



A G E N D A

Extraordinary Council Meeting

Council Chambers

**Monday 31 October 2016
commencing at 1.30 pm**

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



EXTRAORDINARY COUNCIL MEETING

**EXTRAORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL,
TO BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA
ON MONDAY 31 OCTOBER 2016 COMMENCING AT 1.30 PM**

Tanya Winter
Chief Executive

27 October 2016

COUNCIL VISION

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

This will be achieved by:

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

Purpose:

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

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

1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Apologies & Leave of Absence

Apology:

Cr D.L. Carruthers.

1.2 Interest Register

2. PUBLIC FORUM

The public forum section will commence at the start of the meeting.

3. AGENDA ITEMS FOR DECISION

3.1 Annual Report for 2015-2016 (Pages 4-7)

Bede Kearney, Audit Director will be in attendance for this part of the meeting.

*A copy of the Annual Report is included under separate cover at **Appendix 1**.*

4. AGENDA ITEMS FOR DISCUSSION

4.1 Carnegie Building

4.2 Council Controlled Organisations Director Appointment Policy Amendment

4.3 Council Controlled Organisations Structure

4.4 Delegations – Consultants

4.5 Franz Alpine Resort

4.6 Franz Josef Fault Rupture Avoidance Zone

4.7 Franz Josef River Protection

4.8 Franz Josef Wastewater Treatment Plant

4.9 Hokitika Sewage Outfall

4.10 Hokitika Water Supply Intake

4.11 Legal Road Occupations – Beach Street

4.12 Oscar Bottom Memorial - Funding Request

4.13 Standing Orders

4.14 Sunset Point

4.15 West Coast Wilderness Trail

4.16 Whataroa Water Supply

4.17 Wildfoods Festival Steering Group

Date of next Ordinary Council Meeting

24 November 2016

commencing at 9.00 am

Report



DATE: 31 October 2016
TO: Mayor and Councillors
FROM: Group Manager: Corporate Services

ADOPTION OF ANNUAL REPORT 2015-16

1 SUMMARY

- 1.1 The purpose of this report is to present the Annual Report 2015-16 for adoption.
- 1.2 This issue arises from the requirements of the Local Government Act 2002.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council adopts the Annual Report 2015-16.

2 BACKGROUND

- 2.1 Section 98 of the Local Government Act 2002 requires the Annual Report to be formally adopted by Council, within 4 months after the end of the financial year to which it relates.
- 2.2 In 2015, Council met the statutory deadline for adoption of an Annual Report for the first time in 4 years.
- 2.3 The purpose of the Annual Report is to inform the community on Council's financial performance and service delivery, compared to objectives contained in the Annual Plan and Long Term Plan.

3 CURRENT SITUATION

- 3.1 The Draft Annual Report 2015-16 is attached with the agenda as **Appendix 1**. Although no material changes are anticipated, at the time of publishing the agenda it is subject to final audit review. The Final Annual Report 2015-16,

complete with Audit Opinion will be provided to Council for the meeting as **Appendix 2**.

- 3.2 This is the first Annual Report that measures performance against the Long Term Plan 2015-25.
- 3.3 Council and the Group meet the criteria for reporting as a Tier 2 entity under the Public Benefit Entity Accounting Standards. However, this was not the case in 2014-15, so for consistency and comparability the Annual Report 2015-16 has been prepared in accordance with Tier 1 reporting requirements.
- 3.4 Summary:

- 3.4.1 Council reports a surplus of \$764,000, which is \$1.1 million favourable to budget. The variance includes the following items:

Description	Amount \$
Grant revenue for West Coast Wilderness Trail	1,550,587
Subsidy revenue for Haast water treatment plant	209,661
Reduction in landfill aftercare provision	336,722
Net cost of flood reinstatement and recoveries	-388,000
Water treatment plant replacement membranes	-385,000
Loss on market value of derivatives	-385,595
Other revenue gains and cost savings	166,540
Total	1,102,595

- 3.4.2 Council undertook comprehensive revaluations of its significant and material fixed assets; three waters, transportation network and parks and reserves. This realised a gain of \$29.8 million.
- 3.4.3 Public debt has increased by \$0.94 million. This includes the final drawdown of \$2.19 million for the Hokitika Water Treatment Plant Upgrade.
- 3.4.4 The balance of accounts receivable included some of the grant revenue for the West Coast Wilderness Trail and the final quarterly amount for the specific rate associated with the Hokitika Water Treatment Plant upgrade, which was paid in July. The underlying balance for accounts receivable was therefore below \$2.5 million. The balance of rates debtors is \$170,000 lower than in 2015 and the ageing profile has improved markedly.
- 3.4.5 The Annual Report also contains Statements of Service Performance (SSP) for each activity, with new KPIs assessed against new measures that were included in the Long Term Plan 2015-25.

- 3.4.6 Council achieved 55% of its targets in service delivery. This outcome was compromised by a number of KPIs that could not be reliably measured, particularly in Transportation, Water Supply and Wastewater.
- 3.4.7 Where comparable measures were used, 5 activities demonstrated improvements against performance in 2014-15 with 2 showing minor deterioration.
- 3.4.8 A formal residents' satisfaction survey was conducted in April 2015, and the responses are reflected in the SSP.

4 OPTIONS

4.1 The following options are available to Council:

4.1.1 Do nothing.

4.1.2 Adopt the final Annual Report 2015-16 as provided, **Appendix 2**.

4.1.3 Defer adoption until Council has taken time to consider the Audit Opinion and further review the report.

4.1.4 Adopt the Annual Report 2015-16 subject to editorial changes recommended by Council.

5 SIGNIFICANCE AND ENGAGEMENT

5.1 The adoption of an Annual Report is administrative and of low significance.

5.2 No public consultation is required. The Annual Report is intended to inform the community.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

6.1 There are no direct financial implications for any of the options

6.1.1 Do nothing:

Adoption of an Annual Report is a statutory requirement.

6.1.2 Adopt the final Annual Report 2015-16 as provided

Council will meet the statutory deadline for adoption.

6.1.3 Defer adoption until Council has taken time to consider the Audit Opinion and further review the report.

The Annual Report as presented has been subject to rigorous review and material misstatements are unlikely. The report is the aggregation of

activities and decisions undertaken by Council throughout the year and departures and variances have been explained.

By deferring adoption Council would miss the statutory deadline.

6.1.4 Adopt the Annual Report 2015-16 subject to changes recommended by Council

Council may wish to amend or edit the report in light of new information, observations or recommendations. Material amendments would require further audit work and a deferred adoption.

7 PREFERRED OPTION AND REASONS

7.1 The preferred option is 2: Adopt the final Annual Report 2015-16 as provided, **Appendix 2**. Council would meet the statutory deadline for adoption and the community would be informed about Council's performance and financial position in a timely manner.

8 RECOMMENDATION

A) **THAT** Council adopts the Annual Report 2015-16 as provided in **Appendix 2**.

Gary Borg

Group Manager: Corporate Services

Appendix 1: Attached to agenda: Draft Annual Report 2015-16

Appendix 2: Presented separately: Annual Report 2015-16