the community	Increased awareness in the community of availability of material	Hits E-Service 'Overdrive'	1,478	1,224	1,224

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
A wide range of up to date material is available in a variety of formats and relevant to the community	Increased awareness in the community of availability of material	Hits on website	12,443	32,242	32,242
The Library meets National Public Library Standards	The Library lending collection is up to date and relevant for the community	Meets NZ Public Library Standard D 3.1. · Issues per capita · Turnover of lending collections · % of operating budget allocated for purchase of collection material	0 out of 3 measures	3 out of 3 measures	0 out of 3 measures

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	30	29	2
Operating expenditure	460	455	(5)
Net operating cost of services - surplus/(deficit)	(430)	(427)	(3)
Includes depreciation of	91	87	

Overall Assessment of Performance

The Library reduced opening hours by 12 hours per week from the 21 October 2013 as determined in the Annual Plan 2013/14. The main reduction is weekend hours which restricts accessibility, and explains the reduction in visitor numbers.

Possible reasons for reduced website hits:

- a change in online browsing habits
- IT issues throughout the year that have discouraged borrowers from using the library website/catalogue
- user dissatisfaction with the library website content

The targets within NZ Public Library Standard are not considered realistic.

Museum

Vision

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

What we do

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

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

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

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Users of the Museum visitor service are satisfied with their experience	% of visitors satisfied with the museum displays and exhibitions	Resident Satisfaction Survey	Not measured	90%	Not measured
The Museum environment is comfortable and user friendly	% satisfied with the museum environment, availability, opening hours and remote access	Resident Satisfaction Survey	Not measured	90%	Not measured
The Museum provides a good quality experience	Maintain visitor numbers	Museum visitor records	13,753	23,539	11,573
The Museum reflects the history and character of the people of Westland	Maintain number of exhibitions and programmes per annum	Number of exhibitions or programmes that relate to Westland	7	8	15
Research and heritage advisory or related information services are easily accessible	Requests for service are responded to within 5 working days	The Museum enquiries register	97% of 650	100%	97% of 283

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Collection objects, archives and photographs are cared for to industry standard	Museum Collection is maintained and preserved	Number of objects damaged due to poor climate and pests	Not measured	0	Not measured
Collection objects, archives and photographs are cared for to industry standard	Museum Collection is maintained and accessible	Number of donated items catalogued per annum	11% of 2,120	6%	9% of 5,322
The Museum knows who their visitors are and will develop to meet their needs	Analyse visitor profiles	Visitor survey	822 completed surveys	Completed by June 2013	451 completed surveys
The Museum will develop to reflect its stakeholders and the wider community	Strategic review within first year of plan	Plan tabled and recorded in Council minutes	Not completed	Completed by June 2013	Not completed

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	68	40	28
Operating expenditure	321	304	(17)
Net operating cost of services - surplus/(deficit)	(253)	(264)	11
Includes depreciation of	9	10	

Overall Assessment of Performance

The baseline for visitor numbers was established during the Rugby World Cup 2012, and is thus unrealistic. However, an increase of 19% on 2012/13 was achieved, largely by capitalising on the success of Eleanor Catton's novel 'The Luminaries'. The resulting increase in revenue from retail, admissions and commissions generated a favourable variance against budget.

The strategic review was not undertaken due to budgetary constraints.

Swimming Pools

Vision

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

What we do

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Users have the maximum usage of the pool during the year	Minimum season October to April	Opening times	46 weeks	43 weeks	43 weeks
The water is a comfortable temperature for swimming	Water temperature to be maintained at between 27.5 and 28.5 Celsius	Monthly Report	28-28.7 C	28C	27-28.5C
Pool use is maximised by the community	Increase pool usage by 1% pa	Annual Report	19,752	13,947	17,725
Learn to swim courses are available for the community to utilise	A minimum of 5 courses to be held each year in either swim or exercise programme	Annual Report	6 Courses	6 Courses	12 Courses
Pool water is safe for swimming	Tests compliant with NZS 5826:2010	Monthly report for Hokitika Pool	99%	100%	99%
Pool water is safe for swimming	Tests compliant with NZS 5826:2010	Monthly report for Ross Pool	99%	100%	99%
The pool environment is safe	Lifeguard supervision provided in accordance with Swimming Pool Guidelines published by New Zealand Recreation Association	Pool Safe Accreditation	100%	100%	100%
The future of the pool facility is planned for	Strategic review within first year of plan	Plan tabled and recorded in Council minutes	Under WDPL Management	Plan completed and tabled by June 13	Not completed

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	4	0	4
Operating expenditure	245	254	9
Net operating cost of services - surplus/(deficit)	(241)	(254)	13
Includes depreciation of	26	7	

Overall Assessment of Performance

Council has not budgeted for a Strategic Review and as such a Strategic Review has not occurred. Hokitika Pool is managed by Westland District Properties Limited who have a Pool Revitalisation Plan in place. Work has commenced on facility development. The favourable variance in operating costs is a timing correction.

i-SITE

Vision

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

What we do

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Increase number of activities and accommodation booked and purchased	Increase sales of Westland activities and accommodation by 3%	Recorded information from the IBIS booking and sales system used by i-SITE	\$635,722	\$669,234	\$563,756
Provide excellent customer service	Maintain customer satisfaction levels at 90%	Bi Annual mystery shopper assessment	Mystery Shopper assessment 94%	90%	Qualmark 86%
		Bi Annual Qualmark Assessment			
Increase visitor numbers to Westland	The number of Visitors handled by Hokitika i-SITE Visitor Centre maintained	Recorded information from i-SITE	53,894	53,470	50,551

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	191	171	20
Operating expenditure	363	317	(46)
Net operating cost of services - surplus/(deficit)	(173)	(146)	(26)
Includes depreciation of	12	6	

Overall Assessment of Performance

Heavy rain fall caused a major slip on State Highway 6 at Diana Falls, between Haast and Makarora, in September 2013. The road has been reduced to single-lane traffic and is closed every night from Makarora to Haast Township. This caused a drop in tourist numbers and bookings. Repair is scheduled for completion from November 2014 if the weather remains favourable.

During April 2014 an ice collapse on the Fox Glacier dammed and diverted the Fox River making walking tracks unsafe. Glacier walking trips were suspended resulting in an adverse revenue variance. This loss will continue until the Glacier has stabilised and is safe.

Retail sales increased by 70% over budget, although this was at lower margins as cost of sales doubled, generating a net improvement in contribution of \$3,609.

In personnel costs the holiday pay accrual increased by over \$14,000.

Events

Vision

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

What we do

We work on developing and growing our iconic major event – the Hokitika Wildfoods Festival.

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Increase visitor numbers to Westland	Grow the estimated economic impact to the District of major events	BERL Impact report will not be undertaken in the 2014 year	Not measured	Baseline from 2011/12	Not measured
Increase visitor numbers to Westland	The number of events and the estimated attendance	The number of events	1	1	2
Increase visitor numbers to Westland	The number of events and the estimated attendance	The number of estimated attendance	8,220	11,847	12,955
Provide excellent and well attended events	% of residents satisfied with events and festivals	Residents' satisfaction survey	Not measured	90%	Not measured

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	378	451	(73)
Operating expenditure	459	491	32
Net operating cost of services - surplus/(deficit)	(81)	(40)	(41)
Includes depreciation of	3	0	

Overall Assessment of Performance

The Business and Economic Research Limited (BERL) economic survey is a useful tool for understanding the benefit Westland gets from this event. The impact assessment does not change greatly on an annual basis and as such the report is only budgeted to be prepared every few years. Therefore no economic assessment was done in 2012/13 or 2013/14.

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

Ticket sales for the Wildfoods Festival were 8,220 for 2014 (2013: Wildfoods Festival 10,412, 2012: Whitebait Festival 2,543).

Council reviewed the Events Department as part of the Getting Real Annual Plan, and in 2013-14 the focus reduced to only supporting the Wildfoods Festival. The variances in the financial result reflect these changes in service levels.

The reductions in both revenue and costs versus budget are a consequence of the downsizing of the festival. The determining factor was that ticket sales did not achieve critical mass and consequently this activity recorded an adverse variance of \$41,042.

Community Halls and Buildings

Vision

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

What we do

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Buildings and halls provide a safe and useful resource for the local community	Buildings have current WOF where required	WOF issued	100%	100%	100%
Buildings and halls provide a safe and useful resource for the local community	% of residents satisfied with the standard of their hall or community building	Resident Satisfaction Survey	Not measured	80%	Not measured
Requests for service are dealt with promptly	Service requests are responded to within 3 working days	Service Request support system	No service requests	100%	100%

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	0	13	(13)
Operating expenditure	117	112	5
Net operating cost of services - surplus/(deficit)	(117)	(99)	(18)
Includes depreciation of	24	23	

Parks and Reserves

Vision

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

What we do

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Reserves are pleasant, enjoyable and safe places	% of residents satisfied with parks and reserves	Resident Satisfaction Survey	Not measured	80%	Not measured
Reserves are pleasant, enjoyable and safe places	Reported injuries	Number of reported injuries	1	0	0
Reserves are pleasant, enjoyable and safe places	Playground equipment and furniture meet Health and Safety standards	Playground warrant of fitness	Complied	WOF issued	Not measured
Requests for service are dealt with promptly	Service requests are responded to within 1 day	Service Request System	15% of 13	100%	66% of 3
We want to keep the community safe so parks and reserves are maintained to a good standard and in an environmentally sensitive manner	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly	Monthly management reports	100%	100%	100%

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	72	6	66
Operating expenditure	338	396	57
Net operating cost of services - surplus/(deficit)	(267)	(390)	123
Includes depreciation of	28	28	

Overall Assessment of Performance

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

There was 1 injury reported over the year, a cut hand from broken plastic on a slide that had been vandalised. The slide has been repaired and a section replaced.

The favourable income variance relates to reserve contributions received from developers. These are not budgeted for. The favourable variance in operating costs is a result of reduced levels of service, such as mowing, and deferred maintenance.

Cemeteries

Vision

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

What we do

The Council manages cemeteries which:

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Cemeteries are accessible and safe for the community	% of customers feel safe in cemetery grounds	Resident Satisfaction Survey	Not measured	80%	Not measured
Requests for service are dealt with promptly	Service requests are responded to within 5 working days	Monthly meeting and audit report from contractor	50% of 2	100%	Not achieved
The Cemetery grounds are clean and tidy	% of customers satisfaction with state of all cemetery grounds	Resident Satisfaction Survey	Not measured	90%	Not measured
Burials adhere to relevant legislation	Standards for burial are in adherence to Cemeteries & Cremations Act 1964	Cemetery records	100%	100%	100%
Cemeteries are accessible and safe for the community	Opening hours are well advertised and adhered to	Cemetery opening hours	No issues	No service requests	No service requests

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	58	36	23
Operating expenditure	151	123	(28)
Net operating cost of services - surplus/(deficit)	(92)	(87)	(5)
Includes depreciation of	5	4	

Overall Assessment of Performance

In the 2013/14 year there were 2 service requests and 1 was not responded to within the 5 day timeframe. In 2012/13 there was 1 request, not responded to within the 5 day timeframe.

The increase in operating revenue is mainly related to a recharge of contractor charges (included in operating costs) to Veterans Affairs NZ for concreting work performed at the RSA plot in Hokitika Cemetery. This is offset against operating expenditure. The remaining variance in operating costs is also related to maintenance work.

Elderly Housing

Vision

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

What we do

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
The units are safe to live in	Maintenance programme is completed each year	Monitoring against maintenance programme	90%	100%	Not measured
The units are clean and comfortable	% of tenants satisfied with living conditions	Resident Satisfaction Survey	88%	95%	Not measured
Tenants receive prompt response to their requests for service	% of requests for maintenance or complaints actioned within 7 working days	Service Request System	100%	100%	Not measured

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	22	0	22
Operating expenditure	67	43	(24)
Net operating cost of services - surplus/(deficit)	(45)	(43)	(2)
Includes depreciation of	43	43	

Overall Assessment of Performance

Westland District Properties Ltd (WDPL) manage elderly housing on Council's behalf. They undertake repairs and maintenance to the housing as the need arises. There is a programme for roof replacement that is being implemented.

An annual satisfaction survey is undertaken in August of each year. For the 2013/14 year 90% of tenants were interviewed and achieved 100% very satisfied/satisfied with the service provided by WDPL.

Requests for service are actioned within 2-3 working days and outcomes are recorded.

Community Services Group

- Community Development

"One of my highlights has been supporting the Fox Glacier Community Development Society in seeing their new community centre facility plans take shape to the point where they will be able to call for tenders for their new facility in the 2014/2015 financial year."

Derek Blight
Community Development Advisor

Community Services Group

Funding Impact Statement

For the year ended 30 June 2014

	2014 Actual \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	193	201	195
Targeted rates (other than a targeted rate for water supply)	104	108	105
Subsidies and grants for operating purposes	26	16	16
Fees, charges, and targeted rates for water supply	54	26	26
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	377	351	342
Application of operating funding			
Payments to staff and suppliers	641	513	500
Finance costs	0	0	0
Other operating funding applications	0	0	0
Total applications of operating funding (B)	641	513	500
Surplus/(deficit) of operating funding (A-B)	(264)	(162)	(158)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Application of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	(264)	(162)	(158)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(264)	(162)	(158)
Surplus/(deficit) of capital funding (C-D)	264	162	158
Funding balance ((A-B)+(C-D))	0	0	0

Community Development

Vision

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

What we do

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

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

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

Service Levels and Performance Measures

Safer Community Council

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Build capacity in the community to reduce reported crime	Maintain low level of family violence, vandalism, and burglary	Number of reported crimes in Family Violence	106	70	51
Build capacity in the community to reduce reported crime	Maintain low level of family violence, vandalism, and burglary	Number of reported crimes in Vandalism	101	10	109
Build capacity in the community to reduce reported crime	Maintain low level of family violence, vandalism, and burglary	Number of reported crimes in Burglary from NZ Police reports	60	40	48
Build capacity in the community to reduce reported crime	At least three programmes are delivered throughout the year that meet the requirements of the funder	Number of programmes that meet the requirements of the funder	6	3	6
Create opportunities for the community through building relationships with outside groups and agencies	Meetings with the Police and other government agencies regarding prevention and programming	Number of meetings per annum	47	15	60
Protect the environment from littering	Monitor freedom campers	Number of infringements issued	0	50	96

Assistance Funding

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Funding is available for community projects	Advertising of grants occurs 4 times a year	Newspaper ads, advertising in Uniquely Westland	6	4	1
Funding is available for community projects	Number of groups/individuals applying	Number of applications received	38	10	18
Funding is available for community projects	Funding is made available to all members/groups of the community	Number of applications approved	24	10	18
Build capacity in the community to create community projects	Referrals to external agencies	Number of referrals recorded	18	5	5
Consult the community on issues of importance	Number of consultations per year	Summary of consultation results over year tabled to Council	10	4	3

Financial Performance (excluding rates)

Community Development

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	54	0	54
Operating expenditure	226	66	(160)
Net operating cost of services - surplus/(deficit)	(172)	(66)	(106)
Includes depreciation of	1	0	

Community Assistance

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	26	43	(17)
Operating expenditure	422	321	(101)
Net operating cost of services - surplus/(deficit)	(395)	(278)	(118)
Includes depreciation of	6	7	

Overall Assessment of Performance

The Council revoked the Westland District Freedom Camping Bylaw 2012 in September 2013

During the year Council consulted with the community as follows:

- Goldrush meeting
- Cycle Trail workshops
- Annual Plan workshops
- Pioneer Statue meetings
- Harihari Community Facility
- Otira Residents (waste)
- Whataroa Mint Creek Water Supply
- Jackson Bay Wharf
- RSA building

A distribution from the Reserve Development Fund was received by Whataroa Community Association for the Whataroa Playground.

Council reviewed service levels for this activity as part of the 'Getting Real' Annual Plan.

Community Development:

The favourable financial variance is primarily due to non-budgeted income related to the Reserves Contribution for the Whataroa playground; the corresponding cost of this project [\$42,000] is part of the cost variance for this activity. Additional revenue was realised from the sale of logs for milling purposes as a result of trees felled by Cyclone Ita.

The remainder of the adverse expenditure variance relates to savings that were anticipated in the budget as operations were reduced. There is a time lag in realising these savings.

Community Assistance:

The unfavourable variance is mainly due to accumulated Glacier Grant using the carried forward allocated funds from the previous years in addition to this years budgeted allocation.

PROVIDING ESSENTIALS FOR OUR COMMUNITY

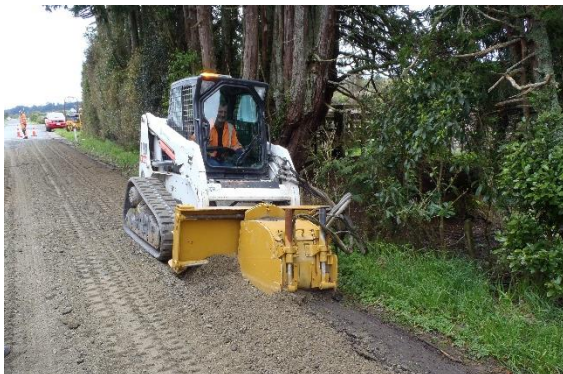
- Transportation
- Water Supply
- Wastewater
- Storm Water
- Solid Waste Management



The Bealey St Watermains Upgrade



The Fitzherbert St Wastewater Pumping Main Upgrade



Surface Milling, Old Christchurch Road

Transportation

Funding Impact Statement

For the year ended 30 June 2014

	2014 Actual \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,416	1,036	1,006
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	1,085	1,427	1,385
Fees, charges, and targeted rates for water supply	30	475	5,544
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	2,531	2,937	7,935
Application of operating funding			
Payments to staff and suppliers	2,442	2,569	2,496
Finance costs	0	0	0
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,442	2,569	2,496
Surplus/(deficit) of operating funding (A-B)	89	368	5,439
Sources of capital funding			
Subsidies and grants for capital expenditure	2,124	1,374	1,334
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	2,124	1,374	1,334
Application of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	5,129
- To replace existing assets	2,124	2,112	2,052
Increase/(decrease) in reserves	89	(370)	(408)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	2,213	1,742	6,773
Surplus/(deficit) of capital funding (C-D)	(89)	(368)	(5,439)
Funding balance ((A-B)+(C-D))	0	0	0

Transportation

Vision

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

What we do

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

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
The transportation network is constructed and maintained so that it is safe and good to use	Number of Police reported vehicle crashes per year on Council maintained roads involving injury where the contributing factor is "road factor"	NZTA Crash Analysis System	0	Less than 50	0
The transportation network is constructed and maintained in a prompt manner	Contractors respond to and repair faults within timeframes that are specified within the maintenance contract	Reporting from Contractors	100%	90% compliance rate	100%
Transportation activities are managed at a standard that satisfies the community	% satisfied with Council's roading network	Resident Satisfaction Survey	Not measured	80%	Not measured
Transportation activities are managed at a standard that satisfies the community	The number of service requests received regarding roading and transportation assets	Service Request System	39	Less than 12	37

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Transportation activities are managed at a standard that satisfies the community and legislation	Consents are applied for, held and monitored	Compliance with West Coast Regional Council resource consent conditions	100%	100%	100%
Roads are comfortable to drive on	Roads in Westland meet the national average according to the Smooth Travel Index Guide. This is the comparison of the condition of roads across New Zealand, measuring smoothness relative to traffic volume and whether the road is rural or urban	Road Assessment and Maintenance Management system as required by the New Zealand Transport Agency	94% Westland 86% National Average	Better than the National Average	94% Westland 86% National Average
The surface condition of roads in Westland is good quality	Road surfaces meet the national average according to the surface condition index. This represents surface condition of roads and demonstrates Council is maximising the life of road surfaces	Road Assessment and Maintenance Management system as required by the New Zealand Transport Agency	99% Westland 98% National Average	Better than the National Average	98% Westland 98% National Average
The transportation network is constructed and maintained so that it is safe and good to use	The road network is accessible subject to planned or emergency works closure	Service Request System	1	0 requests for service	0
The transportation network is maintained so that failures are prevented as much as possible	A customer service system is managed for handling emergency calls after hours promptly and efficiently	Service Request System	27	0 requests for service	6
Footpaths are maintained and in good condition	Service requests regarding the state of footpaths	Service Request System	22	12 requests for service	17

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	3,239	2,589	650
Operating expenditure	5,329	4,865	(464)
Net operating cost of services - surplus/(deficit)	(2,090)	(2,276)	186
Includes depreciation of	2,887	2,642	

Overall Assessment of Performance

Performance in terms of construction, maintenance and management of the road network is measured in accordance with the New Zealand Transport Agency Crash Analysis System (NZTA CAS).

The comfort and quality of road surfaces is assessed bi-annually, next survey results are due in the March 2015 period.

The variances in both income and expenditure were primarily due to coastal erosion protection work funded by the NZTA and West Coast Regional Council, and emergency repairs following Cyclone Ita, partly subsidised by the NZTA.

The number of service requests received regarding roading and transportation assets.

"Service Requests" are made up of complaints and requests for service from road users, rate payers and the general public. They do not include work instructions and network reports generated by council staff or contractors.

Of the 39 service requests received for 2013/14, 38 were with regard to street lighting. Generally these requests were in relation to blown streetlight lamps. The number generated is not unexpected for this period.

Number of Police reported vehicle crashes per year on Council maintained roads involving injury where the contributing factor is "road factor"

The number of crashes and crash type (110) differs from that of crash factors (264) because any number of factors may be determined to be the factor for an individual crash ie. A disabled driver under the influence of alcohol failed to keep left.

Target: Road surfaces meet the National Average according to the surface condition index. This represents surface condition of roads and demonstrates Council is maximising the life of road surfaces.

The surface condition index is derived from condition rating and roughness surveys of Council's roading network. These surveys are undertaken every two years. Current values are based on the 2012/13 surveys and the next surveys are in the 2014/15 financial year.

Council's annual maintenance and renewal programmes continue to maintain Westland's roading infrastructure asset above the national average. Current emphasis for these programmes has been on resurfacing, sealed pavement maintenance and bridging infrastructure.

Water Supply

Funding Impact Statement

For the year ended 30 June 2014

	2014 Actual \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(3)	0	0
Targeted rates (other than a targeted rate for water supply)	0	1,268	1,062
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	2,180	1,186	1,174
Interest and dividends from investments	3	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	2,181	2,453	2,236
Application of operating funding			
Payments to staff and suppliers	1,316	1,665	1,556
Finance costs	51	170	133
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,366	1,835	1,689
Surplus/(deficit) of operating funding (A-B)	814	618	547
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(108)	522	300
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(108)	522	300
Application of capital funding			
Capital expenditure:			
- To meet additional demand	117	0	200
- To improve the level of service	7	1,133	720
- To replace existing assets	40	124	120
Increase/(decrease) in reserves	543	(117)	(193)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	707	1,140	847
Surplus/(deficit) of capital funding (C-D)	(814)	(618)	(547)
Funding balance ((A-B)+(C-D))	0	0	0

Water Supply

Vision

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

What we do

- Manage the supply of clean, safe drinking water.

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Requests for service are dealt with promptly	% of disruptions to water supply are responded to within 4 hours of reporting	Monthly reports from contractors	71% (5 of 7)	90%	Not measured
Council supplied potable water is safe to drink	The number of illnesses confirmed to be attributed to consuming from Council treated water supplies	Information provided to Council from the Health Protection Officer, Community Public Health	No illnesses	No illnesses	No illnesses
Council supplied potable water is safe to drink and tastes good	% satisfied with water supply and quality	Resident Satisfaction Survey	Not measured	90%	Not measured
All Council water supply sources are managed in an environmentally sensitive manner	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly	Monthly reports	100%	100%	100%

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	1,354	1,150	204
Operating expenditure	2,431	2,445	14
Net operating cost of services - surplus/(deficit)	(1,077)	(1,295)	218
Includes depreciation of	1,065	914	

Overall Assessment of Performance

In the 2013/14 year there were 7 service requests and 5 were responded to within the 4 hour timeframe. Interruptions in the 2012/13 period were restored within 9 hours. As part of the new maintenance contract a new record sheet has been introduced for the contractor to correctly record the time reported and the time responded to – not the time of blockage displacement as previously recorded.

No consents were required for maintenance and capital projects in the year.

To further indicate the service levels provided were at the standard the community expected Council, can confirm that the water supplies have been tested during the 2013/14 year in accordance with Drinking Water Standards and are compliant. Council has also not received any correspondence from Community Public Health regarding issues with Council water supplies.

Increased demand for metered water by commercial users created a net favourable variance. Other income relates to new connections, which cannot be reliably forecasted and are not budgeted for.

% of disruptions to water supply responded to within 4 hours of reporting.

Disruptions are reported on water mains only and not service laterals due to the fact that when service laterals are leaking the property still has water supply. When the water main is leaking a number of properties will be without water supply.

Water quality

As per the LTP (page 147), 50% of schemes have 'unsatisfactory' Ministry of Health (MOH) assessments. There are projects in place to improve quality.

Unsatisfactory is defined as not meeting in full the New Zealand Drinking Water Standards 2005 (Revised 2008).

Summary of *E. coli* and related bacterial compliance results

Plant name	Compliance criterion used ¹	Treatment parameter	Summary			Compliance
			No. samples required	No. samples taken	Trans-gressions	
Blue Spur Hokitika TP00020	1	<i>E. coli</i>	104	104	0	Compliant
Fox Glacier TP00025	2B	<i>E. coli</i>	26	32	0	Non Compliant
		Turbidity	52	52	0	
		pH	52	52	0	
		FAC ³	52	52	14	
Franz Josef TP00026	5 ²	<i>E. coli</i>	0	28	0	Compliant
		Turbidity	52	Continuous	0	
		UV Trans. ⁴	52	Continuous	0	
		UV Intensity	Continuous	Continuous	0	
		Flow (total)	Continuous	Continuous	0	
		Lamp	Continuous	Continuous	0	
		Outage	Continuous	Continuous	0	
		Lamp Meter ⁵	Continuous	Continuous	0	
Harihari TP02916	5 ²	<i>E. coli</i>	0	52	0	Compliant
		Turbidity	52	63	0	
		UV Trans. ⁴	52	63	0	
		UV Intensity	Continuous	Continuous	0	
		Flow (total)	Continuous	Continuous	0	
		Lamp	Continuous	Continuous	0	
		Outage	Continuous	Continuous	0	
		Lamp Meter ⁵	Continuous	Continuous	0	
Kumara TP00031	1	<i>E. coli</i>	52	0	0	Non Compliant
Ross TP00032	2B	<i>E. coli</i>	26	31	0	Non Compliant
		Turbidity	52	52	0	
		pH	52	52	0	
		FAC ³	52	52	14	
Whataroa TP02691	1	<i>E. coli</i>	52	55	4	Non Compliant
Arahura Pa TP00029	1	<i>E. coli</i>	52	0	0	Non Compliant
Haast TP00028	1	<i>E. coli</i>	52	0	0	Non Compliant

1 From Section 4.3, DWSNZ 2005/08, pages 24-28

2 UV disinfection

3 Free Available Chlorine

4 UV transmittance

5 Lamp replacement hour meter

Wastewater

Funding Impact Statement

For the year ended 30 June 2014

	2014 Actual \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(1)	0	0
Targeted rates (other than a targeted rate for water supply)	649	794	739
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	26	44	43
Interest and dividends from investments	13	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	687	838	782
Application of operating funding			
Payments to staff and suppliers	413	648	619
Finance costs	0	22	11
Other operating funding applications	0	0	0
Total applications of operating funding (B)	413	670	630
Surplus/(deficit) of operating funding (A-B)	274	168	152
Sources of capital funding			
Subsidies and grants for capital expenditure	23	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	450
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	23	0	450
Application of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	37	355	605
- To replace existing assets	253	0	200
Increase/(decrease) in reserves	7	(187)	(203)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	297	168	602
Surplus/(deficit) of capital funding (C-D)	(274)	(168)	(152)
Funding balance ((A-B)+(C-D))	0	0	0

Wastewater

Vision

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

What we do

Provide wastewater services to the townships of the District.

Service Levels and Performance Measures

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Requests for service are dealt with promptly	% of disruptions to the wastewater system are responded to within 2 hours	Monthly reports from contractors	100%	90%	Not measured
Properties that are within the wastewater reticulation system are able to connect to it	% of properties within urban areas where a reticulated wastewater system is provided by Council have the ability to connect to the system at their boundary	Number of properties with service laterals to boundary providing the building is no more than 60m away	100%	90%	100%
Council wastewater systems are managed in an environmentally sensitive manner and are reliable	No service requests received with regard to odours from Councils wastewater reticulation	Service Request System	0	No service requests	5
Council wastewater systems are managed affordably and appropriately	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly	Monthly reports	100%	100%	100%

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	62	31	31
Operating expenditure	814	881	67
Net operating cost of services - surplus/(deficit)	(752)	(850)	98
Includes depreciation of	400	402	

Overall Assessment of Performance

A total of 15 waste water supply interruptions in the 2013/14 period were restored within 2 hours. Interruptions in the 2012/13 period were restored within 9 hours. As part of the new maintenance contract a new record sheet has been introduced for the contractor to correctly record the time reported and the time responded to – not the time of blockage displacement as previously recorded.

Savings in operating expenditure were achieved by negotiating an improved utilities maintenance contract, while unbudgeted development contributions saw revenue double compared to budget.

In the 13/14 year there were:

Hokitika	1 Abatement Notice - odour issues, fixed by dosing ponds with Sodium Nitrate
Fox Glacier	1 Infringement fine – breach of sampling conditions, work in progress to reduce breaches as per Annual Plan
Franz Josef	1 Abatement notice – discharge on to river bed, fixed by reinstating infiltration gallery 1 Infringement fine – breach of sampling conditions
Haast	1 Infringement fine – breach of sampling conditions, work in progress to reduce breaches as per Annual Plan

Storm Water

Funding Impact Statement

For the year ended 30 June 2014

	2014 Actual \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	406	513	467
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	87	21	20
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	493	534	487
Application of operating funding			
Payments to staff and suppliers	206	299	265
Finance costs	0	0	0
Other operating funding applications	0	0	0
Total applications of operating funding (B)	206	299	265
Surplus/(deficit) of operating funding (A-B)	287	234	222
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Application of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	41	257
- To replace existing assets	3	0	40
Increase/(decrease) in reserves	284	193	(75)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	287	234	222
Surplus/(deficit) of capital funding (C-D)	(287)	(234)	(222)
Funding balance ((A-B)+(C-D))	0	0	0

Storm Water

Vision

The management of stormwater contributes to our vision of top class infrastructure.

What we do

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Stormwater systems have the capacity to resist major storms and flooding events	No flooding of properties will occur in events with a return period of 1 in 20 years	Service Request System	0	Less than 5	0
Stormwater systems have the capacity to resist major storms and flooding events	No reports of flooding of properties	Service Request System	0	Less than 5	0
Requests for service are dealt with promptly	% of problems with the Council stormwater system investigated within 24 hours of reporting, prioritised and a remedial plan prepared within 48 hours	Service Request System	100%	100%	66%
Council stormwater systems are managed affordably and appropriately	All necessary consents for maintenance and capital projects are applied for, held and monitored accordingly	Monthly reports	100%	100%	100%

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	87	0	87
Operating expenditure	582	594	12
Net operating cost of services - surplus/(deficit)	(495)	(594)	99
Includes depreciation of	376	377	

Overall Assessment of Performance

A total of 7 service requests were received for the 2013/14 period, and all 7 were restored within 24 hours. In the 2012/13 period there were 9 requests, 6 were restored within 24 hours.

The favourable variance is primarily due to a development contribution received for a bund in Lake Kaniere.

No flooding of properties will occur in events with a return period of 1 in 20 years

Definition of a 1 in 20 year event - the probability of an event occurring being 1/20 or 5% in any one year. This does not mean that if a flood with such a return period occurs, then the next will occur in about 20 years' time - instead, it means that, in any given year, there is a 5% chance that it will happen, regardless of when the last similar event was.

Solid Waste Management Funding Impact Statement

For the year ended 30 June 2014

	2014 Actual \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	66	0	0
Targeted rates (other than a targeted rate for water supply)	1,140	976	894
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	712	1,293	1,236
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,918	2,269	2,130
Application of operating funding			
Payments to staff and suppliers	1,763	2,228	2,117
Finance costs	51	179	158
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,814	2,407	2,275
Surplus/(deficit) of operating funding (A-B)	104	(138)	(145)
Sources of capital funding			
Subsidies and grants for capital expenditure	10	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(120)	0	700
Gross proceeds from sale of assets	11	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(99)	0	700
Application of capital funding			
Capital expenditure:			
- To meet additional demand	81	0	0
- To improve the level of service	0	360	840
- To replace existing assets	28	0	0
Increase/(decrease) in reserves	(105)	(499)	(285)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	4	(138)	555
Surplus/(deficit) of capital funding (C-D)	(103)	138	145
Funding balance ((A-B)+(C-D))	0	0	0

Solid Waste Management

Vision

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

What we do

The Council manages solid waste across Westland District, including waste and recycling collection in the northern part of the District and the provision of transfer stations and disposal sites, serving all townships.

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
A reliable refuse and recycling collection service is provided to customers	% of customers satisfied – Collection	Resident Satisfaction Survey	Not measured	100%	Not measured
A reliable refuse and recycling collection service is provided to customers	% of customers satisfied – Recycling	Resident Satisfaction Survey	Not measured	100%	Not measured
A reliable Transfer Station service is provided to customers	% of customers satisfied – Opening hours at sites	Resident Satisfaction Survey	Not measured	100%	Not measured
Solid waste is managed affordably and appropriately	All necessary consents for the solid waste activities and capital projects are applied for, held and monitored accordingly	Monthly reports	Butlers – 100%	100%	Butlers – 100%
Waste diversion increases	Waste diverted from landfill to recycling	Tonnes recycled	927 tonnes	1007 tonnes	959 tonnes
Recycling and diversion of waste increases	Increased use of recycling and reuse services	Calculate diversion rate for all waste through Hokitika Transfer Station based on tonnages reported	32.25%	30.7%	33.6%
Education about waste minimisation is provided to the Community	Number of visits to schools and community groups	Monthly reports to Council	0	6 Schools 3 Community Groups	5 Schools 2 Community Groups

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	743	848	(105)
Operating expenditure	1,969	2,314	345
Net operating cost of services - surplus/(deficit)	(1,226)	(1,466)	240
Includes depreciation of	110	95	

Overall Assessment of Performance

Due to internal restructuring, the waste minimisation education programme could not be resourced.

In 2013/14 the Council received 27 service requests. 93% were answered within 28 days and have been classified as follows: 19 concerning rubbish (2012/13: 9), 1 concerning landfill (2012/13: 1), and 7 concerning recycling (2012/13: 14).

In 2012/13 there were 28 service requests (100% were answered within 28 days).

Volumes to landfill were significantly lower than expected, creating variances in revenue and expenditure. Throughout the year the position of Solid Waste Engineer was vacant and absorbed at a reduced level by existing resources. The remaining favourable variance in operating costs was due to overestimated finance costs in the budget.

Current landfills in Westland

Name of landfill	Status and comments	Compliance percentage	Monitoring details
Butlers	Open	100% Compliant	Regular monitoring No Issues
Haast	Open	100% Compliant	Annual monitoring No Issues
Kumara	Closed & capped but more capping required	100% Compliant	Annual visual monitoring. Few Issues to be resolved in the next financial year i.e. 2014-2015 work in progress.
Franz Josef	Closed & capped but more capping required	100% Compliant	Annual visual monitoring. Few Issues to be resolved in the next financial year i.e. 2014-2015 work in progress.

The Annual Report does not provide comment on landfills which were closed and capped prior to 1 July 2014.

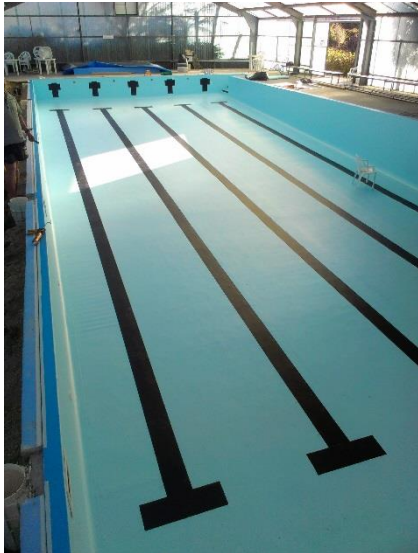
The Report covers only current landfills and the work in progress for these. All landfills are 100% compliant. Additional capping is to be completed on the Franz Josef and Kumara landfills in the next financial year.

The period of monitoring for Butlers landfill is from November to October (rather than July to June).

Although some work is to be completed on Kumara and Franz Josef landfills, which is in progress, the landfills are still 100% compliant in terms of resource consents.

Other Infrastructural Assets and Services Group

- Community Township Development
- Land and Buildings
- Public Toilets



This year most of the compliance work on Council's administration building was completed. The toilets at the Hokitika beachfront were painted, and a new liner installed at Ross Swimming Pool. Planning for both the Harihari Community Facility and the Fox Glacier Community Centre progressed.



Other Infrastructural Assets and Services Group

Funding Impact Statement

For the year ended 30 June 2014

	2014 Actual \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	737	598	574
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	8	339	329
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	745	937	903
Application of operating funding			
Payments to staff and suppliers	546	834	810
Finance costs	0	0	0
Other operating funding applications	0	0	0
Total applications of operating funding (B)	546	834	810
Surplus/(deficit) of operating funding (A-B)	198	103	93
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Other dedicated capital funding	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	0	0	0
Application of capital funding			
Capital expenditure:			
- To meet additional demand	74	0	0
- To improve the level of service	0	72	220
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	124	31	(127)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	198	103	93
Surplus/(deficit) of capital funding (C-D)	(198)	(103)	(93)
Funding balance ((A-B)+(C-D))	0	0	0

Community Township Development

Vision

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

What we do

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
The community contributes to decision making	Consultation occurs with each plan and projects are completed to schedule	Management reports to council	Kumara Community, Ross Community, Kokatahi & Kowhitirangi Community, Fox Glacier Community	Consultation occurs through a priority list signed off by Council	Franz Josef Community, Kumara Community
Community township development is understood and the community contributes to the process	% satisfied with town planning services	Resident Satisfaction Survey	Not measured	70%	Not measured

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	3	0	3
Operating expenditure	347	446	99
Net operating cost of services - surplus/(deficit)	(344)	(446)	102
Includes depreciation of	34	26	

Overall Assessment of Performance

Township Development Funds are held in a special reserve fund. To uplift the funds, the local community group/association has to work through the following steps:

a. Agree among members at a community association meeting by majority vote of members present what the money will be spent on. The funds should enhance the well-being of the whole community in some way. Consideration is given to the number of people who will benefit, the degree to which people will benefit and the value to the wider community.

b. Minute such decision(s) in meeting minutes and send a copy of these minutes to Council.

c. Generate an invoice for Council for the costs of the projects agreed on accordingly and add GST to the amount if they are GST registered.

d. Sign an accountability document before 12 months has expired from the time of receiving the grant.

Harihari, Whataroa, Franz Josef Glacier and Haast did not uplift their Township Development Funding 2013/14. These funds are still being held in the special reserve fund.

Operating costs - security camera contracts were discontinued.

Land and Buildings

Vision

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

What we do

These cover land and buildings managed commercially. Included are:

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Maintain buildings so they are safe for the people who visit and work in them	Buildings get current Warrant of Fitness where required	Warrant of Fitness issued	66%	100%	100%
Requests for service are dealt with promptly	Service requests are responded to within 3 working days	Services request support system	50%	100% compliance	70%
Leased buildings or spaces are managed commercially	Obtain market rental for offices leased	Market review gained	100%	100%	Under negotiation

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	8	6	2
Operating expenditure	81	112	31
Net operating cost of services - surplus/(deficit)	(73)	(106)	33
Includes depreciation of	8	8	

Overall Assessment of Performance

The RSA building is now closed due to safety reasons. The Westland District Council building does not have a Warrant of Fitness (WOF) and is operating with a public use certificate; a consent has been lodged to meet WOF compliance standards. Construction work is proceeding.

A total of 4 service requests were received for the 2013/14 period, 2 were responded to within 3 working days. In the 2012/13 period there were 10 requests, 7 were responded to within 3 working days.

Land sales anticipated in the budget did not materialise and consequently no commissions were paid.

Public Toilets

Vision

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

What we do

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Requests for service are dealt with promptly	Service requests are investigated and responded to within one day	Service Request System	71%	Under 5 complaints	66%
Public toilets are clean and safe to use	% residents satisfied with toilet facilities	Resident Satisfaction Survey	Not measured	90%	Not measured

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	0	0	0
Operating expenditure	172	211	39
Net operating cost of services - surplus/(deficit)	(172)	(211)	39
Includes depreciation of	12	12	

Overall Assessment of Performance

A total of 7 service requests were received for the 2013/14 period, 5 were resolved within one day. In the 2012/13 period there were 3 requests, 2 were resolved within one day.

The variance in operating costs is a result of reduced cleaning and maintenance work.

PROVIDING LEADERSHIP FOR OUR COMMUNITY

Democracy Services Group

- Governance
- Corporate Services

Democracy Services Group

Funding Impact Statement

For the year ended 30 June 2014

	2014 Actual \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,076	737	695
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	2	2
Fees, charges, and targeted rates for water supply	199	0	0
Interest and dividends from investments	705	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	122	42	0
Total operating funding (A)	2,101	781	697
Application of operating funding			
Payments to staff and suppliers	1,143	487	693
Finance costs	722	289	0
Other operating funding applications	0	0	0
Other dedicated capital funding	0	0	0
Total applications of operating funding (B)	1,866	776	693
Surplus/(deficit) of operating funding (A-B)	235	5	4
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(510)	0	0
Gross proceeds from sale of assets	5	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(505)	0	0
Application of capital funding			
Capital expenditure:			
- To meet additional demand	8	0	0
- To improve the level of service	13	0	115
- To replace existing assets	157	0	0
Increase/(decrease) in reserves	(286)	5	(111)
Increase/(decrease) in investments	(163)	0	0
Total applications of capital funding (D)	(270)	5	4
Surplus/(deficit) of capital funding (C-D)	(235)	(5)	(4)
Funding balance ((A-B)+(C-D))	0	0	0

Governance

Vision

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

What we do

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

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
The community contributes to decision making	Public notifications of Council meetings must be at least 10 working days before each meeting	Adverts placed in local newspaper	100%	100%	95%
Council decision making is open and transparent	At least 90% of items on the agenda are conducted in open meetings	Review agendas for Council	78%	90%	88%
Council decision making is open and transparent	Local Government Official Information and Meetings Act 1987 (LGOIMA) requests are complied to within the 20 working days	Review of requests and written replies	94%	100%	88%
Council decision making is open and transparent and promotes accountability	Elected Representatives attend 90% of all meetings and workshops	Number of meetings attended	93%	100%	94%
The Community understands what Council does	% of residents who understand how Council makes decisions	Resident Satisfaction Survey	Not measured	50%	Not measured

Financial Performance (excluding rates)

Democracy Services (including financing activity)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	1,432	710	722
Operating expenditure	2,078	1,777	(301)
Net operating cost of services - surplus/(deficit)	(646)	(1,067)	421
Includes depreciation of	171	5	

Overall Assessment of Performance

Only matters where there are specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 are excluded from the public sections of meetings.

During the year Council initiated a Rating Review and a review of the structure of Council Controlled Organisations. These will both be completed in the year 2014/15.

Council received vested assets with a total value of \$245,782. Income from bonds and dividend / subvention income exceeded budget by \$104,100 and \$60,800 respectively. The remainder is cost recoveries and recharges that have been stated gross in this report; but were netted off against activity costs in the budget.

The adverse variance in expenditure includes \$176,751 of interest charges. This is a consequence of Council's debt position being considerably higher than expected at the beginning of the year. Although there was an improvement in the recovery of rates debtors there was a corresponding overspend in collection costs of \$59,474 as Council set about working through the backlog of receivables. There was also a net charge to the doubtful debt provision of \$75,552 as the amount receivable from Westland District Property Limited was provided in full.

A total of \$29,548 was expended from the Mayoral Relief Fund.

Corporate Services

Vision

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

What we do

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
The community contributes to decision making	The Annual Plan and LTP must be adopted using the special consultative process, within statutory requirements	Date of council meeting for adoption	100%	100%	Not achieved
Council decision making is open and transparent	The Annual Report must be adopted within statutory requirements 31st October	Date of council meeting for adoption	2012/13 Annual Report was adopted on 28 November 2013	100%	2011/12 Annual Report was adopted on 22 November 2012
Service and information is provided to the Community	% satisfied with service at front-line of Council	Resident Satisfaction Survey	Not measured	90%	Not measured
To provide value for money for residents and businesses who pay rates	% reduction in rates arrears per annum	Quarterly reports	Increase 0.47%	Reduce arrears by 5% per year	Increase 29.74%

Overall Assessment of Performance

The 2014/15 Annual Plan was adopted on 26 June 2014, within the statutory deadline. Council's administrative costs are captured in Corporate Services and charged through overheads to the activities.

PLANNING FOR OUR COMMUNITY

"A highlight from 2013/14 for Emergency Management was the commencement of amalgamation of Emergency Management functions of the three district councils with the West Coast Regional Council. Improvement in the levels of service is projected."

John Bainbridge
Field Inspections Officer

"The Westland Building Consent Authority (BCA) successfully retained its accreditation for 2013/14, based on an external audit completed in September 2013. The next re-accreditation audit will take place in mid-2015."

Eddie Newman
District Building Inspector



"A highlight was the Successful transition to the new licensing regime under the Sale and Supply of Alcohol Act 2012, including the first hearing by the District Licencing Committee".

Jim Ebenhoh
Group Manager:
Planning, Community & Environment

Planning and Regulatory Services Group

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

Planning and Regulatory Services Group

Funding Impact Statement

For the year ended 30 June 2014

	2014 Actual \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	636	649	606
Targeted rates (other than a targeted rate for water supply)	8	8	8
Subsidies and grants for operating purposes	0	2	2
Fees, charges, and targeted rates for water supply	847	800	778
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	7	0	0
Total operating funding (A)	1,497	1,459	1,394
Application of operating funding			
Payments to staff and suppliers	1,345	1,755	1,681
Finance costs	0	0	0
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,345	1,755	1,681
Surplus/(deficit) of operating funding (A-B)	152	(296)	(287)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Application of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	0	108	82
Increase/(decrease) in reserves	152	(404)	(369)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	152	(296)	(287)
Surplus/(deficit) of capital funding (C-D)	(152)	296	287
Funding balance ((A-B)+(C-D))	0	0	0

Inspections and Compliance

Vision

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

What we do

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

This activity comprises of:

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Process all applications lodged under the Building Act 2004 within the timeframes specified in the Act	All building consent applications will be processed within 20 working days	Monthly Reports	99%	100%	98%
Process all applications lodged under the Building Act 2004 within the timeframes specified in the Act	All Project Information Memoranda applications will be processed within 20 working days	Monthly Reports	100%	100%	98%
Users of the service receive appropriate advice regarding their enquiry	% of users are satisfied with advice	Resident Satisfaction Survey	Not measured	100%	Not measured
Encourage compliance with health standards by undertaking inspections so that all food, liquor and other licensed premises comply with the relevant legislation	All licensed and registered premises are inspected at least annually	Monthly Reports	66%	100%	99%
Encourage compliance with health standards by undertaking inspections so that all food, liquor and other licensed premises comply with the relevant legislation	Work with Police and Community Public Health to reduce the negative impacts of alcohol abuse through an annual meeting	Quarterly Report	100%	100%	100%

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	592	542	49
Operating expenditure	801	781	(20)
Net operating cost of services - surplus/(deficit)	(209)	(239)	29
Includes depreciation of	4	3	

Overall Assessment of Performance

The target for inspecting licensed premises was not achieved due to injuries to both of the Council's Environmental Health Officers, which led to delays in completing some inspections. All high risk premises were inspected in the 12 months to 30 June 2014, and the remaining inspections were scheduled for completion by 30 September 2014. Current registrations do not expire until 31 Dec 2014, so no renewals have been issued without a recent annual inspection.

Liaison meetings regarding liquor licensing with Police, District Health Board and the West Coast Councils were held on 31 Oct 2013 and 12 Mar 2014.

Changes to legislation generated higher than expected income, and costs, from liquor licensing.

Resource Management

Vision

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

What we do

Day to day activities include:

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
To ensure customers can get on with their project or business opportunities we process Resource Consents within statutory timeframes as specified in Resource Management Act	100% of Resource Consent processed within the timeframes of the Act	Monthly Report	82%	100%	95%
Public complaints relating to environment are investigated and responded to in a timely manner	Council respond to within 10 days	Monthly Report	89%	100%	70%
Provide and maintain a District Plan which is reflective of the community	Work Plan is developed on changes required to the District Plan and these are effected	Work plan developed and updated annually	Reviewed	Reviewed annually	2
Process all applications lodged under section 44A of the Local Government Official Information and Meetings Act 1987 within the timeframes specified in the Act	100% of LIMs processed within 10 working days	Monthly Reports	100%	100%	100%
Process all applications lodged under section 44A of the Local Government Official Information and Meetings Act 1987 within the timeframes specified in the Act	% of fast-track LIMS processed within 3 days		100%	100%	100%

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	155	156	(1)
Operating expenditure	436	431	(5)
Net operating cost of services - surplus/(deficit)	(281)	(275)	(6)
Includes depreciation of	1	1	

Overall Assessment of Performance

The work plan for the District Plan review has been approved by Council.

Savings in personnel costs were a result of operating with a vacancy in planning, reduced use of consultants by using internal resources where possible, and deferring projects such as the District Plan review. These savings were offset by an increase in the provision for doubtful debts.

Reduced personnel also impacted on resource consent processing time frames and response to public complaints.

Animal Control

Vision

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

What we do

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

Service Levels and Performance Measures

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
Requests for service are dealt with promptly	All service requests are responded to within 1 working day	Customer complaint form	100%	100%	90%
The public are safe from dogs	That the public are satisfied with the service	Resident Satisfaction Survey	Not measured	95%	Not measured
The public are safe from dogs	Records will be kept relating to dog numbers, location, sex and breed and in conformity with the National Dog Database (NDDDB)	NDDDB	100%	100%	100%

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	106	87	19
Operating expenditure	103	109	7
Net operating cost of services - surplus/(deficit)	3	(22)	25
Includes depreciation of	0	1	

Overall Assessment of Performance

There was an increase in the volume of dog licenses issued (1,729 up from 1,561 in 2012/13), which has resulted in an increase in operating revenue.

Emergency Management

Vision

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

What we do

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

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

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

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

Civil Defence

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
An excellent response to all disasters and emergencies across the District	Number of exercises held each year	Monitoring of these measures will be achieved through the management reports at Council's monthly meetings. Two exercises per annum	Not achieved	2	2
An excellent response to all disasters and emergencies across the District	Maintain community awareness	Management reports at council monthly meetings of school visits	Not achieved	12	6
An excellent response to all disasters and emergencies across the District	Standard Operating Procedures (SOP's) documents are reviewed annually and signed off	Latest signed documents held on file	1	1	Not reported
An excellent response to all disasters and emergencies across the District	Plans updated annually and on Council website	Reports to Regional Civil Defence Emergency Management group	Plan available on website at all times	Plan available on website at all times	Plan available on website at all times
An excellent response to all disasters and emergencies across the District	% of residents that believe they are prepared for a civil defence emergency	Resident Satisfaction Survey	Not measured	70%	Not measured

Rural Fire

Level of service	Performance measure	Information used to measure	Actual 2013/14	LTP Target 2013/14	Actual 2012/13
The public is aware of Fire Permits and understands how to maintain a controlled fire	Number of permitted fires that become out of control	West Coast Rural Fire Authority reports	0	0	0
The public is aware of Fire Permits and understands how to maintain a controlled fire	Number of permits issued	Number per year	225	200	199
Fires can be fought and extinguished efficiently and effectively	Equipment complies with NRFA audits	Compliance	100%	100%	0%
Fires can be fought and extinguished efficiently and effectively	Number of training sessions is at least two per year	Number of training sessions recorded	12 Haast 12 Kaniere 23 Kokatahi	2	9 Haast 0 Kaniere 21 Kokatahi

Financial Performance (excluding rates)

	Actual 2013/14 \$000	Budget 2013/14 \$000	Variance \$000
Operating revenue	1	0	1
Operating expenditure	88	110	22
Net operating cost of services - surplus/(deficit)	(87)	(110)	23
Includes depreciation of	6	6	

Overall Assessment of Performance

Following an organisation restructure, emergency management exercises and education sessions could not be resourced. A shared service initiative across all West Coast Councils commenced during 2013/14 and a regional manager was appointed in September 2014.

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

Council Controlled Organisations

Westland Wilderness Trust

The Trust's focus for the year was to oversee the completion of the West Coast Wilderness Trail. This activity is included in Council's transportation budget and the Trust had no financial transactions, assets or liabilities.

Similarly, Council takes a governance / advisory role with **Tourism West Coast** and **West Coast Rural Fire Authority** with any contributions included in Council's normal operation. Neither organisation is required to produce an annual report.

Commercial reporting entities controlled by Westland District Council:



Council Controlled Organisations

As at 30 June 2014

Council Controlled Organisations are separate entities in which Council owns 50% or more of the voting rights. An assessment of the structure of the CCO Group was a significant project included in the Annual Plan 2013/14 and the review phases of this were completed during the year. An implementation plan will be consulted on during 2014/15.



Westland Holdings Limited

Graeme King – Chairman

Michael Teen - Director

Maureen Pugh – Director

Established July 2002

Westland Holdings Limited (WHL) is the governance link between Council and its trading entities. The Company is responsible for ensuring the trading organisations meet their statutory, commercial and public obligations as defined in their Annual Statements of Intent. These are reviewed by WHL on behalf of Council, with reference to the objectives determined in the Long Term Plan 2012/22, along with each company's individual strategy. This report concentrates on the performance objectives contained in the Long Term Plan. The performance of the companies is extensively examined in their own Annual Reports.

Key Objective

'To achieve the objectives of the shareholder, Westland District Council, both commercially and non-commercially as specified in the Statement of Intent in a manner that recognises sound business practice, good employer obligations and social and environmental responsibility.'

In the challenging environment of an ongoing structural review the Company has continued to support and co-operate with Council in its endeavours to develop the performance of the Group. This was particularly prevalent with regards to the review of Statements of Intent

Westland Holdings position in the Group structure is a key element of the CCO review.

The Company's Statement of Service Performance reports seventeen of nineteen performance targets were met. The two not achieved were compromised by the changing environment in which the Company and Council were operating:

1. Submission of draft Statement of Intent submitted to Council for approval by 1 March 2014. This was delivered on 24 March, which was within the deadline set in the LTP but outside the target set in Westland Holdings' SOI for 2013/14. The target of submitting a completed SOI by 30 June was nevertheless achieved, but only for Westland Holdings Limited.
2. The Chair did not initiate a formal review of the WHL directorate. This was superseded by Council's CCO review.

Key Performance Measures

Return a dividend to Council in accordance with the Statement of Intent.	The combination of subvention payments received and dividends declared [\$558,000] exceeded budget by \$50,000
Prepare an Annual Report in accordance with the requirements of the LGA 2002.	The Company's report for the year ended 30 June 2014 was signed by the Board, without audit opinion, on 20 October 2014.
Subsidiary Statements of Intent will be submitted to the Shareholder (Council) by 31 March and finalised by 30 June.	The final WHL Statement of Intent was delivered on 27 June 2014. The statements from the individual companies were not received.



Westland District Property Limited

Graeme Purches - Chairperson

Les Singer – Director

Established May 2010

Westland District Property Limited (WDPL) manages Council's property portfolio; which has both commercial and public benefit elements. The former involves properties for sale, licenses to occupy and mining rights. The latter is the management of Pensioner Housing, Hokitika Swimming Pool and Jackson Bay Wharf.

Key Objective

'To manage the ownership and operation of the property portfolio in a commercial and strategic manner that will by year 2030 provide a return that contributes to the majority of the General Rate requirement of Council, and to become involved in strategic property development or investment, which will benefit the District and the Company, as opportunities arise.'

WDPL's position as part of Council's strategic vision has been the main focus of the CCO review. Notwithstanding, the relationship between Council and its CCO strengthened during the year. Regular formal meetings led to improved decision making and consistency, with particular regard to licenses for baches, along with maintenance and capital works plans for pensioner housing and Hokitika swimming pool. Council entered into an agreement with the commercial users of Jackson Bay Wharf that is expected to render the asset operationally self-funding.

Financially the company succeeded in repaying a loan to Council of \$124,000, but the amounts owing in respect of rates and recharges correspondingly increased from \$105,000 to \$202,000. The company reported an operating deficit of \$364,000 for the year ended 30 June 2014.

Key Performance Measures

- A return on property transferred for management purposes greater than that obtained by Council for the 2009/2010 year (\$65,000).
 - This was achieved; lease receipts exceeded occupancy expenses by \$80,000 (2013: \$295,000)
- Compliance with statutory and regulatory requirements enabling Westland District Property Limited, Westland Holdings Limited and Westland District Council to comply with the Local Government Act 2002.
 - No known breaches



Westroads Limited

Durham Havill – Chairman

Peter Cuff – Director

Bryce Thomson – Director

Maurice Fahey – Director

Established January 1995

Westroads Limited and its subsidiary Westroads Greymouth Limited is a general contractor in the infrastructure sector, based in Hokitika and Greymouth and operating depots throughout Westland.

Key Objective

'Operates a successful business by meeting market requirements in terms of quality, excellence in service and pricing on a commercially competitive basis and ensure a reasonable rate of return to the ratepayers of Westland in accordance with the Statement of Intent.'

Although Westroads is a Council Controlled Organisation, it operates under truly arms' length commercial conditions and has grown and diversified over recent years. It has consistently delivered returns to Westland Holdings Ltd in line with expectations whilst spreading its operational and commercial risk over complementary sectors beyond the development and maintenance of road networks and associated assets.

Approximately $\frac{1}{3}$ of Westroads revenue is now derived from Council, with all major contracts subject to competitive tender.

The Group reported a profit before taxation of \$872,000. Its net cash flow was neutral, having reinvested its net cash inflow from operating activities of \$1.6million in new fixed assets.

Key Performance Measures

- Tax paid return on shareholder funds of 9%
 - Not achieved: the reported return was 5.9%
- Net after tax profit is to be in accordance with the Statement of Intent
 - Not achieved; the Group reported a net surplus after taxation of \$359,000, against a target of \$576,000

**Hokitika Airport Limited**

Linda Robinson – Chairperson

Les Singer – Director

Marcel Fekkes – Director

Established December 2001

The company's principal activity is the operation of Hokitika aerodrome, which is the main West Coast avionic connection to Christchurch with three or four flights per day. The aerodrome is also used for local private tourist flight experiences and accommodates the head office of Westland District Property Limited and Hokitika Industrial Heritage Park. Hokitika Airport derives further income from the operation of helipads at Franz Josef Glacier.

Key Objective

'To operate the Hokitika Airport in a commercially successful manner in accordance with the Statement of Intent with the aim to extend and further develop the airport activities.'

Although revenue of and net surplus were below targets for the year, both increased from 2012/13 and the company's financial performance is within target ranges. The organisation returns a steady distribution to WHL, whilst reinvesting the bulk of its earnings in its own infrastructure.

Key Performance Measures

- Revenue from commercial businesses is to remain at or above current levels
 - Achieved; revenue from services of \$372,000 exceeded the amount for 2011/12 of \$361,000
- Revenue from the rental of land and buildings is to remain at or above current levels
 - Achieved; lease receipts of \$200,000 exceeded the amount for 2011/12 of \$181,000

FINANCIAL STATEMENTS

- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Financial Position
- Statement of Cash Flows
- Whole of Council Funding Impact Statement
- Notes to the Financial Statements
- Reserve Funds

Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2014	2014	2013	2014	2013
		\$000	\$000	\$000	\$000	\$000
Income						
Rates, excluding targeted water supply rates	3	8,023	7,952	6,826	8,023	6,826
Fees, charges, and targeted rates for water supply		3,252	3,388	2,259	3,252	2,259
Subsidies and grants	4	5,376	2,682	4,477	5,376	4,477
Finance income	5	165	50	194	156	203
Other revenue	6	2,636	1,838	4,219	10,301	9,779
Gains/(Losses) - Non Financial Instruments	7	192	0	342	192	342
- Financial Instruments	7	10	0	(5)	85	88
Total income		19,653	15,910	18,312	27,384	23,974
Expenditure						
Personnel costs	8	2,937	3,150	3,042	8,443	7,959
Depreciation and amortisation expense	16-17	5,336	5,044	5,083	6,781	6,387
Finance costs	5	824	781	737	1,070	907
Other expenses	9	9,445	9,108	10,500	10,054	9,429
Total operating expenditure		18,542	18,083	19,362	26,348	24,682
Surplus/(deficit) before tax		1,111	(2,173)	(1,050)	1,037	(708)
Income tax expense/(benefit)	10	5	0	(20)	174	164
Surplus/(deficit) after tax		1,107	(2,173)	(1,030)	863	(872)
Other comprehensive income						
Financial assets at fair value through other comprehensive income		0	0	0	0	0
Gain/(loss) on revaluation of assets	24	0	1,887	0	831	0
Impairment of Property, Plant & Equipment		0	0	0	0	0
Total other comprehensive income		0	1,887	0	831	0
Total comprehensive income		1,107	(286)	(1,030)	1,694	(872)

The accompanying notes form part of the financial statements.

Statement of Changes in Equity

For the year ended 30 June 2014

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2014	2014	2013	2014	2013
	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2013	372,205	374,626	373,235	374,288	375,160
Restatement of year ended 30 June 2013	(13)	0	0	19	0
Total comprehensive income	1,107	(285)	(1,030)	1,694	(872)
Balance at 30 June 2014	373,299	374,341	372,205	376,001	374,288

The accompanying notes form part of the financial statements.

During preparation of the Annual Report 2012/13 it was established that Council's financial systems were not fully reconciled. This discrepancy was corrected by the software provider during the year ended 30 June 2014. The correction is thus disclosed above as an adjustment in the current year.

Statement of Financial Position

As at 30 June 2014

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2014	2014	2013	2014	2013
		\$000	\$000	\$000	\$000	\$000
Assets						
Current assets						
Cash and cash equivalents	11	2,806	1,703	1,660	3,224	2,074
Debtors and other receivables	12	2,453	2,248	2,817	2,865	3,302
Other financial assets	14	1,320	982	1,354	1,320	1,354
Inventory	15	0	30	0	412	422
Work in progress	18	0	0	0	121	158
Total current assets		6,579	4,963	5,831	7,942	7,310
Non-current assets						
Property, plant and equipment	16	375,688	379,732	372,994	389,364	385,330
Intangible assets	17	46	65	59	46	62
Derivative financial instruments	13	160	0	111	160	111
Council Controlled Organisations	14	8,695	8,695	8,695	0	0
Other Financial Assets	14	59	2	187	59	63
Investment property	16A	0	0	0	0	317
Term inventory	15	0	0	0	885	1,076
Work in progress	18	1,271	1,000	4,425	1,271	4,425
Total non-current assets		385,919	389,494	386,471	391,785	391,384
Total assets		392,498	394,457	392,302	399,727	398,694
Liabilities						
Current liabilities						
Creditors and other payables	19	2,062	2,463	2,065	2,431	2,554
Derivative financial instruments	13	0	0	0	0	0
Borrowings	23	0	0	15,498	1,553	17,104
Employee entitlements	22	236	210	273	814	796
Provisions	21	90	67	90	90	90
Tax payable		3	0	0	107	95
Other current liabilities	20	193	175	150	223	209
Total current liabilities		2,585	2,915	18,076	5,219	20,848
Non-current liabilities						
Derivative financial instruments	13	135	0	318	135	318
Borrowings	23	14,760	16,125	0	16,248	1,257
Employee entitlements	22	52	60	117	183	241
Provisions	21	1,576	400	1,498	1,576	1,498
Deferred Tax	10	90	616	88	364	244
Total non-current liabilities		16,613	17,201	2,021	18,506	3,558
Total liabilities		19,198	20,116	20,097	23,725	24,406
Net assets		373,299	374,341	372,205	376,001	374,288
Equity						
Retained earnings	24	153,592	153,107	152,911	155,463	155,048
Restricted reserves	24	3,240	2,462	2,783	3,240	2,783
Revaluation reserves	24	216,467	218,772	216,511	217,298	216,457
Net assets		373,299	374,341	372,205	376,001	374,288

The accompanying notes form part of the financial statements.

Statement of Cash Flows

For the year ended 30 June 2014

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2014	2014	2013	2014	2013
		\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities						
<i>Cash provided from</i>						
Rates		8,021	8,147	6,514	7,894	6,514
Targeted water rates and fees and charges		3,252	4,434	2,259	3,252	2,259
Interest received		165	497	194	172	203
Dividends received		390	50	677	225	0
Receipts from other revenue		7,721	2,782	10,065	15,657	15,214
<i>Cash paid to</i>						
Payments to suppliers and employees		(12,341)	(12,513)	(13,650)	(18,298)	(14,930)
Interest paid		(724)	(731)	(737)	(970)	(743)
Income tax paid		0	0	0	(107)	(164)
Net cash flow from operating activities	25	6,484	2,666	5,322	7,825	8,353
Cash flows from investing activities						
<i>Cash provided from</i>						
Receipts from sale of property, plant and equipment		140	0	512	645	852
Receipts from sale of investments		0	923	529	225	340
<i>Cash paid to</i>						
Purchase of property, plant and equipment		(4,742)	(3,845)	(6,296)	(6,770)	(10,470)
Net cash flow from investing activities		(4,602)	(2,922)	(5,255)	(5,900)	(9,278)
Cash flows from financing activities						
<i>Cash provided from</i>						
Loans raised		0	1,365	510	560	2,279
<i>Cash paid to</i>						
Loan repayments		(738)	(738)	(490)	(1,336)	(1,033)
Net cash flow from financing activities		(738)	627	20	(776)	1,246
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts		1,145	371	87	1,150	321
Cash and cash equivalent 01 Jul 2013		1,661	1,332	1,574	2,074	1,753
Cash and cash equivalent 30 Jun 2014	11	2,806	1,703	1,661	3,224	2,074

The accompanying notes form part of the financial statements.

Whole of Council Funding Impact Statement

For the year ended 30 June 2014

	Actual 2014 \$000	Annual plan 2014 \$000	Annual report 2013 \$000	Annual plan 2013 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	6,104	6,889	5,275	4,999
Targeted rates (other than a targeted rate for water supply)	1,919	1,258	1,636	2,814
Subsidies and grants for operating purposes	1,154	1,544	757	1,486
Fees, charges, and targeted rates for water supply	4,852	4,434	9,209	4,987
Interest and dividends from investments	721	547	868	0
Local authorities fuel tax, fines, infringement fees, and other receipts	135	120	113	0
Total operating funding (A)	14,885	14,792	17,858	14,286
Application of operating funding				
Payments to staff and suppliers	12,225	12,250	16,831	13,090
Finance costs	824	1,034	743	302
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	13,049	13,284	17,574	13,392
Surplus/(deficit) of operating funding (A-B)	1,835	1,508	284	894
Sources of capital funding				
Subsidies and grants for capital expenditure	4,355	1,066	3,720	6,408
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(738)	1,094	0	1,450
Gross proceeds from sale of assets	122	0	0	(8)
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding (C)	3,740	2,160	3,720	7,850
Application of capital funding				
Capital expenditure:				
- To meet additional demand	280	200	117	200
- To improve the level of service	1,705	290	1,376	7,796
- To replace existing assets	2,683	3,397	3,047	2,659
Increase/(decrease) in reserves	1,069	(219)	(536)	(1,911)
Increase/(decrease) in investments	(163)	0	0	0
Total applications of capital funding (D)	5,575	3,668	4,004	8,744
Surplus/(deficit) of capital funding (C-D)	(1,835)	(1,508)	(284)	(894)
Funding balance ((A-B)+(C-D))	0	0	0	0

The accompanying notes form part of the financial statements.

Notes to the Financial Statements

1. Statement of accounting policies for the year ended 30 June 2014

1.1 Reporting entity

Westland District Council (Council) is a territorial local authority governed by the Local Government Act 2002. It was formed in November 1989 from the amalgamation of Westland County Council and Hokitika Borough Council. The Westland District Council group (Group) consists of Westland District Council and its subsidiaries, Westland Nature Trust, Westland Holdings Limited (100% owned), and the 100% owned subsidiaries of Westland Holdings Limited: Westroads Limited, Hokitika Airport Limited and Westland District Property Limited. Westroads Limited owns 100% of the share capital of Westroads Greymouth Limited.

All Group entities are incorporated in New Zealand and have a financial year ended 30 June.

The primary objective of Council is to provide facilities and services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the Group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

1.2 Basis of preparation

The financial statements of Council and Group have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on an historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

The functional currency of Council and Group is New Zealand dollars.

1.3 Cost allocation policy

- Direct costs are charged directly to the activities in which they are incurred.
- Indirect costs are those which are particular to groups of activities. These are charged to activities based on cost drivers and related activity/usage information.
- The costs of internal services and general administration are allocated as overheads using appropriate cost drivers such as staff numbers, items processed, and/or based on level of support provided to each activity.

1.4 Subsidiaries

Council consolidates as subsidiaries in the Group financial statements all entities where Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

1.5 Basis of consolidation

The purchase method is used to prepare the consolidated financial statements, which NZ IFRS involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intra-group balances, transactions, income and expenses are eliminated on consolidation.

Council's investments in its subsidiaries are carried at cost in Council's own "parent entity" financial statements.

1.6 Revenue

Revenue is measured at the fair value of consideration received.

- **Rates revenue**

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable, with the exception of rates collected to fund specific future activities and resolved by Council.

- **Other revenue**

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Council receives government grants from New Zealand Transport Agency, which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Council also from time to time receives grants from other parties that are recognised on the same basis.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. The stage of completion is assessed by reference to surveys of work performed.

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns or allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

Assets vested in Council are valued, by external valuers, at fair value and recognised as revenue when control over the asset is obtained.

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

1.7 Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the surplus or deficit in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the surplus or deficit.

1.8 Borrowing costs

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

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

1.9 Income tax

Income tax expense in relation to the surplus or deficit for the period is comprised of current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilized.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Council and Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

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

1.10 Leases

- **Finance leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the Council and Group recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council and Group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

- **Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

1.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans, including loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment.

They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

A provision for impairment of receivables is established when there is objective evidence that the Council and Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying

amount and the present value of estimated future cash flows, discounted using the effective interest method.

1.12 Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

In the case of metal inventories and work in progress, cost includes an appropriate share of productions overheads based on normal operating capacity. Metal inventory cost is calculated on a discounted sale value basis, as an approximation of weighted average cost. Inventories include development properties that are being developed for sale. These properties are measured at the lower of cost and net realisable value and the cost include development costs to date.

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

1.13 Financial assets

The Council and Group classify its financial assets into the following four categories: financial assets at fair value through the surplus or deficit, held-to-maturity investments, loans and receivables, and financial assets available for sale. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through the surplus or deficit in which case the transaction costs are recognised therein.

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council and Group use a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- **Financial assets at fair value through surplus or deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit where hedge accounting is not applied.

Financial assets in this category include derivative financial instruments.

- **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

- **Held to maturity investments**

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Council and Group has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

The Council and Group currently do not have any investments that have been classified as held to maturity investments.

- **Financial assets available for sale**

Financial assets available for sale are those that are designated as available for sale or are not classified in any of the other categories above.

This category encompasses:

- Investments that the Council and Group intends to hold long-term but which may be realised before maturity;
- Share holdings that the Council and Group holds for strategic purposes.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the surplus or deficit.

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

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

Council's investments in its subsidiaries are not included in this category as they are held at cost as allowed by NZ IAS 27 Consolidated and Separate Financial Statements.

1.14 **Impairment of financial assets**

At each balance sheet date, the Council and Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

1.15 **Accounting for derivative financial instruments and hedging activities**

The Council and Group use derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. The Council and Group do not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The movement in the fair value of the derivative contracts is recognised in the surplus or deficit.

1.16 **Property, plant and equipment**

Property, plant and equipment consist of:

- **Operational assets**

These include land, buildings, improvements, museum artefacts, Jackson Bay Wharf, library books, plant and equipment, and motor vehicles.

- **Restricted assets**

Restricted assets are parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions. These include land vested under the Reserves Act 1977 and endowments or other property held in trust for specific purposes.

- **Infrastructure assets**

Infrastructural assets are the fixed utility systems owned by Council.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. Assets carried at a valuation are detailed below.

1.17 Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

1.18 Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

1.19 Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably.

1.20 Depreciation

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

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

Category	Depreciable life (years)	Category	Depreciable life (years)
<u>OPERATIONAL</u>		<u>Water</u>	
Buildings	50	Pipeline	60 to 80
Furniture and Fittings	10	Connections	60
Motor Vehicles	5	Reservoirs & Tanks	20 to 50
Plant & Equipment (including computers)	3 to 10	Pump Stations	15 to 20
Library collection	8	<u>Sewer</u>	
Jackson Bay Wharf	50	Pipeline	60 to 80
<u>RESTRICTED</u>		Manholes	50 to 60
Buildings	5 to 50	Pump Stations	15 to 20
<u>INFRASTRUCTURE</u>		Oxidation Ponds	60 to 100
<u>Waste Transfer Stations</u>	20	<u>Stormwater</u>	
<u>Roads</u>		Open Drains	N/A
Formation	N/A	Pipeline	60 to 80
Sub-Base	N/A	Bank protection	50 to 100
Base Course	20 to 75	Manholes	50 to 60
Surfacing (sealed)	1 to 16	Pump Stations	15 to 20
Surfacing (unsealed)	5	Runway	0 to 67
Bridges	60 to 150		
Box culverts/channels	60 to 150		
Footpaths	5 to 50		
Streetlights	16 to 40		
Signs	10		

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

1.21 Revaluation

All valuations are carried out on a five-yearly cycle by independent qualified valuers, unless there is a significant change in carrying value, in which case they will be revalued as required. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

- **Land and buildings**

Council's operational, restricted and infrastructural land has been valued at fair value by Quotable Value NZ as at 30 June 2011.

Council buildings, excluding pump stations, Treatment Plant buildings and other infrastructure assets, were valued at market value as at 30 June 2011 by Quotable NZ.

- **Infrastructural asset classes**

Roading infrastructural assets (including bridges) have been valued by MWH Limited registered valuer at depreciated replacement cost as at 30 June 2012. Sewerage, Water Supply and Stormwater infrastructural assets have been valued by Westland District Council and at depreciated replacement cost peer reviewed by Buller District Council as at 30 June 2012.

- **Land under roads**

Land under roads was valued based on fair value determined by MWH Limited effective 30 June 2003. Under NZ IFRS Council has elected to use the fair value of land under roads as at 30 June 2003 as deemed cost. Land under roads is no longer revalued.

- **Accounting for revaluations:**

The Council and Group accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to other comprehensive income and an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to other comprehensive income and the revaluation reserve for that class of asset.

1.22 Intangible assets

Mining licences

Mining licences that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the surplus or deficit on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The mining licences held at 1 July 2013 expired during the year and were not renewed.

1.23 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the

impairment loss is recognised against other comprehensive income and the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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

1.24 Investment Property

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

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

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

1.25 Employee benefits

- **Short-term benefits**

Employee benefits that the Council and Group expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date and retiring and long service leave entitlements expected to be settled within 12 months.

The Council and Group recognise a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

- **Long-term benefits**

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave; have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the estimated future cash flows. A discount rate of between 6.13 and 7.0%, and an inflation factor of 2.1 to 3.0% were used.

The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

1.26 Superannuation schemes

Defined contribution schemes

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

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the board of trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme. Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

1.27 Provisions

The Council and Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

1.28 Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost using the effective interest method.

1.29 Borrowings

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

Borrowings are classified as current liabilities unless the Council or Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the term maturity date is beyond 12 months of balance date.

1.30 Equity

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings
- Separate funds
- Special funds
- Trusts and bequests
- Asset revaluation reserves

1.31 Reserve funds

Reserve funds are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Special funds relate to funds that Council has set aside during the year for a special purpose e.g. a major construction project.

Separate funds are those which have been designated as being "self funding accounts".

Revenue is charged by way of separate rates or user charges. Refuse, pensioner flats, sewerage and water supply accounts make up Council's separate funds.

Trust and Bequest funds are provided to Council by various people and organisations for specific projects. Each account has been set up as a separate account in the ledger to maintain a degree of independence from general council funds. Payments made from these funds during the year are in accordance with the conditions of the trust or bequest.

Council's objectives, policies and processes for managing capital are described in note 32.

1.32 Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the Statement of Financial Position.

1.33 Budget figures

The budget figures are those approved by Council at the beginning of the year in the Annual Plan 2013-14. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk

of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

1.34 Landfill aftercare provision

Note 21 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

1.35 Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations for infrastructural assets.

These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be affected by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

1.36 Critical judgements in applying Council's accounting policies

Management does not consider that there are any material critical judgements in applying Council's accounting policies for the period ending 30 June 2014.

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

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

Reference	Title	* Application Date	Footnote
NZ IFRS 9	Financial Instruments	1 January 2013	¹
PS PBE	Public Benefit Entities Tier 1	1 July 2014	²

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

1. NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. It proposes changes to the requirements for the classification and measurement of financial assets and financial liabilities to reduce the complexity in reporting financial instruments. The first stage of the new standard has been released but only discusses financial assets. When adopted, it will affect the categories under which financial assets are classified in the Annual Report, but will have no impact on the values currently reported.

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

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

1.38 Changes in accounting policies

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

NOTE 2. SUMMARY COST OF SERVICE

	Council		
	Actual	Budget	Actual
	2014	2014	2013
	\$000	\$000	\$000
Income			
Leisure and cultural assets	2,939	801	1,301
Community services	80	43	243
Planning and regulatory services	854	785	919
Transportation	3,239	2,589	4,754
Water supply	1,354	1,150	2,267
Wastewater	62	31	805
Stormwater	87	0	1
Solid waste management	743	848	1,633
Other infrastructural assets and services	11	6	205
Democracy services and administration	1,432	710	1,249
<i>Income from activities</i>	10,801	6,964	13,378
<i>Rates</i>	8,852	8,962	5,017
<i>Total income</i>	19,653	15,926	18,395
Expenditure			
Leisure and cultural assets	2,665	2,636	3,279
Community services	648	386	302
Planning and regulatory services	1,427	1,431	1,352
Transportation	5,329	4,865	4,792
Water supply	2,431	2,445	2,202
Wastewater	814	881	733
Stormwater	582	594	531
Solid waste management	1,969	2,314	3,106
Other infrastructural assets and services	601	769	1,019
Democracy services and administration	2,078	1,777	2,128
<i>Total operating expenditure</i>	18,542	18,097	19,445
Operating Surplus/(deficit)	1,111	(2,172)	(1,050)

NOTE 3. RATES, EXCLUDING TARGETED WATER SUPPLY RATES

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
General rates	6,034	5,132	6,034	5,132
<i>Targeted rates attributable to activities:</i>				
Rates penalties	172	143	172	143
Kokatahi rural fire	8	8	8	8
Glacier country promotions	65	66	65	66
Enterprise Hokitika	39	39	39	39
Ross swimming pool	18	6	18	6
Waste management	1,140	787	1,140	787
Sewerage	649	730	649	730
Total rates, excluding targeted water supply rates	8,126	6,911	8,126	6,911

3.1 Water rates

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Rates, excluding targeted water supply rates	8,126	6,910	8,126	6,910
Targeted water supply rates	829	1,048	829	1,048
Total annual rates income	8,955	7,958	8,955	7,958

3.2 Rates remissions

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

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Total gross rates, excluding targeted water supply rates	8,126	6,910	8,126	6,910
Rates remissions:				
- Community and sports organisations	24	20	24	20
- Unoccupied Maori land	15	16	15	16
- Other remissions	42	29	42	29
- Discounts	21	19	21	19
Total remissions	103	84	103	84
Rates(net of remissions), excluding targeted watersupply rates	8,023	6,826	8,023	6,826

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission.

NOTE 4. SUBSIDIES AND GRANTS

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
NZ Transport roading subsidies	3,210	2,757	3,210	2,757
Other grants	37	43	37	43
Events grants	32	28	32	28
West Coast Cycle Trail	2,093	1,629	2,093	1,629
Donovons store Okarito	5	20	5	20
Total subsidies and grants	5,376	4,477	5,376	4,477

There are no unfulfilled conditions, or contingencies, attached to the subsidies and grants recognised (2013 nil).

NOTE 5. FINANCE INCOME AND FINANCE COSTS

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Finance income				
<i>Interest income:</i>				
- Call account	8	8	8	8
- Term deposits	48	42	48	42
- Related party loans	16	12	0	12
- Other interest	16	18	23	27
- Local authority and government bonds	0	21	0	21
- Other bonds	77	93	77	93
<i>Total finance income</i>	165	194	156	203
Finance costs				
<i>Interest expense:</i>				
- interest on bank borrowings	797	569	1,043	739
- interest on finance lease	0	0	0	0
- discount unwind on provisions	0	0	0	0
Interest derivatives (presented net):	0	0	0	0
- held for trading interest rate swaps	27	168	27	168
<i>Total finance costs</i>	824	737	1,070	907
Net finance costs	(659)	(543)	(914)	(704)

NOTE 6. OTHER REVENUE

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Rental income from investment properties	0	0	0	0
Traffic and parking infringements	7	21	7	21
Regulatory income	797	733	797	733
Petrol tax	122	113	122	113
Vested assets	246	210	246	210
Dividend income	165	340	0	0
Subvention receipts	393	337	0	0
Insurance recoveries	0	66	0	66
Other	906	2,399	9,113	8,636
Total other revenue	2,636	4,219	10,285	9,779

NOTE 7. OTHER GAINS/LOSSES

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Non-financial instruments				
Investment property revaluation gains	0	0	0	0
Property, plant & equipment: gains / (loss) on disposal	10	(5)	85	88
<i>Total non-financial instruments gains</i>	10	(5)	85	88
Financial instruments				
Fair value through other comprehensive income	192	342	192	342
Gains on disposal	0	0	0	0
<i>Total financial instruments gains</i>	192	342	192	342
Total gains	202	337	277	430

NOTE 8. PERSONNEL COSTS

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Salaries and wages	2,916	3,041	8,205	7,804
Employer contributions to superannuation and benefits	123	120	318	274
Increase/(decrease) in employee entitlements	(102)	(119)	(80)	(119)
Total personnel costs	2,937	3,042	8,443	7,959

Employer contributions to superannuation and benefits includes KiwiSaver and the Defined Benefit Plan Contributors Scheme

NOTE 9. OTHER EXPENSES

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Fees to auditors				
- fees to Audit New Zealand for audit of current financial statements	125	106	208	181
- fees to Audit New Zealand for prior year financial statements	25	31	25	31
- fees to Audit New Zealand for audit of the LTP 2015 - 2025	0	0	0	0
Donations and grants	419	187	419	187
Contractors	2,334	3,739	2,334	4,097
Insurance premiums	331	347	331	539
Consultants and legal fees	636	665	636	765
Impairment of receivables (note 12)	146	0	146	0
Property, plant, and equipment impairment	0	0	0	0
Minimum lease payments under operating leases	34	81	34	81
Other operating expenses	5,395	5,129	5,921	3,220
Total other expenses	9,445	10,285	10,054	9,101

NOTE 10. TAX

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Component of tax expense				
Current tax	0	0	116	270
Adjustments to current tax in prior years	3	0	0	0
Deferred tax	2	(20)	(20)	(106)
Tax expense	5	(20)	96	164
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	1,111	(1,050)	1,056	(709)
Tax at 28%	311	(294)	296	(198)
Permanent differences	(418)	191	(242)	377
Plus/(less) tax effect of:				
Non-taxable income	0	0	0	0
Deferred tax adjustment	2	103	118	(106)
Group loss offset	106		0	
Prior year adjustment	3	(20)	3	0
Tax expense	5	(20)	174	73

	Property, plant, and equipment	Other Provisions	Tax Losses	Total
	\$000	\$000	\$000	\$000
Deferred tax assets/(liabilities)				
Council				
Balance as at 1 July 2012	(108)	0	0	(108)
Charged to surplus or deficit	17	0	3	20
Charged to other comprehensive income	0	0	0	0
Balance as at 30 June 2013	(91)	0	3	(88)
Charged to surplus or deficit	(5)	0	3	(2)
Charged to other comprehensive income	0	0	0	0
Balance as at 30 June 2014	(96)	0	6	(90)
Group				
Balance as at 1 July 2012	(553)	193	10	(350)
Charged to surplus or deficit	18	95	(7)	106
Charged to other comprehensive income	0	0	0	0
Balance as at 30 June 2013	(535)	288	3	(244)
Charged to surplus or deficit	33	(90)	3	(54)
Charged to other comprehensive income	(66)	0	0	(66)
Balance as at 30 June 2014	(568)	198	6	(364)

NOTE 11. CASH AND CASH EQUIVALENTS

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Cash at bank and on hand	1,406	960	1,824	1,374
Term deposits with maturities of less than 3 months at acquisition	1,400	700	1,400	700
Total cash and cash equivalents	2,806	1,660	3,224	2,074

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

NOTE 12. DEBTORS AND OTHER RECEIVABLES

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Rates receivables	1,367	1,361	1,268	1,361
Other receivables:				
- related party receivables (note 28)	107	97	0	0
- NZ Transport Agency	523	1,041	523	1,041
- Subvention receivables	280	112	0	0
- Other	561	445	1,373	1,269
Gross debtors and other receivables	2,838	3,056	3,163	3,671
Less provision for impairment	(385)	(239)	(298)	(369)
Total debtors and other receivables	2,453	2,817	2,865	3,302

Provision for impairment of receivables includes a rates component covering debts aged more than six years, unoccupied Māori land rates and abandoned land rates. Council has various powers under the Local Government (Rating) Act 2002 to recover other outstanding rates. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments.

These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. The age of receivables overdue are as follows:

	2014			2013		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Council						
0 to 3 months	1,533	0	1,533	1,740	0	1,740
4 to 6 months	318	(17)	301	380	(5)	375
7 to 9 months	176	(38)	138	157	(7)	150
10 to 12 months	226	(17)	209	144	(17)	127
> 12 months	586	(313)	273	635	(210)	425
Total	2,838	(385)	2,453	3,056	(239)	2,817
Group						
0 to 3 months	1,964	0	1,964	1,959	0	1,959
4 to 6 months	298	(4)	294	463	(10)	453
7 to 9 months	125	(11)	114	210	(22)	188
10 to 12 months	240	(23)	217	256	(45)	211
> 12 months	537	(259)	278	813	(292)	521
Total	3,165	(298)	2,867	3,701	(369)	3,332

The impairment provision has been calculated based on a review of specific overdue receivables.

NOTE 13. DERIVATIVE FINANCIAL INSTRUMENTS

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Current asset portion				
Interest rate swaps - cash flow hedges	0	0	0	0
<i>Total current asset portion</i>				
Non-current asset portion				
Interest rate swaps - cash flow hedges	160	111	160	111
Interest rate swaps - held for trading	0	0	0	0
<i>Total non-current asset portion</i>	160	111	160	111
Total derivative financial instrument assets	160	111	160	111
Current liability portion				
Interest rate swaps - cash flow hedges	0	0	0	0
Forward foreign exchange contracts - held for trading	0	0	0	0
<i>Total current liability portion</i>	0	0	0	0
Non-current liability portion				
Interest rate swaps - cash flow hedges	135	318	135	318
<i>Total non-current liability portion</i>	135	318	135	318
Total derivative financial instrument liabilities	135	318	135	318

The interest rate swaps have been included at fair value. The basis for valuation are observable inputs (Level 2 - see note 14 for Fair Value Hierarchy).

Details of the outstanding Interest Rate Swap contracts as at 30 June are shown in the table below:

Maturity Date	Fixed Interest Rate %	Principal 2014 \$	Principal 2013 \$
17 June 2015	4.35		3,000,000
17 June 2016	4.52	3,000,000	
1 October 2017	4.99	5,000,000	5,000,000
17 September 2019	4.77	2,500,000	
17 November 2020	3.55	2,500,000	2,500,000
TOTAL		13,000,000	10,500,000

NOTE 14. OTHER FINANCIAL ASSETS

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Current portion				
Assets available for sale				
Civic Assurance	29	37	29	37
Westpac Bonds	1,291	1317	1,291	1317
Loans and Receivables	0	0	0	0
Total current portion	1,320	1,354	1,320	1,354
Non-current portion				
Assets available for sale				
Forestry	2	2	2	2
Kanierere sewerage loan	57	61	57	61
Loans and receivables				
Loan Hokitika Airport Limited	0	0	0	0
Loan Westland District Property Limited	0	124	0	0
Shares at cost				
Westland District Property Limited	2,627	2627	0	0
Hokitika Airport Limited	2,718	2718	0	0
Westroads Limited	3,350	3350	0	0
Total non-current portion	8,754	8,882	59	63
Total other financial assets	10,073	10,236	1,378	1,417

Investments in subsidiaries are recorded at cost. Since their shares are not traded any attempt to assess their market value would be arbitrary.

As at the balance sheet date Westland District Properties Ltd reported net assets of \$625,000 below its share capital. However the carrying value in Council's balance sheet represents its investment in Westland Holdings Ltd and thus the group of companies. The Group's net assets exceed its share capital by \$3,126,000, of which \$2,295,000 is retained earnings. Consequently it has been determined that no impairment adjustment is required.

Fair Value Hierarchy Disclosures

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

Level 1 Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.

Level 2 Valuation technique using observable inputs - Financial instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are not observable.

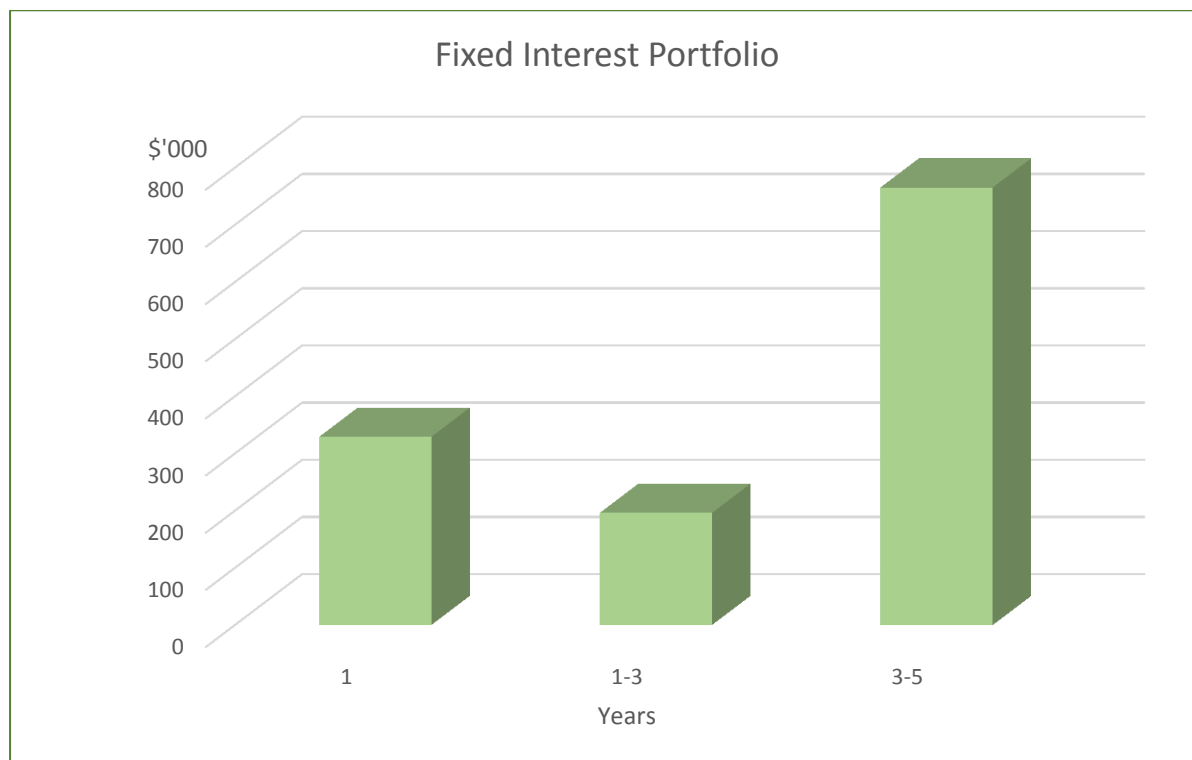
Level 3 Valuation technique with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are not observable.

Assets available for sale

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

Fixed Interest Portfolio –Bonds

Bonds are disclosed at quoted market price (Level 1). As at 30 June 2014 this was \$40,000 above face value, reflecting discounted future cash flows. Movements in valuations are taken through other comprehensive income during the year. The weighted average interest rate is 6.27% (2013: 6.61%). The graph below depicts the maturity profile



NOTE15. INVENTORY

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Metal stocks	0	0	155	150
Other supplies	0	0	257	272
	0	0	412	422
Total inventory	0	0	412	422
Development land	0	0	885	1076
Total term inventory	0	0	885	1,076

Stocks held at the i-SITE and at the museum are promotional retail items that carry an inherent risk of obsolescence. Consequently minimal stocks are held and, as a measure of prudence purchases are accounted for in the surplus or deficit. As at 30 June 2014, the historical cost of items held was \$18,000. In line with the above policy, they are assumed to have nil realisable value.

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

	Cost/ valuation 1-Jul-13	Accumulated depreciation & impairment charges 1-Jul-13	Carrying amount 1-Jul-13	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Current year disposals depreciation	Reclassification Cost	Revaluation depreciation Charges	Revaluation surplus	Cost/ revaluation 30-Jun-14	Accumulated depreciation & impairment charges 30-Jun-14	Carrying amount 30-Jun-14
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
COUNCIL 2014														
Operational assets														
Land (leased)	4,458	0	4,458	0	0							4,458	0	4,458
Land (leased airport)	4,278	0	4,278	0								4,278	0	4,278
Land (operational)	6,250	0	6,250	0	0							6,250	0	6,250
Buildings	4,804	(199)	4,605	103	(11)		(96)	1				4,896	(295)	4,601
Furniture & fittings	1,505	(532)	973	1			(95)					1,506	(627)	879
Library books	1,057	(811)	246	52			(52)					1,109	(863)	246
Museum artefacts	165	0	165	0								165	0	165
WBU assets	0	0	0	0								0	0	0
Computer equipment	955	(822)	133	20	(3)		(41)	2				972	(861)	111
Office equipment	493	(402)	91	3	(1)		(19)					495	(421)	74
Motor vehicles	329	(246)	83	110	(25)		(47)	24				414	(268)	146
Operational Plant and Equipment	53	(3)	50				(4)					53	(7)	46
Jackson's Bay wharf	670	(153)	517	0			(13)					670	(166)	504
Total operational assets	25,017	(3,168)	21,849	289	(40)	0	(367)	27	0	0	0	25,266	(3,508)	21,758
Infrastructural assets														
Land	2,139	0	2,139	0			0				0	2,139	0	2,139
Buildings	648	(26)	622	0	(17)		(15)	2				631	(39)	592
Roading network	189,405	(2,214)	187,191	2,295			(2,385)		577	(862)	0	192,277	(5,461)	186,816
Land under roads	55,374	0	55,374						20		0	55,394	0	55,394
Bridges	46,212	(527)	45,685	0			(526)		19	(19)	0	46,231	(1,072)	45,159
Water supply reticulation	20,904	(467)	20,437	164			(470)		1,042	(1,042)	0	22,110	(1,979)	20,131
Water supply treatment	4,423	(563)	3,860				(595)					4,423	(1,158)	3,265
Drainage/stormwater	9,858	(374)	9,484	2			(376)		453	(188)	0	10,313	(938)	9,375
Refuse sites	2,493	(103)	2,390	28			(65)				0	2,521	(168)	2,353
Sewerage system reticulation	7,472	(360)	7,112	140			(283)					7,612	(643)	6,969
Sewerage system treatment	2,671	(111)	2,560	33			(112)				0	2,704	(223)	2,481
Total infrastructural assets	341,599	(4,745)	336,854	2,662	(17)	0	(4,827)	2	2,111	(2,111)	0	346,355	(11,681)	334,674
Restricted assets														
Land	1,254	0	1,254				0					1,254	0	1,254
Public buildings	1,948	(78)	1,870				(39)					1,948	(117)	1,831
Cemetery buildings	52	(5)	47				(1)					52	(6)	46
Cemetery land	1,038	0	1,038				0					1,038	0	1,038
Reserve/recreation land	6,655	0	6,655	160			0					6,815	0	6,815
Reserve/recreation buildings	2,062	(40)	2,022		(106)		(20)					1,956	(60)	1,896
Reserve/improvements	457	(58)	399	5,039			(43)					5,496	(101)	5,395
Swimming pools	1,100	(93)	1,007				(26)					1,100	(119)	981
Total restricted assets	14,566	(274)	14,292	5,199	(106)	0	(129)	0	0	0	0	19,659	(403)	19,256
Total Council	381,182	(8,187)	372,995	8,150	(163)	0	(5,323)	29	2,111	(2,111)	0	391,280	(15,592)	375,688
Subsidiaries property, plant and equipment														
Land & Buildings	4,047	(528)	3,519	213	(54)		(99)		893	272	625	5,724	(355)	5,369
Plant and machinery	12,118	(6,407)	5,711	2,030	(1,042)		(1,270)	648				13,106	(7,029)	6,077
Office equipment	326	(267)	59	12	0		(27)					338	(294)	44
Hokitika Airport	2,400	(288)	2,112	0	0		(46)					2,400	(334)	2,066
Under Construction	21	0	21	105	(6)		0					120	0	120
Total subsidiaries	18,912	(7,490)	11,422	2,360	(1,102)	0	(1,442)	648	893	272	625	21,688	(8,012)	13,676
Total Group assets	400,094	(15,677)	384,417	10,510	(1,265)	0	(6,765)	677	3,004	(1,839)	625	412,968	(23,604)	389,364

	Cost/ valuation 1-Jul-12	Accumulated depreciation and impairment charges 1-Jul-12	Carrying amount 1-Jul-12	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Current year disposals depreciation	Reclassification	Revaluation depreciation Changes	Revaluation surplus	Cost/ revaluation 30-Jun-13	Accumulated depreciation and impairment charges 30-Jun-13	Carrying amount 30-Jun-13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
COUNCIL 2013														
Operational assets														
Land (leased)	4,811		4,811		(353)							4,458		4,458
Land (leased airport)	4,278		4,278									4,278		4,278
Land (operational)	6,410		6,410		(160)							6,250		6,250
Buildings	4,759	(102)	4,657	45			(96)					4,804	(199)	4,604
Furniture & fittings	1,491	(437)	1,053	14			(95)		10			1,505	(532)	972
Library books	1,009	(761)	248	48			(50)					1,057	(811)	246
Museum artefacts	158		158	7								165		165
WBU assets	86	(53)	33						(33)					
Computer equipment	814	(773)	41	143	(2)		(51)		3			955	(822)	133
Office equipment	483	(382)	101	12	(2)		(21)					493	(402)	91
Motor vehicles	309	(214)	95	20			(33)		20			329	(246)	83
Jackson's Bay wharfe	670	(140)	530				(13)					670	(153)	517
Total operational assets	25,192	(2,809)	22,416	289	(517)		(361)		0			25,017	(3,168)	21,849
Infrastructural assets														
Land	2,113		2,113	26								2,139		2,139
Buildings	648	(11)	637				(15)					648	(26)	622
Roading network	186,788	(7)	186,781	2,617			(2,207)					189,405	(2,214)	187,191
Land under roads	55,374		55,374									55,374		55,374
Bridges	46,212		46,212				(527)					46,212	(527)	45,685
Water supply	23,767		23,770	1,560			(1,030)					25,327	(1,030)	24,297
Drainage/stormwater	9,750		9,750	108			(374)					9,858	(374)	9,484
Refuse sites	2,450	(38)	2,412	43			(65)					2,493	(103)	2,390
Sewerage system	9,834	(83)	10,015	309			(388)					10,143	(471)	9,672
Total infrastructural assets	336,936	(139)	337,064	4,663			(4,606)					341,599	(4,745)	336,854
Restricted assets														
Land	1,254		1,254									1,254		1,254
Public buildings	1,948	(39)	1,909				(39)					1,948	(78)	1,870
Cemetery buildings	52	(3)	49				(1)					52	(4)	48
Cemetery land	1,038		1,038									1,038		1,038
Reserve/recreation land	6,655		6,655									6,655		6,655
Reserve/recreation buildings	2,082	(20)	2,042				(20)					2,062	(40)	2,022
Reserve/improvements	349	(33)	315	108			(25)					457	(58)	399
Swimming pools	1,098	(66)	1,032				(26)					1,098	(92)	1,006
Total restricted assets	14,456	(161)	14,294	108			(111)					14,564	(272)	14,290
Total Council	376,584	(3,109)	373,774	5,060	(517)	0	(5,078)					381,180	(8,185)	372,993
Subsidiaries property, plant and equipment														
Land & Buildings	3,151	(271)	2,880	797			(74)					3,948	(345)	3,603
Plant and machinery	11,293	(5,777)	5,516	1,743	(764)		(1,140)	577				12,272	(6,340)	5,932
Office equipment	304	(242)	62	22			(25)					326	(267)	59
Hokitika Airport	3,220	(454)	2,766				(44)	13				3,220	(498)	2,722
Under Construction	20	(13)	7	14	(13)							21		21
Total subsidiaries	17,988	(6,757)	11,231	2,562	(764)		(1,283)	577				19,786	(7,450)	12,337
Total Group assets	394,572	(9,866)	385,005	7,622	(1,281)		(6,361)	577				400,913	(15,635)	385,330

Assets are recorded at their most recent estimate of depreciated replacement cost.

All valuations are carried out on a cyclical basis. A detailed valuation was performed by Kerry Stewart of Darroch at 30 June 2011 for land and buildings. Infrastructural assets were valued in house in 2012 by the Planning Engineer and peer reviewed by Mr SR Griffin, Buller District Council. No formal revaluations were undertaken in 2013/14, but the valuations have been reviewed and deemed appropriate.

The brought forward cost and accumulated depreciation for water supply reticulation plant were misstated by opposite and equal amounts (\$1.06m). Other assets were incorrectly classified between roading and drainage (\$1.05m). While the net effect is nil, these have been adjusted in the current year and disclosed under revaluation and reclassification.

Disposals include the Harihari squash court and the Whataroa transfer station, which were destroyed by storms. These events were subject to insurance claims that were settled after the balance sheet date, but have been fully accounted for in these financial statements.

Core assets

Infrastructure assets includes the following:

	Closing Book Value \$'000	Additions in the year Purchased / constructed \$'000	Vested \$'000	Estimated replacement cost \$'000
Water Supply				
Treatment Plants	3,265	0	0	3,507
Reticulation and other	20,131	164	0	20,261
Sewerage				
Treatment Plants	2,481	33	0	2,425
Reticulation and other	6,969	140	0	7,326
Stormwater drainage	9,376	2	0	10,016
Roads and Footpaths	231,975	2,295	0	233,000

Estimated replacement cost is the depreciated replacement costs determined at Council's most recent formal valuations in June 2012.

Additional Disclosure: Local Government Amendment (No3) Act) Clause 31A - Insurance of assets

- The total value of assets covered by commercial insurance contracts was \$39,582,384, with \$30,282,940 insured at replacement value and the \$9,299,444 at indemnity value. There is an excess of \$15,000 for any single event.
- Westland District Council participates in the Local Authority Protection Programme (LAPP), which provides cover to \$100 million (including \$40 million from central government). This means that all of Council underground infrastructural assets (\$37 million per Note 16 above) are fully covered at replacement cost. Council's excess is \$841,000.
- With a total asset base of \$372,996,000 as at 1 July 2013, the above arrangements leave \$296,114,000 self-insured by Council. Of this \$268,372,000 relate to land and roads, which are considered low risk areas, leaving an exposure of \$27,742,000. As at 30 June 2014 asset renewal funds total \$866,000.

NOTE 16A. INVESTMENT PROPERTY

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Balance at 1 July	0	0	317	0
Additions from acquisitions	0	0	0	317
Disposals	0	0	(225)	0
Transfer to inventory	0	0	0	0
Fair value gains/(losses) on valuation (note 7)	0	0	(92)	0
Balance at 30 June	0	0	0	317

NOTE 17. INTANGIBLE ASSETS

	Council		Group	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Cost				
Balance at 1 July	78	78	328	328
Additions	3	0	3	0
Disposals	(10)	0	(260)	0
Balance at 30 June	71	78	71	328
Accumulated amortisation and impairment				
Balance at 1 July	19	14	266	240
Amortisation charges	13	5	16	26
Disposals	(7)	0	(257)	0
Balance at 30 June	25	19	25	266
Carrying amounts				
Balance at 1 July	59	64	62	88
Balance at 30 June	46	59	46	62

There were no internally generated intangible assets in the 2013/14 year.

NOTE 18. ASSETS UNDER CONSTRUCTION

	Council		Group	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Capital projects	1,271	4,425	1,392	4,583
Balance as on 30 June 2014	1,271	4,425	1,392	4,583

The West Coast Wilderness Trail was brought into use at the beginning of the financial year. The balance at 30 June 2014 reflects the cost of further work yet to be completed.

NOTE 19. CREDITORS AND PAYABLE

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Trade payables	525	0	1,624	0
Other payables	248	1,044	248	1,944
Employee benefit	59	66	59	66
Waiho relocation	303	303	303	303
Accrued expense	198	129	198	129
Amounts due to subsidiaries (Per Note 28)	730	523	0	0
Total creditors and other payables	2,062	2,065	2,431	2,442

NOTE 20. OTHER LIABILITIES

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Current portion				
Rates and other revenue received in advance	193	150	223	209
<i>Total current portion</i>	<i>193</i>	<i>150</i>	<i>223</i>	<i>209</i>
Non-current portion				
Revenue received in advance	0	0	0	0
<i>Total non-current portion</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total other liabilities	193	150	223	209

The increase reflects revenue that was collected during 2013/14 to fund projects and activities that will be undertaken during the year ended 30 June 2015.

NOTE 21. PROVISIONS

	Council		Group	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Current portion				
Landfill closure and monitoring	0	0	0	0
Riskpool call up provision	90	90	90	90
ACC Partnership Programme	0	0	0	0
Total current portion	90	90	90	90
Non-current portion				
Landfill closure and monitoring	1,576	1,498	1,576	1,498
Financial guarantees	0	0	0	0
Total non-current portion	1,576	1,498	1,576	1,498
Total provisions	1,666	1,588	1,666	1,588

Provision for landfill aftercare costs

The Council has responsibility under its resource consent to provide on-going maintenance and monitoring of the landfill after the site is closed. The responsibilities include fencing, drainage, signage, planting, coverage and monitoring the site for a set number of years after closure.

The cash outflows for landfill post-closure are expected to occur in one to thirty three years' time. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The provision has been estimated taking into account existing technology and using a discount rate of 6% being an estimate of Council's future cost of borrowing, and inflation rates using Treasury CPI forecasts. As at 30 June 2014 this was 1.6% and is forecast to remain within 2.2% over the next ten years.

The following major assumption has been made in the calculation of the provision:

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

NOTE 22. EMPLOYEE ENTITLEMENTS

	Council		Group	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Current portion				
Accrued pay	0	0	0	0
Annual and sick leave	236	243	746	763
Retirement and long service leave	0	30	68	33
Total current portion	236	273	814	796
Non-current portion				
Retirement and long service leave	52	117	183	241
Total non-current portion	52	117	183	241
Total employee entitlements	288	390	997	1,037

NOTE 23. BORROWINGS

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Current portion				
Bank overdraft	0	0	0	372
Secured loans	0	0	0	0
Term debts	0	15,498	1,150	16,732
Total current portion	0	15,498	1,150	17,104
Non-current portion				
Secured loans	0	0	962	
Term debts	14,760	0	15,689	1,257
Total non-current portion	14,760	0	16,651	1,257
Total borrowings	14,760	15,498	17,801	18,361

Fixed-rate debt

The Council's secured debt of \$ 14,760,353 (2013 \$15,498,353) is issued at variable rates of interest, protected by the swap contracts described in Note 14.

Council has a Multi Option Credit Line of \$19,000,000 (2012 \$15,500,000) reflecting the debt ceiling prescribed by the Long Term Plan 2012-22. Council repaid operational debt of \$510,000 and infrastructure debt of \$228,000 during the year. The movements are shown in the table below:

MOCL	Reference	Loan Name	Interest Rate	Balance 30 June 2013	New Loans Raised	Principal Repaid	Balance 30 June 2014
				\$	\$	\$	\$
805738	7000888	Waste Management Projects	4.35%	2,125,353.58			2,125,353.58
805736	7000888	Waste Management Projects	4.35%	944,347.00		120,421.00	823,926.00
805735	7000893	Water Supply Projects	4.35%	2,718,000.00			2,718,000.00
805736	7000893	Water Supply Projects	4.35%	505,653.00		107,579.00	398,074.00
806054	7000895	Westland Holding Limited	4.46%	2,627,000.00		1,527,000.00	1,100,000.00
805736	7000895	Westland Holding Limited	4.35%	0.00	738,000.00		738,000.00
806053	7000895	Westland Holding Limited	4.46%	0.00	789,000.00		789,000.00
806055	7000895	Westland Holding Limited	4.35%	2,718,000.00			2,718,000.00
806056	7000895	Westland Holding Limited	4.62%	3,350,000.00			3,350,000.00
805736	7000826	Operational		510,000.00		510,000.00	0.00
Total Council Debt				15,498,353.58	1,527,000.00	2,265,000.00	14,760,353.58
Available facility				3,501,647.42			4,239,647.42

Security

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

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

Loans Raised

No new loans were raised in the year

Internal Borrowing

Council had no internal borrowing processes operating in 2013/14.

Note 24: EQUITY

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Retained earnings				
Balance at 1 July	152,911	153,223	155,048	155,202
Restatement adjustment 2013	189		221	
Transfers to restricted reserves	(2,660)		(2,660)	
Transfers from restricted reserves	2,002	343	2,002	343
Revaluation reserve	44	375	(841)	375
Surplus/(deficit) for the year	1,107	(1,030)	1,693	(872)
Balance at 30 June	153,592	152,911	155,463	155,048
Restricted reserves				
Balance at 1 July	2,783	3,126	2,783	3,126
Restatement adjustment 2013	(39)		(39)	
Reclassification of bonds	(162)		(162)	
Transfers to retained earnings	(2,002)	(343)	(2,002)	(343)
Transfers from retained earnings	2,660	0	2,660	0
Balance at 30 June	3,240	2,783	3,240	2,783
Assets revaluation reserve				
Balance at 1 July	216,511	216,886	216,457	216,833
Restatement adjustment 2013				
Revaluation of property, plant and equipment			831	
Impairment of property, plant and equipment				
Transfer of revaluation reserve to retained earnings			54	
on disposal of property, plant and equipment	(44)	(375)	(44)	(376)
Balance at 30 June	216,467	216,511	217,298	216,457
Total equity	373,299	372,205	376,001	374,288

During the preparation of the financial statements for the year ended 30 June 2013 it was observed that the equity accounts in the financial system did not reconcile. This was a consequence of incomplete configuration within the system, accumulating over several years. The working papers for the Annual Report 2012/13 estimate that an adjustment of \$60,000 was required to be made to the system by Council's software provider. However subsequent review indicates that some of this difference related to the misclassification of certain accounts and others being included twice in the balance sheet. The transfer between Retained Earnings and both Restricted Reserves and the Asset Revaluation Reserve are also a reflection of this. Council's chart of accounts has been reviewed and configured to ensure that the financial statements directly reconcile to the trial balance. The net adjustment after reclassifications is (\$13,000), being deferred tax not previously accounted for (\$20,000) less a community grant draw down of \$7,000 that was posted directly to the reserve account.

NOTE 25. RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Surplus/(deficit) after tax	1,107	(1,030)	863	(872)
Add/(Less) non-cash items				
Vested assets	(246)	(210)	(246)	(210)
Depreciation and amortisation	5,336	5,083	6,781	6,387
Increase/(decrease) in employee entitlements	(37)	4	58	(1)
Increase/(decrease) in deferred tax	2	(17)	120	(106)
(Gain)/loss on fair value of investment property	34	0	92	0
(Gain)/loss in fair value of interest rate swap	(183)	(342)	(183)	(342)
	4,907	4,518	6,622	5,728
Add/(less) items classified as investing or financing activities				
(Gains)/losses on sale of assets	7	5	(85)	(88)
Capital creditors	0	0	(57)	389
Total current portion	7	5	(142)	301
Add/(less) movements in working capital				
Debtors and other receivables	364	1,427	435	1,672
Inventories	0	19	10	18
Creditors and other payables	(3)	(560)	(58)	306
Deferred income	(43)	2	(14)	37
Current and non-current provisions	78	1,064	78	1,064
Employee entitlements	65	(123)	18	99
Taxation provision	3	0	12	0
	463	1,829	481	3,196
Net cash inflow/(outflow) from operating activities	6,484	5,322	7,825	8,353

NOTE 26. CAPITAL COMMITMENTS

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Capital commitments approved and contracted transfers from general funds	0	1,224	0	2,702
Total capital commitments	0	1,224	0	2,702

Although Council routinely undertakes capital projects, no outstanding or new contractual commitments were in place at the balance sheet date.

Operating leases as lessee

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Not later than one year	54	58	68	100
Later than one year and not later than five years	18	136	40	572
Later than five years	0	0	5	0
Total non-cancellable operating leases	73	194	114	672

Non-cancellable contracts

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Not later than one year	1,827	2,275	0	0
Later than one year and not later than five years	2,069	7,025	0	0
Later than five years	2,036	52	0	0
Total non-cancellable operating leases	5,932	9,352	0	0

Operating leases as lessee

Council typically commits to twelve month operating lease commitments.

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

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

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

Non-cancellable contracts

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

Details of the commitments under these contracts are as follows

Contractual Commitments

Type	Expiry	< 1 year	1-5 years	> 5 years	Total
Non-cancellable operating leases					
Data supply	Annually renewable	1,725.00			1,725.00
Telephone system	Annually renewable	14,400.00			14,400.00
IT software licence	14/12/2015		18,372.00	█	18,372.00
Photocopier KIP map rental	Annually renewable	3,300.00			3,300.00
Photocopier Fuji Xerox	Annually renewable	34,800.00			34,800.00
Non-cancellable service contracts					
Enivronmental health	1/08/2016	50,000.00	50,000.00	█	100,000.00
Dog control	1/06/2015	44,800.00		█	44,800.00
Infrastructure contracts Westroads					
Solid waste recycling services	08/2008-07/2018	1,100,000.00	1,929,300.00	2,036,483.32	5,065,783.32
Roading	30/06/2015	11,700.00		█	11,700.00
Utilities	07/2013-06/2014	620,000.00			620,000.00

NOTE 27. CONTINGENCIES

	Council		Group	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Performance bonds	0	0	515	543
Mining bonds	0	0	26	35
Total contingent liabilities	0	0	541	578

Contingent Liabilities

The following table is extracted from the Annual Report of Westland Holdings Limited:

16. Contingent Liabilities and Contingent Assets	Group	Group	Parent	Parent
At 30 June 2014, the Company and Group had the following contingent liabilities:	2013/14	2012/13	2013/14	2012/13
	\$000	\$000	\$000	\$000
Guarantees:				
(a) Performance Bonds in favour of Westland District Council	65	65	-	-
(b) Performance Bonds in favour of Grey District Council.	290	290	-	-
(c) Mining Bonds	26	35	-	-
(e) Performance Bond in favour of Transit NZ	100	63	-	-
(f) Performance Bond in favour of Department of Conservation	84	84	-	-
(g) Performance Bond in favour of Hokitika Rimu Tree Top Walk Ltd	41	41	-	-

The only contingent asset is in relation the Haast Hollyford Agreement, which may see initial costs incurred by the Group reimbursed with agreement from other parties

Council's contingent liabilities

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

A property development company and a tourism experience operator have jointly claimed to the High Court that the Council has been negligent in making misstatements in relation to the closure of a Council owned facility (Franz Josef Heliport). The claim is being managed by Council's insurers, the Council's potential liability is \$10,000, being the insurance excess.

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

The Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the 'Scheme'), which is a multi-employer defined benefit scheme.

Defined Benefit Superannuation Scheme –

The Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme ("the Scheme"), which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, Council could be responsible for any deficit of the Scheme. Similarly, if a number of employers cease to have employees participating in the Scheme; Council could be responsible for an increased share of any deficit.

As at 31 March 2014, the Scheme had a past surplus of \$16.2 million (2013: \$23.5 million) and 8% (2013: 0.24%) of the liabilities. This amount is exclusive of Employer Superannuation Contribution Withholding Tax. This surplus was calculated by the actuary to the Scheme using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19.

The actuary to the Scheme has recommended previously that the employer contributions were suspended with effect from 1 April 2011. In the latest report the Actuary recommended employer contributions remain suspended.

Contingent Assets - Council

Council has no contingent assets at 30 June 2014 (2013 Nil)

NOTE 28. RELATED PARTY TRANSACTIONS

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

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

An annual contribution of \$15,078.90 (2013: \$15,078.90) was paid to West Coast Rural Fire Authority.

There were no transactions with Westland Wilderness Trust

The following table depicts the transactions and closing balances for the year ended 30 June between Westland District Council and its trading CCOs.

	Council	
	2014	2013
	\$000	\$000
Westroads Limited		
Revenue earned	51	26
Expenditure charged	5,488	6,070
Accounts payable by the Council	730	523
Accounts receivable to the Council	284	5
Group tax loss offset	0	0
Subvention payment	380	325
Hokitika Airport Limited		
Revenue earned	37	85
Expenditure charged	15	0
Accounts payable by the Council	0	0
Accounts receivable to the Council	0	0
Loan advanced	0	30
Loan payable to the Council	0	0
Loan repaid	0	189
Westland District Properties Limited		
Revenue earned	157	260
Expenditure charged	228	403
Accounts payable by the Council	0	0
Accounts receivable to the Council	202	92
Sale of transfer station	17	0
Loan advanced	0	124
Loan repayment	124	0
Interest on loan	16	0
Subvention payment due	0	12
Subvention payment received	0	0
Westland Holdings Limited		
Revenue earned	0	0
Expenditure charged	0	0
Accounts payable by the Council	0	0
Accounts receivable to the Council	0	0
Dividends received	165	340

Transactions with key management personnel

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

Additionally surplus office equipment with a net book value of \$1,411.70 was sold to key management personnel at \$1,450.00.

Per Westland Holdings Limited annual report M.H. Pugh received Director's fees of \$6,000

	Council	
	2014	2013
	\$000	\$000
Salaries and other short-term employee benefits	921	862
Post-employment benefits	28	41
Other long-term benefits	0	1
Termination benefits	67	105
Total key management personnel compensation	1,016	1,009

NOTE 29. REMUNERATION

Chief Executive - Tanya Winter

The remuneration of the Chief Executive of the Council appointed under section 42 (1) of the Local Government Act 2002 is disclosed below. The current Chief Executive was appointed on 17 September 2012; consequently the amount reported for 2013 is not reflective of a full year's remuneration.

	2014	2013
	\$000	\$000
Salary	193,929	139,516
Superannuation contribution	5,818	3,209
Total Chief Executive's remuneration	199,746	142,725

Elected Members

The remuneration of elected members is determined by the remuneration authority.

Elected representatives received the following remuneration to 13 October 2013:

		2014	2013
		\$000	\$000
M. H. Pugh*	Mayor	22,868	70,420
B. O. Thomson	Deputy Mayor	6,992	21,985
K. J. Eggeling	Councillor	6,537	15,566
K. R. Scott	Councillor	4,327	15,150
J. G. Birchfield	Councillor	4,787	15,632
A. M. Hurley	Councillor	4,030	14,110
A. N. Bradley	Councillor	4,030	14,110
J. H. Butzbach	Councillor	4,030	14,110
F. I. W. Stapleton	Councillor	4,030	14,110
M. D. Montagu	Councillor	4,373	15,150
K. A. van Beek	Councillor	4,238	14,110
Total elected representatives' remuneration		70,242	224,453

* Remuneration includes Director's fees of \$6,000 for 2013 and \$1,726 for 2014 (proportional to the period as Mayor in 2014).

Elected representatives received the following remuneration from 14 October 2013:

		2014
		\$000
M. Havill	Mayor	53,431
P. Cox	Deputy Mayor	15,873
M. Dawson	Executive Committee	13,691
A. Keenan	Councillor	10,985
L. Martin	Councillor	12,021
G. Hope	Councillor	19,262
J. H. Butzbach	Councillor	11,719
M. D. Montagu	Councillor	11,394
K. A. van Beek	Councillor	11,340
Total elected representatives' remuneration		159,717

Figures include travel allowances

Council Employees

Employee remuneration is based on contractual salaries and benefits contained in employment contracts. The amounts for part time employees and starters and leavers is stated pro-rata at FTE equivalents.

Levels	2014 \$000	2013 \$000
Annual remuneration by band for employees as at 30 June:		
< \$60,000	21	27
\$60,000 - \$79,999	15	16
\$80,000 - \$179,999	6	5
\$180,000 - \$200,000	1	1
Total employees	43	49

Employee Staffing Levels

	2014 \$000	2013 \$000
Number of Full-time Staff	27.00	30.00
Number of Part-time FTE's	7.68	6.76
Total FTE's	34.68	36.76

NOTE 30. SEVERANCE PAYMENTS

There were two severance payments in the year ended 30 June 2014 of \$18,522.72 and \$70,947.39 totalling \$89,470.11 (2013 \$0).

NOTE 31. EVENTS AFTER THE BALANCE SHEET DATE

After balance sheet date M. H. Pugh resigned as a director of Westland Holdings Limited. Mayor M. Havill was appointed as a director for an interim period to enable the company to continue to function in accordance with its constitution, pending completion of the CCO review.

During the year Council commenced a review of the structure of its CCO Group. This continued throughout 2014. A statement of proposal was considered by Council in December 2014 and public consultation is taking place from January 2015.

In November 2014 Westroads Ltd acquired the assets of Trenching Dynamix Ltd, a specialist buried horizontal infrastructure installation company.

NOTE 32. FINANCIAL INSTRUMENT RISKS

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

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

Market Risk

Price Risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Council is exposed to equity securities price risk on its investments, which are classified as financial assets available for sale. This price risk arises due to market movements in share investments held. This price risk is managed by diversification of the Council's investment portfolio in accordance with the limits set out in Council's Investment policy.

Currency risk

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

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

Fair Value Interest Rate Risk

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

Borrowings issued at fixed rates exposes the Council to fair value interest rate risk. The Council's Liability Management Policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to cover the fair value interest rate risk arising where the Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose the Council to fair value interest rate risk.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Council and Group to cash flow interest rate risk.

The Council and Group manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if the Council and Group borrowed at fixed rates directly. Under the interest rate swaps, the Council and Group agrees with other parties to exchange at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss. The Group has no significant concentrations of credit risk other than the New Zealand Transport Agency, as the Group has a large number of credit customers, mainly ratepayers, and the Council has powers under Local Government (Rating) Act 2002 it is able to recover from unpaid debts from ratepayers.

Credit Risk	Council		Group	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Bonds	1,291	1,317	1,291	1,317
Cash at bank and term deposits	2,806	1,660	3,224	1,660
Trade and other receivables	2,451	2,984	3,165	3,381
Government Stocks	0	26	0	26
Maximum Exposure	6,548	5,987	7,679	6,384

The group invests funds only in deposits with registered banks and local authority stock.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a liquid portfolio of investments that can be liquidated on short notice as required.

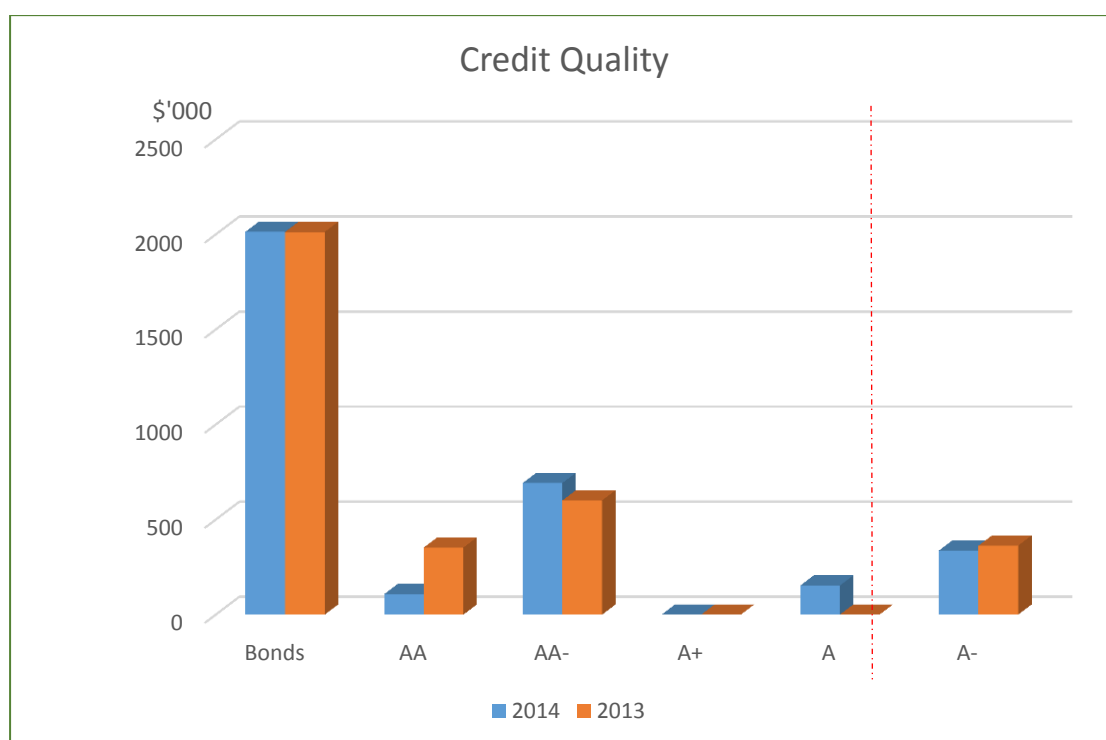
Council borrowings guidelines are defined in its Revenue and Financing Policy and its Liability Management Policy.

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

Credit Quality of Financial Assets

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

The chart below displays Council's bonds portfolio by credit rating.



Council's investment policy prescribes a minimum credit rating of A for investments of this type. Two contracts are in breach of this policy. They were acquired two years before the policy was written.

Contractual Maturity Analysis of Financial Liabilities

The table below analyses the Council and Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

Contract Maturities - Liabilities	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Council 2014					
Trade and other payables	2,062	2,062	2,062	-	-
Term debt	14,760	14,760	-	14,760	-
Bank overdraft	-	-	-	-	-
Total	16,823	16,823	2,062	14,760	-
Group 2014					
Trade and other payables	2,431	2,431	2,431	-	-
Term debt	17,801	17,801	1,553	16,248	-
Bank overdraft	-	-	-	-	-
Total	20,232	20,232	3,984		
Council 2013					
Trade and other payables	2,065	2,065	2,065	-	-
Term debt	15,498	15,498	15,498	-	-
Bank overdraft	-	-	-	-	-
Total	17,563	17,563	17,563	-	-
Group 2013					
Trade and other payables	2,354	2,354	2,354	-	-
Term debt	17,629	17,629	17,629	-	-
Bank overdraft	372	372	372	-	-
Total	20,355	20,355	20,355	-	-

Contractual Maturity Analysis of Financial Assets

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

Contract Maturities - Assets	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Council 2014					
Cash and cash equivalents	2,806	2,806	2,806	-	-
Trade and other receivables	2,453	2,453	2,453	-	-
Westpac Bonds	1,291	1,291	329	962	-
Civic Assurance	29	-	-	-	-
Total	6,579	6,550	5,588	962	-
Group 2014					
Cash and cash equivalents	3,224	3,224	3,224	-	-
Trade and other receivables	2,865	2,865	2,865	-	-
Westpac Bonds	1,291	1,291	329	962	-
Civic Assurance	29	-	-	-	-
Total	7,409	7,379	6,418	962	-
Council 2013					
Cash and cash equivalents	1,660	1,660	-	-	-
Trade and other receivables	2,820	2,984	-	-	-
Westpac Bonds	1,317	1,317	-	1,317	-
Civic Assurance	37	37	-	-	-
Total	5,834	5,998	-	1,317	-
Group 2013					
Cash and cash equivalents	2,074	1,660	1,660	-	-
Trade and other receivables	3,381	3,381	3,381	-	-
Westpac Bonds	1,317	1,317	-	1,317	-
Civic Assurance	37	37	37	-	-
Total	6,809	6,395	5,078	1,317	-

Sensitivity Analysis

Interest Rate Risk – Council

As at 30 June 2014 it is estimated that a two percentage point increase/decrease in market interest rates would decrease/increase the Council's equity by approximately \$25,812 (30 June 2013 \$28,666)

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

Interest Rate Risk – Group

As at 30 June 2014 it is estimated that a two percentage point increase/decrease in market interest rates would decrease/increase the Council and Group's equity by approximately -\$161,556.55/ \$550,497.59 (30 June 2013 -\$385,437.55/ \$353,976.57).

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

NOTE 33. CAPITAL MANAGEMENT

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

The Local Government Act 2002 [the Act] requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilizing the Council's assets and not expecting them to meet the full cost of long term assets that will benefit residents in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provisions in its Long Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Revenue and Financing Policy.

Council also maintains specific purpose reserves funds. These are reported in the next section.

NOTE 34. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET AND ACTUAL INCOME

EXPLANATION OF MAJOR OPERATING VARIANCES AGAINST BUDGET

Explanations for major variations from the Council's budget figures in the Annual Plan 13/14 are as follows:

Statement of comprehensive income

The Total Income is greater than budgeted by \$3.7 million mainly due to:

- Subsidies and grants is greater than budgeted by \$2.7 million mainly due to development of the Westland Wilderness Trail (\$2.1 million) and subsidy for the Beach Street Erosion Protection Works (\$0.5 million)
- Other revenue is greater than budgeted by \$0.8 million primarily due to received Vested Assets not budgeted for, increased Regulatory Income, increased reserved contributions and a number of smaller variances within other areas

The Total operating expenditure is greater than budgeted by \$0.5 million mainly due to:

- Other operating expenses is greater than budgeted by \$0.4 million due to the Beach Street Erosion Protection Works (\$0.5 million) less other savings.
- Depreciation and amortisation expenses is greater than budgeted by \$0.3 million due to more road related activities being capitalized than expected
- Personnel costs is less than budgeted by \$0.2 million primarily due to a number of vacancies across the organisation

Other comprehensive income is less than budgeted by \$1.9 million due to revaluation gains budgeted for but not undertaken, partly offset by gains on the fair value of bonds (\$0.2 million)

EXPLANATION OF MAJOR OPERATING VARIANCES AGAINST ACTUAL 12/13

Explanations for major variations from the Council's actual figures 12/13 are as follows:

Statement of comprehensive income

The Total Income is greater than last year by \$1.3m mainly due to:

- Rates, excluding targeted water supply is greater than last year by \$1.25 million as a result of funding shortfalls identified in the 'Getting Real' Annual Plan.
- Fees, Charges and targeted rates for water supply is greater than last year by \$1.0 million due to income from refuse sites included in 'Fees and Charges' in the 13/14 figures, but reported as 'Other Revenue' in 12/13
- Subsidies and grants is greater than last year by \$0.9 million due to further development of the Westland Wilderness Trail (\$0.5 million) and subsidy for the Beach Street Erosion Protection Works (\$0.5 million)
- Other revenue is less than last year by \$1.5 million primarily due to income from refuse sites reported as 'Fees and Charges' in the 2013/14 figures, but reported as 'Other Revenue' in 12/13 (\$1 million). Further, reduced income from Dividends, Insurance Premiums and Other Activities.

The Total operating expenditure is less than last year by \$0.8 million mainly due to:

- Other operating expenses is less than last year by \$1.0 million due to Aftercare Provision being created in 12/13 (\$1.0 million) and the Beach Street Erosion Protection Works (\$0.5 million), partly offset by write off of the Westland Business Unit in 12/13 (\$0.3 million) and less spend on Contractors
- Depreciation and amortisation expenses is greater than last year by \$0.3 million due to increase in road related activities being capitalized

Statement of Financial Position

The surplus for the year has contributed to an increase in net assets of \$1.1 million from 30 June 2013.

Current Assets

The balance of cash and cash equivalents is \$1.1m higher than budget and last year. Of this \$0.8m relates to projects and activities that were planned to be funded from rates or reserves that were carried forward to 2014/15.

Debtors and other receivables reduced by \$364,000, which partly reflects an improvement in cash collection, which has contributed to the higher than expected balance in cash, but also due to an increase in the provision for doubtful debts.

Non-Current Assets

There is a net decrease of \$552,000 since 30 June 2013. This is depreciation charges exceeded fixed asset additions. This also explains the difference against budget, which contained a net increase in property, plant and equipment of \$4m.

Similar differences are observed in the Funding impact Statements. Many of the assumptions in LTP were invalid, and even the reasonable assumptions will no longer hold due to the changes in circumstances that led to the writing of the 'Getting Real' Annual Plan 2013/14. As such it is unreasonable and of little value to undertake extensive variance analysis of actual v LTP. This has been provided versus budget and last year.

Examining the case of the water supply Group, there were two major projects being upgrades to the Haast (\$670k) and Fox (\$361k). These are among numerous projects and activities that were deferred and changed during the Annual Plan 2013/14 process. The former of these is taking place during 2014/15, while the latter awaits prioritisation.

Current Liabilities

After disregarding borrowings, there are no significant changes.

Non-Current Liabilities

Borrowings have reduced since 2012/13 by \$738,000, which was in line with expectations. The annual plan for 2013/14 forecast borrowings to be \$1,365,000, being loan funded fixed asset additions that were deferred.

Conversely the balance for provisions is \$1,176,000 higher than budget. This is because the final aftercare provision for landfills was calculated during the completion of the annual report 2012/13, which was after the annual plan 2013/14 had been adopted.

Reserve Funds

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

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

Council Created Reserve Funds

Township Funds

These receive an allocation each year for development projects within those localities.

The Kumara Residents Trust utilised the township fund to commence work on their Chinese Garden project.

Ross Township have allocated their funding to re-roofing the community hall. An amount of \$27,000 was provided via the Three Mile Domain restricted reserve, subject to an approved project on a statutory reserve being agreed.

Fox Glacier Community Development Society used \$30,000 towards the development of a new sports field.

Asset Renewals

The transportation depreciation reserve was fully utilised, predominantly in road surfacing but across the network including footpaths, drainage and structural works.

The main renewals from the water supply reserve were upgrades to the Hokitika reticulation system.

Funds from the administrative renewals reserve were used to upgrade IT equipment and software to improve efficiency, service and data security.

Council created reserve funds

Name	Purpose	Opening Balance July 2013 \$000	Deposits Full Year \$000	Withdrawals Full Year \$000	Closing Balance June 2014 \$000
Kumara township fund	Township funding for the purpose of community related projects	0	14	(14)	0
Harihari township fund	Township funding for the purpose of community related projects	0	14	0	14
Whataroa township fund	Township funding for the purpose of community related projects	0	14	0	14
Ross township fund	Township funding for the purpose of community related projects	0	41	(41)	0
Haast township fund	Township funding for the purpose of community related projects	0	14	0	14
Franz township fund	Township funding for the purpose of community related projects	0	36	0	36
Fox township fund	Township funding for the purpose of community related projects	0	52	(46)	6
Kokatahi/Kowhitirangi community rate	Allowing the community to have funds for various community related projects	0	16	0	16
Foreshore protection fund	Foreshore Protection for grain replacement on the foreshore.	24	1	0	25
Glacier country promotions	Targeted rates collected from Glacier Country to provide funding for marketing projects.	93	67	(160)	0
The Preston Bush Trust	Mr Preston donated the reserve to Council. This fund was for the community to beautify the bush with tracks and interpretation boards.	6	4	(1)	9
Harihari community complex	The Harihari Pony Club land was sold and the funding was to go towards a new community complex. (Another \$100,000 is allocated from the Reserve Development Fund.)	289	8	0	297
Guy Menzies day	Surplus from Guy Menzies Day Event.	5	0	(4)	1
Cycleway	Road Reserve sold to Westland Diaries allocated to fund towards construction of Wilderness Trail.	242	7	0	249
Emergency contingency fund	Rates collected to support Westland in a Civil Defence emergency.	45	1	0	46
Transportation asset renewal	For funding the renewal of roads and bridges.	0	1,157	(1,157)	0
Water renewal	For funding the renewal of water supplies networks	0	467	(117)	350
Waste water renewal	For funding the renewal of sewerage and sewage networks	0	205	(6)	199
Stormwater renewal	For funding the renewal of stormwater systems	0	192	0	192
Solid waste renewal	For funding the renewal of Refuse transfer Stations and landfills.	0	0	0	0
Parks renewal	For funding Parks, Reserves, Public Toilets, Ross Pool and Cemeteries Asset Renewal	0	18	0	18
Buildings renewal	For renewal of all Council operational buildings.	0	77	0	77
Administration renewal	For renewal of office equipment, furniture, technical equipment, vehicles and technology	0	54	(21)	33
Library book renewals	To replace library books	0	53	(56)	(3)
Total council created reserves		704	2,512	(1,622)	1,593

Restricted reserve funds

Name	Purpose	Opening Balance July 2013 \$000	Deposits Full Year \$000	Withdrawals Full Year \$000	Closing Balance June 2014 \$000
Offstreet parking	Collected for off-street parking. Imposed by RMA/District Plan	28	1	0	29
Reserve development	Monies collected from developments. Imposed by RMA/District Plan.	572	101	0	673
Museum assistance fund	Originally the Museum Bequest Fund & Carnegie Furnishings.	9	10	0	18
Kumara endowment fund	Proceeds from sale of endowment land for the purpose of the Borough.	441	13	0	453
Euphemia Brown bequest	From the estates of Euphemia & William E Brown. To provide Christmas cheer or comfort for orphan children, or aged or infirm persons residing in and around Hokitika.	23	1	(3)	21
Waiho river-Franz Josef	Money from the Crown to pay for relocation of properties south of the Waiho river.	303	0	(303)	(0)
Mayors trust funds	Contributions from James & Margaret Isdell Trust; Coulston Herbert Trust.	31	1	(30)	3
Three mile domain	To fund Three Mile Domain costs.	227	6	(26)	207
Ross endowment land	Proceeds from sale of endowment land for the purpose of the Borough.	237	5	0	242
Big Brothers Big Sisters	Grant funding received	5	8	(13)	(1)
Community patrol	Grant funding received	2	0	(2)	(0)
Graffiti	Grant funding received	1	0	0	1
Taxi chits	Grant funding received	0	3	(3)	0
Total Restricted Reserves		1,878	148	(380)	1,646
Total All Reserve Funds		2,582	2,660	(2,002)	3,240

Restricted Reserve Funds

Restricted reserve funds are created via donations, contributions and endowments with an explicit purpose.

Euphemia Brown bequest	Contributions were made to RSA Ladies, Big Brothers Big Sisters, Hokitika Lions and West Coast Riding for Disabled
Waiho Relocation	This was found to be a duplication of the provision disclosed in Note 19 and has been transferred back to general reserves.
Mayors trust fund	Two donations were received and twenty four payments were made during the year.
Three Mile Domain	In addition to the transfer to Ross Community noted in Council Created Reserves above, funds have been allocated to Whataroa (\$35,000) Fox Glacier (\$15,500) and Haast (\$3,000). Any expenditure must be on statutory reserves in these townships and will be resolved by Council.
Driveway bonds	This has been reclassified as a liability, since the balance reflects deposits that are repayable to developers upon completion of works.

REPORT OF THE AUDIT OFFICE

To be inserted