

WESTLAND

Overview

This Pre-election Report is mandatory and has been prepared and released by the Chief Executive in accordance with the Local Government Act 2002.

The Westland District has an ordinarily resident population of fewer than 20,000 people. This report is prepared in accordance with Clauses 37 and 36(1)(b) and (c) of Schedule 10 LGA 2002.*

The purpose of this Pre-election Report is to provide information to promote public discussion about the issues facing Westland District Council.

The information in this Pre-election Report is summarised from the adopted 2015/25 Long Term Plan and 2016/17 Annual Plan, updated with recent forecasts where material. This Pre-election Report is not required to be audited and has not been audited. This report does not substitute the full disclosures of these complete and audited documents, which are available on our website (www.westlanddc.govt.nz).

The 2016/17 actual results are being prepared and are expected to be audited and adopted by Council by 31 October 2016. They will not be available until after the election.

The 2016/17 information is drawn from the Annual Plan adopted on 23 June 2016. This information is not required to be audited and has not been audited. This is the most up to date information Council has prepared on its finances and service levels. It updates the 2016/17 estimates from the Long Term Plan 2015/25.

The 2017/18, 2018/19 and 2019/20 information is drawn from the 2015/25 Long-term Plan adopted by Council in 2015.

Tanya Winter, Chief Executive

The 2016/17 Annual Plan and the 2015/25 Long Term Plan provides the best information on Council's finances and service levels. It is strongly recommended that these documents are read to assist in understanding Council's plans and priorities

^{*}The Act requires only a summary Balance Sheet to be presented, however in the interests of full disclosure a complete Prospective Statement of Financial Position is included in this report.



Funding Impact Statement

WESTLAND DISTRICT COUNCIL	Annual Plan	LTP	LTP	LTP
PROSPECTIVE FUNDING IMPACT STATEMENT	30 June 2017	30 June 2018	30 June 2019	30 June 2020
	\$	\$	\$	\$
OPERATING FUNDING				
Sources of operating funding	6 202 062	7.672.602	0.470.635	0.222.445
General rates, UAGC and rates penalties	6,282,063	7,672,682	8,178,625	8,222,445
Targeted rates	8,439,016	8,321,640	8,611,850	8,972,113
Grants, subsidies and donations	1,720,096	1,631,063	1,423,370	1,458,421
Fees and charges	1,909,648	2,102,644	2,179,310	2,244,956
Interest and dividends from investments	599,425	575,253	590,784	607,917
Local authorities fuel tax, fines, infringement fees and other	4,212,619	3,900,355	3,960,331	4,083,509
Total operating funding	23,162,867	24,203,636	24,944,270	25,589,361
Applications of operating funding				
Payments to staff and suppliers	18,230,022	18,065,342	18,503,738	19,050,348
Finance costs	669,536	942,663	1,079,413	1,071,640
Other operating funding applications	-	-	-	-
Total applications of operating funding	18,899,558	19,008,004	19,583,151	20,121,988
Surplus/(deficit) of operating funding	4,263,309	5,195,632	5,361,119	5,467,373
CAPITAL FUNDING				
Sources of capital funding				
Grants, subsidies and donations	2,217,280	3,579,362	2,643,443	1,602,085
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	1,613,170	(1,933,106)	(179,342)	(426,413
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total capital funding	3,830,450	1,646,256	2,464,101	1,175,672
Applications of capital funding				
Capital expenditure - meet additional demand	69,500	46,814	75,130	49,484
Capital expenditure - improve level of service	915,000	3,813,060		1,400,380
Capital expenditure - replace existing assets	5,854,500	5,051,453		3,909,114
Increase/(decrease) in reserves	1,254,759	(2,069,439)		1,284,068
Increase/(decrease) of investments	-	- (2,009,439)		
Total applications of capital funding	8,093,759	6,841,888	7,825,220	6,643,045
Surplus/(deficit) of Capital Funding	(4,263,309)	(5,195,632)	(5,361,119)	(5,467,373
Funding balance				_



Balance Sheet

WESTLAND DISTRICT COUNCIL	Annual Plan	LTP	LTP	LTP
PROSPECTIVE STATEMENT OF FINANCIAL POSITION	30 June 2017	30 June 2018	30 June 2019	30 June 2020
	\$	\$	\$	\$
ASSETS				
Current assets				
Cash and cash equivalents	4,301,114	3,070,648	6,623,295	9,133,139
Debtors and other receivables	2,446,925	2,664,123	2,645,397	2,607,399
Inventory Investments		-	-	-
Non-current assets held for sale	_	-	_	-
Total current assets	6,748,039	5,734,771	9,268,693	11,740,538
Non-current assets				
	414 450 042	101 069 699	407 521 402	406 002 065
Property, plant and equipment	414,450,042	401,968,688	407,521,492	406,003,965
Forestry assets Investment property	2,000	2,000	2,000	2,000
Derivative financial instruments		160,000	160,000	160,000
Other financial assets	39,000	57,000	57,000	57,000
	8,695,000			
Council controlled organisations		8,695,000	8,695,000	8,695,000
Intangible assets	71,000	46,000	46,000	46,000
Investments	1,092,023	1,320,000	1,320,000	1,320,000
Total non-current assets	424,349,065	412,248,688	417,801,492	416,283,965
Total assets	431,097,104	417,983,459	427,070,184	428,024,503
LIABILITIES				
Current liabilities				
Creditors and other payables	2,318,280	2,373,148	2,422,968	2,481,883
Borrowings	3,750,000	2,057,506	2,131,361	1,197,608
Employee entitlements	296,000	245,294	250,445	255,955
Provisions	-	-	-	-
Tax payable	3,000	3,155	3,240	3,334
Other current liabilities	193,000	202,968	208,449	214,494
Total current liabilities	6,560,280	4,882,071	5,016,462	4,153,273
Non-current liabilities				
Provisions	1,644,000	1,666,000	1,666,000	1,666,000
Borrowings	14,986,865	12,224,872	11,971,675	12,479,015
Employee entitlements	29,000	54,048	55,183	56,397
Derivative financial instruments	160,212	135,000	135,000	135,000
Deferred tax	30,000	90,000	90,000	90,000
Other non-current liabilities	-	-	-	-
Total non-current liabilities	16,850,077	14,169,920	13,917,858	14,426,412
Equity				
Public equity	154,044,209	153,063,469	153,921,994	153,784,231
Restricted reserves	6,045,995	8,620,780	10,081,877	11,528,594
Asset revaluation reserves	247,596,543	237,247,219	244,131,993	244,131,993
Other reserves	-	-	-	-
Total equity	407,686,747	398,931,468	408,135,865	409,444,819
Total liabilities and equity	431,097,104	417,983,459	427,070,184	428,024,503



Key Projects

The table below shows the major projects included in years 3 to 5 of the Long Term Plan 2015-25, adjusted for known variations as a result of the adoption of the Annual Plan 2016-17 and anticipated through ongoing community engagement and consultation.

	LTP	LTP	LTP
	30 June 2018	30 June 2019	30 June 2020
Projects	\$	\$	\$
Leadership			
Council HQ - Heating/Cooling	-	-	111,500
Corporate Services - Replacement Councillors tablets	-	-	11,150
Information Management - Shelving	10,530	-	-
Council website upgrade	26,325	-	_
IT Equipment renewals	136,890	32490	33,450
Total Leadership	173,745	32,490	156,100
<u>Transportation</u>			
Unsealed Road Metalling	297,101	304,263	311,999
Sealed Road Resurfacing	1,100,257	1,126,782	1,155,429
Maintenance - Drainage Renewals	192,882	197,532	202,554
Structures Component Replacements	275,324	281,961	289,130
Traffic Services Renewals	143,625	147,087	150,827
Minor Improvements	227,103	232,578	238,491
Sealed Road Pavement Rehabilitation	103,700	106,200	108,900
Associated Improvements ¹	1,555,500	-	-
Footpath upgrades	46,665	37,170	38,115
Total Transportation	3,942,156	2,433,573	2,495,444
Water Supply			
Hokitika - WTP improvements	451,920	35,648	-
Hokitika - Mains upgrade programme	107,600	89,120	230,800
Hokitika - Pressure valve upgrade	-	-	28,850
Hokitika - Reservoir Replacement	_	-	577,000
Kaniere - Fire Service Water Pressure	-	27,850	-
Ross - Water treatment plant - seismic valves	32,280	-	-
Harihari - WTP improvements	-	-	25,388
Harihari - Water supply mains replacement	-	59,042	-
Whataroa - Pump upgrades	37,660	-	-
Fox Glacier - Plant upgrade	484,200	-	-
Fox Glacier - Seismic valves	32,280	-	-
Haast - Replacement water treatment reservoir	-	356,480	-
Total Water Supply	1,145,940	568,140	862,038
iotal water supply	1,143,340	300,140	002,030

^{1.} Associated improvement relate to road widening and seal extensions, which will be subject to securing contestable funding from NZTA



	LTP	LTP	LTP
	30 June 2018	30 June 2019	30 June 2020
Projects	\$	\$	\$
<u>Wastewater</u>	526 500	225 200	
Hokitika - WWTP upgrade	526,500	325,200	-
Hokitika - Mains upgrade	-	162,600	-
Hokitika - Pump upgrade (Kaniere)	-	-	133,920
Franz Josef - New WWTP ²	6,200,000	-	-
Fox Glacier - Mains upgrade	-	-	120,528
Fox Glacier - WWTP upgrade	105,300	-	-
Haast - Mains upgrage	-	21,680	-
Total Wastewater	6,831,800	509,480	254,448
2			
Stormwater ³			
Hokitika - Upgrade (Kaniere)	40,000	-	-
Hokitika - Upgrade (Hoffman St)	-	770,000	-
Hokitika - Upgrade (Livingstone St)	-	-	860,000
Total Stormwater	40,000	770,000	860,000
C-1:-1 14/			
Solid Waste	F2.6F0		
Hokitika - Improvements to TS access	52,650	-	-
Butlers - Intermediate capping - new cell	-	-	223,000
Total Solid Waste	52,650	-	223,000
Leisure Services & Facilities - Parks & Reserves			
Reserves - Cass Square - Repairs to Statues	5,260	5,405	5,560
Reserves - Cass Square - Repairs to Statues Reserves - Cass Square - Building improvements (cladding)	52,600	3,403	3,300
Reserves - Cass Square - Park improvements	·	-	-
·	10,520	<u>-</u>	-
Reserves - Cass Square - Playground equipment upgrade	21,040	-	-
Total Leisure Services & Facilities - Parks & Reserves	89,420	5,405	5,560
<u>Leisure Services & Facilities - Other</u>			
Cemetery - Hokitika upgrade & expansion	10,520	10,810	11,120
Land & Buildings - carparking	15,780	-	-
Elderly Housing - Roof repairs	52,600	27,025	-
Museum - feasibility studies	-	27,025	-
Library - Audio/Visual Resource	4,208	4,324	4,448
Library - Free Adult Books	13,676	14,053	14,456
Library - Adult Non Fiction	18,410	18,918	19,460
Library - Junior Publications	12,098	12,432	12,788
Library - Large Print Books	6,312	6,486	6,672
	122.5		
Total Leisure Services & Facilities - Other	133,604	121,072	68,944
Total Capital Expenditure	12,409,315	4,440,160	4,925,534
	12,103,313	., 110,200	.,525,554

- 2. The Franz Josef Wastewater Treatment facility upgrade is included in the LTP as a phased project over five years. Council is currently consulting with the community on the timing and funding of this project with a view to completion during 2017-18.
- 3. The extent of the upgrades required to the Hokitika stormwater system was identified and consulted during the Annual Plan 2016-17 process. Council embarks on a phased programme of work from 2016-17.



Financial Prudence disclosure statement

The purpose of this statement is to disclose the council's planned financial performance in comparison to benchmarks set in its financial strategy, and is extracted from the disclosure statement contained in the Annual Plan 2016/17.

Benchmark	Limit	Planned	Met (Yes/No)
Rates affordability benchmark			
- Income	\$18,039,248	\$14,534,508	Yes
- Increases	5%	4.8%	Yes
Debt affordability benchmark	\$55,464,138	\$18,736,865	Yes

Notes

1 Rates affordability benchmark

- (1) For this benchmark,—
- (a) The council's planned rates income for the year is compared with the limit on rates contained in the financial strategy included in the council's long-term plan; and
- (b) The council's planned rates increases for the year are compared with the limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.
- (2) The council meets the rates affordability benchmark if—
- (a) Its planned rates income for the year equals or is less than each quantified limit on rates; and
- (b) Its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2 Debt affordability benchmark

- (1) For this benchmark, the council's planned borrowing is compared with the limit on borrowing contained in the financial strategy included in the council's long-term plan.
- (2) The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

Return on investments

Liquid investments

In its Annual Plan 2016/17 Council anticipates a return of 4.7% on its bonds portfolio, which is 20 basis points above the long term projections in its financial strategy.

Equity investments

In its Annual Plan 2016/17 Council anticipates a return of 5.9% on its shareholding in Westland Holdings Ltd, which is 20 basis points above the projections in its financial strategy.