

# WESTLAND DISTRICT COUNCIL



ANNUAL REPORT 2014 / 2015



*District Office  
Postal Address  
Communications*

*36 Weld Street, Hokitika  
Private Bag 704, Hokitika  
Phone: (03) 756 9010  
Fax: (03) 756 9045  
Email: [council@westlanddc.govt.nz](mailto:council@westlanddc.govt.nz)  
Website: [www.westland.govt.nz](http://www.westland.govt.nz)*

*Date of Constitution of District  
Population – Census Night (2013)  
Resident in District  
Total Area  
Rateable Area  
No. of Rateable Assessments  
No. of Non-rateable Assessments  
Rateable Capital Value as at 30 June 2014  
Non-rateable Capital Value as at 30 June 2014  
Rateable Land Value as at 30 June 2014  
Non-rateable Land Value as at 30 June 2014  
Date of Last Valuation  
Date of Next Valuation  
Auditor  
Bankers  
Insurance Brokers*

*1 November 1989  
11,136  
8,307  
1,188,017 ha  
140,604 ha  
6,613  
656  
\$2,309,254,000  
\$674,877,200  
\$1,357,039,000  
\$537,552,700  
1 September 2014  
1 September 2017  
Audit New Zealand, on behalf of the Auditor-General  
Westpac Bank  
Crombie Lockwood – to 30 June 2015  
Aon New Zealand – from 1 July 2015*



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# INTRODUCTION

This section contains the following information:

Council's vision

Elected members and Council committees

Executive Team

Māori Contribution to decision making

Mayor and Chief Executive's report

Reporting guidelines and the Council's Long-Term Plan

Financial statistics

Financial performance summary

Financial prudence

Statement of compliance



# Council's vision

Council adopted a revised vision in 2014 (and updated it in 2015 at the conclusion of Long Term Plan hearings). The new vision is included in its 2015 -25 Long Term Plan.

*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, and cultural and natural resource base to enhance lifestyle and opportunity for future generations.*
- *Westland will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service.*



# Elected members



[Insert: Cr Greg Hope]

Back row (L-R): Cr Jim Butzbach, Cr Latham Martin, Cr Mark Dawson, Cr Kees van Beek

Front row (L-R): Cr Andy Thompson, C.E. Tanya Winter, Mayor Mike Havill, Deputy Mayor Pauline Cox, Cr Murray Montagu

Mayor

Mayor Mike Havill [mayor@westlanddc.govt.nz](mailto:mayor@westlanddc.govt.nz)

Northern Ward

*Cr Anthea Keenan (resigned during term), replaced by:*

Cr Andy Thompson [cr.thompson@westlanddc.govt.nz](mailto:cr.thompson@westlanddc.govt.nz)

Cr Murray Montagu [cr.montagu@westlanddc.govt.nz](mailto:cr.montagu@westlanddc.govt.nz)

Cr Kees van Beek [cr.vanbeek@westlanddc.govt.nz](mailto:cr.vanbeek@westlanddc.govt.nz)

Hokitika Ward

Cr Jim Butzbach [cr.butzbach@westlanddc.govt.nz](mailto:cr.butzbach@westlanddc.govt.nz)

Cr Mark Dawson [cr.dawson@westlanddc.govt.nz](mailto:cr.dawson@westlanddc.govt.nz)

Cr Latham Martin [cr.martin@westlanddc.govt.nz](mailto:cr.martin@westlanddc.govt.nz)

Southern Ward

Deputy Mayor Pauline Cox [cr.cox@westlanddc.govt.nz](mailto:cr.cox@westlanddc.govt.nz)

Cr Greg Hope [cr.hope@westlanddc.govt.nz](mailto:cr.hope@westlanddc.govt.nz)

## Council Committees

Executive Committee	Cr Mark Dawson (Chairman) All other elected members
Westland Nature Trust	Francois Tumahai, Te Runanga O Ngati Waewae (Chairman) Deputy Mayor Pauline Cox Cr Kees van Beek 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	Cr Latham Martin Reilly Burden Ian Boswell Kathy Dyzel Veronika Maser Nick Meissel
District Licensing Committee	Bryce Thomson (Commissioner) Zelda Martin Timothy Teen Richard Gardiner
Hokitika Seawall Joint Committee	Cr Mark Dawson Cr Jim Butzbach Cr Kees van Beek
West Coast Emergency Management Committee	Mayor Mike Havill
West Coast Regional Transport Committee	Cr Greg Hope
Sport NZ Rural Travel Fund – Allocation Committee	Cr Mark Dawson Pavel Bares Jane Neale

# Executive team



Back row (L-R): Vivek Goel, Diane Maitland  
Front row (L-R): Jim Ebenhoh, Tanya Winter, Gary Borg

## **Tanya Winter**

Chief Executive

Telephone: 03 756 9010

Email: [ce@westlanddc.govt.nz](mailto: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 Plans
- 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](mailto:diane.maitland@westlanddc.govt.nz)

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 Team.

**Gary Borg**  
Group Manager: Corporate Services

Telephone: 03 756 9030  
Email: [gary.borg@westlanddc.govt.nz](mailto:gary.borg@westlanddc.govt.nz)

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 deliver the Annual Report, Annual Plan /Long Term Plan and provide frontline customer service for Council, and information to tourists via the i-SITE. Gary's team also provides information management services including IT.

**Jim Ebenhoh**  
Group Manager: Planning, Community & Environment

Telephone: 03 756 9035  
Email: [jim.ebenhoh@westlanddc.govt.nz](mailto:jim.ebenhoh@westlanddc.govt.nz)

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 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](mailto:vivek.goel@westlanddc.govt.nz)

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. Vivek is also responsible for overall Asset Management. This includes development of Asset Management/Activity Management Plans and long term infrastructure strategies.

# Maori 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.

The Long Term Plan 2012/22 contained a Māori Consultation Policy. In the previous Annual Report we advised that this was going to be updated and this has been achieved. The policy has been updated to a 'Statement', and included in the 2015-2025 Long Term Plan.

The statement expresses the desire of Council and Poutini Ngāi Tahu (Te Rūnanga o Ngai Tahu, Te Rūnanga o Makaawhio and Te Rūnanga o Ngāti Waewae) to maintain good communication and working relationships. In particular all parties wish to evolve our relationships to ensure that contribution to decision making continues to occur.

As an example of a current method of providing an opportunity for Poutini Ngāi Tahu to contribute to the decision-making processes of Council, a quarterly meeting is held with representatives of Te Rūnanga o Makaawhio to discuss strategic matters largely in relation to the Resource Management Act 1991. This arrangement has proven to be a successful way of engaging on other topics such as the Annual Plan, and planning for major infrastructure projects.

Council also has a Safer Community Council that meets bi-monthly and agendas and minutes of those meetings are emailed to both Makaawhio and Ngāti Waewae. 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.

The Chief Executives from all parties meet regularly.



# Mayor and Chief Executive's Report



Council is 2 years into its current 3 year term. This report is for the final year of the 2012-22 Long Term Plan that was already in place when this Council was elected in 2013.

Council has continued its focus on three key areas in the past year and we are pleased to report these projects have now been concluded. They are:

- Rates Review
- Review of the Council Controlled Organisations
- Implementation of monthly financial reporting

The work associated with these projects has been a huge undertaking, when at the same time, Council was developing the 2015-25 Long Term Plan. This required a significant time commitment from November 2014 onwards, so a key milestone was achieved when the Plan was adopted on the statutory deadline of 30 June 2015.

Council has continued to hold some of our monthly meetings around the district and this has been an effective way of engaging with you and hearing your feedback on a number of issues. We also held a large number of meetings on the rating review and the Long Term Plan where we heard your views on a range of topics. We are always available to attend community group meetings.

During the year Anthea Keenan resigned as a Northern Ward Councillor and was replaced by Councillor Andy Thompson in a bi-election. We thank Anthea for her contribution in the time she was on Council and welcome Cr Thompson.

One of the more exciting projects Council became involved in over the past year was the upgrade of the Hokitika Water Treatment Plant. While this project was indicated in the 2012-22 Long Term Plan, the success of Westland Milk Products meant that this was brought forward several years in order to supply the company with the volume of high quality water they need to operate right now. This project is fully funded by Westland Milk Products, and will be completed in October 2015.

Construction of the West Coast Wilderness Trail continued in 2014-15 with the Kumara Tram section completed in early 2015. This included a 110m suspension bridge over the Kumara Chasm, which has become a highlight of this section. Focus in early 2015 turned to the Hokitika to Ross section with this due to open at Labour Weekend 2015.

2014-15 was a significant year for the tourist township of Franz Josef/Waiau. Plan Change 7 (Fault Rupture Avoidance Zone) was publicly notified, the township ran out of water in the middle of the tourist season, and Council received abatement notices for discharge from the wastewater treatment ponds. On the positive side, Franz had one of the busiest tourist seasons since the Canterbury earthquakes. Even Prime Minister John Key mentioned the town in his speech to the Local Government NZ conference in July 2015. In response to the challenges faced by Franz, residents, businesses, Council and other agencies formed a working party to address the issues facing the community and how Franz might position itself as a resilient community in the future.

While many projects are in the public eye and require significant consultation, the development of Council's Customer Service Centre went on quietly behind the scenes with a dedicated team of staff leading the project. The new Centre blends both the i-SITE and Council's customer service function and means that we can provide services to you 7 days a week. The Centre was officially opened on 1 July 2015.

Council undertakes many projects on behalf of the community, but we also have a large number of voluntary groups out there who work tirelessly behind the scenes to ensure that our community is vibrant. Some are engaged in capital projects while others provide support to people in need. We would like to acknowledge the significant contribution this sector makes to the Westland district.

While operating performance was substantially in line with budget, Council reports a deficit of \$1.93 million, which is \$0.8 million adverse to budget. This variance is a result of market value adjustments to interest rate swaps, book losses on disposed assets such as the demolished RSA building, and costs associated with the Long Term Plan 2015-25 which had partly been funded from the budget for the previous year.

Public debt increased by \$1.9 million to \$16.7 million, in line with the Annual Plan 2014/15. This is entirely due to the first tranche of funding for the Hokitika Water Treatment Plant upgrade which, as consulted during the year, will be recovered via a specific targeted rate.



**Mike Havill**  
**MAYOR**  
2 November 2015



**Tanya Winter**  
**CHIEF EXECUTIVE**  
2 November 2015

# Reporting Guidelines

The Local Government Act 2002 (the LGA) requires all local authorities to develop a Long Term Plan (LTP) 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.

The Long Term Plan for this reporting period was adopted in June 2012. This Annual Report 2014/15 is the third year of reporting under this LTP.

Council adopted a new LTP on 30 June 2015, so the next Annual Report will be based on the provisions and planning framework of the 2015 - 2025 Long Term Plan.

We prepare an Annual Report to communicate to the community how we performed 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 any departures are explained in the statements of service performance. However, as described in the first and second Annual Reports prepared under the framework of the LTP 2012/22, the LTP itself 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 Act provisions, 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 Annual Plan 2014/15.

# Financial Statistics

	2014/15	2013/14	2012/13	2011/12	2010/11
Proportion of general rates to total income	37%	31%	28%	24%	26%
Average general rates per rateable property	\$981	\$913	\$778	\$757	\$701
Public debt (as a percentage of property, plant & equipment)	4%	4%	4%	3%	4%
Public debt (per rateable property)	\$2,519	\$2,232	\$2,350	\$1,842	\$2,352

# Financial Performance Summary

	2014/15 \$000	2013/14 \$000	2012/13 \$000	2011/12 \$000	2010/11 \$000
Rates - general	6,489	6,034	5,132	4,619	4,662
Net surplus/(deficit)	(1,935)	1,107	(1,030)	(2,457)	(606)
Working capital	4,125	3,994	(12,245)	4,452	(4,639)
Public debt	16,660	14,760	15,498	15,479	13,528
Total assets	418,884	392,498	392,302	393,164	399,947

# Annual report disclosure statement

The following information is the annual report disclosure statement for year ending 30 June 2015.

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks, to enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial activity.

We are required to include this statement in this annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). You can refer to these regulations on the Council website.

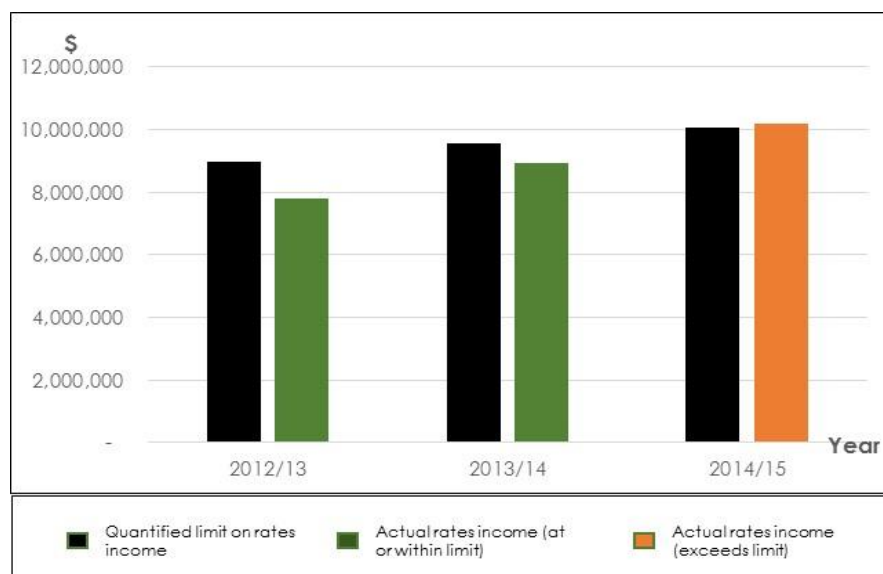
## Rates affordability

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.

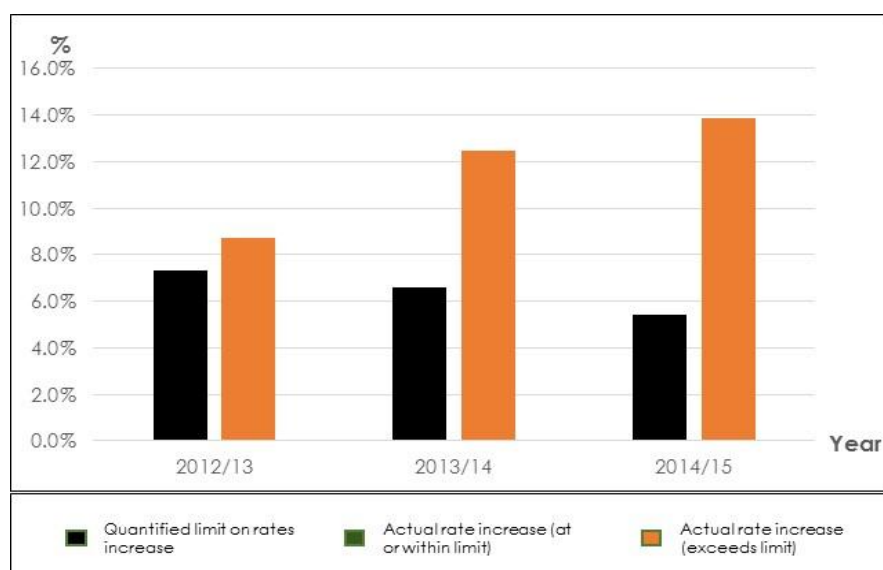
There is no limit prescribed in the LTP for rates income, therefore performance is reported in the graph below against the benchmarks rates income contained in the financial forecasts. The limit was marginally exceeded in 2014-15 due to growth in metered water supply rates that led to the acceleration of the Hokitika Water Treatment Plant upgrade.

### Rates (income) affordability



### Rates (increases) affordability

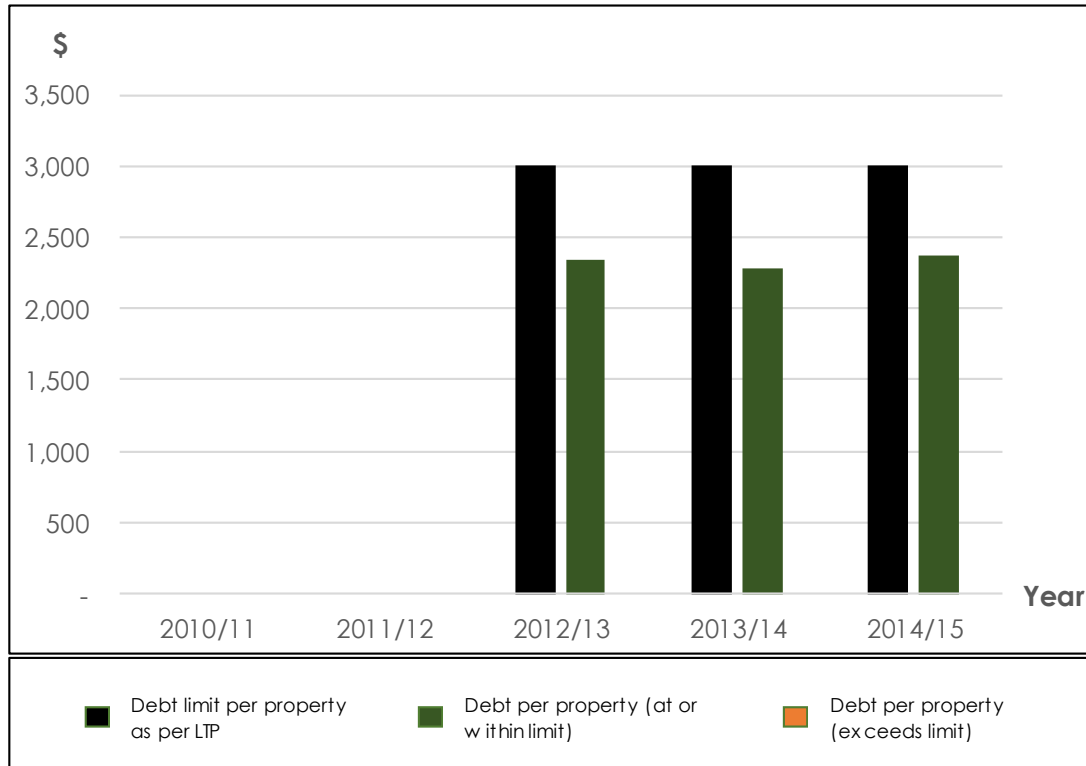
The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. It was forecast in the LTP that these limits would be exceeded during the first three years of the plan. Rates income exceeded the rates struck due to growth in metered water volumes that had not been forecast in the Annual Plan.



## Debt affordability benchmark

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Long Term Plan 2012/22. The quantified limit is that average debt will not exceed \$3,000 per rateable property.

### Average debt per rateable property



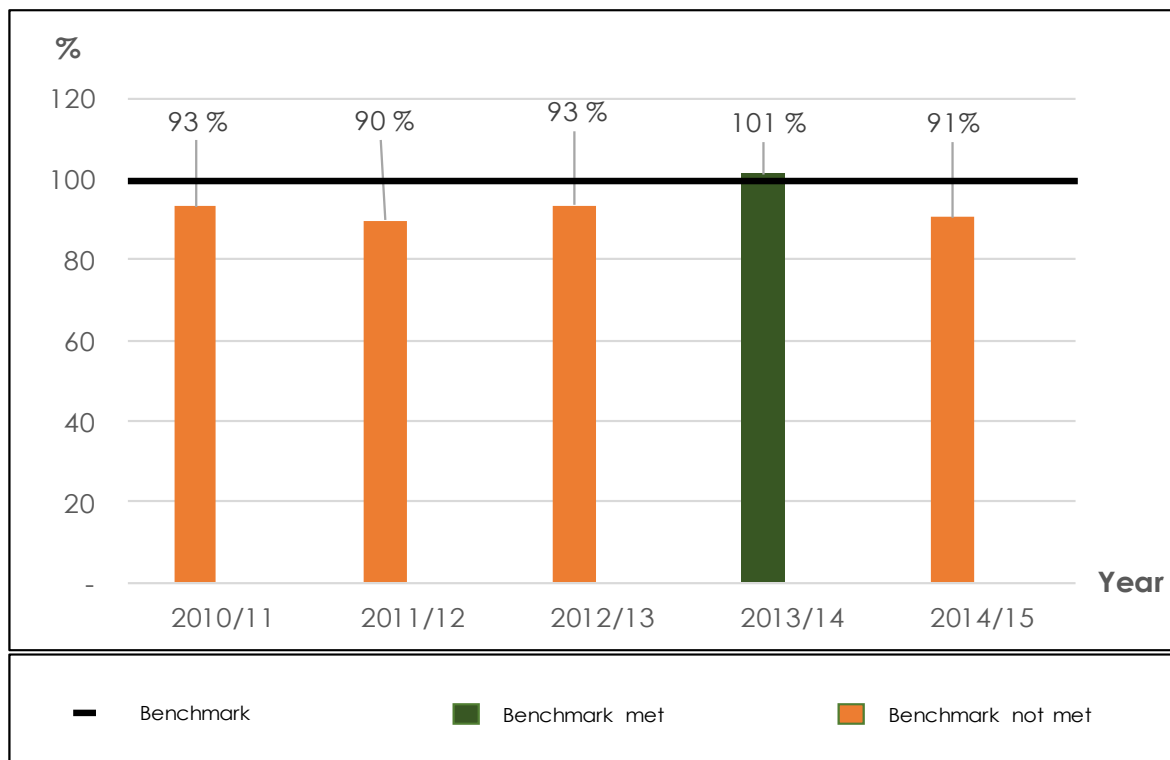


## Balanced budget benchmark

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 meet this benchmark if its revenue equals or is greater than its operating expenses.

It was anticipated in the Annual Plan 2014-15 that Council would not meet this benchmark, since it has continued not to fully rate for its depreciation costs.

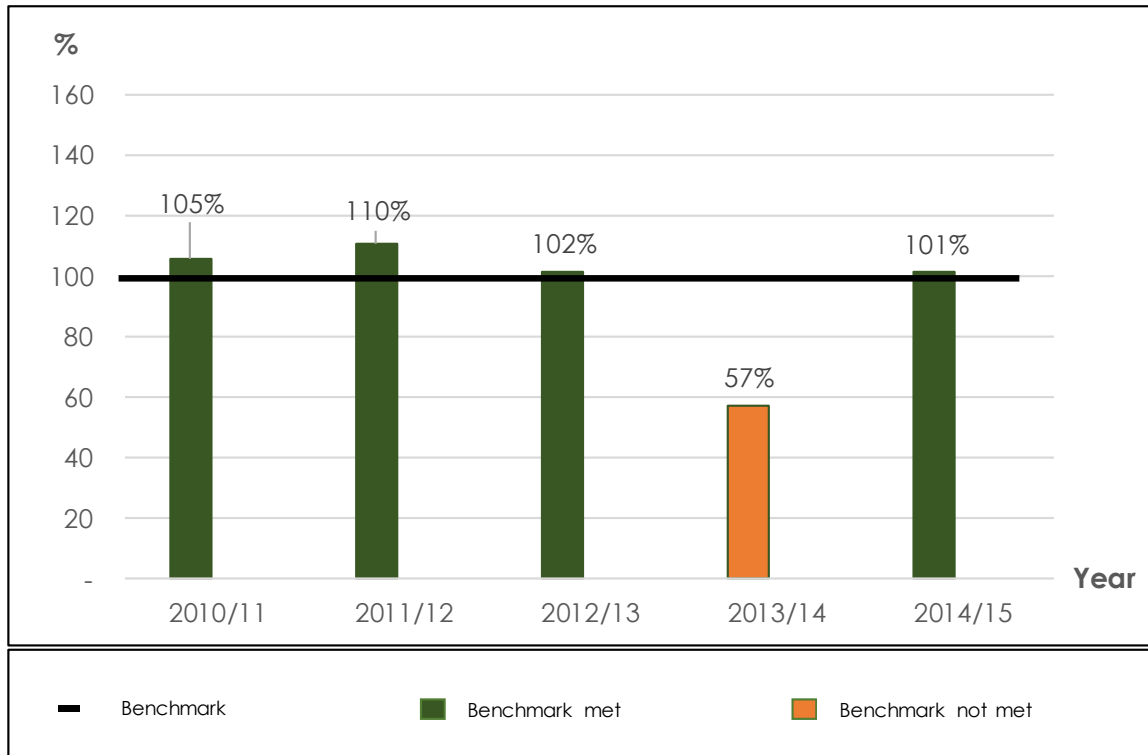
### Revenue /expenditure (%)



## Essential services benchmark

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. We meet this benchmark if our capital expenditure on network services equals or is greater than depreciation on network service.

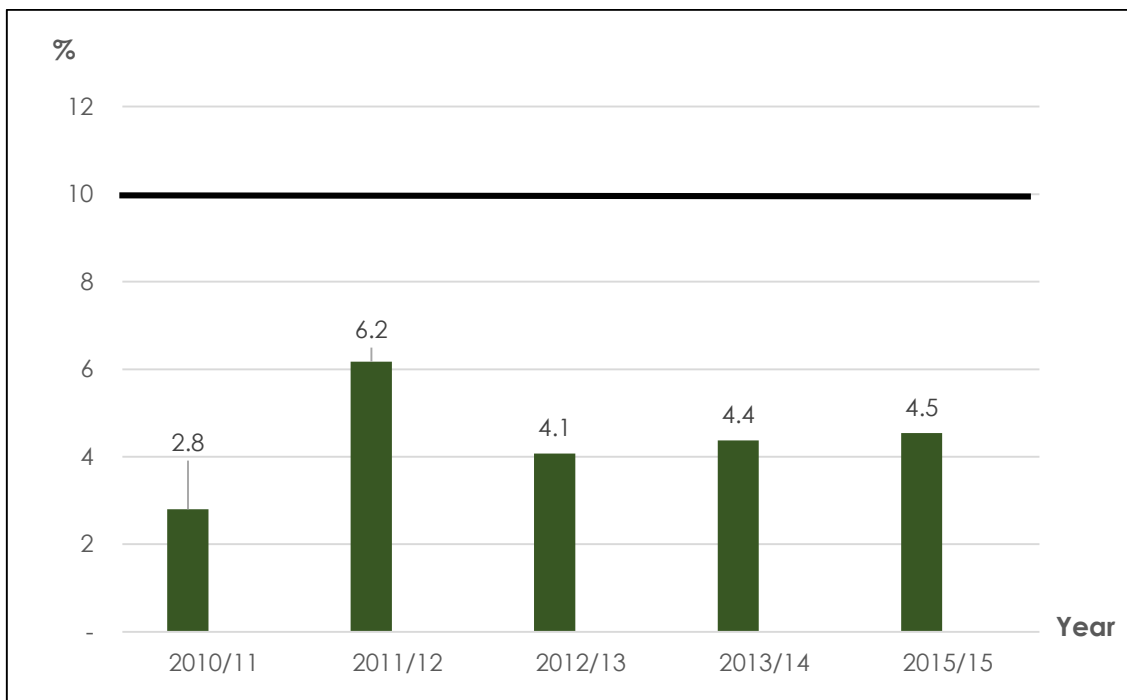
### Capital expenditure / Depreciation (%)



## Debt servicing benchmark

The following graph displays 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 Westland District's population will grow more slowly than the national population growth rate, we meet the debt servicing benchmark if our borrowing costs equal or are less than 10% of our revenue.

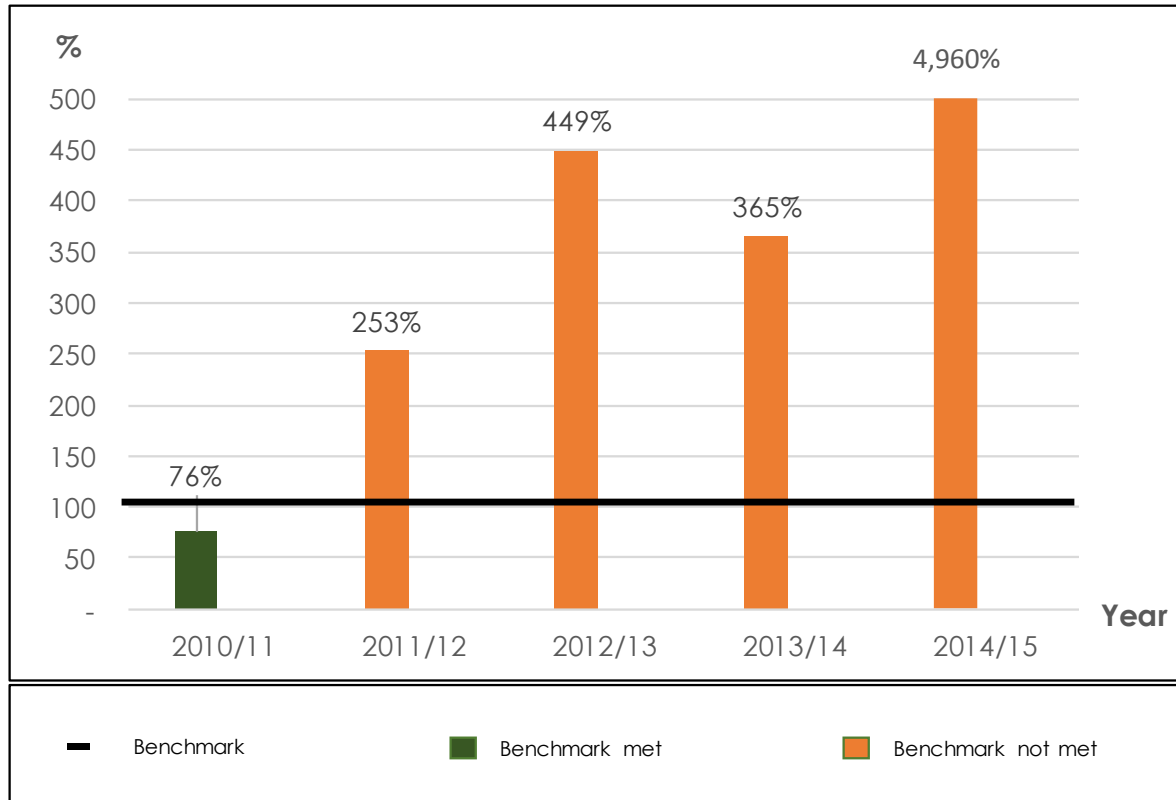
### Borrowing costs/Revenue (%)



## Debt control benchmark

The following graph displays 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). We meet the debt control benchmark if our actual net debt equals or is less than our planned net debt.

### Actual / Budgeted net debt (%)

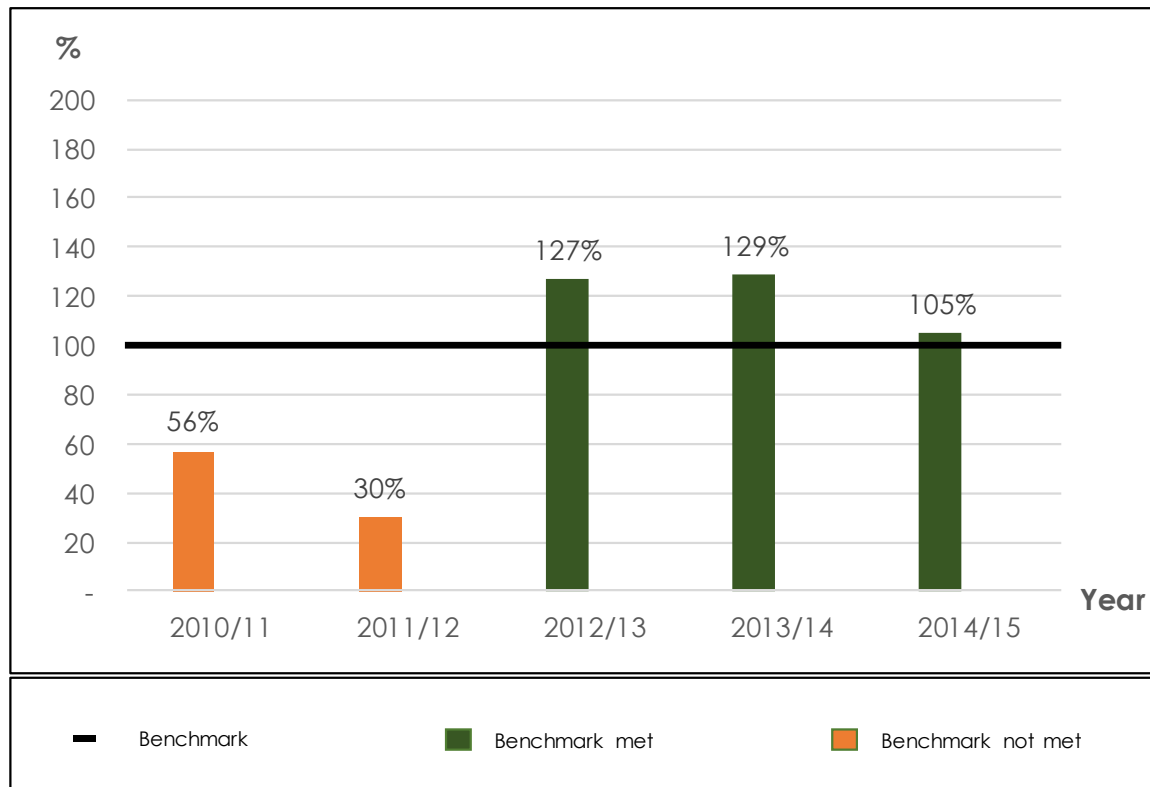


Actual net debt at 30 June 2015 is consistent with previous years. The large disparity between actual net debt and planned net debt exists because the LTP 2012-22 unrealistically forecast that borrowing would remain at around \$12 million.

## Operations control benchmark

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. We meet the operations control benchmark if our actual net cash flow from operations equals or is greater than our 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 2014/15 have been complied with.

Council adopted this Annual Report on 2 November 2015, and therefore met the statutory deadline for adoption.



**Mike Havill**  
**MAYOR**  
2 November 2015



**Tanya Winter**  
**CHIEF EXECUTIVE**  
2 November 2015

# FINANCIAL STATEMENTS

This section contains the following information:

Statement of Comprehensive Revenue & Expense

Statement of Changes in Equity

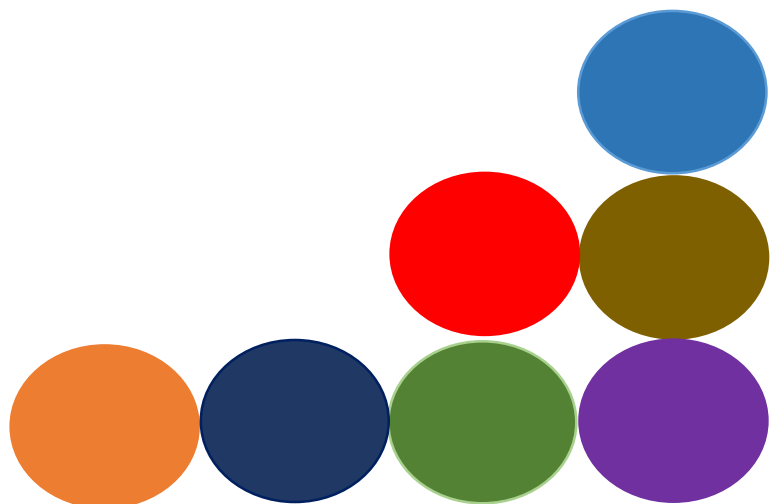
Statement of Financial Position

Statement of Cash Flows

Whole of Council Funding Impact Statement

Notes to the Financial Statements

Reserve Funds



# Statement of comprehensive revenue & expense

For the year ended 30 June 2015

	Note	Council			Group	
		Actual	Budget	Actual	Actual	
		2015	2015	2014	2015	2014
		\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates, excluding targeted water supply rates	3	8,901	8,921	8,023	8,901	8,023
Fees, charges, and targeted rates for water supply		3,959	3,430	3,252	3,959	3,252
Subsidies and grants	4	2,775	2,928	5,376	2,775	5,376
Interest revenue	5	161	50	165	172	156
Other revenue	6	2,138	2,099	2,838	15,152	10,578
<i>Total revenue</i>		<b>17,934</b>	<b>17,428</b>	<b>19,654</b>	<b>30,959</b>	<b>27,385</b>
<b>Expenses</b>						
Personnel costs	7	3,158	3,104	2,937	11,313	8,443
Depreciation and amortisation expense	15-17	5,663	5,319	5,336	7,207	6,781
Finance costs	5	813	901	824	1,166	1,070
Other expenses	8	10,231	9,257	9,445	12,507	10,054
<i>Total expenses</i>		<b>19,865</b>	<b>18,581</b>	<b>18,542</b>	<b>32,193</b>	<b>26,348</b>
<b>Surplus/(deficit) before tax</b>		<b>(1,931)</b>	<b>(1,153)</b>	<b>1,112</b>	<b>(1,235)</b>	<b>1,037</b>
Income tax expense/(benefit)	9	4	0	5	235	174
<b>Surplus/(deficit) after tax</b>		<b>(1,935)</b>	<b>(1,153)</b>	<b>1,107</b>	<b>(1,470)</b>	<b>863</b>
<b>Other comprehensive revenue and expense</b>						
Gain/(loss) on revaluation of assets	24	23,461	0	0	23,461	831
Tax on revaluations		64	0	0	64	0
<i>Total other comprehensive revenue and expense</i>		<b>23,525</b>	<b>0</b>	<b>0</b>	<b>23,525</b>	<b>831</b>
<b>Total comprehensive revenue and expense</b>		<b>21,590</b>	<b>(1,153)</b>	<b>1,107</b>	<b>22,055</b>	<b>1,694</b>

The accompanying notes form part of the financial statements.



# Statement of changes in equity

For the year ended 30 June 2015

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2015	2015	2014	2015	2014
	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2014	373,299	374,341	372,205	376,001	374,288
Restatement of year ended 30 June	27	0	(13)	81	19
Found assets	1,257	0	0	1,257	0
Total comprehensive income	21,590	(1,153)	1,107	22,055	1,694
<b>Balance at 30 June</b>	<b>396,173</b>	<b>373,188</b>	<b>373,299</b>	<b>399,394</b>	<b>376,001</b>

The accompanying notes form part of the financial statements.

# Statement of financial position

As at 30 June 2015

	Note	Council			Group	
		Actual	Budget	Actual	Actual	
		2015	2015	2014	2015	2014
		\$000	\$000	\$000	\$000	\$000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	10	3,936	2,614	2,806	4,209	3,224
Debtors and other receivables	11	3,301	2,303	2,453	5,487	2,865
Other financial assets	13	1,000	982	1,320	1,000	1,320
Inventory	14	0	0	0	366	412
Work in progress		0	0	0	189	121
<i>Total current assets</i>		<b>8,237</b>	<b>5,899</b>	<b>6,579</b>	<b>11,251</b>	<b>7,942</b>
<b>Non-current assets</b>						
Property, plant and equipment	15	399,595	378,482	375,688	415,571	389,364
Intangible assets	17	89	65	46	89	46
Derivative financial instruments	12	0	0	160	0	160
Council Controlled Organisations		8,695	8,695	8,695	0	0
Other financial assets	13	42	63	59	42	59
Investment property	16	0	0	0	0	0
Term inventory	14	0	0	0	390	885
Asset under construction	18	2,227	500	1,271	2,227	1,271
<i>Total non-current assets</i>		<b>410,648</b>	<b>387,805</b>	<b>385,919</b>	<b>418,319</b>	<b>391,785</b>
<b>Total assets</b>		<b>418,884</b>	<b>393,704</b>	<b>392,498</b>	<b>429,569</b>	<b>399,727</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Creditors and other payables	19	3,522	2,117	2,062	4,227	2,431
Derivative financial instruments	12	29	0	0	29	0
Borrowings	23	0	0	0	2,345	1,553
Employee entitlements	22	296	180	236	1,071	814
Provisions	21	0	70	90	0	90
Tax payable		3	0	3	75	107
Other current liabilities	20	198	158	193	214	223
<i>Total current liabilities</i>		<b>4,048</b>	<b>2,525</b>	<b>2,585</b>	<b>7,961</b>	<b>5,219</b>

Statement of financial position continued...

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2015	2015	2014	2015	2014
		\$000	\$000	\$000	\$000	\$000
<b>Non-current liabilities</b>						
Derivative financial instruments	13	356	400	135	356	135
Borrowings	23	16,660	16,536	14,760	19,939	16,248
Employee entitlements	22	29	63	52	167	183
Provisions	21	1,588	747	1,576	1,588	1,576
Deferred Tax	9	30	250	90	315	364
<i>Total non-current liabilities</i>		<b>18,663</b>	<b>17,996</b>	<b>16,613</b>	<b>22,365</b>	<b>18,506</b>
<b>Total liabilities</b>		<b>22,711</b>	<b>20,521</b>	<b>19,198</b>	<b>30,326</b>	<b>23,725</b>
<b>Net assets</b>		<b>396,173</b>	<b>373,183</b>	<b>373,299</b>	<b>399,394</b>	<b>376,001</b>
<b>Equity</b>						
Retained earnings	24	152,297	150,935	153,592	154,536	155,463
Restricted reserves	24	4,082	4,520	3,240	4,082	3,240
Revaluation reserves	24	239,731	217,733	216,467	240,562	217,298
Other comprehensive revenue and expense reserve	24	64	0	0	64	0
<b>Net assets</b>		<b>396,173</b>	<b>373,188</b>	<b>373,299</b>	<b>399,394</b>	<b>376,001</b>

The accompanying notes form part of the financial statements.

# Statement of cash flows

For the year ended 30 June 2015

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2015	2015	2014	2015	2014
		\$000	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>						
<i>Cash provided from</i>						
Rates		8,852	8,753	8,021	8,813	7,894
Targeted water rates and fees and charges		3,959	4,999	3,252	3,960	3,252
Interest received		161	50	165	172	172
Dividends received		0	497	390	0	225
Receipts from other revenue		4,059	3,179	7,721	15,833	15,657
<i>Cash paid to</i>						
Payments to suppliers and employees		(11,057)	(12,964)	(12,341)	(20,568)	(18,298)
Interest paid		(813)	(772)	(724)	(1,166)	(970)
Income tax paid		0	0	0	(261)	(107)
<i>Net cash flow from operating activities</i>	25	<b>5,159</b>	<b>3,742</b>	<b>6,484</b>	<b>6,780</b>	<b>7,825</b>
<b>Cash flows from investing activities</b>						
<i>Cash provided from</i>						
Receipts from sale of property, plant and equipment		88	0	140	484	645
Receipts from sale of investments		0	0	0	0	225
Movement in Westpac bonds		321	0	0	321	0
<i>Cash paid to</i>						
Purchase of property, plant and equipment		(6,337)	(3,237)	(4,742)	(10,500)	(6,770)
<i>Net cash flow from investing activities</i>		<b>(5,927)</b>	<b>(3,237)</b>	<b>(4,602)</b>	<b>(9,694)</b>	<b>(5,900)</b>
<b>Cash flows from financing activities</b>						
<i>Cash provided from</i>						
Loans raised		2,000	830	0	4,450	560
<i>Cash paid to</i>						
Loan repayments		(100)	(424)	(738)	(550)	(1,336)
<i>Net cash flow from financing activities</i>		<b>1,900</b>	<b>406</b>	<b>(738)</b>	<b>3,900</b>	<b>(776)</b>

*Statement of cashflows continued...*

Net (decrease)/increase in cash, cash equivalents, and bank overdrafts		1,131	911	1,145	986	1,150
<i>Cash and cash equivalent 01 Jul 2014</i>		2,806	1,703	1,661	3,224	2,074
<b>Cash and cash equivalent 30 Jun</b>	<b>11</b>	<b>3,936</b>	<b>2,614</b>	<b>2,806</b>	<b>4,209</b>	<b>3,224</b>

The accompanying notes form part of the financial statements.

During the process of revaluations, Council discovered assets that were not on the asset register (\$1.42 million) these have now been included in the register. Through the same process it was found that assets that had previously been disposed were still included in the asset register, these were disposed during the year with a loss of \$166,000.

# Whole of Council Funding Impact Statement

For the year ended 30 June 2015

	Actual 2014-15 \$000	Annual plan 2014-15 \$000	Annual report 2013-14 \$000	Annual plan 2013-14 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	6,543	6,516	6,104	6,889
Targeted rates (other than a targeted rate for water supply)	2,359	2,264	1,919	1,258
Subsidies and grants for operating purposes	754	1,829	1,154	1,544
Fees, charges, and targeted rates for water supply	5,637	5,107	4,852	4,434
Interest and dividends from investments	479	0	721	547
Local authorities fuel tax, fines, infringement fees, and other receipts	135	120	135	120
<i>Total operating funding (A)</i>	<b>15,908</b>	<b>15,836</b>	<b>14,885</b>	<b>14,792</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	12,845	12,930	12,225	12,250
Finance costs	812	946	824	1,034
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>13,657</b>	<b>13,876</b>	<b>13,049</b>	<b>13,284</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>2,250</b>	<b>1,960</b>	<b>1,835</b>	<b>1,508</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	2,084	1,344	4,355	1,066
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	1,900	830	(738)	1,094
Gross proceeds from sale of assets	114	0	122	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>4,098</b>	<b>2,174</b>	<b>3,740</b>	<b>2,160</b>

	Actual 2014-15 \$000	Annual plan 2014-15 \$000	Annual report 2013-14 \$000	Annual plan 2013-14 \$000
<b>Application of capital funding</b>				
<b>Capital expenditure:</b>				
- To meet additional demand	260	0	280	200
- To improve the level of service	3,156	420	1,705	290
- To replace existing assets	2,722	2,817	2,683	3,397
Increase/(decrease) in reserves	547	898	1,069	(219)
Increase/(decrease) in investments	(336)	0	(163)	0
<i>Total applications of capital funding (D)</i>	<b>6,348</b>	<b>4,135</b>	<b>5,575</b>	<b>3,668</b>
<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(2,250)</b>	<b>(1,961)</b>	<b>(1,835)</b>	<b>(1,508)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>(1)</b>	<b>(0)</b>	<b>0</b>

The accompanying notes form part of the financial statements.

# Notes to the Financial Statements

## STATEMENT OF ACCOUNTING POLICIES -

### PUBLIC BENEFIT ENTITY STANDARDS

As a Public Benefit Entity (PBE), Westland District Council's financial reporting is governed by the new reporting standards for the public sector. The Statement of Accounting Policies that follows is constructed after an assessment of the changes that the new standards prescribe and an assessment of the impact on the comparability with reports for previous periods that were prepared under NZ IFRS.

### REPORTING ENTITY

Westland District Council (Council) is a territorial local authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, 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.

The primary objective of Council is to contribute to the purpose of local government in the Westland District by:

- Enabling democratic local decision-making and action by, and on behalf of, communities; and
- Meeting 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.

By providing goods or services for the community rather than making a financial return, Council has designated itself as a public benefit entity (PBE) for Financial Reporting purposes.

The financial statements of the Council and group are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 2 November 2015.

### BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

### Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The Financial Statements have been prepared in accordance with Tier 1 PBE Standards and disclosure concessions have been applied.

These financial statements comply with PBE Standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. There were no material adjustments arising on transition to the new PBE accounting standards.

### Functional and Presentation Currency

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



## **SIGNIFICANT ACCOUNTING POLICIES -**

### **Cost Allocation Policy**

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

- Direct costs are charged directly to significant activities.
- Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.
- Direct costs are those costs directly attributable to a significant activity.
- Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

The costs of internal services not directly charged to activities 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.

### **SUBSIDIARIES**

Subsidiaries are those entities in which Council has control. Westland Holdings Ltd is Council's direct reporting subsidiary. This company controls three Council Controlled Organisations which are reporting entities under the Financial Reporting Act 1993. The Group consists of Westland District Properties Ltd, Hokitika Airport Ltd and Westroads Ltd. Investments in subsidiaries are recorded at cost. Transactions with subsidiaries are at arm's length and under normal trading terms. Recharges are invoiced at cost.

Basis of consolidation:

The Group (Westland District Council and Westland Holdings Ltd) consolidated accounts are prepared by combining like items of assets, liabilities, equity, revenue and expenses on a line-by-line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

### **REVENUE**

Revenue is measured at the fair value of consideration received.

#### **Rates revenue**

Rates, including water-by-meter rates, are set annually by a resolution of 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. Rates arising from late payment penalties are recognised as revenue when rates become overdue. Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis. Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

#### **Other revenue**

##### **Grants**

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.

##### **Building and resource consent revenue**

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

##### **Entrance fees**

Entrance fees are fees charged to users of the Council's local facilities and events, substantially the museum and Wild Foods Festival. Revenue from entrance fees is recognised upon entry to such facilities, or when the event is held.

##### **Landfill fees**

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

#### *Provision of commercially based services*

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.

#### *Sales of goods*

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

#### *Vested or donated physical assets*

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

#### *Donated and bequeathed financial assets*

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met e.g. as the funds are spent for the nominated purpose.

#### *Revenue from investments*

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate. Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

### **CONSTRUCTION CONTRACTS**

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract. Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the group's construction activities in general. An expected loss on construction contracts is recognised immediately as an expense in the surplus or deficit. Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred. Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less losses, the net amounts are presented as a liability.

### **BORROWING COSTS**

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **INCOME TAX**

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax. Current tax is the amount of revenue tax payable based on the taxable profit for the current year, plus any adjustments to revenue 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 utilised.

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 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 utilised.

Deferred tax is measured 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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities. Current tax and deferred tax is recognised against the surplus or deficit, except when it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

## **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 finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council 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. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

## **FINANCIAL ASSETS**

### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

### **Trade and other receivables**

Receivables are recorded at their face value, less any provision for impairment.

### **Other financial assets**

The Council and Group classify its financial assets into the following four categories for the purpose of measurement: financial assets at fair value through the surplus or deficit, held-to-maturity investments, loans and receivables, and fair value through other comprehensive revenue and expense. 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 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 has transferred substantially all the risks and rewards of ownership.

The four categories of financial assets are:

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

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied. 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. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. 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 non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. The Council currently holds a portfolio of bonds that have been classified as held to maturity investments.

### **Fair value through comprehensive revenue and expense**

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council and group includes in this category:

- Investments held for the long-term but which may be realised before maturity;
- Shareholdings held for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to 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 PBE IPSAS 6 *Consolidated and Separate Financial Statements*.

### **Impairment of financial assets**

At each balance sheet date, the Council 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.

#### *Loans and receivables, and held-to-maturity investments*

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument’s carrying amount.

#### *Financial assets at fair value through other comprehensive revenue and expense*

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit. If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

## **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. The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down. In the case of metal inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Metal inventory cost is calculated on a discounted sale value basis, as an approximation of weighted average cost. When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment. Net realisable value is the estimated selling prices in the ordinary course of business, less the estimated costs of completion and selling expenses.

## **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 the 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 the Council. Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. Each asset class includes all items that are required for the network to function. Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

### **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. Work in progress is recognised at cost less impairment and is not depreciated. 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.

### **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 accumulated funds.

### **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 the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised as an operating expense in the surplus or deficit as they are incurred.

### **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)	Depreciation Rates
<b>OPERATIONAL</b>		
Buildings	50	2%
Furniture and Fittings	10	10%
Motor Vehicles	5	20%
Plant & Equipment (including computers)	3 to 10	10% - 33.3%
Library collection	8	12.5%
Jackson Bay Wharf	50	2%
<b>RESTRICTED</b>		
Buildings	5 to 50	2% - 20%
<b>INFRASTRUCTURE</b>		
<b>Waste Transfer Stations</b>	20	5%
<b>Roads</b>		
Formation	N/A	0%
Sub-Base	N/A	0%
Base Course	20 to 75	1.33% - 5%
Surfacing (sealed)	1 to 16	6.25% - 100%
Surfacing (unsealed)	5	20%
Bridges	60 to 150	0.67% - 1.67%
Box culverts/channels	60 to 150	0.67% - 1.67%
Footpaths	5 to 50	2% - 20%
Streetlights	16 to 40	2.5% - 6.25%
Signs	10	10%
<b>Water</b>		
Pipeline	60 to 80	1.25% - 1.67%
Connections	60	1.67%
Reservoirs & Tanks	20 to 50	2% - 5%
Pump Stations	15 to 20	5% - 6.67%
<b>Sewer</b>		
Pipeline	60 to 80	1.25% - 1.67%
Manholes	50 to 60	1.67% - 2%
Pump Stations	15 to 20	5% - 6.67%
Oxidation Ponds	60 to 100	1% - 1.67%
<b>Stormwater</b>		
Open Drains	N/A	0%
Pipeline	60 to 80	1.25% - 1.67%
Bank protection	50 to 100	1% - 2%
Manholes	50 to 60	1.67% - 2%
Pump Stations	15 to 20	5% - 6.67%
Runway	67	1.5%

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

### Revaluation

All valuations are carried out on a three to 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. Land and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis. The net revaluation

results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses 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 recognised in other comprehensive revenue and expense.

#### **INTANGIBLE ASSETS**

Software licences and similar assets that are acquired by the Council, 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.

#### **IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

Intangible 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 carried at cost and 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.

##### **Value in use for non-cash-generating assets**

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

##### **Value in use for cash-generating assets**

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. 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. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss 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.

#### **FORESTRY ASSETS**

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions. Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

#### **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.

## **EMPLOYEE BENEFITS**

### **Short-term benefits**

Employee benefits that the Council expects to be settled within 12 months after the end of the period in which the employee renders the related service are measured 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 sick leave, retiring and long service leave entitlements expected to be settled within 12 months. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences. The Council 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, after the end of the period in which the employee renders the related service, such as long service leave and retiring leave; are 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 6.25% and 7.0%, and an inflation factor of 1.9% to 2.7% 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. The rates employed are taken from BERL forecasts.

### **Presentation of employee entitlements**

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### **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.

## **PROVISIONS**

The Council 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 and is included in "finance costs".

## **TRADE AND OTHER PAYABLES**

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

## **BORROWINGS**

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



Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

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

The Council use derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. The Council does 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.

#### **EQUITY**

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserve funds. The components of equity are:

- Retained earnings
- Restricted Reserves (Trusts and Bequests)
- Council Created Reserves (Special Funds, Separate Funds)
- Asset revaluation reserves

#### **Restricted Reserves**

Restricted reserves 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 the Council. Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

#### **Asset revaluation reserve**

This reserve relates to the revaluation of property, plant, and equipment to fair value.

#### **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. The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

#### **Budget figures**

The budget figures are those approved by Council in its 2015/15 annual plan. 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 the financial forecasts and statements the Council has makes 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:

#### **Landfill aftercare provision**

The estimate of the provision for landfill post-closures is based on assumptions, which may be influenced by changes in technology and society's expectations and could affect future results.

### **Infrastructural assets**

There are a number of assumptions and estimates used when performing DRC valuations over 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 which 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.

### **ACCOUNTING STANDARDS ISSUED FOR PUBLIC BENEFIT ENTITIES**

The Council is subject to Tier 1 reporting requirements of the Accounting Standard for Public Benefit Entities. The financial statements are compliant with the new International Public Sector Accounting Standards (IPSAS).

### **STANDARDS ISSUED BUT NOT YET EFFECTIVE**

IPSAS is a comprehensive set of standards through which Council ensures compliance with appropriate accounting regulations and conventions.

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the 30 June 2015 financial statements.

**NOTE 2. SUMMARY REVENUE AND EXPENDITURE FOR GROUP OF ACTIVITIES**

	Council		
	Actual	Budget	Actual
	2015	2015	2014
	\$000	\$000	\$000
<b>Revenue</b>			
Leisure and cultural assets	761	699	2,957
Community services	125	20	184
Planning and regulatory services	914	808	862
Transportation	2,905	2,994	3,239
Water supply	2,722	2,590	2,183
Wastewater	802	791	711
Stormwater	0	0	87
Solid waste management	2,349	2,194	1,883
Other infrastructural assets and services	41	0	11
Democracy services and administration	6,337	6,230	6,443
<b>Total activity revenue</b>	<b>16,956</b>	<b>16,325</b>	<b>18,560</b>
<i>Less internal revenue</i>	(5,396)	(5,439)	(4,839)
<i>General Rates</i>	6,373	6,541	5,932
<b>Total revenue</b>	<b>17,934</b>	<b>17,428</b>	<b>19,653</b>
<b>Expenditure</b>			
Leisure and cultural assets	3,008	2,417	2,665
Community services	390	365	648
Planning and regulatory services	1,448	1,564	1,427
Transportation	5,120	5,341	5,329
Water supply	2,666	2,767	2,431
Wastewater	939	951	814
Stormwater	604	578	582
Solid waste management	1,877	2,301	1,969
Other infrastructural assets and services	934	801	601
Democracy services and administration	7,981	6,935	6,917
<b>Total activity expenditure</b>	<b>25,261</b>	<b>24,020</b>	<b>23,381</b>
<i>Less internal expense</i>	(5,396)	(5,439)	(4,839)
<b>Total expenditure</b>	<b>19,865</b>	<b>18,581</b>	<b>18,542</b>
<b>Operating Surplus/(deficit)</b>	<b>(1,931)</b>	<b>(1,153)</b>	<b>1,111</b>

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer to note 3). In order to fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown above.

**Note 3: RATES, EXCLUDING TARGETED WATER SUPPLY RATES**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
General rates	6,489	6,034	6,489	6,034
<i>Targeted rates attributable to activities:</i>				
Rates penalties	169	172	169	172
Kokatahi community	8	8	8	8
Glacier country promotions	65	65	65	65
Enterprise Hokitika	39	39	39	39
Ross swimming pool	20	18	20	18
Waste management	1,499	1,140	1,499	1,140
Sewerage	728	649	728	649
<b>Total rates, excluding targeted water supply rates</b>	<b>9,018</b>	<b>8,126</b>	<b>9,018</b>	<b>8,126</b>

**Note 3.1: Water rates**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Rates, excluding targeted water supply rates	9,018	8,126	9,018	8,126
Targeted water supply rates	1,183	829	1,183	829
<b>Total annual rates income</b>	<b>10,201</b>	<b>8,955</b>	<b>10,201</b>	<b>8,955</b>

**Note 3.2: Rates remissions**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Total gross rates, excluding targeted water supply rates	9,018	8,126	9,018	8,126
Rates remissions:				
- Community and sports organisations	24	24	24	24
- Unoccupied Maori land	15	15	15	15
- Other remissions	53	42	53	42
- Discounts	24	21	24	21
<i>Total remissions</i>	<i>116</i>	<i>103</i>	<i>116</i>	<i>103</i>
<b>Rates (net of remissions), excluding targeted water supply rates</b>	<b>8,901</b>	<b>8,023</b>	<b>8,901</b>	<b>8,023</b>

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	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
NZ Transport roading subsidies	2,741	3,210	2,741	3,210
Other grants	20	37	20	37
Events grants	2	32	2	32
West Coast Wilderness Trail	0	2,093	0	2,093
Donovan's store Okarito	13	5	13	5
<b>Total subsidies and grants</b>	<b>2,775</b>	<b>5,376</b>	<b>2,775</b>	<b>5,376</b>

There are no unfulfilled conditions, or contingencies, attached to the subsidies and grants recognised (2014 nil).

NZTA grants: The Council receives grants from the New Zealand Transport Agency (NZTA), which reimburses part of the council's costs of maintaining Westland District Council's roading infrastructure.

**Note 5: FINANCE REVENUE AND FINANCE COSTS**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
<b>Finance revenue</b>				
<i>Interest revenue:</i>				
- Call account	22	8	22	8
- Term deposits	49	48	49	48
- Related party loans	0	16	0	0
- Other interest	15	16	26	23
- Local authority and government bonds	0	0	0	0
- Other bonds	75	77	75	77
<i>Total finance revenue</i>	161	165	172	156
<b>Finance costs</b>				
<i>Interest expense:</i>				
- interest on bank borrowings	691	597	1,044	843
Interest derivatives (presented net):				
- held for trading interest rate swaps	122	227	122	227
<i>Total finance costs</i>	813	824	1,166	1,070
<b>Net finance costs</b>	<b>(652)</b>	<b>(659)</b>	<b>(994)</b>	<b>(914)</b>

**Note 6: OTHER REVENUE**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Traffic and parking infringements	14	7	14	7
Regulatory income	794	797	794	797
Petrol tax	116	122	116	122
Donations	10	0	10	0
Vested assets	0	246	0	246
Dividend income	0	165	0	0
Subvention receipts	319	393	0	0
Insurance recoveries	144	0	144	0
Net Gain on held for trading interest rate swaps	0	192	0	192
Property, plant & equipment: gains on disposal	0	10	115	85
Other	741	906	13,959	9,113
<b>Total other revenue</b>	<b>2,138</b>	<b>2,838</b>	<b>15,152</b>	<b>10,562</b>

**Note 7: PERSONNEL COSTS**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Salaries and wages	3,009	2,916	10,889	8,205
Employer contributions to superannuation and benefits	113	123	357	318
Increase/(decrease) in employee entitlements	37	(102)	68	(80)
<b>Total personnel costs</b>	<b>3,159</b>	<b>2,937</b>	<b>11,314</b>	<b>8,443</b>

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

**Note 8: OTHER EXPENSES**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Fees to auditors	139	125	226	208
Fees to auditors for other services	98	25	98	0
Donations and grants	389	419	389	419
Contractors	2,735	2,334	2,735	2,334
Insurance premiums	335	331	335	331
Consultants and legal fees	930	636	930	636
Impairment of receivables (note 11)	(24)	146	(27)	146
Minimum lease payments under operating leases	42	34	391	34
Property, plant & equipment: loss on disposal	205	0	233	0
Net loss on held for trading interest rate swaps	410	0	410	0
Other operating expenses	4,971	5,395	6,721	5,921
<b>Total other expenses</b>	<b>10,231</b>	<b>9,445</b>	<b>12,507</b>	<b>10,029</b>

The fees to Audit New Zealand for other services in the year 30 June 2015 were for the audit of the Council's 2015-2025 Consultation Document and Long-Term Plan \$98,000.

The fees to auditors for other services in the year 30 June 2014 were for a prior year adjustment for audit of the financial statements.

**Note 9: TAX**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
<b>Component of tax expense</b>				
Current tax	0	0	202	116
Adjustments to current tax in prior years	0	3	18	0
Deferred tax	4	2	15	(20)
<b>Tax expense</b>	<b>4</b>	<b>5</b>	<b>235</b>	<b>174</b>
<b>Relationship between tax expense and accounting profit</b>				
Surplus/(deficit) before tax	(1,931)	111	(1,235)	1,056
Tax at 28%	(541)	311	(346)	296
Permanent differences	509	(417)	633	(242)
Plus/(less) tax effect of:				
Deferred tax adjustment	(64)	2	(70)	118
Group loss offset	92	106	0	0
Prior year adjustment	0	3	18	3
<b>Tax expense</b>	<b>(4)</b>	<b>5</b>	<b>235</b>	<b>175</b>

	Property, plant, and Equipment	Other Provisions	Tax Losses	Total
	\$000	\$000	\$000	\$000
<b>Deferred tax assets/(liabilities)</b>				
<b>Council</b>				
Balance as at 1 July 2013	(91)	0	3	(88)
Charged to surplus or deficit	(4)	0	3	(1)
Charged to other comprehensive revenue	0	0	0	0
Balance as at 30 June 2014	(95)	0	6	(89)
Charged to surplus or deficit	(2)	0	(2)	(4)
Charged to other comprehensive revenue	63	0	0	63
<b>Balance as at 30 June 2015</b>	<b>(34)</b>	<b>0</b>	<b>4</b>	<b>(30)</b>
<b>Group</b>				
Balance as at 1 July 2013	(535)	288	3	(244)
Charged to surplus or deficit	34	(90)	3	(53)
Charged to other comprehensive revenue	(66)	0	0	(66)
Balance as at 30 June 2014	(567)	198	6	(363)
Charged to surplus or deficit	13	(35)	7	(15)
Charged to other comprehensive revenue	63	0	0	63
<b>Balance as at 30 June 2015</b>	<b>(491)</b>	<b>163</b>	<b>13</b>	<b>(315)</b>



**Note 10: CASH AND CASH EQUIVALENTS**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Cash at bank and on hand	3,436	1,406	3,709	1,824
Term deposits with maturities of less than 3 months at acquisition	500	1,400	500	1,400
<b>Total cash and cash equivalents</b>	<b>3,936</b>	<b>2,806</b>	<b>4,209</b>	<b>3,224</b>

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

**Note 11: DEBTORS AND OTHER RECEIVABLES**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Rates receivables	1,433	1,367	1,433	1,268
Other receivables:				
- related party receivables	487	107	0	0
- NZ Transport Agency	812	523	812	523
- Subvention receivable	190	280	0	0
- Other	736	561	3,403	1,373
<b>Gross debtors and other receivables</b>	<b>3,658</b>	<b>2,838</b>	<b>5,648</b>	<b>3,163</b>
Less provision for impairment	(358)	(385)	(161)	(298)
<b>Total debtors and other receivables</b>	<b>3,301</b>	<b>2,453</b>	<b>5,487</b>	<b>2,865</b>

Fair Value: Receivables are generally short-term and non-interest bearing therefore the carrying value of receivables approximates their fair value.

*Movement in the provision for impairment of receivables are as follows:*

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Balance as at 1 July 2014	385	239	298	(4)
Additional provisions made during this year	89	285	64	(11)
provisions reversed during the year	(74)	(103)	(101)	(23)
Receivables written-off during the period	(42)	(36)	(100)	(259)
<b>Balance as at 30 June</b>	<b>358</b>	<b>385</b>	<b>161</b>	<b>(298)</b>

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

*Note 11 is continued on the next page*

	2015			2014		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Council</b>						
0 to 3 months	2,264	(47)	1,840	1,533	0	1,533
4 to 6 months	329	(50)	279	318	(17)	301
7 to 9 months	183	(12)	171	176	(38)	138
10 to 12 months	121	(31)	90	226	(17)	209
> 12 months	761	(218)	543	586	(313)	273
<b>Total</b>	<b>3,658</b>	<b>(358)</b>	<b>2,923</b>	<b>2,839</b>	<b>(385)</b>	<b>2,454</b>
<b>Group</b>						
0 to 3 months	3,878	(47)	3,831	1,963	0	1,963
4 to 6 months	329	(9)	320	298	(4)	294
7 to 9 months	184	(12)	172	125	(11)	114
10 to 12 months	126	(32)	94	240	(23)	217
> 12 months	650	(61)	589	537	(259)	278
<b>Total</b>	<b>5,167</b>	<b>(161)</b>	<b>5,006</b>	<b>3,163</b>	<b>(298)</b>	<b>2,865</b>

**Note 12: DERIVATIVE FINANCIAL INSTRUMENTS**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
<b>Current asset portion</b>				
Interest rate swaps - cash flow hedges	0	0	0	0
<i>Total current asset position</i>				
<b>Non-current asset portion</b>				
Interest rate swaps - cash flow hedges	0	160	0	160
Interest rate swaps - held for trading	0	0	0	0
Total non-current asset portion	0	160	0	160
<b>Total derivative financial instrument assets</b>	<b>0</b>	<b>160</b>	<b>0</b>	<b>160</b>
<b>Current liability portion</b>				
Interest rate swaps - cash flow hedges	29	0	29	0
Forward foreign exchange contracts - held for trading	0	0	0	0
Total current liability portion	29	0	29	0
<b>Non-current liability portion</b>				
Interest rate swaps - cash flow hedges	357	135	357	135
Total non-current liability portion	357	135	357	135
<b>Total derivative financial instrument liabilities</b>	<b>385</b>	<b>135</b>	<b>385</b>	<b>135</b>

The interest rate swaps have been included at fair value. The basis for valuation are observable inputs (Level 2 - see note 13 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	Amount 2015	Amount 2014
1/10/2017	4.99%	5,000,000	5,000,000
17/11/2020	3.55%	2,500,000	2,500,000
17/06/2016	4.52%	2,000,000	3,000,000
17/09/2019	4.77%	2,500,000	2,500,000
		<b>12,000,000</b>	<b>13,000,000</b>

### Note 13: OTHER FINANCIAL ASSETS

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
<b>Current portion</b>				
Assets available for sale				
Civic Assurance	30	29	30	29
Westpac Bonds	970	1,291	970	1,291
Total current portion	1,000	1,320	1,000	1,320
<b>Non-current portion</b>				
<i>Assets available for sale</i>				
Forestry	2	2	2	2
<i>Loans and Receivables</i>				
Kaniere sewerage loan	40	57	40	57
<i>Shares at cost</i>				
Westland Holdings Limited	8,695	8,695	0	0
Total non-current portion	8,737	8,754	42	59
<b>Total other financial assets</b>	<b>9,737</b>	<b>10,073</b>	<b>1,042</b>	<b>1,378</b>

Westland District Property Limited	2,627	2,627
Hokitika Airport Limited	2,718	2,718
Westroads Limited	3,350	3,350

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

#### 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.

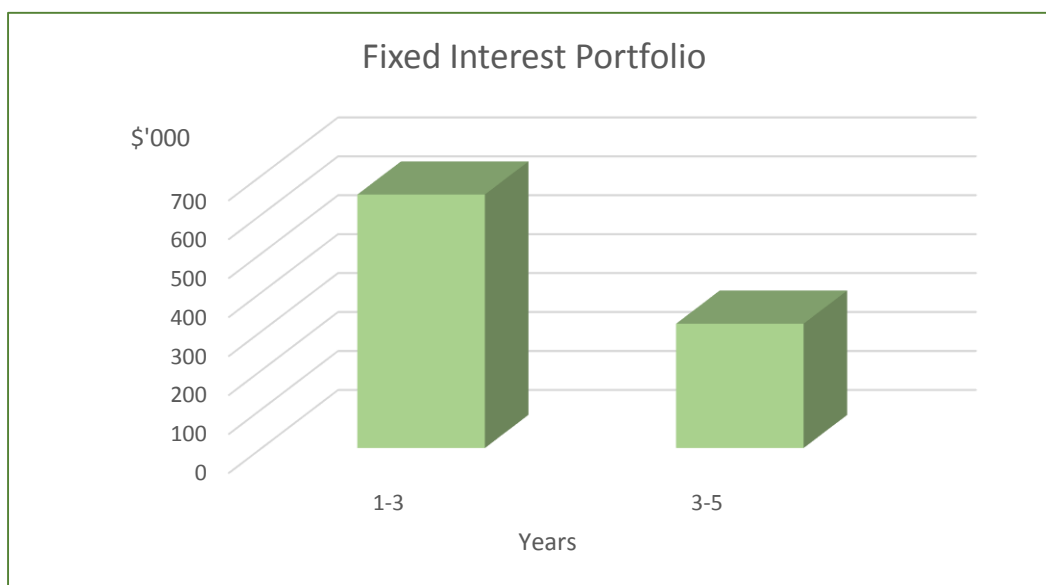
#### Assets available for sale

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 2015 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 5.96% (2014: 6.27%). The graph below depicts the maturity profile

Bonds Portfolio as at 30/06/2015						
Name	Type	Rating	Maturity	Coupon	Face Value \$	Market Value \$
ANZ	Unsecured Notes	AA-	18/09/2017	4.89%	100,000	103,903
Auckland Council	Secured Notes	AA	28/09/2017	6.52%	100,000	108,083
Auckland Airport	Senior Bond	A-	15/11/2016	8.00%	180,000	192,741
BNZ	Secured Bond	AA-	25/06/2019	5.57%	200,000	210,913
Rabobank Capital	Perpetual Bond	BBB	8/10/2017	4.59%	150,000	142,040
Rabobank NZ	Unsecured Notes	A+	19/03/2019	6.10%	100,000	108,001
Westpac	Corporate Bond	AA-	12/07/2017	5.49%	100,000	103,973
					930,000	969,654



Council's investment policy stipulates that financial investments held in the form of bonds should have a minimum credit rating of A. There are two bonds in the portfolio that breach this guideline. This has been the case since the policy was written and Council resolved to retain the bonds on 23 July 2015.

**Note 14: INVENTORY**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Metal stocks	0	0	181	155
Other supplies	0	0	185	257
<b>Total current inventory</b>	<b>0</b>	<b>0</b>	<b>366</b>	<b>412</b>
Development land	0	0	390	885
<b>Total term inventory</b>	<b>0</b>	<b>0</b>	<b>390</b>	<b>885</b>

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 2015, the historical cost of items held was \$20,000. In line with the above policy, they are assumed to have nil realisable value.

Development land: Term inventory comprises parts of land held for subdivision and sale purposes \$390,000 (2014 \$885,000). Of this \$350,000 (2014 \$350,000) was held as tenants in common between Westroads Ltd & Westland District Property Ltd. This property is being developed and funded by Westroads with Westroads receiving 75% of any profits and Westland Property receiving the other 25%.

**Note 15: PROPERTY, PLANT, AND EQUIPMENT**

	Cost/ valuation 1-Jul-14	Accumulated depreciation & impairment charges 1-Jul-14	Carrying amount 1-Jul-14	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Current year disposals depreciation	Reclassificati on Cost	Revaluation surplus	Cost/ revaluation 30-Jun-15	Accumulated depreciation and impairment charges 30-Jun-15	Carrying amount 30-Jun-15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>COUNCIL 2015</b>													
<b>Operational assets</b>													
Land (leased)	4,458	0	4,458	0	(45)	0	0	0	0	0	4,413	0	4,413
Land (leased airport)	4,278	0	4,278	0	0	0	0	0	0	0	4,278	0	4,278
Land (operational)	6,250	0	6,250	0	(78)	0	0	0	0	0	6,173	0	6,173
Buildings	4,896	(295)	4,601	888	(114)	0	(100)	10	0	2,827	8,164	(51)	8,113
Furniture & fittings	1,506	(627)	879	10	(1)	0	(90)	1	0	0	1,515	(716)	799
Library books	1,109	(863)	246	53	0	0	(54)	0	0	0	1,162	(917)	246
Museum artefacts	165	0	165	0	0	0	0	0	0	0	165	0	165
WBU assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Computer equipment	768	(684)	84	66	(378)	0	(38)	378	0	0	458	(344)	114
Office equipment	495	(421)	74	16	(15)	0	(18)	14	0	0	497	(424)	73
Motor Vehicles	414	(268)	146	35	(29)	0	(61)	26	0	0	417	(304)	113
Operational Plant and Equipment	53	(7)	46	9	0	0	(4)	0	0	0	62	(10)	51
Jackson's Bay wharf	670	(166)	504	0	0	0	(13)	0	0	(227)	263	0	263
<i>Total operational assets</i>	25,062	(3,331)	21,731	1,078	(660)	0	(378)	429	0	2,600	27,567	(2,766)	24,800

*Note 15 is continued on the next page*



	Cost/ valuation 1-Jul-14	Accumulated depreciation & impairment charges 1-Jul-14	Carrying amount 1-Jul-14	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Current year disposals depreciation	Reclassificati on Cost	Revaluation surplus	Cost/ revaluation 30-Jun-15	Accumulated depreciation and impairment charges 30-Jun-15	Carrying amount 30-Jun-15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Infrastructural assets</b>													
Land	2,139	0	2,139	60	0	0	0	0	0	0	2,168	0	2,168
Buildings	631	(39)	592	375	(20)	0	(16)	0	0	39	1,005	(34)	971
Roading network	192,277	(5,461)	186,816	1,960	0	0	(2,588)	0	2,684	9,730	198,631	0	198,631
Land under roads	55,394	0	55,394	0	(29)	0	0	0	0	0	55,365	0	55,365
Bridges	46,231	(1,072)	45,159	63	0	0	(527)	0	0	(5,516)	39,179	0	39,179
Water supply reticulation	22,110	(1,979)	20,131	270	(1)	0	(688)	2	0	4,047	18,700	0	18,700
Water supply treatment	4,423	(1,158)	3,265	149	0	0	(380)	0	0	2,235	10,329	0	10,329
Drainage/stormwater	10,313	(938)	9,375	49	0	0	(283)	0	(2,684)	1,314	7,771	0	7,771
Refuse sites	2,521	(168)	2,353	13	0	0	(65)	0	0	0	2,533	(232)	2,302
Sewerage system reticulation	7,612	(643)	6,969	126	(9)	0	(248)	4	0	3,187	8,833	0	8,833
Sewerage system treatment	2,704	(223)	2,481	80	(6)	0	(158)	2	0	2,029	5,623	0	5,623
<i>Total infrastructural assets</i>	346,355	(11,681)	334,674	3,144	(65)	0	(4,953)	7	0	17,064	350,138	(266)	349,872

Note 15 is continued on the next page

	Cost/ valuation 1-Jul-14	Accumulated depreciation & impairment charges 1-Jul-14	Carrying amount 1-Jul-14	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Current year disposals depreciation	Reclassificati on Cost	Revaluation surplus	Cost/ revaluation 30-Jun-15	Accumulated depreciation and impairment charges 30-Jun-15	Carrying amount 30-Jun-15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Restricted assets</b>													
Land	1,254	0	1,254	0	0	0	0	0	0	0	1,254	0	1,254
Public buildings	1,948	(117)	1,831	72	(222)	0	(38)	16	0	1,503	3,176	(13)	3,164
Cemetery buildings	52	(6)	46	0	0	0	(1)	0	0	18	69	(6)	63
Cemetery land	1,038	0	1,038	50	0	0	0	0	0	0	1,088	0	1,088
Reserve/recreation land	6,815	0	6,815	0	0	0	0	0	0	0	6,815	0	6,815
Reserve/recreation buildings	1,956	(60)	1,896	618	0	0	(21)	0	0	623	3,171	(55)	3,116
Reserve/improvements	5,496	(101)	5,395	1,524	0	0	(229)	0	0	0	7,019	(329)	6,690
Swimming pools	1,100	(119)	981	127	0	0	(27)	0	0	1,653	2,804	(70)	2,733
<i>Total restricted assets</i>	19,659	(403)	19,256	2,391	(222)	0	(316)	16	0	3,797	25,396	(473)	24,923
<b>Total Council</b>	<b>391,076</b>	<b>(15,415)</b>	<b>375,661</b>	<b>6,613</b>	<b>(947)</b>	<b>0</b>	<b>(5,647)</b>	<b>453</b>	<b>0</b>	<b>23,461</b>	<b>403,100</b>	<b>(3,506)</b>	<b>399,595</b>
<b>Subsidiaries property, plant and equipment</b>													
Land & Buildings	5,724	(355)	5,369	69	(19)	0	(105)	0	0	(56)	5,774	(516)	5,258
Plant and machinery	13,106	(7,029)	6,077	4,151	(789)	0	(1,371)	558	0	0	16,468	(7,842)	8,626
Office equipment	338	(294)	44	25	0	0	(22)	0	0	0	363	(316)	47
Hokitika Airport	2,400	(334)	2,066	0	0	0	(46)	0	0	0	2,400	(380)	2,020
Under Construction	120	0	120	2	(1)	0	0	0	(96)	0	25	0	25
<i>Total subsidiaries</i>	21,688	(8,012)	13,676	4,247	(809)	0	(1,544)	558	(96)	(56)	25,030	(9,054)	15,976
<b>Total Group assets</b>	<b>412,764</b>	<b>(23,427)</b>	<b>389,337</b>	<b>10,860</b>	<b>(1,756)</b>	<b>0</b>	<b>(7,191)</b>	<b>1,011</b>	<b>(96)</b>	<b>23,405</b>	<b>428,130</b>	<b>(12,560)</b>	<b>415,571</b>

Note 15 is continued on the next page

	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 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
<b>COUNCIL 2014</b>													
<b>Operational assets</b>													
Land (leased)	4,458	0	4,458	0	0	0	0	0	0	0	4,458	0	4,458
Land (leased airport)	4,278	0	4,278	0	0	0	0	0	0	0	4,278	0	4,278
Land (operational)	6,250	0	6,250	0	0	0	0	0	0	0	6,250	0	6,250
Buildings	4,804	(199)	4,605	103	(11)	(96)	1	0	0	0	4,896	(295)	4,601
Furniture & fittings	1,505	(532)	973	1	0	(95)	0	0	0	0	1,506	(627)	879
Library books	1,057	(811)	246	52	0	(52)	0	0	0	0	1,109	(863)	246
Museum artefacts	165	0	165	0	0	0	0	0	0	0	165	0	165
Computer equipment	955	(822)	133	20	(3)	(41)	2	0	0	0	972	(861)	111
Office equipment	493	(402)	91	3	(1)	(19)	0	0	0	0	495	(421)	74
Motor vehicles	329	(246)	83	110	(25)	(47)	24	0	0	0	414	(268)	146
Operational Plant & Equipment	53	(3)	50	0	0	(4)	0	0	0	0	53	(7)	46
Jackson's Bay wharf	670	(153)	517	0	0	(13)	0	0	0	0	670	(166)	504
<b>Total operational assets</b>	25,017	(3,168)	21,849	289	(40)	(367)	27	0	0	0	25,266	(3,508)	21,758

*Note 15 is continued on the next page*

	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 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
<b>Infrastructural assets</b>													
Land	2,139	0	2,139	0	0	0	0	0	0	0	2,139	0	2,139
Buildings	648	(26)	622	0	(17)	(15)	2	0	0	0	631	(39)	592
Roading network	189,405	(2,214)	187,191	2,295	0	(2,385)		577	(862)	0	192,277	(5,461)	186,816
Land under roads	55,374	0	55,374	0	0	0	0	20	0	0	55,394	0	55,394
Bridges	46,212	(527)	45,685	0	0	(526)	0	19	(19)	0	46,231	(1,072)	45,159
Water supply reticulation	20,904	(467)	20,437	164	0	(470)	0	1,042	(1,042)	0	22,110	(1,979)	20,131
Water supply treatment	4,423	(563)	3,860	0	0	(595)	0	0	0	0	4,423	(1,158)	3,265
Drainage/stormw ater	9,858	(374)	9,484	2	0	(376)	0	453	(188)	0	10,313	(938)	9,375
Refuse sites	2,493	(103)	2,390	28	0	(65)	0	0	0	0	2,521	(168)	2,353
Sewerage system reticulation	7,472	(360)	7,112	140	0	(283)	0	0	0	0	7,612	(643)	6,969
Sewerage system treatment	2,671	(111)	2,560	33	0	(112)	0	0	0	0	2,704	(223)	2,481
<i>Total infrastructural assets</i>	341,599	(4,745)	336,854	2,662	(17)	(4,827)	2	2,111	(2,111)	0	346,355	(11,681)	334,674

Note 15 is continued on the next page

	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 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
<b>Restricted assets</b>													
Land	1,254	0	1,254	0	0	0	0	0	0	0	1,254	0	1,254
Public buildings	1,948	(78)	1,870	0	0	(39)	0	0	0	0	1,948	(117)	1,831
Cemetery buildings	52	(5)	47	0	0	(1)	0	0	0	0	52	(6)	46
Cemetery land	1,038	0	1,038	0	0	0	0	0	0	0	1,038	0	1,038
Reserve/recreation land	6,655	0	6,655	160	0	0	0	0	0	0	6,815	0	6,815
Reserve/recreation buildings	2,062	(40)	2,022	0	(106)	(20)	0	0	0	0	1,956	(60)	1,896
Reserve/improvements	457	(58)	399	5,039	0	(43)	0	0	0	0	5,496	(101)	5,395
Swimming pools	1,100	(93)	1,007	0	0	(26)	0	0	0	0	1,100	(119)	981
<i>Total restricted assets</i>	14,566	(274)	14,292	5,199	(106)	(129)	0	0	0	0	19,659	(403)	19,256
<b>Total Council</b>	<b>381,182</b>	<b>(8,187)</b>	<b>372,995</b>	<b>8,150</b>	<b>(163)</b>	<b>(5,323)</b>	<b>29</b>	<b>2,111</b>	<b>(2,111)</b>	<b>0</b>	<b>391,280</b>	<b>(15,592)</b>	<b>375,688</b>
<b>Subsidiaries property, plant and equipment</b>													
Land & Buildings	4,047	(528)	3,519	213	(54)	(99)	0	893	272	625	5,724	(355)	5,369
Plant and machinery	12,118	(6,407)	5,711	2,030	(1,042)	(1,270)	648	0	0	0	13,106	(7,029)	6,077
Office equipment	326	(267)	59	12	0	(27)	0	0	0	0	338	(294)	44
Hokitika Airport	2,400	(288)	2,112	0	0	(46)	0	0	0	0	2,400	(334)	2,066
Under Construction	21	0	21	105	(6)	0	0	0	0	0	120	0	120
<i>Total subsidiaries</i>	18,912	(7,490)	11,422	2,360	(1,102)	(1,442)	648	893	272	625	21,688	(8,012)	13,676
<b>Total Group assets</b>	<b>400,094</b>	<b>(15,677)</b>	<b>384,417</b>	<b>10,510</b>	<b>(1,265)</b>	<b>(6,765)</b>	<b>677</b>	<b>3,004</b>	<b>(1,839)</b>	<b>625</b>	<b>412,968</b>	<b>(23,604)</b>	<b>389,364</b>

Note 15 is continued on the next page

Assets are recorded at their most recent estimate of depreciated replacement cost. All valuations are carried out on a cyclical basis. A full valuation of the roading network at 31 December 2014 was conducted by MWH New Zealand Ltd. Three waters assets were revalued by Council's engineers at 31 December 2014 with peer review conducted by ANA Group Ltd. A detailed valuation was performed by Australis asset advisory group at 30 June 2015 for land and buildings with peer review conducted by ANA Group Ltd.

The RSA building was demolished during the year with a loss of \$205,000.

#### Core assets

Included within the Council infrastructure assets above are the following core Council assets:

	Closing book value \$'000	Additions: constructed by Council \$'000	Additions: transferred to Council \$'000	Most recent replacement cost estimate for revalued assets \$'000
<b>2015</b>				
<b>Water Supply</b>				
- reticulation and other	18,700	270	0	28,887
- treatment plants and facilities	10,329	149	0	15,395
<b>Sewerage</b>				
- other assets (such as reticulation systems)	8,833	126	0	17,673
- treatment plants and facilities	5,623	80	0	6,732
<b>Stormwater drainage</b>	7,771	49	0	14,942
<b>Roads and Footpaths</b>	237,775	1,960	0	297,998
<b>2014</b>				
<b>Water Supply</b>				
- reticulation and other	20,131	164	0	20,261
- treatment plants	3,265	0	0	3,507
<b>Sewerage</b>				
- reticulation and other	6,969	140	0	7,326
- treatment plants	2,481	33	0	2,425
<b>Stormwater drainage</b>	9,375	2	0	10,016
<b>Roads and Footpaths</b>	231,975	2,295	0	233,000

Note 15 is continued on the next page

Estimated replacement cost is determined at Council's most recent formal valuations as described above.

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

The total value of assets covered by commercial insurance contracts was \$44,459,660, with \$42,861,828 insured at replacement value and the \$4,213,908 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 \$125 million (including \$50 million from central government). This means that all of Council underground infrastructural assets (\$34 million per Note 15 above) are fully covered at replacement cost. Council's excess is \$807,000. With a total asset base of \$375,661,000 as at 1 July 2014, the above arrangements leave \$375,577,000 self-insured by Council.

Of this \$271,611,000 relate to land and roads, which are considered low risk areas, leaving an exposure of \$103,966,000. This exposure is covered by subsidies that are available from NZTA and the government. As at 30 June 2015 asset renewal funds total \$1,681,000.

## NOTE 16. INVESTMENT PROPERTY

	Council		Group	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Balance at 1 July	0	0	0	317
Additions from acquisitions	0	0	0	0
Disposals	0	0	0	(225)
Transfer to inventory	0	0	0	0
Fair value gains/(losses) on valuation (note 7)	0	0	0	(92)
<b>Balance at 30 June</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

WHL balance of 828k transferred to PPE on consolidation.

Investment properties are valued annually effective at 30 June to fair value by Quotable Value. Quotable Value is an experienced valuer, with extensive market knowledge in the types and location of property owned by the group.



## NOTE 17. INTANGIBLE ASSETS

	Council Carbon Credits 2015 \$000	Council Computer Software 2015 \$000	Council Total 2015 \$000	Group Mining licences 2015 \$000	Group Total 2015 \$000
<b>Cost</b>					
Balance at 1 July 2014	0	71	71	0	71
Reclassification	0	204	204	0	204
Additions	33	0	33	0	33
Disposals	0	(137)	(137)	0	(137)
Balance at 30 June 2015	33	138	171	0	171
Balance at 1 July 2013	0	78	78	250	328
Reclassification	0	0	0	0	0
Additions	0	3	3	0	3
Disposals	0	(10)	(10)	(250)	(260)
Balance at 30 June 2014	0	71	71	0	71
<b>Accumulated amortisation and impairment</b>					
Balance at 1 July 2014	0	25	25	0	25
Reclassification	0	177	177	0	177
Amortisation charges	0	17	17	0	17
Disposals	0	(137)	(137)	0	(137)
Balance at 30 June 2015	0	82	82	0	82
Balance at 1 July 2013	0	19	19	247	266
Reclassification	0	0	0	0	0
Amortisation charges	0	13	13	3	16
Disposals	0	(7)	(7)	(250)	(257)
Balance at 30 June 2014	0	25	25	0	25
<b>Carrying amounts</b>					
Balance at 1 July 2014	0	46	46	0	46
Reclassification	0	27	27	0	27
Balance at 30 June 2015	33	56	89	0	89

Carbon credits have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

There were no internally generated intangible assets in the 2014/15 year.

**NOTE 17A. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY**

	Council	
	2015 \$000	2014 \$000
<b>Directly attributable depreciation and amortisation expense by group of activity</b>		
Leisure and Culture	440	256
Community Services	6	6
Planning and Regulatory Services	11	12
Transportation	2,996	2,887
Water Supply	1,067	1,065
Wastewater	412	400
Stormwater	378	376
Solid Waste	107	110
Other Infrastructure assets	56	54
Democracy Services	188	171
<b>Total depreciation and amortisation expense</b>	<b>5,663</b>	<b>5,336</b>

**NOTE 18. ASSETS UNDER CONSTRUCTION**

	Council		Group	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Capital projects				
Buildings	164	61	164	61
Water	1,943	0	1,943	0
Sewerage	6	112	6	112
West Coast Wilderness Trail	114	1,033	114	1,033
Swimming pool	0	65	0	65
Franz Josef Reserves	0	1	0	1
<b>Balance as on 30 June</b>	<b>2,227</b>	<b>1,271</b>	<b>2,227</b>	<b>1,271</b>

The West Coast Wilderness Trail was brought into use at the beginning of the previous financial year. The balance at 30 June 2015 (\$113,873) reflects the cost of further work yet to be completed.

The remaining \$170,839 primarily represents expenditure to date on the Harihari and Fox community centres. Both of these projects are expected to be completed during the financial year ending 30 June 2016.

#### NOTE 19. CREDITORS AND PAYABLES

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Trade payables	1,312	525	3,081	1,624
Other payables	331	248	331	248
Employee benefit	2	59	2	59
Waiho relocation	3	303	3	303
Accrued expense	860	198	860	198
Amounts due to subsidiaries (Per Note 27)	1,014	730	0	0
<b>Total creditors and other payables</b>	<b>3,522</b>	<b>2,062</b>	<b>4,277</b>	<b>2,431</b>

Payables are generally non-interest bearing and are normally settled on the 20<sup>th</sup> of the following month. Therefore, the carrying value of payables approximates their fair value.

#### NOTE 20. OTHER LIABILITIES

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Current portion				
Rates and other revenue received in advance	198	193	214	223
<i>Total current portion</i>	198	193	214	223
<i>Total non-current portion</i>	0	0	0	0
<b>Total other liabilities</b>	<b>198</b>	<b>193</b>	<b>214</b>	<b>223</b>

## NOTE 21. PROVISIONS

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
<b>Current portion</b>				
Riskpool call up provision	0	90	0	90
<i>Total current portion</i>	0	90	0	90
<b>Non-current portion</b>				
Landfill closure and monitoring	1,588	1,576	1,588	1,576
<i>Total non-current portion</i>	1,588	1,576	1,588	1,576
<b>Total provisions</b>	<b>1,588</b>	<b>1,666</b>	<b>1,588</b>	<b>1,666</b>

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 2015 this was 1.6% and is forecast to remain within 2.2% over the next ten years.

The gross provision before discounting is \$1,819,356 (2014 \$1,744,046).

## NOTE 22. EMPLOYEE ENTITLEMENTS

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
<b>Current portion</b>				
Accrued pay	0	0	10	0
Annual and sick leave	296	236	971	746
Retirement and long service leave	0	0	90	68
<i>Total current portion</i>	296	236	1,071	814
<b>Non-current portion</b>				
Retirement and long service leave	29	52	167	183
<i>Total non-current portion</i>	29	52	167	183
<b>Total employee entitlements</b>	<b>325</b>	<b>288</b>	<b>1,238</b>	<b>997</b>

## NOTE 23. BORROWINGS

	Council		Group	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
<b>Current portion</b>				
Bank overdraft	0	0	583	0
Flexible finance loan	0	0	800	0
Term debts	0		962	1,150
<i>Total current portion</i>	0	0	2,345	1,150
<b>Non-current portion</b>				
Secured loans	0	0	0	962
Term debts	16,660	14,760	19,939	15,689
<i>Total non-current portion</i>	16,660	14,760	19,939	16,248
<b>Total borrowings</b>	<b>16,660</b>	<b>14,760</b>	<b>22,284</b>	<b>17,801</b>

Fixed-rate debt: The Council's secured debt of \$ 16,660,353 (2014 \$14,760,353) is issued at variable rates of interest, protected by the swap contracts described in Note 12.

Council has a Multi Option Credit Line of \$24,100,000 (2014 \$14,760,853). A full draw down on this facility would breach Council's liability management policy debt threshold of \$3,000 per rateable unit. However, \$5,100,000 of this is ring fenced for the Hokitika water treatment plant upgrade, which is recoverable via a specific rate adopted by Council on 30 June 2015. Since \$2,000,000 of this funding is already included in the balance above, it is unlikely that the threshold will be exceeded.

Council repaid infrastructure debt of \$100,000 during the year. The movements are shown in the table below:

MOCL	Reference	Loan Name	Interest Rate	Balance 30 June 2014	New Loans Raised	Principal Repaid	Balance 30 June 2015
				\$	\$	\$	\$
405172	7000888	Waste Management Projects	4.38%	2,125,353.58			2,125,353.58
405172	7000888	Waste Management Projects	4.38%	823,926.00		48,625.02	775,300.98
405172	7000893	Water Supply Projects	4.38%	2,718,000.00			2,718,000.00
405172	7000893	Water Supply Projects	4.38%	398,074.00		51,374.98	346,699.02
405172	7000891	Hokitika Water Upgrade	4.59%	0.00	2,250,000.00		2,250,000.00
404289	7000895	Westland Holding Limited	4.61%	2,627,000.00		250,000.00	2,377,000.00
404289	7000895	Westland Holding Limited	4.61%	2,718,000.00			2,718,000.00
404289	7000895	Westland Holding Limited	4.61%	3,350,000.00			3,350,000.00
<b>Total Council Debt</b>				14,760,353.58	2,250,000.00	350,000.00	16,660,353.58
<b>Available Facility</b>				9,339,646.42			7,439,646.42
<b>Total Facility</b>							24,100,000.00
Expiry:					1 July 2016		9,500,000.00
					1 July 2017		14,600,000.00

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.

Internal Borrowing: Council had no internal borrowing processes operating in 2014/15.

Finance Leases: Council has no finance leases.

**NOTE 24. EQUITY**

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
<b>Retained earnings</b>				
Balance at 1 July	153,592	152,911	155,463	155,048
Restatement adjustment	27	189	(70)	221
Transfers to restricted reserves	(2,977)	(2,660)	(2,977)	(2,660)
Transfers from restricted reserves	2,130	2,002	2,130	2,002
Transfer from 'Revaluation reserve	197	44	197	(841)
Found assets	1,257	0	1,257	0
Surplus/(deficit) for the year	(1,935)	1,107	(1,470)	1,694
Balance at 30 June	152,292	153,592	154,682	155,463
<b>Restricted reserves</b>				
Balance at 1 July	3,240	2,783	3,240	2,783
Restatement adjustment 2013	0	(39)	0	(39)
Reclassification of bonds	0	(162)	0	(162)
Transfers to retained earnings	(2,130)	(2,002)	(2,130)	(2,002)
Transfers from retained earnings	2,977	2,660	2,977	2,660
Balance at 30 June	4,087	3,240	4,087	3,240
<b>Assets revaluation reserve</b>				
Balance at 1 July	216,467	216,511	217,298	216,457
Net Revaluation gains of property, plant and equipment	23,461	0	23,461	831
Impairment of property, plant and equipment	0	0	0	0
Transfer of revaluation reserve to retained earnings	0	0	0	54
on disposal of property, plant and equipment	(197)	(44)	(197)	(44)
Balance at 30 June	239,731	216,467	240,562	217,298
<b>Fair value through other comprehensive revenue and expense reserve</b>				
Tax on revaluations	64	0	64	0
Balance at 30 June	64	0	64	0
<b>Total equity</b>	<b>396,173</b>	<b>373,299</b>	<b>399,394</b>	<b>376,001</b>

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

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
<b>Surplus/(deficit) after tax</b>	(1,935)	1,107	(1,470)	(872)
<b>Add/(Less) non-cash items</b>				
Vested assets	0	(246)	0	(210)
Depreciation and amortisation	5,663	5,336	7,207	6,387
Increase/(decrease) in employee entitlements	60	(37)	253	(1)
Increase/(decrease) in deferred tax	(59)	2	(48)	(106)
(Gain)/loss on fair value of investment property	0	34	65	0
(Gain)/loss in fair value of interest rate swap	410	(183)	410	(342)
	6,074	4,907	7,886	5,728
<b>Add/(less) items classified as investing or financing activities</b>				
(Gains)/losses on sale of assets	205	7	106	(88)
(Gain)/loss on fair value of investment property	0	0	0	0
Capital creditors	0	0	(40)	389
<i>Total current portion</i>	205	7	66	301
<b>Add/(less) movements in working capital</b>				
Debtors and other receivables	(847)	364	(9,163)	1,672
Inventories	0	0	473	18
Creditors and other payables	1,765	(3)	9,132	306
Deferred income	(4)	(43)	(2)	37
Current and non-current provisions	(78)	78	(78)	1,064
Employee entitlements	(23)	65	(23)	99
Tax refund due	0	0	(12)	0
Taxation provision	4	3	28	0
	817	463	298	3,196
<b>Net cash inflow/(outflow) from operating activities</b>	<b>5,159</b>	<b>6,484</b>	<b>6,781</b>	<b>8,353</b>

## 26. CAPITAL COMMITMENTS

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Capital commitments approved and contracted transfers from general funds	3,153	0	4,059	0
<b>Total capital commitments</b>	<b>3,153</b>	<b>0</b>	<b>4,059</b>	<b>0</b>

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Operating leases as lessee:

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Not later than one year	130	54	188	68
Later than one year and not later than five years	276	18	380	40
Later than five years	0	0	18	5
<b>Total non-cancellable operating leases</b>	<b>406</b>	<b>73</b>	<b>586</b>	<b>113</b>

Leases generally have a non-cancellable term of 1 – 36 months, 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.

### Contractual Commitments

Type	Expiry	< 1 year	1-5 years	> 5 years	Total
<b>Non-cancellable operating leases</b>					
Data supply	26/03/2019	12,680	47,552		60,232
EFTPOS i-SITE	12/06/2013	949	0		949
EFTPOS Library	6/04/2014	667	501		1,168
EFTPOS Museum	12/06/2013	474	0		474
Telephone system	27/09/2011	13,021	3,255		16,277
Software Licence & Support Agreement - NCS	13/11/2015	23,976	0		23,976
LGEP Map rental	14/07/2018	7,667	15,333		23,000
Photocopier Fuji Xerox	30/04/2019	35,988	104,964		140,952
Photocopier Fuji Xerox	30/04/2019	34,800	104,400		139,200
		130,222	276,005		406,228



## NOTE 27. CONTINGENCIES

	Group	
	2015	2014
	\$000	\$000
Performance bonds	706	515
Mining bonds	17	26
<b>Total contingent liabilities</b>	<b>723</b>	<b>541</b>

### Contingent Liabilities:

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.
- 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. 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 deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2015, the Scheme had a past surplus of \$20.9 million (2014: \$16.2 million) and 11.4% (2014: 8.0%) of 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 PBE IPSAS 25. 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.

The following table is extracted from the Annual Report of Westland Holdings Limited. At 30 June 2015, the Company and Group had the following liabilities:

	2015	2014
	\$000	\$000
<b>Guarantees:</b>		
(a) Performance Bonds in favour of Westland District Council	50	65
(b) Performance Bonds in favour of Grey District Council	525	290
(c) Mining Bonds	17	26
(d) Performance Bond in favour of Transit NZ	63	100
(e) Performance Bond in favour of Department of Conservation	77	84
(f) Performance Bond in favour of Hokitika Rimu Tree Top Walk Ltd	41	41

**Contingent Assets:**

Council has no contingent assets at 30 June 2015 (2014 Nil).

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

**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 (2014: \$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	
	2015	2014
	\$000	\$000
<b>Westroads Limited</b>		
Revenue earned	49	51
Expenditure charged	5,202	5,488
Accounts payable by the Council	915	730
Accounts receivable to the Council	8	284
Group tax loss offset	0	0
Subvention payment	265	380
<b>Hokitika Airport Limited</b>		
Revenue earned	37	37
Expenditure charged	15	15
Accounts payable by the Council	0	0
Accounts receivable to the Council	0	0
Loan advanced	0	0
Loan payable to the Council	0	0
Loan repaid	0	0
<b>Westland District Properties Limited</b>		
Revenue earned	170	157
Expenditure charged	253	228
Accounts payable by the Council	99	0
Accounts receivable to the Council	360	202
Sale of transfer station	0	17
Loan advanced	0	0
Loan repayment	0	124
Interest on loan	0	16
Subvention payment due	0	0
Subvention payment received	0	0

*Note 28 is continued on the next page*

	Council	
	2015	2014
	\$000	\$000
<b>Westland Holdings Limited</b>		
Revenue earned	0	0
Expenditure charged	0	0
Accounts payable by the Council	0	0
Accounts receivable to the Council	0	0
Dividends received	0	165

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.

	Council	
	2015	2014
	\$000	\$000
<i>Councillors:</i>		
Remuneration	225	228
<i>Senior Management team including Chief Executive:</i>		
Remuneration	682	789
<b>Total key management personnel compensation</b>	<b>907</b>	<b>1,016</b>
<b>Total full-time equivalent personnel</b>	<b>14</b>	<b>13</b>

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

## NOTE 29. REMUNERATION

Chief Executive: Tanya Winter

	2015	2014
	\$000	\$000
Salary	203,645	193,929
Superannuation contribution	6,109	5,818
<b>Total Chief Executive's remuneration</b>	<b>209,754</b>	<b>199,746</b>

Elected Members: The remuneration of elected members is determined by the remuneration authority. Elected representatives received the following remuneration *to 13 October 2013*:

	2015	2014
	\$000	\$000
M. H. Pugh* Mayor		22,868
B. O. Thomson Deputy Mayor		6,992
K. J. Eggeling Councillor		6,537
K. R. Scott Councillor		4,327
J. G. Birchfield Councillor		4,787
A. M. Hurley Councillor		4,030
A. N. Bradley Councillor		4,030
J. H. Butzbach Councillor		4,030
F. I. W. Stapleton Councillor		4,030
M. D. Montagu Councillor		4,373
K. A. van Beek Councillor		4,238
<b>Total elected representatives' remuneration</b>		<b>70,242</b>

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

Amounts for 2014 are from 14 October 2013:

	2015	2014
	\$000	\$000
M. Havill Mayor	71,365	53,431
P. Cox Deputy Mayor	22,225	15,873
M. Dawson Executive Committee Chairman	19,625	13,691
A. Keenan Councillor	6,960	10,985
L. Martin Councillor	16,237	12,021
G. Hope Councillor	19,763	19,262
J. H. Butzbach Councillor	15,700	11,719
M. D. Montagu Councillor	15,745	11,394
K. A. van Beek Councillor	15,881	11,340
A. Thompson Councillor	2,970	0
<b>Total elected representatives' remuneration</b>	<b>206,471</b>	<b>159,717</b>

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	2015 \$000	2014 \$000
Annual remuneration by band for employees as at 30 June:		
< \$60,000	25	21
\$60,000 - \$79,999	15	15
\$80,000 - \$99,999	6	0
\$80,000 - \$159,999	0	6
\$180,000 - \$199,999	0	1
\$140,000 - \$219,999	4	0
<b>Total employees</b>	<b>50</b>	<b>43</b>

Employee Staffing Levels:

	2015 \$000	2014 \$000
Number of Full-time Staff	30.00	27.00
Number of Part-time FTE's	9.76	7.68
<b>Total FTE's</b>	<b>39.76</b>	<b>34.68</b>

#### NOTE 30. SEVERANCE PAYMENTS

There were no severance payments in the year ended 30 June 2015, (2014 \$89,470.11).

#### NOTE 31. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to Balance Date Westroads Ltd & Westland District Property Ltd made the decision to sell the term inventory held as tenants in common. The only impact from this decision would be a change in classification to a current asset.

## NOTE 32. FINANCIAL INSTRUMENTS

The accounting policies for the financial instruments have been applied to the line items below:

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
<b>Financial Assets</b>				
<b>Fair value through surplus or deficit</b>				
Interest rate swaps - cash flow hedges	0	160	0	111
	0	160	0	111
<b>Loans and Receivables</b>				
Cash and cash equivalents	3,936	2,806	4,209	3,224
Receivables	3,301	2,453	5,487	2,865
<i>Other financial assets:</i>				
Civic Assurance	30	29	30	29
Westpac Bonds	970	1,291	970	1,291
Forestry	2	2	2	2
Kanieri sewerage loan	40	57	40	57
Total loans and receivables	8,279	6,638	10,390	7,467
<b>Financial Liabilities</b>				
<b>Fair value through surplus or deficit</b>				
Interest rate swaps - cash flow hedges	385	135	385	318
	385	135	385	318
<b>Financial liabilities at amortised cost</b>				
Payables	3,522	2,062	4,227	2,431
<i>Borrowings:</i>				
Bank overdraft	0	0	583	0
Term debts	16,660	14,760	21,701	16,248
Total financial liabilities at amortised cost	20,183	16,823	26,512	18,680

### NOTE 33. 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 13 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	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Bonds	970	1,291	970	1,291
Cash at bank and term deposits	3,936	2,806	4,209	3,224
Trade and other receivables	3,301	2,451	5,487	3,163
<b>Maximum Exposure</b>	<b>8,207</b>	<b>6,548</b>	<b>10,666</b>	<b>7,678</b>

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.

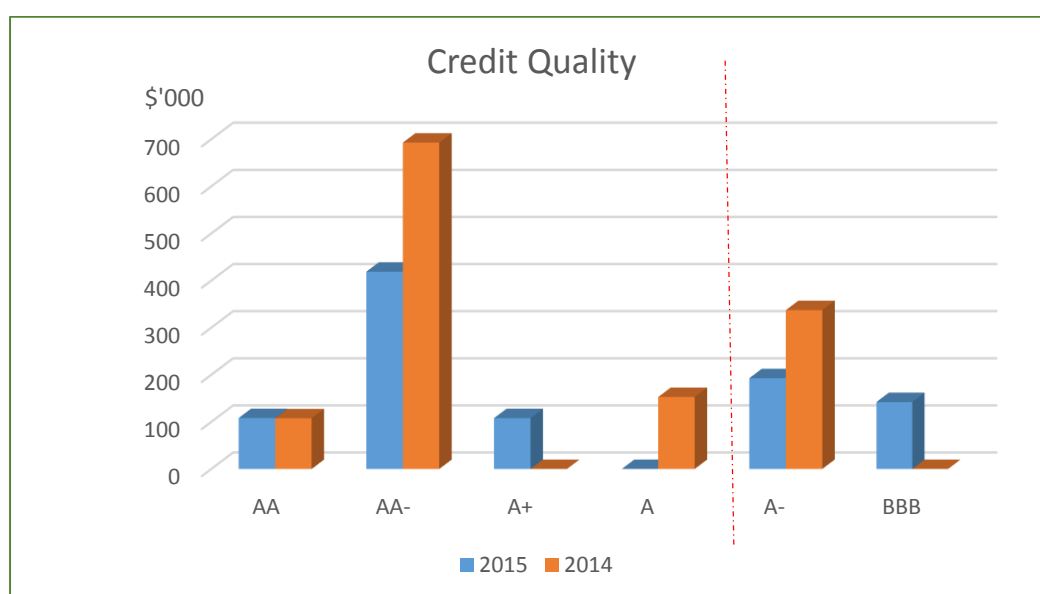
The maturity profiles of the Council and Group's interest bearing investments and borrowings are disclosed in notes 14 and 23 respectively.

## 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 table and chart below displays Council's bonds portfolio by credit rating.

Credit Quality	Council		Group	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Cash at bank and term deposits</b>				
AA-	3,936	2,806	4,209	3,224
<b>Bonds</b>				
AA	108	108	108	108
AA-	419	693	419	693
A+	108	0	108	0
A	0	153	0	153
A-	193	337	193	337
BBB	142	0	142	0



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
<b>Council 2015</b>					
Trade and other payables	3,522	3,522	3,522	0	0
Term debt	16,660	16,660	-	16,660	0
<b>Total</b>	<b>20,182</b>	<b>20,182</b>	<b>3,522</b>	<b>16,660</b>	<b>0</b>
<b>Group 2015</b>					
Trade and other payables	4,227	4,227	4,227	0	0
Term debt	21,701	21,701	1,762	19,939	0
Bank overdraft	583	583	583	0	0
<b>Total</b>	<b>26,511</b>	<b>26,511</b>	<b>6,572</b>	<b>19,939</b>	<b>0</b>
<b>Council 2014</b>					
Trade and other payables	2,062	2,062	2,062	0	0
Term debt	14,760	14,760	0	14,760	0
<b>Total</b>	<b>16,822</b>	<b>16,823</b>	<b>2,062</b>	<b>14,760</b>	<b>0</b>
<b>Group 2014</b>					
Trade and other payables	2,431	2,431	2,431	0	0
Term debt	17,801	17,801	1,553	16,248	0
<b>Total</b>	<b>20,232</b>	<b>20,232</b>	<b>3,984</b>	<b>16,248</b>	<b>0</b>

Note 33 is continued on the next page

## 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
<b>Council 2015</b>					
Cash and cash equivalents	3,936	3,936	3,936	0	0
Trade and other receivables	3,301	3,301	3,301	0	0
Westpac Bonds	970	970	0	970	0
Civic Assurance	30	0	0	0	0
<b>Total</b>	<b>8,237</b>	<b>8,207</b>	<b>7,237</b>	<b>970</b>	<b>0</b>
<b>Group 2015</b>					
Cash and cash equivalents	4,209	4,209	4,209	0	0
Trade and other receivables	5,487	5,487	5,487	0	0
Westpac Bonds	970	970	0	970	0
Civic Assurance	30	0	0	0	0
<b>Total</b>	<b>10,696</b>	<b>10,666</b>	<b>9,696</b>	<b>970</b>	<b>0</b>
<b>Council 2014</b>					
Cash and cash equivalents	2,806	2,806	2,806	0	0
Trade and other receivables	2,453	2,453	2,453	0	0
Westpac Bonds	1,291	1,291	329	962	0
Civic Assurance	29	0	0	0	0
<b>Total</b>	<b>6,579</b>	<b>6,550</b>	<b>5,588</b>	<b>962</b>	<b>0</b>
<b>Group 2014</b>					
Cash and cash equivalents	3,224	3,224	3,224	0	0
Trade and other receivables	2,865	2,865	2,865	0	0
Westpac Bonds	1,291	1,291	329	962	0
Civic Assurance	29	0	0	0	0
<b>Total</b>	<b>7,409</b>	<b>7,379</b>	<b>6,418</b>	<b>962</b>	<b>0</b>

Note 33 is continued on the next page

## Sensitivity Analysis

Interest rate risk	2015 -2% Surplus \$000	2015 +2% Deficit \$000	2014 -2% \$000	2014 +2% \$000
<b>Council</b>				
<i>Financial Assets</i>				
Westpac Bonds	(19)	19	(26)	26
Total	(19)	19	(26)	26
<i>Financial liabilities</i>				
Term debt	333	(333)	0	0
Interest rate swaps - held for trading	240	(240)	0	(0)
Total	573	(573)	0	0
<b>Total sensitivity</b>	<b>554</b>	<b>(554)</b>	<b>(26)</b>	<b>26</b>
<b>Group</b>				
<i>Financial Assets</i>				
Westpac Bonds	(19)	19	(26)	26
Total	(19)	19	(26)	26
<i>Financial liabilities</i>				
Term debt	446	(446)	(136)	524
Interest rate swaps - held for trading	240	(240)	0	0
Total	686	(686)	0	524
<b>Total sensitivity</b>	<b>667</b>	<b>(667)</b>	<b>(162)</b>	<b>550</b>

## Sensitivity Analysis

### Interest Rate Risk – Council

As at 30 June 2015 it is estimated that a two percentage point increase/decrease in market interest rates would decrease/increase the Council's equity by approximately \$554,000 (30 June 2014 \$25,812). 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 2015 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 \$667,000 (30 June 2014 -\$161,556.55/\$550,498). This calculation is the annual impact on loans and borrowings which are subject to a variable market interest rate at balance date.

**NOTE 34. ADJUSTMENTS TO THE COMPARATIVE YEAR FINANCIAL STATEMENTS**

Council	Note	Council		
		Before adjustments 2014 \$000	Reclassification adjustments 2014 \$000	After adjustments 2014 \$000
Revenue				
Other revenue	6	2,636	202	2,837
Gains/(Losses) - Financial Instruments	6	192	(192)	0
- Non Financial Instruments	6	10	(10)	0
Non-current assets				
Property, plant and equipment	15	375,688	(27)	375,661
Intangible assets		46	27	73

Group	Note	Group		
		Before adjustments	Reclassification adjustments	After adjustments
2014	2014	2014		
\$000	\$000	\$000		
Revenue				
Other revenue	6	10,301	202	10,503
Gains/(Losses) - Financial Instruments	6	192	(192)	0
' - non Financial Instruments	6	10	(10)	0
Non-current assets				
Property, plant and equipment	15	389,364	(27)	389,337
Intangible assets		46	27	73

**Explanatory notes**
**Reclassification adjustments**

- Gains on financial instruments \$192k and non-financial instruments \$10k now included within other revenue.
- IT Software \$27k has been reclassified to intangible assets from Property, Plant and Equipment
- There were no reclassification adjustments from the transition to the new PBE accounting standards.

**NOTE 35. EXPLANATIONS FOR MAJOR VARIATIONS FROM THE COUNCIL'S BUDGET FIGURES IN THE ANNUAL PLAN 2014/15 ARE AS FOLLOWS:**

*Statement of comprehensive revenue and expenses*

The Total revenue is higher than budgeted by \$0.2 million mainly due to:

- Metered water is greater than budgeted by \$0.5 million, primarily due to higher than anticipated usage from one customer.
- Offset by Dividends of \$0.13 million not yet received, and grant income \$0.15 million lower than expected.

The Total operating expenditure is greater than budgeted by \$1.3 million mainly due to:

Other operating expenses are greater than budgeted by \$1.0 million due to \$0.4 million loss on the market value of interest rate swaps council hold to manage interest rate risk. Higher operating costs of \$0.3 million throughout the Leisure and Culture group due to unbudgeted West Coast Wilderness Trail and other activities.

Depreciation and amortisation expenses is greater than budgeted by \$0.3 million due to more road related activities and the West Coast Wilderness Trail being capitalized than expected

*Other comprehensive revenue and expenses*

Other comprehensive income includes a gain of \$23.5 million from the revaluation of Council's buildings, road and 3-waters that was unbudgeted.

*Current Assets:*

The balance of cash and cash equivalents is \$1.3 million higher than budget and last year. Of this \$0.7 million relates to projects and activities that were planned to be funded from rates or reserves that were carried forward to 2015/16 and receipts from higher metered water.

Debtors and other receivables increased by \$1 million, but there has also been a reduction in the provision for doubtful debts. Work in progress at 30 June increased to \$2.2 million.

*Non-current assets:*

There is a net increase of \$21 million since 30 June 2014. This is due to the increase in Property, Plant and equipment revaluations offset by increased depreciation and \$0.5 million work in progress classified under current assets.

*Current Liabilities:*

The increase in current liabilities can mainly be attributed to Creditors and other receivables due to project work undertaken in May and June.

*Non-current liabilities:*

Borrowings have increased since 2013/14 by \$1.9 million, which was due to an unbudgeted project. The annual plan for 2014/15 forecast borrowings to increase by \$0.8 million, being loan funded fixed asset additions offset by a repayment of \$0.4 million.

The balance for provisions is \$0.7 million higher than budget. This is mainly due to the final aftercare provision for landfill and is in line with the previous year 2013/14.

## NOTE 36. FAIR VALUE HIERARCHY DISCLOSURES

### 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.

Fair Value Hierarchy Disclosures	Total \$000	Quoted Market Price \$000	Observable inputs \$000
<b>30 June 2015 - Council</b>			
<i>Financial Assets</i>			
Civic Assurance	30		30
Westpac Bonds	970	970	
<i>Financial liabilities</i>			
Derivatives	385		385
<b>30 June 2015 - Group</b>			
<i>Financial Assets</i>			
Civic Assurance	30		30
Westpac Bonds	970	970	
<i>Financial liabilities</i>			
Derivatives	385		385
<b>30 June 2014 - Council</b>			
<i>Financial Assets</i>			
Derivatives	160		160
Civic Assurance	29		29
Westpac Bonds	1,291	1,291	
<i>Financial liabilities</i>			
Derivatives	135		135
<b>30 June 2014 - Group</b>			
<i>Financial Assets</i>			
Derivatives	160		160
Civic Assurance	29		29
Westpac Bonds	1,291	1,291	
<i>Financial liabilities</i>			
Derivatives	135		135

There were no transfers between the different levels of the fair value hierarchy.

## NOTE 37. 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.



# Reserve funds

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

<b><i>Council Created Reserve Funds</i></b>	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.
<b><i>Restricted Reserve Funds</i></b>	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.

The Kokatahi-Kowhitirangi community committee utilised the township fund for local volunteer groups to apply for financial assistance.

Ross community society have used the township funding towards the Ross 150<sup>th</sup> celebrations, cherry trees and a bus shelter.

Whataroa community association used their funding for the upgrade of Robertson Park and maintenance on the pool roof.

Franz Josef community council used their funding towards the insurance premium on the hall and contribution to Kidsfirst Kindergarten building.

Fox Glacier Community Development Society used the funding for earthworks for the rugby field.

Haast Promotions Group for the Okuru Hall roof replacement and Dennis Road Track.

### *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 water treatment system.

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

Funds from the stormwater reserve were used for pipe repairs.

Council created reserves:

Reserve	Purpose of each reserve fund	Balance 1-July 2014 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30-June 2015 \$000
<b>2015</b>					
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	14	15	0	29
Whataroa Township fund	Township funding for the purpose of community related projects	14	15	(28)	1
Ross Township Fund	Township funding for the purpose of community related projects	0	14	(14)	0
Haast Township Fund	Township funding for the purpose of community related projects	14	14	(31)	(3)
Franz Township Fund	Township funding for the purpose of community related projects	36	36	(70)	1
Fox Township Fund	Township funding for the purpose of community related projects	6	35	(40)	1
Kokatahi/Kowhitirangi Community Rate	Allowing the community to have funds for various community related projects	16	8	(24)	0
Foreshore Protection Fund	Foreshore Protection for groin replacement on the foreshore.	25	1	0	26
Glacier Country Promotions	Targeted rates collected from Glacier Country to provide funding for marketing projects.	0	65	(68)	(3)
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.	9	4	(5)	7
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.)	297	11	0	308
Guy Menzies Day	Surplus from Guy Menzies Day Event.	1	0	0	1
Cycleway	Road Reserve sold to Westland Milk Products allocated to fund towards construction of West Coast Wilderness Trail.	249	9	0	258
Cycle Partner Contributions	Contributions from commercial partners towards upkeep of the Wilderness Trail	0	29		29

*This table is continued on the next page*

Reserve	Purpose of each reserve fund	Balance 1-July 2014 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30-June 2015 \$000
Emergency Contingency Fund	Rates collected to support Westland in a Civil Defence emergency.	46	2	0	48
Transportation Asset Renewal	For funding the renewal of roads and bridges.	0	1,114	(1,114)	0
Water Renewal	For funding the renewal of water supplies networks	350	662	(402)	609
Waste Water Renewal	For funding the renewal of sewerage and sewage networks	199	252	0	451
Stormwater Renewal	For funding the renewal of stormwater systems	192	236	(49)	379
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	18	14	0	32
Buildings Renewal	For renewal of all Council operational buildings.	77	86	0	163
Administration Renewal	For renewal of office equipment, furniture, technical equipment, vehicles and technology	33	67	(51)	49
Library Book Renewals	To replace library books	(3)	53	(53)	(3)
<b>Total Council created reserves</b>		1,593	2,757	(1,963)	2,386

*This section is continued on the next page*

Restricted reserve funds:

Reserve	Purpose of each reserve fund	Balance 1- July 2014 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30- June 2015 \$000
<b>2015</b>					
Off-street Parking	Collected from developments in town to pay for off-street parking. Imposed by RMA/District Plan	29	1	0	30
Reserve Development	Monies collected from developments. Imposed by RMA/District Plan	673	112	0	785
Museum Assistance Fund	Originally the Museum Bequest Fund (\$8,458) & Carnegie Furnishings (\$3,929)	19	1	0	20
Kumara Endowment Fund	Proceeds from sale of Endowment land. Our brief research has not identified the specific terms of the endowment.	453	17	0	470
Euphemia Brown Bequest	Interest earned on funds administered by Public Trust Offices for the estates of Euphemia & William E Brown.	21	1	0	22
Mayors Trust Funds	Contributions from James & Margaret Isdell Trust; Coulston Herbert Trust;	3	21	(2)	22
Three Mile Domain	To fund three mile domain costs.	207	37	(51)	193
Ross Endowment Land	Various endowment land parcels in Ross sold over time.	242	5	(110)	137
Big Brothers Big Sisters	Grant funding Received	(1)	0	0	(1)
Community Patrol	Grant funding Received	(0)	0	0	(0)
Graffiti	Grant funding Received	1	0	0	1
Taxi Chits	Grant funding Received	0	3	(4)	(1)
Hokitika War Memorial		0	23	0	23
Total Restricted Reserves		1,647	220	(167)	1,700
<b>Total Reserves</b>		<b>3,240</b>	<b>2,977</b>	<b>(2,130)</b>	<b>4,087</b>

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

<i>Mayors trust fund</i>	Relief funding for the flooding in June 2015 was received and six payments were made during the year.
<i>Three Mile Domain</i>	Funds previously allocated to Whataroa (\$35,000) Fox Glacier (\$15,500) have been reassigned to Reserves Development. \$29,500 has been transferred into the reserve from General Reserves. Any expenditure must be on statutory reserves in these townships and will be resolved by Council.
<i>Ross Endowment Land</i>	Funds have been used for Ross Pool liner.
<i>War Memorial Fund</i>	Funds from war memorial rental

# STATEMENTS OF SERVICE PROVISION

This section contains the following information:

How Council's activities contribute towards meeting its vision

Activity group statements



# Council's activities

This section of the report identifies progress during 2014/15 towards the achievement of the Council's vision

## Activity Groups

## Activities within the group

### Leisure and Cultural Assets

Library  
Museum  
Swimming Pools  
i-SITE  
Events  
Community halls and buildings  
Parks and reserves  
Cemeteries  
Elderly Housing  
West Coast Wilderness Trail

### Community Services

Community development

### Planning and regulatory services

Inspections and compliance  
Resource management  
Animal control  
Emergency management

### Transportation

### Water supply

### Wastewater

### Stormwater

### Solid waste management

### Other infrastructural assets and services

Community township development  
Land and buildings  
Public toilets

### Democracy

Corporate services  
Governance

### Council Controlled Organisations (CCOs)

## How Council activities contribute towards meeting its **vision**

	Leisure and cultural assets	Community services	Planning and regulatory services	Transportation	Water	Wastewater	Stormwater	Solid waste management	Other infrastructural assets and services	Democracy	CCOs
Involving the community and stakeholders	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Having inspirational leadership			✓							✓	
Having expanded development opportunities			✓	✓	✓	✓	✓			✓	✓
Having top class infrastructure for all communities	✓			✓	✓	✓	✓	✓	✓		✓
Living the '100% Pure NZ' brand	✓	✓	✓		✓	✓	✓	✓	✓		





## Activity group:

# Leisure and culture

Library

Museum

Swimming Pools

i-SITE

Events

Community Halls and Buildings

Parks and Reserves

Cemeteries

Elderly Housing

West Coast Wilderness Trail

### Effects of these 10 activities on the community:

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

### **Library:**

The main highlight for the library during the year was the introduction of free weekly computer classes aimed at helping the community to embrace the digital world. By working in conjunction with WestREAP the library offers training modules covering topics such as Facebook, Word, Google and the internet, email and safety online. Feedback from participants has been extremely positive and it is hoped that this programme will continue into next year.

The Summer Reading Challenge, which ran over the six week holiday, was a great success with 228 5-13 year olds completing the challenge, the most children since the challenge was introduced in 2008. The Winter Reading Challenge also achieved new records with 43 children completing the challenge held during the two week July holiday.

The library user survey completed in September 2014 showed a strong dissatisfaction with the opening hours, which resulted in an additional three opening hours on Saturday being approved by Council from 1 July 2015. Library users indicated a high level of satisfaction of the library's physical collection, customer service shown by library staff and the library environment. We received feedback in the 'comments boxes' on possible improvements and changes to library services that library users would like. The library has been acting on many comments.

### **Museum:**

The Hokitika Museum organised a hugely successful exhibition on the 100th anniversary of the beginning of World War. The year-long celebration commemorating the 150th anniversary of the founding of Hokitika "Gold Rush 150" has kept the Museum staff very busy. As part of Gold Rush 150 celebrations, the Museum has reproduced the 'The Diggers' Story' as an illustrated anniversary edition. An additional publication, A Pictorial History of Hokitika (in reference to 'The Luminaries') has been produced for publication before Christmas 2015.

The Hokitika Museum has an on-going digital scanning out-reach programme with high resolution scans of photographs loaned to the Museum being added to its collection.

The strategic review identified in the LTP was not undertaken due to budgetary constraints however staff look forward to the revamp of the research centre and retail area which have been included in the recently adopted LTP 2015-2025.

### **Hokitika Swimming pool:**

This was the third season that the pool has been operated by Westland District Property (WDP) on behalf of the building's owner Westland District Council. Prior to this the pool had been run directly by Council, albeit with the same staff.

This facility is highly used. For season 2014/15 we opened on 7th July 2014 and remained open until 31st May 2015. This resulted in a swimming season of 47 weeks, one week longer than last season.

Over the past 6 years we have worked hard to reclaim our locals and attract new ones. It is pleasing to report that we are now admitting a mix of adults, seniors and children. The Swim teaching continues to be taught in house by swimming pool employees. Their success continued with about 160 local children taking a course of swimming lessons.

Through the introduction of the recently adopted LTP a decision on the future of the pool was identified as a priority for Council and WDP. A budget for a feasibility study is included in the 2015/16 next financial year to start this process.

### **i-SITE:**

Council experienced a decrease in income in part due to the change in the Fox Glacier conditions which caused a level of uncertainty to travellers, the increased use of coupon vouchers directly from providers and the increase for online bookings to be made by travellers.

The success story for this Council activity is however the merging of the i-SITE with the Council Customer Service Centre. This opened on the 1 July 2015. The Centre operates 7 days per week for tourist information, council enquiries and payments. Customer feedback to staff has been positive.

### **Events:**

95% of attendees were satisfied with the 2015 Wildfoods Festival, as surveyed via an online survey after the 2015 Festival.

During the formation of the recently adopted LTP 2015-25, the residents of Westland provided strong feedback that this iconic event should be retained in the District. A structure for future management of the festival is being looked into during 2015.

### **Community halls and buildings:**

This year saw the removal of the old RSA building which served the Hokitika community as a town hall for many years. Unfortunately time and maintenance cost caught up and the building was demolished making way for a new facility to be constructed by the Hokitika RSA when full funding is gathered.

A great amount of work has seen the Harihari community facility and public toilets near construction. Site works are scheduled for August 2015 and the community can look forward to a purpose built facility fit to house meetings and community events by the end of the year.

### **Parks and reserves:**

The Parks and Reserves contract has just been let for another 5 years (until 2020). The scope of the works in this contract is a little varied as it takes in additional areas around Hokitika, including walkway and cycle tracks.

### **Cemeteries:**

After receiving customer requests, Council has ensured that all cemeteries are now accessible to families to visit at any hour.

### **Elderly housing:**

Westland District Properties Ltd (WDPL) manage elderly housing on Council's behalf. They undertake repairs and maintenance to the housing as the need arises. Requests for service are actioned within 2-3 working days and outcomes are recorded.

An annual satisfaction survey is undertaken in August of each year. For the 2014/15 year 100% of tenants were interviewed and achieved 100% very satisfied/satisfied with the service provided by WDPL.

WDPL is investigating some dampness issues in some of the flats, as was identified by tenants during this reporting period.

WDPL indicated during this reporting year that the current rental income levels are insufficient to maintain and sustain the activity. WDPL will be reviewing rental fees during 2015 (with a view of bringing them in-line with market rates).

### West Coast Wilderness Trail (WCWT):

Although KPI's have not been set for the activity, Council has received positive feedback from users of the trail. Both locals and visitors have praised the facility to staff, elected members and in media reviews including travel articles and blogs.

*Construction* - The realignment off the State Highway approaching Kumara, and moving over the Kumara Chasm, was a milestone achieved during this reporting period. The formation of this part of the track has assisted in increasing both the overall safety and quality of the WCWT through the addition of a suspension bridge over the Kumara Chasm and by removing the trail from a 100kmph State Highway to a scenic trail environment.

Further development works at Hurunui Jacks has added to the overall quality and ride ability of the trail and prevents adverse weather events causing significant damage in historic 'hot spots'.

*Planning* - we have continued to sit at the forefront of the operational and project work surrounding the trail and continue to push forward with this.

*Maintenance* - ongoing annual maintenance continues to keep the trail up to New Zealand Cycle Trail standard and allows our trail to be up there with the best in the country. Following flooding and storm damage, remedial work was undertaken throughout the inland sections of the trail, with work undertaken to future proof the trail from adverse weather events as we move forward.

*Promotion* - Tourism West Coast have undertaken the fronting of the WCWT on behalf of both councils (Grey and Westland), redeveloping the website and utilising social media to engage the wider community and raise awareness of this world class trail. Our own Hokitika i-SITE/ customer service centre have developed promotional material and act as a hub for the trail in Westland.

*The final frontier of the WCWT (Hokitika to Ross)* - work continued during this reporting period on this last section to ensure the trail in its entirety is bought online at the earliest possible time.

*Trail Users* - With infrared trail counters now being utilised for over 6 months we are starting to build a picture on overall trail usage and specific hot spots throughout the trail. Annual usage sits around the 8,000 mark currently and we aim to exceed 10,000 in the coming season.

## Explanation of variances:

### Leisure and Culture

	Actual 2014/15 \$000	Budget 2014/15 \$000	Variance \$000
Operating revenue	742	681	60
Operating expenditure	3,008	2,417	591
<b>Net operating cost of services - s</b>	<b>(2,266)</b>	<b>(1,735)</b>	<b>(531)</b>
Includes depreciation of	440	225	

There is an adverse operating variance of \$ 0.5 million for leisure and culture group, this is mainly due to unbudgeted operating and depreciation costs of \$330,000 for the West Coast Wilderness Trail and a loss on disposal of assets of \$100,000.

# Funding Impact Statement

For the year ended 30 June 2015

	2014/15 Actual \$000	2014/15 Long term plan \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	1,673	1,554	1,500	1,455
Targeted rates (other than a targeted rate for water supply)	20	6	6	6
Subsidies and grants for operating purposes	17	87	84	82
Fees, charges, and targeted rates for water supply	677	1,074	1,044	1,014
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees, & other receipts	5	0	0	0
<i>Total operating funding (A)</i>	<b>2,392</b>	<b>2,722</b>	<b>2,635</b>	<b>2,557</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	2,143	2,399	2,331	2,263
Finance costs	0	0	0	0
Internal charges and overheads applied	325	203	197	191
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>2,467</b>	<b>2,602</b>	<b>2,528</b>	<b>2,454</b>
<i>Surplus/(deficit) of operating funding (A-B)</i>	<b>(76)</b>	<b>120</b>	<b>107</b>	<b>103</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	42	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>42</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- To meet additional demand	0	0	0	0
- To improve the level of service	630	20	20	24
- To replace existing assets	122	81	78	52
Increase/(decrease) in reserves	(671)	19	9	27
Increase/(decrease) in investments	0	0	0	0
<i>Total applications of capital funding (D)</i>	<b>81</b>	<b>120</b>	<b>107</b>	<b>103</b>
<i>Surplus/(deficit) of capital funding (C-D)</i>	<b>76</b>	<b>(120)</b>	<b>(107)</b>	<b>(103)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## The level of service achieved in relation to the performance targets

### Library

Level of	Service Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Opening hours are convenient for users of District Library services	% of customers satisfied with opening hours	Resident Satisfaction Survey	65%	90%	Not measured	A resident satisfaction survey was not undertaken during this reporting period. The library did undertake a survey of its customers.
Library services are utilised	Number of physical visits to Library	Recorded visitor numbers	76,128	90,000	76,166	The Library remains a busy and functioning facility for Council. The LTP target is high and has not been met during the period of the LTP. It has been amended in the recently introduced LTP to more accurately represent population and capacity of the facility.
	Increased use of Library facilities	Membership	3,620	3,600	3,921	
	Increased use of Library facilities	Issues	81,636	88,000	80,365	This measure remains below the LTP target due to reduced opening hours imposed in 2013/14.
The Library environment is comfortable and user friendly	% of customers satisfied with library environment	Resident Satisfaction Survey	92%	90%	Not measured	A resident satisfaction survey was not undertaken during this reporting period.
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	95%	90%	Not measured	Although the annual resident survey was not undertaken, the Library conducted a survey of its own customers.

*Library continued*

Level of	Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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'		1,216	1,224	1,478	The LTP target was nearly met. The Library staff are satisfied with this result.
		Hits on website		11,530	12,242	12,443	The new KOTUI library management system that is being introduced next year will mean the existing library website will no longer be required. Users will be able to find material via the KOTUI system.
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	This performance measure has never been met and is no longer in the LTP 2015 -25.

## Museum

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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	A Residents Survey was not undertaken in this reporting period.
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	A Residents Survey was not undertaken in this reporting period.
The Museum provides a good quality experience	Maintain visitor numbers	Museum visitor records	13,669	Increase visitor numbers by 5% per annum	13,753	The LTP 2012 set a baseline figure from the Annual Report 2011/12 visitor numbers. However this was an extraordinary year as the Museum hosted a Whitebait Exhibition during the Rugby World Cup 2012 which increased visitor numbers significantly.
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	7	The 7 exhibitions were successful and one of these was the WWI 100 Years series which was a large event.
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	96.1%	100%	97% of 650	Research requests are placing an increasing demand on Museum staff.



### Museum continued

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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	Poor climate and pest damage can happen over a 10 year period. There is no collection survey in place to gather this information at this time.
	Museum Collection is maintained and accessible	Number of donated items catalogued per annum	3,198 items donated and 243 items catalogued = 7.6%	Increase number of objects catalogued by 5% per annum	2,120 items donated and 233 items catalogued: =11%	These figures show that 11% of donated items were catalogued in 2013/14 however in this reporting period 7.6% of donated items have been catalogued. Notably more items are being received from the public, however the target to increase the cataloguing of new items (by 5% each year) has not been achieved. Resourcing has been included in the LTP 2015/25 to improve the space for volunteers to work in, this will enhance the cataloguing function.
The Museum knows who their visitors are and will develop to meet their needs	Analyse visitor profiles	Visitor survey	916 completed surveys	Completed by June 2013	822 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	Council did not budget to undertake a Strategic Review of the Museum. (A budget for this project is included in the recently adopted LTP)

## Swimming Pool

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Users have the maximum usage of the pool during the year	Minimum season October to April	Opening times	47 weeks	43 weeks	46 weeks	
The water is a comfortable temperature for swimming	Water temperature to be maintained at between 27.5 and 28.5 Celsius	Monthly Report	Generally between 28 and 28.7°C	28C	Generally between 28 and 28.7°C	
Pool use is maximised by the community	Increase pool usage by 1% pa	Annual Report	19,666	increase by 1% per annum	19,752	The slight reduction in pool usage is 86 people over 47 weeks – 1.82 people per week – 0.26 people per day. It could be one of many reasons as small as one regular user moving away from the area or one large family coming less frequently.
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	6 Courses	
Pool water is safe for swimming	Tests compliant with NZS5826:2010	Monthly report for Hokitika Pool	99%	100%	99%	Infrequently the water quality at the Hokitika facility's water did not meet the standard when tested. When this happened, prior to opening the pool for the day to the public, immediate adjustments were made. Customers have not been exposed to non-compliant water.
	Tests compliant with NZS5826:2010	Monthly report for Ross Pool	Not measured as per standard	100%	99%	Standardised testing of the water quality at the Ross facility is a difficult exercise and it has not been done. The water is however tested prior to each use of the pool.

*Swimming Pool continued*

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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	Under WDPL management	

## i-SITE

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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	\$499,963	\$669,234	\$635,722	Council experienced a decrease in income in part due to the change in the Fox Glacier conditions, coupon vouchers and online bookings.
Provide excellent customer service	Maintain customer satisfaction levels at 90%	Bi Annual mystery shopper assessment	Not measured.	90%	Mystery Shopper Assessment 94%	i-SITE NZ no longer conduct mystery shopper assessments, this will be replaced with the bi-annual qualmark assessment.
		Bi Annual Qualmark Assessment	Not measured.		Not measured until April 15	Unfortunately the bi annual qualmark assessment was not undertaken. This was due to the extra level of work put in by staff to merge the Hokitika i-SITE with Council Customer Services.
Increase visitor numbers to Westland	The number of Visitors handled by Hokitika i-SITE Visitor Centre maintained	Recorded information from i-SITE	54,458	53,470	53,894	

## Events

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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.	Neither the Resident's Survey nor the BERL economic survey was undertaken for this reporting period.
	The number of events and the estimated attendance	The number of events	1	1	1	
	The number of events and the estimated attendance	The number of estimated attendance	6,242	11,847	8,220	5,345 total of tickets sold for the 2015 Hokitika Wildfood Festival, with an additional 897 complimentary tickets. The structure for managing future Wildfoods Festival events is being investigated by Council.
The recent festivals provide excellent and well attended events	% of residents satisfied with events and festivals	% of residents satisfied with events and festivals	95%	90%	Not measured.	A survey of ticket holders was undertaken.

## Community halls and buildings

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Buildings and halls provide a safe and useful resource for the local community	Buildings have current WOF where required	WOF issued	100%	100%	100%	
	% of residents satisfied with the standard of their hall or community building	Resident Satisfaction Survey	Not measured.	80%	Not measured.	A Resident's Survey was not undertaken for this reporting period.
Requests for service are dealt with promptly	Service requests are responded to within 3 working days	Service Request support system	No requests.	100%	No requests.	

## Parks and reserves

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Reserves are pleasant, enjoyable and safe places	% of residents satisfied with parks and reserves	Resident Satisfaction Survey	Not measured	80%	Not measured	The Resident's Survey was not undertaken for this reporting period.
	Reported injuries	Number of reported injuries	1	0	1	The injury accident was of a minor nature. It was caused by a child being cut on a sharp plastic edge of playground equipment. This item has been replaced.
	Playground equipment and furniture meet Health and Safety standards	Playground warrant of fitness	WOF issued	WOF issued	Complied	
Requests for service are dealt with promptly	Service requests are responded to within 1 day	Service Request System	25% of 4 requests	100%	15% of 13 requests	We have since changed our system so we respond immediately with an interim reply and then we take action accordingly. The remedy time is dictated by the nature of the requests e.g. if building work is required it will take longer than if a clean-up is required.
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%	

## Cemeteries

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Cemeteries are accessible and safe for the community	% of customers feel safe in cemetery grounds	Resident Satisfaction Survey	Not measured.	80%	Not measured.	The Resident's Survey was not undertaken for this reporting period.
	Opening hours are well advertised and adhered to	Cemetery opening hours	No service requests.	No service requests	No issues	
Requests for service are dealt with promptly	Service requests are responded to within 5 working days	Monthly meeting and audit report from contractor	No service requests.	100%	50% of 2	
The Cemetery grounds are clean and tidy	% of customers satisfaction with state of all cemetery grounds	Resident Satisfaction Survey	Not measured.	90%	Not measured.	The Resident's Survey was not undertaken for this reporting period. Family members have commented to staff that (various) cemeteries in the District are well maintained. Many requests for information about historical plots are followed up with thanks to staff from the customer.
Burials adhere to relevant legislation	Standards for burial are adherence to Cemeteries & Cremations Act 1964	Cemetery records	100%	100%	100%	



## Elderly Housing

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
The units are safe to live in	Maintenance program is completed each year	Monitoring against Maintenance Programme	100%	100%	90%	
The units are clean and comfortable	% of satisfaction of tenants with living conditions	Resident Satisfaction Survey	100%	95%	88%	
Tenants receive prompt response to their requests for service	% of requests for maintenance or complaints actioned within 7 working days	Service Request System	95%	100%	100%	Two tenants expressed dissatisfaction about the length of time it was taking to repair their leaking roof.  Note that 100% of tenants, when surveyed, responded that they were satisfied or very satisfied with their landlord and with their standard of accommodation.

## West Coast Wilderness Trail

The \$390,000 annual cost of maintaining the trail is included in the Leisure and culture services group Funding Impact Statement. There are however no performance measures included in either the 2012/22 LTP or the 2014/15 Annual Plan to report against.

Performance measures have been included in the LTP 2015/25.



# Activity group: Community services

Community assistance

Community development

Effects of these 2 activities on the community:

## Community assistance:

The Safer Community Council has continued to meet bi-monthly to discuss local safety issues and concerns and these have been passed on to the appropriate authority for recommended action. It is moving towards Safe Community Accreditation with the Safe Communities Foundation of New Zealand which will provide an opportunity to highlight Westland and its safety promotion and injury/crime prevention initiatives.

The Franz Josef/Waiau community identified nuisance issues associated with freedom camping, Council has begun to assess suitable response mechanisms and will be implementing these in the next reporting period e.g. from October 2015.

## Community development:

During the year Council consulted with the community about development projects as follows:

Westland High School  
Kaniere School  
Whataroa Community Association  
Hokitika Grey Power  
Franz Josef Community Council  
Fox Glacier Community Development Society  
Kumara Residents Trust  
Ross Community Association  
Hokitika Youth Forum  
Westland RSA  
Kidsfirst Kindergarten

*Potential community and recreation facility*  
*Potential local community hub*  
*Re-piling and renovation of the Public Hall*  
*Local initiatives that benefit senior citizens*  
*Kidsfirst Kindergarten*  
*The new Fox Glacier Community Centre*  
*Reserve status for a potential Chinese garden*  
*Upgrade of the Ross Centennial Hall*  
*Issues and concerns for young people*  
*New facility*  
*New facility*

## Explanation of variances:

### Community Services

	Actual 2014/15 \$000	Budget 2014/15 \$000	Variance \$000
Operating revenue	20	20	0
Operating expenditure	390	365	25
<b>Net operating cost of services - s</b>	<b>(370)</b>	<b>(345)</b>	<b>(25)</b>
Includes depreciation of	6	6	

Community services have no major variances to budget.

# Funding Impact Statement

For the year ended 30 June 2015

	2014/15 Actual \$000	2014/15 Long term plan \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	254	207	201	195
Targeted rates (other than a targeted rate for water supply)	104	111	108	105
Subsidies and grants for operating purposes	20	17	16	16
Fees, charges, and targeted rates for water supply	0	27	26	26
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0
<i>Total operating funding (A)</i>	<b>379</b>	<b>362</b>	<b>351</b>	<b>342</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	350	489	476	463
Finance costs	0	0	0	0
Internal charges and overheads applied	34	39	37	36
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>384</b>	<b>528</b>	<b>513</b>	<b>500</b>
<i>Surplus/(deficit) of operating funding (A-B)</i>	<b>(5)</b>	<b>(166)</b>	<b>(162)</b>	<b>(158)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- To meet additional demand	0	0	0	0
- To improve the level of service	0	0	0	0
- To replace existing assets	0	0	0	0
Increase/(decrease) in reserves	(5)	(166)	(162)	(158)
Increase/(decrease) in investments	0	0	0	0
<i>Total applications of capital funding (D)</i>	<b>(5)</b>	<b>(166)</b>	<b>(162)</b>	<b>(158)</b>
<i>Surplus/(deficit) of capital funding (C-D)</i>	<b>5</b>	<b>166</b>	<b>162</b>	<b>158</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## The level of service achieved in relation to the performance targets

### Community assistance

#### SAFER COMMUNITY COUNCIL

Level of	Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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	Unable to obtain this information from the police		70	106	This police could not respond to Council.
		Number of reported crimes in Vandalism	Unable to obtain this information from the police		10	101	
		Number of reported crimes in Burglary from NZ Police reports	Unable to obtain this information from the police		40	60	
		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		40	15	47	
Protect the environment from littering	Monitor freedom campers	Number of infringements issued		-	50	0	There is currently no bylaw in place

## Community development

### ASSISTANCE FUNDING

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Funding is available for community projects	Advertising of grants occurs 4 times a year	Newspaper ads, advertising in Uniquely Westland	4 newspaper ads	4	6	
	Number of groups/individual applying	Number of applications received	23	10	38	
	Funding is made available to all members/groups of the community	Number of applications approved	21	10	24	
Build capacity in the community to create community projects	Referrals to external agencies	Number of referrals recorded	24	5	18	
Consult the community on issues of importance	Number of consultations per year	Summary of consultation results over year tabled to Council	11	4	10	





# Activity group:

## Planning and regulatory services

Inspections and compliance

Resource management

Emergency management

Animal control

### Effects of these 4 activities on the community:

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 our helpdesk to request assistance, and retrospectively when staff or contractors have responded to emergencies and later report the details to customer service.

#### **Inspections and compliance:**

Council's existing Building Control Authority Accreditation (BCA) remained current throughout this reporting period. The process to acquire ongoing accreditation (due from September 2015) was underway in the final part of this reporting year.

There are 4 Regional Liquor Licencing meetings a year, attended by Police, the Medical Officer of Health and Council Licensing Inspectors.

An Environmental Health / Regulatory Officer position was created which has improved responsiveness to environmental health issues (e.g. food hygiene, noise and other nuisance), assisted with liquor licensing workload, and added more supervision over the dog control and stock control contracts.

#### **Resource management:**

Resource consent numbers remained slightly down on previous years with the majority being rural residential land use and alluvial gold mining applications.

New early childhood centres in Franz Josef and Hokitika were facilitated through the designation and land use consent processes along with the creation of additional pensioner housing at Tudor Street.

The relocation of the commercial motels from the banks of the Waiho River was facilitated in conjunction with the West Coast Regional Council utilising the remainder of Council's relocation fund.

The successful recruitment of the Resource Management Planner was another highlight. Workload for staff remained high with high consultant use for cost recoverable work. This will continue as the District Plan review progresses.

A decision was released on Plan Change 7: Managing Fault Rupture Risk in Westland, although it is currently subject to appeal. The Plan Change 7 decision progressed one aspect of the Plan Review, however staff resourcing did not enable further progress of the plan review. Review of the work plan in light of current resourcing levels led to a focus on work to increase funding of the District Plan Review through the LTP process. This means that the work plan can be revised in 2015/16 in light of new budgets.

Staff provided feedback on draft and proposed West Coast Regional Council Policy and Plans and National consultation rounds on behalf of Council.

The Resource Management Act altered on March 3 placing higher requirements on applicants and council alike.

#### Emergency management (Civil Defence and Rural fire):

A Civil Defence regional manager was appointed in September 2014. The West Coast Group Plan is being updated and WDC will align with the Group Plan in 2015/16. There was a flooding event (1 in 100 years) on 18th June 2015 which involved multi agency response and debrief. There has been regular EMIS training sessions in the 2014/15 year and an EOC Foundation Course planned for August 2015.

There is one Rural Fire Officer appointed within this district which has proved to be effective.

#### Animal control:

A new contract was negotiated with the SPCA for dog control, which will result in more responsiveness and more proactive patrols around the District.

## Explanation of variances:

	Actual 2014/15 \$000	Budget 2014/15 \$000	Variance \$000
Operating revenue	906	808	98
Operating expenditure	1,448	1,564	(117)
<b>Net operating cost of services - surplus/(deficit)</b>	<b>(542)</b>	<b>(757)</b>	<b>215</b>
Includes depreciation of	11	10	

Increased revenue \$ 60,000 relates to higher liquor license fees due to new regulations.

Operating expenditure is mainly lower than budget due to lower legal and consultants' fees, in particular for the District Plan review which has progressed more slowly than anticipated.

## Funding Impact Statement (for the group)

For the year ended 30 June 2015

	2014/15 Actual \$000	2014/15 Long term plan \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	740	615	649	606
Targeted rates (other than a targeted rate for water supply)	0	9	8	8
Subsidies and grants for operating purposes	0	2	2	2
Fees, charges, and targeted rates for water supply	892	824	800	778
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees, & other receipts	14	0	0	0
<i>Total operating funding (A)</i>	<b>1,645</b>	<b>1,449</b>	<b>1,459</b>	<b>1,394</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	894	1,362	1,379	1,316
Finance costs	0	0	0	0
Internal charges and overheads applied	542	388	376	365
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>1,436</b>	<b>1,750</b>	<b>1,755</b>	<b>1,681</b>
<i>Surplus/(deficit) of operating funding (A-B)</i>	<b>209</b>	<b>(301)</b>	<b>(296)</b>	<b>(287)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- To meet additional demand	0	0	0	0
- To improve the level of service	0	0	0	0
- To replace existing assets	10	59	108	82
Increase/(decrease) in reserves	199	(360)	(404)	(369)
Increase/(decrease) in investments	0	0	0	0
<i>Total applications of capital funding (D)</i>	<b>209</b>	<b>(301)</b>	<b>(296)</b>	<b>(287)</b>
<i>Surplus/(deficit) of capital funding (C-D)</i>	<b>(209)</b>	<b>301</b>	<b>296</b>	<b>287</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## The level of service achieved in relation to the performance targets

### Inspections and compliance

Level of	Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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		95%	100%	99%	236 applications were processed during this reporting timeframe. A small number of applications were issued late during statutory holiday periods and times of staff leave i.e. when capacity was reduced. Systems and resources are being looked at in 2015/16 to ensure compliance with statutory timeframes.
	All Project Information Memoranda applications will be processed within 20 working days	Monthly Reports		94%	100%	100%	Targets were not always met, particularly during holiday periods and other times of staff leave when capacity was reduced. Systems and resources are being looked at in 2015/16 to ensure compliance with statutory timeframes
Users of the service receive appropriate advice regarding their enquiry	% of users are satisfied with advice	Resident Satisfaction Survey		Not measured	100%	Not measured	A Resident Survey was not undertaken for this reporting period
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		83%	100%	66%	Performance has improved due to the hiring of an in-house Environmental Health / Regulatory Officer midway through the 2014/15 year. 159 out of 192 premises have been inspected in the 2014/15 period. This is an increase on the previous reporting period. This is expected to improve further in 2015/16.
	Work with Police and Community Public Health to reduce the negative impacts of alcohol abuse through an annual meeting	Quarterly Report		100%	100%	100%	

## Resource management

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
To ensure customers can get on with their project or business opportunities we process consents within statutory timeframes as specified in the RMA	100% of Resource Consent processed within the timeframes of the Act	Monthly Report	95%	100%	82%	Staff capacity was tested during this reporting period as Council had a long period after a staff member left until a new person was appointed.
Public complaints relating to environment are investigated and responded to in a timely manner	Council respond to within 10 days	Monthly Report	83%	100%	89%	10 out of the 12 complaints received were responded to within the 10 working days. The other 2 complaints were acknowledged however took longer to investigate and/or establish the issue.
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	Plan Change 7 decision released 15th May 2015	Reviewed annually	Reviewed	Comment is included in the introductory summary above.
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	99%	100%	100%	There were 176 of the 177 LIMs processed within 10 working days.
	% of fast-track LIMS processed within 3 days		100%	100%	100%	

## Emergency management

Level of	Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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 repots at Council's monthly meetings. Two exercises per annum	0	2	Not achieved.	A new staff (part time) position was established during this reporting period. This was in response to Council needing to meet its performance objectives.
		Maintain community awareness	Management reports at council monthly meetings of school visits	0	12	Not achieved.	The reason is stated above.
		Standard Operating Procedures (SOP's) documents are reviewed annually and signed off	Latest signed documents held on file	100%	100%	100%	
		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	
		% of residents that believe they are prepared for a civil defence emergency	Resident Satisfaction Survey	Not measured	70%	Not measured	A Residents Survey was not undertaken for this reporting period

## Rural Fire

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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	
	Number of permits issued	Number per year	217	200	225	Note: The target is exceeded however Council considers it good that people are applying for permits.
Fires can be fought and extinguished efficiently and effectively	Equipment complies with NRFA audits	Compliance	100%	100%	100%	
	Number of training sessions is at least two per year	Number of training sessions recorded	12 Haast 11 Kaniere 24 Kokatahi	2	12 Haast 12 Kaniere 23 Kokatahi	



## Animal control

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Requests for service are dealt with promptly	All service requests are responded to within 1 working day	Customer complaint form	100%	100%	100%	
The public are safe from dogs	That the public are satisfied with the service	Resident Satisfaction Survey	Not measured	95%	Not measured	A Resident Survey was not undertaken for this reporting period
	Records will be kept relating to dog numbers, location, sex and breed and in conformity with the National Dog Database (NDDB)	NDDB	100%	100%	100%	



# Activity group: Transportation

## Effects of this activity on the community:

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.

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. "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.

The quality of our road surfaces is better than 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.

Council's annual maintenance and renewal programmes continue to maintain Westland's roading infrastructure asset above the national average.

An existing bridge at Kawhaka was reconstructed, at a higher loading level (the Van Beek Bridge).

Council staff spent time discussing the implications of NZTA and government subsidies on its future budgets. The impact on our budgets in response to changes in subsidy for the next 10 years is reflected in the new LTP 2015-25.

## Explanation of variances:

	<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>	<b>Variance \$000</b>
<b>Operating revenue</b>	2,905	2,994	(89)
<b>Operating expenditure</b>	5,120	5,341	(221)
<b>Net operating cost of services - s</b>	<b>(2,215)</b>	<b>(2,347)</b>	<b>132</b>
Includes depreciation of	2,996	2,839	

Transportation grant revenue was \$89,000 lower than budget which is related to the lower operating costs. During the June heavy rain event, Council delayed some transportation contract work.

# Funding Impact Statement

For the year ended 30 June 2015

	2014/15 Actual \$000	2014/15 Long term plan \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	1,493	1,066	1,036	1,006
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	716	1,470	1,427	1,385
Fees, charges, and targeted rates for water supply	164	474	475	5,544
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees, & other receipts	0	0	0	0
<i>Total operating funding (A)</i>	<b>2,373</b>	<b>3,010</b>	<b>2,937</b>	<b>7,935</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	1,777	2,271	2,206	2,144
Finance costs	0	0	0	0
Internal charges and overheads applied	347	373	363	352
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>2,124</b>	<b>2,645</b>	<b>2,569</b>	<b>2,496</b>
<i>Surplus/(deficit) of operating funding (A-B)</i>	<b>249</b>	<b>365</b>	<b>368</b>	<b>5,439</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	2,025	1,415	1,374	1,334
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>2,025</b>	<b>1,415</b>	<b>1,374</b>	<b>1,334</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- To meet additional demand	0	0	0	0
- To improve the level of service	0	0	0	5,129
- To replace existing assets	2,025	2,174	2,112	2,052
Increase/(decrease) in reserves	249	(394)	(370)	(408)
Increase/(decrease) in investments	0	0	0	0
<i>Total applications of capital funding (D)</i>	<b>2,274</b>	<b>1,780</b>	<b>1,742</b>	<b>6,773</b>
<i>Surplus/(deficit) of capital funding (C-D)</i>	<b>(249)</b>	<b>(365)</b>	<b>(368)</b>	<b>(5,439)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## The level of service achieved in relation to the performance targets

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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	5	Less than 50	0	The 5 incidents were not related to Councils road network. All were on State Highway.
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%	Council monitors customer requests and the contractor responses.
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	A Residents Survey was not undertaken for this reporting period
	The number of service requests received regarding roading and transportation assets	Service Request System	7	Less than 12	39	Staff are happy with the reduced level of requests from the previous reporting year. The road improvement programme has reduced a number of previous issues that the public identified.

*The transportation level of service information is continued on the next page*

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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 a requirement by the New Zealand Transport Agency	95% Westland	Better than the National Average	94% Westland 86% National Average	The National Average is 86% so staff are happy with the district assessment.
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	Index Condition 1.8 Westland 1.8 National Average	Better than the National Average	99% Westland 98% National Average	The surface of roads in Westland meets the National Average Index (of 1.8)

*The transportation level of service information is continued on the next page*

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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	0	0 requests for service	1	
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	20	0 requests for service	27	
Footpaths are maintained and in good condition	Service requests regarding the state of footpaths	Service Request System	18	12 requests for service	22	The service requests are reactive and dealt as they come in. The maintenance programmes are under review to ensure compliance with LTP targets.

# Activity group: Water supply

## Effects of this activity on the community

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 our helpdesk to request assistance, and retrospectively when staff or contractors have responded to emergencies and later report the details to customer service.

In the 2014/15 year there were 6 water disruptions and all were responded to within the 4 hour timeframe. Interruptions in the 2013/14 period were 71% compliant with the time frame.

No new resource consents were required for maintenance in the year. The Haast Water Treatment Plant required both District Council consent and building consent for the project. These were obtained within the necessary time frame.

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 2014/15 year in accordance with Drinking Water Standards. Council has not received any correspondence from Community Public Health regarding issues with Council water supplies.

The majority of non-compliance issues for the treatment plants have occurred because some (not all) of the Free Available Chlorine (FAC) samples did not meet the DWSNZ limit of 0.2mg/l or higher. Other non-compliance issues, relating to the treatment plants, are because the minimum number of samples required to be taken were not met. A number of treatment plants are not complaint due to upgrades not been undertaken. There was no risk to the community for these supplies.

Two zones are reported non-compliant with the DWSNZ due to e-coli transgressions. When retested these samples were clear for 3 consecutive samples, which indicates an error in sampling or reporting with no need to issue a "boil water" notice. Again there was no risk to the community.

Council has a report available which sets out the technical results of Council's compliance with the Drinking-Water Standards for New Zealand and duties under Health Act 1956. Please enquire if you would like to obtain a copy.

*% 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.



Explanation of variances:

	Actual 2014/15 \$000	Budget 2014/15 \$000	Variance \$000
Operating revenue	1,539	1,406	133
Operating expenditure	2,817	2,767	50
<b>Net operating cost of services - surplus/(deficit)</b>	<b>(1,278)</b>	<b>(1,360)</b>	<b>82</b>
Includes depreciation of	1,067	1,068	

The revenue variance relates to a timing difference, the revenue in 2014-15 includes an amount of \$80k that related to 2013-14 but was underestimated in the accrual.

# Funding Impact Statement

For the year ended 30 June 2015

	2014/15 Actual \$000	2014/15 Long term plan \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	(3)	0	0	0
Targeted rates (other than a targeted rate for water supply)	0	1,586	1,268	1,062
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	2,720	1,210	1,186	1,174
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	2	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	0	0	0	0
<i>Total operating funding (A)</i>	<b>2,719</b>	<b>2,796</b>	<b>2,453</b>	<b>2,236</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	929	1,409	1,261	1,163
Finance costs	151	308	170	133
Internal charges and overheads applied	669	417	404	393
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>1,750</b>	<b>2,134</b>	<b>1,836</b>	<b>1,689</b>
<i>Surplus/(deficit) of operating funding (A-B)</i>	<b>969</b>	<b>662</b>	<b>618</b>	<b>547</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	479	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	1,949	482	522	300
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>1,949</b>	<b>961</b>	<b>522</b>	<b>300</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- To meet additional demand	0	0	0	200
- To improve the level of service	2,317	1,354	1,133	720
- To replace existing assets	45	127	124	120
Increase/(decrease) in reserves	557	142	(117)	(193)
Increase/(decrease) in investments	0	0	0	0
<i>Total applications of capital funding (D)</i>	<b>2,918</b>	<b>1,623</b>	<b>1,140</b>	<b>847</b>
<i>Surplus/(deficit) of capital funding (C-D)</i>	<b>(970)</b>	<b>(662)</b>	<b>(618)</b>	<b>(547)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## The level of service achieved in relation to the performance targets

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Requests for service are dealt with promptly	% of disruptions to water supply are responded to within 4 hours of reporting	Monthly reports from contractors	100% (6 of 6)	90%	71% (5 of 7)	
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	A Residents Survey was not undertaken for this reporting period
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%	

# Activity group: Wastewater

## Effects of this activities on the community

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

A total of 5 waste water supply interruptions occurred and 4 out of 5 were restored within 2 hours. One was responded to within 2 ½ hours due to travel distance and on site staff being unable to attend.

All resource consents for wastewater infrastructure are in place and monitoring is undertaken as per the conditions of the consents. Non-compliance is occurring in a number of areas and Council is working with the Regional Council towards solutions. There is a budget in the recently adopted LTP to do this issues/options exercise.

In the 14/15 year there were:

Hokitika No Abatement Notices

Fox Glacier No Abatement Notices

Franz Josef 1 Abatement notice – discharge on to river bed, fixed by reinstating infiltration gallery

Haast 1 Infringement fine – breach of sampling conditions, work in progress to reduce breaches as per Annual Plan

## Explanation of variances

	Actual 2014/15 \$000	Budget 2014/15 \$000	Variance \$000
<b>Operating revenue</b>	74	45	29
<b>Operating expenditure</b>	939	951	(12)
<b>Net operating cost of services - s</b>	<b>(865)</b>	<b>(906)</b>	<b>42</b>
Includes depreciation of	412	399	

There is no material difference to net budgeted operating costs.

# Funding Impact Statement

For the year ended 30 June 2015

	2014/15 Actual \$000	2014/15 Long term plan \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	(2)	0	0	0
Targeted rates (other than a targeted rate for water supply)	728	820	794	739
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	48	46	44	43
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	10	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	0	0	0	0
<i>Total operating funding (A)</i>	<b>784</b>	<b>866</b>	<b>838</b>	<b>782</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	365	465	451	428
Finance costs	0	23	22	11
Internal charges and overheads applied	153	203	197	191
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>518</b>	<b>691</b>	<b>670</b>	<b>630</b>
<i>Surplus/(deficit) of operating funding (A-B)</i>	<b>266</b>	<b>175</b>	<b>168</b>	<b>152</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	17	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	450
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>17</b>	<b>0</b>	<b>0</b>	<b>450</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- To meet additional demand	0	0	0	0
- To improve the level of service	153	21	355	605
- To replace existing assets	305	0	0	200
Increase/(decrease) in reserves	(176)	154	(187)	(203)
Increase/(decrease) in investments	0	0	0	0
<i>Total applications of capital funding (D)</i>	<b>283</b>	<b>175</b>	<b>168</b>	<b>602</b>
<i>Surplus/(deficit) of capital funding (C-D)</i>	<b>(266)</b>	<b>(175)</b>	<b>(168)</b>	<b>(152)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## The level of service achieved in relation to the performance targets

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Requests for service are dealt with promptly	% of disruptions to the wastewater system are responded to within 2 hours	Monthly reports from contractors	80% (4 of 5)	90%	100%	1 disruption to the wastewater system was responded to in 2.5 hrs due to travel distance and on site staff unable to attend.
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	No service requests received regarding to Council reticulation	No service requests	No service requests received	
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%	There is a note about this in the commentary above.

# Activity group: Stormwater

## Effects of this activity on the community

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 our helpdesk to request assistance, and retrospectively when staff or contractors have responded to emergencies and later report the details to customer service.

A total of 43 service requests were received for the 2014/15 period, all were as a result of a single rain/flood event.

The heavy rain/ flood event occurred on the 18th June 2015, this was subsequently graded as a 1 in 100 year storm at its peak intensity.

All resource consents for stormwater infrastructure are in place and monitored accordingly.

## Explanation of variances:

	<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>	<b>Variance \$000</b>
<b>Operating revenue</b>	0	0	0
<b>Operating expenditure</b>	604	578	26
<b>Net operating cost of services - \$</b>	<b>(604)</b>	<b>(578)</b>	<b>(26)</b>
Includes depreciation of	378	376	

There is no material difference to net budgeted operating costs.

# Funding Impact Statement

For the year ended 30 June 2015

	2014/15 Actual \$000	2014/15 Long term plan \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	408	528	513	467
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	0	21	21	20
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	0	0	0	0
<i>Total operating funding (A)</i>	<b>408</b>	<b>549</b>	<b>534</b>	<b>487</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	102	221	215	183
Finance costs	0	0	0	0
Internal charges and overheads applied	124	87	84	82
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>226</b>	<b>308</b>	<b>299</b>	<b>265</b>
<i>Surplus/(deficit) of operating funding (A-B)</i>	<b>182</b>	<b>241</b>	<b>234</b>	<b>222</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- To meet additional demand	0	0	0	0
- To improve the level of service	0	26	41	257
- To replace existing assets	49	0	0	40
Increase/(decrease) in reserves	133	215	193	(75)
Increase/(decrease) in investments	0	0	0	0
<i>Total applications of capital funding (D)</i>	<b>182</b>	<b>241</b>	<b>234</b>	<b>222</b>
<i>Surplus/(deficit) of capital funding (C-D)</i>	<b>(182)</b>	<b>(241)</b>	<b>(234)</b>	<b>(222)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>



## The level of service achieved in relation to the performance targets

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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	Fewer than 5	0	Note: This KPI is for no flooding of properties to occur during 1 in 20 year events, this KPI was met.  The flood event in June 2015 was a 1 in 100 year event. As a result of the rain/flood event in June there were a number of properties affected.
	No reports of flooding of properties.	Service Request System.	43	Fewer than 5	0	The District had a heavy rainfall event in 18 June 2015. Refer to the above commentary.
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% (except for during the June flood as agreement on a remedial plan took longer than 24 hours),	100%	100%	This measure was not met during the 1 in 100 year flood event (June 18)
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%	

# Activity group: Solid waste management

## Effects of this activity on the community

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 our helpdesk to request assistance, and retrospectively when staff or contractors have responded to emergencies and later report the details to customer service.

For a part of this reporting period the position of Solid Waste Engineer was vacant and absorbed at a reduced level by existing resources. This resulted in the monitoring programme being interrupted. The limited results do not adequately measure whether compliance has been achieved.

The waste minimisation education programme was also not resourced for the entire period of this Annual Report.

Both of these positions have now been resourced (in the recently adopted LTP) and filled, with the new position commencing in Mid-November 2015.

In 2014/15 the Council received 16 service requests. 3 were answered within a week and the other requests took longer than 28 days to complete. As explained above, there was not a staff member in this position for part of this reporting period.

Current landfills in Westland:

Name of landfill	Status and comments	Monitoring details
Butlers	Open	Full monitoring not completed for this reporting period
Haast	Open	Full monitoring not completed for this reporting period
Kumara	Closed & capped but more capping required	Full monitoring not completed for this reporting period
Franz Josef	Closed & capped but more capping required	Full monitoring not completed for this reporting period

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

## Explanation of variances:

	Actual 2014/15 \$000	Budget 2014/15 \$000	Variance \$000
Operating revenue	849	703	146
Operating expenditure	1,877	2,301	(424)
<b>Net operating cost of services - s</b>	<b>(1,028)</b>	<b>(1,598)</b>	<b>570</b>
Includes depreciation of	107	105	

Refuse site fees are higher \$130,000 than expected and lower operating costs due to lower than expected management contract fees that are based on usage.

# Funding Impact Statement

For the year ended 30 June 2015

	2014/15 Actual \$000	2014/15 Long term plan \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	(6)	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,499	1,029	976	894
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	845	1,356	1,293	1,236
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	0	0	0	0
<i>Total operating funding (A)</i>	<b>2,339</b>	<b>2,385</b>	<b>2,269</b>	<b>2,130</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	1,483	2,066	1,958	1,855
Finance costs	143	183	179	158
Internal charges and overheads applied	268	278	270	262
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>1,894</b>	<b>2,527</b>	<b>2,408</b>	<b>2,275</b>
<i>Surplus/(deficit) of operating funding (A-B)</i>	<b>445</b>	<b>(142)</b>	<b>(138)</b>	<b>(145)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(49)	0	0	700
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>(49)</b>	<b>0</b>	<b>0</b>	<b>700</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- To meet additional demand	33	0	0	0
- To improve the level of service	0	106	360	840
- To replace existing assets	13	0	0	0
Increase/(decrease) in reserves	351	(249)	(499)	(285)
Increase/(decrease) in investments	0	0	0	0
<i>Total applications of capital funding (D)</i>	<b>397</b>	<b>(143)</b>	<b>(138)</b>	<b>555</b>
<i>Surplus/(deficit) of capital funding (C-D)</i>	<b>(445)</b>	<b>143</b>	<b>138</b>	<b>145</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>

## The level of service achieved in relation to the performance targets

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
A reliable refuse and recycling collection service is provided to customers	% of customers satisfied – Collection	Resident Satisfaction Survey	Not measured	100%	Not measured	A Residents Survey was not undertaken for this reporting period
	% of customers satisfied – Recycling	Resident Satisfaction Survey	Not measured	100%	Not measured	“ “
	% 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	Not achieved	100%	100%	Due to a staff vacancy and resource issues the monitoring of landfill has not been achieved.
Waste diversion increases	Waste diverted from landfill from recycling	Tonnes recycled	Not known yet	Increase 5% per year (the baseline is 832 tonnes)	Failed to increase 5% (927 tonnes was recycled)	Due to resource issues, analysis for the total diversion is not available for the year 2014/15. That is, contractors have been providing Information to Council as they collect it but the Council database has not been updated.
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	28.96%	30.7%Established as baseline in 2011/12	Increase by 2% (32.3% achieved)	A sustained 2% increase was not met however the total diversion rate is very close to the established baseline.

*The solid waste management level of service information is continued on the next page*

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Education about waste minimisation is provided to the Community	Number of visits to schools and community groups	Monthly reports to Council	Not achieved	6 Schools 3 Community Groups	Not achieved	Due to restructure the waste minimisation education programme could not be resourced
Solid waste is managed affordably and appropriately	The Solid Waste Management Plan is available on the website and for circulation to the public on request	Plan available	100%	100%	100%	



# Activity group:

## Other assets and services

Community township development

Land and buildings

Public toilets

### Effects of these 3 activities on the community

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 our helpdesk to request assistance, and retrospectively when staff or contractors have responded to emergencies and later report the details to customer service.

#### **Community township development:**

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.

The communities that went through this process for this reporting period are:



<i>Community Association or Trust</i>	<i>What the funding was put towards</i>
Kumara Residents Trust	Chinese Memorial Garden project
Kokatahi-Kowhitirangi Community Committee	For local volunteer groups to apply for financial assistance
Ross Community Society	Cherry trees, Ross 150 celebration, electric speed sign, bus shelter
Whataroa Community Association	Community swimming pool roof and upgrade of Robertson Park
Franz Josef Community Council	Hall insurance and contribution to Kidsfirst Kindergarten building
Fox Glacier Community Development Society	Earthworks for the rugby field/stone crusher
Haast Promotions Group	Okuru Hall roof replacement and Dennis Road Track

#### Land and buildings:

The Hokitika RSA building was demolished in April 2015. Construction work is proceeding on the Council's own building, in order to get it to a standard of compliance.

#### Public toilets:

Improvements and repairs have been made to the Cass Square toilet facilities.

### Explanation of variances:

	<b>Actual 2014/15 \$000</b>	<b>Budget 2014/15 \$000</b>	<b>Variance \$000</b>
<b>Operating revenue</b>	41	0	41
<b>Operating expenditure</b>	934	801	133
<b>Net operating cost of services - s</b>	<b>(894)</b>	<b>(801)</b>	<b>(93)</b>
Includes depreciation of	56	45	

Unexpected operating revenue for the sale of indigenous timber \$30,000 offset by commission paid of \$15,000. Operating costs include township funds that were budgeted in 2013/14 but not utilised till 2014/15 \$60,000, repainting of the clock tower \$12,000 and other maintenance budget overspends.

# Funding Impact Statement

For the year ended 30 June 2015

	2014/15 Actual \$000	2014/15 Long term plan \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	776	616	598	574
Targeted rates (other than a targeted rate for water supply)	8	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges, and targeted rates for water supply	41	0	0	0
Internal charges and overheads recovered	0	108	105	102
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	0	240	234	227
<i>Total operating funding (A)</i>	<b>824</b>	<b>964</b>	<b>937</b>	<b>903</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	663	752	730	710
Finance costs	0	0	0	0
Internal charges and overheads applied	160	107	104	100
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>822</b>	<b>859</b>	<b>834</b>	<b>810</b>
<i>Surplus/(deficit) of operating funding (A-B)</i>	<b>2</b>	<b>105</b>	<b>103</b>	<b>93</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	85	0	0	0
Other dedicated capital funding	0	0	0	0
Lump sum contributions	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>85</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- To meet additional demand	224	0	0	0
- To improve the level of service	0	74	72	220
- To replace existing assets	20	0	0	0
Increase/(decrease) in reserves	(156)	31	31	(127)
Increase/(decrease) in investments	0	0	0	0
<i>Total applications of capital funding (D)</i>	<b>87</b>	<b>105</b>	<b>103</b>	<b>93</b>
<i>Surplus/(deficit) of capital funding (C-D)</i>	<b>(2)</b>	<b>(105)</b>	<b>(103)</b>	<b>(93)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## The level of service achieved in relation to the performance targets

### Community township development

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
The community contributes to decision making	Consultation occurs with each plan and projects completed to schedule	Management reports to council	4 Communities involved	Consultation occurs through a priority list signed off by Council	4 Communities involved	
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	A survey was not undertaken during this reporting period.

## Land and buildings

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Maintain buildings so they are safe for the people who work and visit them	Buildings get current Warrant of Fitness where required	Warrant of Fitness issued	66%	100%	66%	The Westland District Council Offices building (in Hokitika) does not have a warrant of fitness. We are operating with a public use certificate. Consent has been lodged to meet WOF compliance standards.
Requests for service are dealt with promptly	Service requests are responded to within 3 working days	Services request support system	66% (2 out of 3)	100% compliance	50%	Limited staff resources resulted in 1 delay in meeting the 2 day response target. The complainant was however satisfied with the final outcome.
Leased buildings or spaces are managed commercially	Obtain market rental for offices leased	Market review gained	100%	100%	100%	

## Public toilets

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
Requests for service are dealt with promptly	Service requests are investigated and responded to within one day	Service Request System	2 complaints responded to within one day	Under 5 complaints	3 complaints and 2 responded to within one day	When a complaint is about vandalism or maintenance work that needs to be done then it may take longer than one day to rectify the problem.
Public toilets are clean and safe to use	% residents satisfied with toilet facilities	Resident Satisfaction Survey	Not measured	90%	Not measured	A survey was not undertaken during this reporting period.



# Activity group: Democracy services

## Corporate services

## Governance

### Effects of these 2 activities on the community:

#### Corporate services:

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.

For the 2014/15 period there were 49 LOGOIMA requests, 5 were then withdrawn. 34 were completed within 20 working days, 8 were over the 20 working days (with the reasons advised to the recipient). There are currently 2 requests pending that are either on hold or waiting for confirmation due to the costs involved.

During this reporting year Council completed the review of the structure of Council Controlled Organisations and its review of the Rating System.

While operating performance was substantially in line with budget, Council reports a deficit of \$1.93 million, which is \$0.8 million adverse to budget. This variance is a result of market value adjustments to interest rate swaps, book losses on disposed assets such as the demolished RSA building, and costs associated with the Long Term Plan 2015-25 which had partly been funded from the budget for the previous year.

Public debt increased by \$1.9 million to \$16.7 million, in line with the Annual Plan 2014/15. This is entirely due to the first tranche of funding for the Hokitika Water Treatment Plant upgrade which, as consulted during the year, will be recovered via a specific targeted rate.

#### Governance:

Meetings of Council are publicly notified in accordance with the Local Government Official Information and Meetings Act 1987, which provides the public with an opportunity to attend. 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. A total of \$29,548 was expended from the Mayoral Relief Fund.

## Explanation of variances

	Actual 2014/15 \$000	Budget 2014/15 \$000	Variance \$000
Operating revenue	772	709	1,295
Operating expenditure	7,981	6,935	1,158
<b>Net operating cost of services - surplus/(deficit)</b>	<b>(7,209)</b>	<b>(6,226)</b>	<b>137</b>
Includes depreciation of	188	121	

The over spend in operating costs includes:

\$410,000 loss on market value of interest rate swaps

\$331,000 interest expense budgeted in other activities

\$200,000 loss on disposal of assets

\$430,000 consultants and legal fees higher than budget. Much of this related to outsourcing of work following staff turnover and in particular for the LTP, for which some costs were contained in the budget for 2013/14.

# Funding Impact Statement

For the year ended 30 June 2015

	2014/15 Actual \$000	2014/15 Long term plan \$000	2013/14 Long term plan \$000	2012/13 Long term plan \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	1,210	737	737	695
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	1	2	2	2
Fees, charges, and targeted rates for water supply	251	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	467	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	116	0	42	0
<i>Total operating funding (A)</i>	<b>2,045</b>	<b>738</b>	<b>781</b>	<b>697</b>
<b>Application of operating funding</b>				
Payments to staff and suppliers	1,519	437	487	413
Finance costs	519	297	289	280
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
<i>Total applications of operating funding (B)</i>	<b>2,037</b>	<b>734</b>	<b>776</b>	<b>693</b>
<i>Surplus/(deficit) of operating funding (A-B)</i>	<b>8</b>	<b>4</b>	<b>5</b>	<b>4</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	29	0	0	0
Lump sum contributions	0	0	0	0
<i>Total sources of capital funding (C)</i>	<b>29</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Application of capital funding</b>				
Capital expenditure:				
- To meet additional demand	3	0	0	0
- To improve the level of service	56	0	0	115
- To replace existing assets	134	0	0	0
Increase/(decrease) in reserves	180	4	5	(111)
Increase/(decrease) in investments	(336)	0	0	0
<i>Total applications of capital funding (D)</i>	<b>36</b>	<b>4</b>	<b>5</b>	<b>4</b>
<i>Surplus/(deficit) of capital funding (C-D)</i>	<b>(7)</b>	<b>(4)</b>	<b>(5)</b>	<b>(4)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



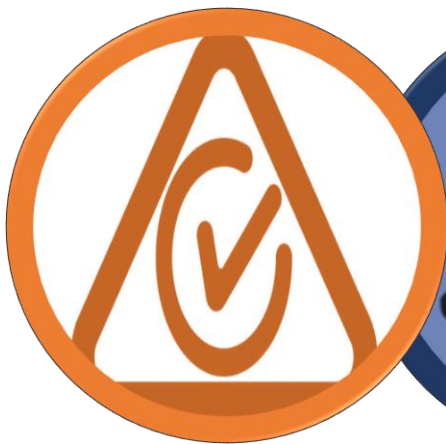
## The level of service achieved in relation to the performance targets

### Governance

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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	46%	100%	100%	Council has 100% complied with legislative requirements for publicly advertising Council meetings. However the target stated does not align with the legislation requirements, which is 5 w/days.
	At least 80% of residents feel they have some influence on decision making	Resident Satisfaction Survey	Not measured	80%	Not measured	A resident survey was not undertaken during this reporting period.
Council decision making is open and transparent.	At least 90% of items on the agenda are conducted in open meetings.	Review agendas for Council	74%	90%	78%	This measure is worked out by how many items are listed in the General Business Section of the Agenda and how many items are listed in the Confidential Section.
	Local Government official information and Meetings Act 1987 (LGOIMA) requests are compiled within the 20 working days.	Review of requests and written replies	82%	100%	94%	49 requests received 5 were withdrawn 34 processed within 20 working days 8 were over 20 w/ days 2 requests held pending whether they want to proceed &/or pay for the information.
Council decision making is open and transparent and promotes accountability.	Elected Representatives attend 90% of all meetings and workshops.	Number of meetings attended	92%	100%	93%	This measure is the number of Councillors that attend meetings and the number of apologies for each meeting.
The Community understands what Council does.	% of residents who understand how Council makes decisions.	Resident Satisfaction Survey	Not measured	50%	Not measured	A resident survey was not undertaken during this reporting period.

## Corporate services

Level of Service	Performance Measure	Information used to measure	Actual 2014/15	LTP Target 2014/15	Actual 2013/14	Explanation about any significant variation
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% The LTP was adopted on the 30 June 2015	100%	100%	
Council decision making is open and transparent	The Annual Report must be adopted within statutory requirements 31st October	Date of council meeting for adoption	2013/14 Annual Report was adopted on 29 January 2015	100%	2012/13 Annual report was adopted on 28 November 2013	Staff turnover was the major contributory factor.
Service and information is provided to the Community	% satisfied with service at front-line of Council	Resident Satisfaction Survey	Not measured	90%	Not measured	A survey was not undertaken during this reporting period.
To provide value for money for residents and businesses who pay rates	% reduction in rates arrears per annum	Quarterly reports	Arrears increased by 13.5% in line with 12.67% increase in rates struck for the year.	Reduce arrears by 5% per year	Increase 0.47%	The increase is in line with the 12.67% rates strike increase. Progress was compromised by staff turnover.



# Activity group:

## Council Controlled Organisations

### Council Controlled Organisations

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 that year, with the final outcome in 2014/15 being status quo.

In March 2015 Council granted a Section 7 exemption to Westland Nature Trust, Tourism West Coast and West Coast Rural Fire Authority. This exemption relieves the entities of the administrative burden of Statements of Intent and performance monitoring required by the LGA. They are included in this section for completeness.

Council adopted a new policy for the appointment and remuneration of directors of CCOs in June 2015.

#### Westland Nature 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 leisure and cultural group and the Trust had no financial transactions, assets or liabilities. Nevertheless its current constitution requires an audit.

#### Tourism West Coast and West Coast Rural Fire Authority:

Council takes a governance / advisory role 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:





## Westland Holdings Limited

Graeme King – Chairman

Michael Teen - Director

Mike Havill – 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.'

Key Performance Measures:	Outcome
Return a dividend to Council in accordance with the Statement of Intent.	Subvention payments for the year amounted to \$330,000, versus \$360,000 in the Statement of Intent.
Prepare an Annual Report in accordance with the requirements of the LGA 2002.	The Company's report for the year ended 30 June 2015 was not completed by 30 September 2015.
Subsidiary Statements of Intent will be submitted to the Shareholder (Council) by 31 March and finalised by 30 June.	This process was delayed by the CCO review conducted by Council during 2014-15. A Statement of Intent for Westland Holdings Ltd for 2015-18 was delivered to Council on 30 June 2015.



### 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.'

Key Performance Measures:	Outcome
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 \$245,000 (2014: \$190,000 [restated]).
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 is a general contractor in the infrastructure sector, based in Hokitika and Greymouth and operating depots throughout Westland.

During the year the company acquired the Christchurch based horizontal infrastructure business Trenching Dynamix and on 29 June 2015 Westroads Ltd amalgamated its subsidiary, Westroads (Greymouth) Ltd.

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.’

Key Performance Measures:	Outcome
Tax paid return on shareholder funds of 9%	Achieved: the reported return was 10.8%
Net after tax profit is to be in accordance with the Statement of Intent	Achieved; Actual profit after tax was \$1,128,000, versus budget of \$559,000



### **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.'

Key Performance Measures:	Outcome
Revenue from commercial businesses is to remain at or above current levels	Achieved; revenue from services of \$452,000 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 \$202,000 exceeded the amount for 2011/12 of \$181,000



# INDEPENDENT AUDITOR'S REPORT



**Independent Auditor's Report**

**To the readers of Westland District Council and group's annual report  
for the year ended 30 June 2015**

The Auditor-General is the auditor of Westland District Council (the District Council) and group. The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
  - the statement of financial position as at 30 June 2015 on pages 34 to 35;
  - the statement of comprehensive revenue and expense, the statement of changes in equity and the statement of cash flows for the year ending 30 June 2015 on pages 32 to 33 and 36 to 37;
  - the funding impact statement of the District Council on pages 38 to 39;
  - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 109 to 168; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 40 to 100;
- the statements of service provision of the District Council on pages 102 to 170 and the funding impact statements in relation to each group of activities of the District Council on pages 109 to 168; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 23 to 29.

In addition, the Auditor-General has appointed me to report on whether the District Council and group's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - internal borrowing on page 77;
  - council-controlled organisations on pages 172 to 176;
  - reserve funds on pages 97 to 100;
  - each group of activities carried out by the District Council on pages 102 to 170;

- remuneration paid to the elected members and certain employees of the District Council on page 85;
  - employee staffing levels and remuneration on page 86;
  - severance payments on page 86;
  - rating base units on page 3; and
  - insurance of assets on page 71;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 16; and
- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive on page 30.

## **Opinion**

### **Audited information In**

In our opinion:

- The financial statements of the District Council and group on pages 32 to 37 and pages 40 to 100:
  - present fairly, in all material respects:
    - the District Council and group's financial position as at 30 June 2015;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand.
- The funding impact statement of the District Council on pages 38 and 39, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- The statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 109 to 168, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- The statements of service provision of the District Council on pages 102 to 170:
  - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:

- the levels of service as measured against the intended levels of service adopted in the long-term plan;
  - the reasons for any significant variances between the actual service and the expected service; and
- complies with generally accepted accounting practice in New Zealand.
- The funding impact statements in relation to each group of activities of the District Council on pages 109 to 168, present fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- The disclosures on pages 23 to 29 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

### **Compliance with the other requirements of schedule 10**

The District Council and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 2 November 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statements of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported statements of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Council**

The Council is responsible for preparing:

- financial statements and the statements of service provision that:
  - comply with generally accepted accounting practice in New Zealand;
  - present fairly the District Council and group's financial position, financial performance and cash flows;
  - present fairly its service performance, including achievements compared to forecast;
  - a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure

spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;

- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

### **Independence**

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements and the audit of the District Council's 2015-25 Long Term Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



Bede Kearney  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand