



QUARTERLY PERFORMANCE REPORT 2  
1 OCTOBER TO 31 DECEMBER 2016



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## Whole of Council Financial Summary

WESTLAND DISTRICT COUNCIL	Year to December			Full year 2016-2017	
	Actual	Budget	Variance	FY Forecast	Budget
<b>Operating revenue</b>					
Rates (includes targeted rates and metered water)	7,532,451	7,360,541	171,910	14,639,864	14,721,081
User fees and charges	952,431	905,796	46,635	1,833,362	1,918,351
Grants and Subsidies	1,010,095	1,543,014	(532,919)	4,114,593	4,082,876
Other income	270,668	249,425	21,243	1,091,923	1,076,546
Overhead recoveries	2,912,131	3,375,865	(463,735)	6,358,010	6,751,733
<b>Total revenue (A)</b>	<b>12,677,776</b>	<b>13,434,641</b>	<b>(756,865)</b>	<b>28,037,751</b>	<b>28,550,587</b>
<b>Operating expenditure</b>					
Personnel costs	1,723,020	1,815,115	(92,096)	3,680,596	3,692,808
Administrative costs	342,497	314,349	28,149	565,553	583,305
Operating costs	4,974,703	4,916,804	57,899	10,316,812	9,801,863
Grants and donations	435,734	413,250	22,485	485,070	525,000
Overheads	2,886,659	3,398,029	(511,369)	6,240,494	6,796,057
<b>Total operating expenditure (B)</b>	<b>10,362,613</b>	<b>10,857,546</b>	<b>(494,933)</b>	<b>21,288,525</b>	<b>21,399,033</b>
<b>Net operating cost of services - surplus/(deficit) (A - B)</b>	<b>2,315,163</b>	<b>2,577,095</b>	<b>(261,932)</b>	<b>6,749,227</b>	<b>7,151,554</b>
<b>Other expenditure</b>					
Interest and finance costs	333,714	320,604	13,110	671,272	671,272
Depreciation	2,116,120	2,638,862	(522,743)	4,999,707	5,276,728
(Gain)/loss on investments	5,415	0	5,415	9,249	0
(Gain)Loss on swaps	(299,918)	(68,894)	(231,024)	(137,788)	(137,788)
(Gain)Loss on disposals	1,917	0	1,917	0	0
<b>Total other expenditure (C)</b>	<b>2,157,248</b>	<b>2,890,572</b>	<b>(733,324)</b>	<b>5,542,440</b>	<b>5,810,211</b>
<b>Total expenditure (D = B + C)</b>	<b>12,519,861</b>	<b>13,748,118</b>	<b>(1,228,257)</b>	<b>26,830,965</b>	<b>27,209,244</b>
<b>Net cost of services - surplus/(deficit) (A - D)</b>	<b>157,915</b>	<b>(313,477)</b>	<b>471,392</b>	<b>1,206,787</b>	<b>1,341,343</b>

Variance analysis:

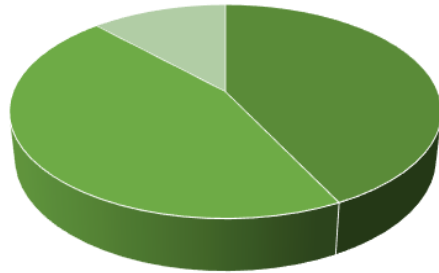
### **Operating Revenue**

Rates revenue	Metered water charges higher than budgeted due to timing differences.
User fees and charges	<p>\$14k unbudgeted WCWT Partner contributions for 2016-17.</p> <p>Refuse site fees are \$35k higher than expected, however this is seasonal and is expected to balance out over the financial year.</p> <p>Building consent revenue is \$10k above budget.</p> <p>The below are expected to be timing differences: \$32k higher than anticipated cost recoveries for resource consents. \$15k higher than anticipated liquor licence revenue.</p> <p>Offset by \$28k lower revenue due to changes to the food fees by splitting registration, audit and monitoring fees. Registration fee will be charged in early 2017. \$7k lower revenue in dog registration as the registration process was delayed for new policy, expected to catch up in the next few months \$11k lower Museum revenue due to closure and some timing differences</p>
Grants and Subsidies	NZTA subsidy lower than budgeted at end of Quarter 2 due to budget phasing. Claim is made in arrears, December subsidy was accrued based on previous months.

### **Operating expenditure**

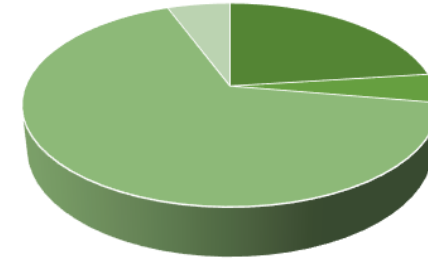
Personnel costs	Positive variance due to unfilled vacancies
Operating costs	Unbudgeted spend for the cost of Hokitika Swimming pool assessment and damage to culverts. Offset by lower than anticipated reactive maintenance.
Grants and Donations	\$150k Kumara endowment reserve funding for memorial gardens. Offset by council grants for toilet cleaning not yet requested and timing of the Glacier Grant.
<b>Other expenditure</b>	
Depreciation	Assets were revalued at the end of the financial year and asset lives and depreciation rates were updated to reflect this new information
(Gain)/Loss on Swaps	Swap values will change due to market conditions that is difficult to budget.

Operating revenue  
Actual year to December



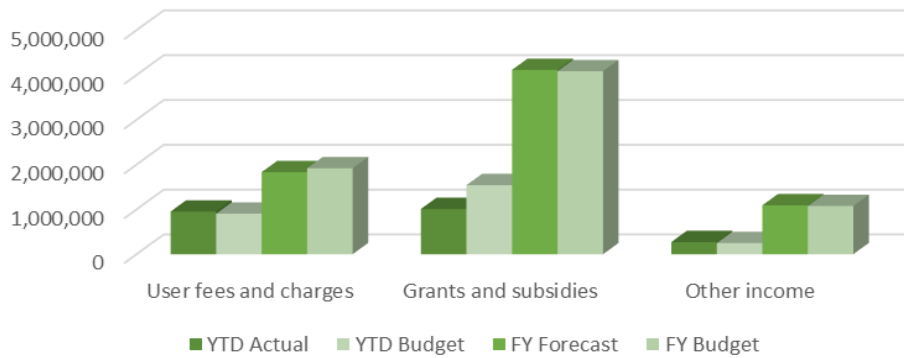
■ User fees and charges ■ Grants and subsidies ■ Other income

Operating expenditure  
Actual year to December



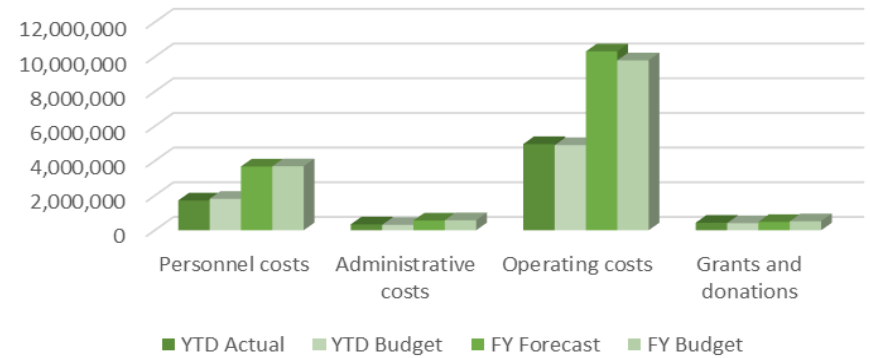
■ Personnel costs ■ Administrative costs ■ Operating costs ■ Grants and donations

Operating revenue



■ YTD Actual ■ YTD Budget ■ FY Forecast ■ FY Budget

Operating expenditure



■ YTD Actual ■ YTD Budget ■ FY Forecast ■ FY Budget

	User fees & Charges	Grants & Subsidies	Other Income
Actual YTD	952,431	1,010,095	270,668
Budget YTD	905,796	1,543,014	249,425
Variance	46,635	(532,919)	21,243
Forecast FY	1,833,362	4,114,593	1,091,923
Budget FY	1,918,351	4,082,876	1,076,546

	Personnel	Administration	Operating	Grants & subsidies
Actual YTD	1,723,020	342,497	4,974,703	435,734
Budget YTD	1,815,115	314,349	4,916,804	413,250
Variance	(92,096)	28,149	57,899	22,485
Forecast FY	3,680,596	565,553	10,316,812	485,070
Budget FY	3,692,808	583,305	9,801,863	525,000

## Projects

Activity	Detail	Funded by	Approved \$	Actual \$	Forecast \$	Balance \$	Approved variance in 2016	Status	Year
Museum	Retail Development	Depreciation	17,000	23,249	23,249	6,249	Capital	Approved amount in LTP was \$30,000.	From 2015-16 Budget Year
Township Development	Upgrade footpaths and driveways over next three years	Depreciation	5,000	4,154	5,000	-	Capital	<i>Community projects?</i>	From 2015-16 Budget Year
Township Development	Repairs and Maintenance to Hokitika Statues	Depreciation	5,000	-	5,000	-	Capital	Discussion with contractor and Heritage Hokitika taking place in New Year	From 2015-16 Budget Year
Water Supply	Replace Water meters (on-going) - Hokitika	Depreciation	190,000	-	190,000	-	Capital	Initial scoping done. Now in detailed scoping. The budget is for Franz and Hokitika. Currently Fox is in progress on meters replacement.	From 2015-16 Budget Year
Water Supply	Replacement of Water Meters - Fox Glacier	Depreciation	5,712	20,954	20,954	15,242	Capital	Work is in progress.	From 2015-16 Budget Year
		Total depreciation funded carryovers	222,712	48,358	244,203	21,491			

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Activity	Detail	Funded by	Approved \$	Actual \$	Forecast \$	Balance \$	Approved variance in 2016	Status	Year
Museum	Museum Donations - for Exhibitions	Donations	10,871	-	10,871	-	Operating adverse	Plus \$5,000 donated July 2016.	From 2015-16 Budget Year
		<b>Total donations carryovers</b>	<b>10,871</b>	<b>-</b>	<b>10,871</b>	<b>-</b>			
Community Development	SPARC Travel Grant	External Grant	1,117	1,117	1,117	-	Operating adverse		From 2015-16 Budget Year
Community Development	Creative Communities Grant	External Grant	7,573	4,932	7,573	-	Operating adverse		From 2015-16 Budget Year
Community Development	Taxi Chits	External Grant	600	00	600	-	Operating adverse		From 2015-16 Budget Year
		<b>Total external grant funded carryovers</b>	<b>9,290</b>	<b>6,649</b>	<b>9,290</b>	<b>-</b>			
WCWT	Completion of Trail	Subsidy	479,000	42,765	479,000	-		Project Plan approved by MBIE, Project Manager appointed, Project on track	
			<b>479,000</b>	<b>42,765</b>	<b>479,000</b>				

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Activity	Detail	Funded by	Approved \$	Actual \$	Forecast \$	Balance \$	Approved variance in 2016	Status	Year
Solid Waste	Landfills - Butlers -Shed - Hazardous Washdown Facility	Loan Funding	15,000	-	15,000	-	Capital	Budgets seem to be not fitting the estimates for the works. Rescoping the works now.	From 2015-16 Budget Year
Solid Waste	Intermediate Capping for Butlers	Loan Funding	50,000	-	50,000	-	Capital	More than likely that capping will be towards the end of the financial year.	From 2015-16 Budget Year
Solid Waste	Landfill- Haast Digout new Cell	Loan Funding	10,000	6,260	10,000	-	Capital	Works in progress now.	From 2015-16 Budget Year
Solid Waste	Haast intermediate cap current cell	Loan Funding	10,000	-	10,000	-	Capital	Works in progress now.	From 2015-16 Budget Year
Solid Waste	Franz Josef Landfill	Loan Funding	25,000	-	25,000	-	Capital	On-hold pending future direction on Franz River issues.	From 2014-15 Budget Year
Parks & Reserves	Cass Square - Turf Upgrades	Loan Funding	120,000	117,829	120,000	-	Capital	Works in Progress - Last Stage of completion	
		<b>Total loan funded carryovers</b>	<b>230,000</b>	<b>124,089</b>	<b>230,000</b>	<b>-</b>			

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Activity	Detail	Funded by	Approved \$	Actual \$	Forecast \$	Balance \$	Approved variance in 2016	Status	Year
Parks & Reserves	Repairs and Maintenance to Hokitika Statues	Rates YE 2014	2,709	-	2,709	-	Capital	\$1,000 committed to Oscar Bottom memorial	From 2013-14 Budget Year
Parks & Reserves	Repairs and Maintenance to Hokitika Statues	Rates YE 2015	5,000	-	5,000	-	Capital	Discussion with contractor and Heritage Hokitika taking place in New Year	From 2014-15 Budget Year
Museum	Research Development Centre	Rates YE 2016	22,000	-	22,000	-	Capital	Started, approximately \$8,000 spent	From 2015-16 Budget Year
		<b>Total rates funded carryovers</b>	<b>29,709</b>	<b>-</b>	<b>29,709</b>	<b>-</b>			
Township Development	Franz Josef Urban Revitalisation plan	Recreation Contributions	100,000	-	100,000	-	Capital	Awaiting further work with community, regional council and central government on a "master plan" for the township before this revitalisation work takes place. Possible some spend could occur this FY, but very likely that partial or complete carryover required.	From 2015-16 Budget Year
Waterfront carry forward	Hokitika Waterfront Development	Recreation Contributions	25,240	12,034	25,240	-	Capital	Expecting working drawings on the project by December end. Possibly looking for procurement to commence in New Year - 2017	From 2015-16 Budget Year











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Activity	Detail	Funded by	Approved \$	Actual \$	Forecast \$	Balance \$	Approved variance in 2016	Status	Year
Franz Josef Cycle Trail	Franz Josef Cycle Trail	Recreation Contributions	48,000	15,885	48,000	-	Operating adverse	Franz Josef Community Council responsible for this project now.	From 2013-14 Budget Year
		Total recreation contribution carryovers	173,240	27,919	173,240	-			
Township Development	Harihari Township Development fund	Reserves	8,971	5,000	8,971	-	Operating adverse	To be held until Harihari decides what they want to spend it on.	From 2013-14 Budget Year
		<b>Total reserves funded carryovers</b>	<b>8,971</b>	<b>5,000</b>	<b>8,971</b>	-			
West Coast Wilderness Trail	Cycle Trail - Partner Programme Revenue	Stakeholder Contribution 2015-16	13,275	-	13,275	-	Operating adverse	This money has been transferred to the WCWT Trust	From 2014-15 Budget Year
		<b>Total stakeholder contribution carryovers</b>	<b>13,275</b>	<b>-</b>	<b>13,275</b>	-			
			<b>1,177,068</b>	<b>254,780</b>	<b>1,198,559</b>	<b>21,491</b>			















Further information about Council's projects on next page

As at 30/12/2016

		Legend - Key		
Forecast on Budget			Project Delayed - Will not be completed by 30th June 2017	
Forecast over Budget			Project on-Track - Will be completed by 30th June 2017	
			Project Complete - 100% Progress	

Project / Activity	YTD exp	2016-17	Forecast	Budget Track	Progress / Track	Progress comments
	\$0	\$0	\$0			
<b>Corporate Services</b>						
Corporate Services - Replacement Councillors tablets	13,268	10,000	13,268			Complete, overspend due to upgraded specification
Council HQ - Roof over skylights	-	20,000	20,000			
Information Management - Shelving	-	10,000	10,000			Review continuing
Information Management - DMS	-	200,000	200,000			Scoping and discovery phase to commence January 2017
Council website	-	35,000	35,000			Discovery complete, work to commence January 2017
	<b>13,268</b>	<b>275,000</b>	<b>278,268</b>			

<b>Library</b>						
Kotui Library system	62,691	70,000	62,691			Complete
Library - Audio/Visual Resource	244	4,000	4,000			eBooks and Junior audios to be purchased before 30.06.17
Library - Free Adult Books	7,977	13,000	13,000			Spending on track
Library - Adult Non Fiction	8,561	17,500	17,500			Spending on track
Library - Junior Publications	5,450	11,500	11,500			Spending on track
Library - Large Print Books	2,356	6,000	6,000			Spending on track
	<b>87,279</b>	<b>122,000</b>	<b>114,691</b>			

<b>WATER SUPPLY</b>						
Kumara - Water treatment plant	1,405	420,000	420,000			Tenders advertised - Approval report on 26 Jan Council meeting
Kumara - Water treatment plant - seismic valves	-	30,000	30,000			Tenders advertised - Approval report on 26 Jan Council meeting
Hokitika - Pumps Replacement	-	50,000	50,000			Project will commence after Hokitika SW Capital Project.
Hokitika - River Intake	15,588	0	15,588			This project now on hold - To be included in 2017/18 AP.
Ross - Mains Upgrade	490	0	490			Pothole for location and size of Ross water main
Whataroa - Water treatment plant	3,105	220,000	220,000			Tenders advertised - Approval report on 26 Jan Council meeting
Whataroa - Seismic valves	-	20,000	20,000			Reassessing the need of the project
	<b>20,588</b>	<b>740,000</b>	<b>756,078</b>			

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As at 30/12/2016

Legend - Key			
Forecast on Budget			Project Delayed - Will not be completed by 30th June 2017
Forecast over Budget			Project on-Track - Will be completed by 30th June 2017
			Project Complete - 100% Progress

Project / Activity	YTD exp	2016-17	Forecast	Budget Track	Progress / Track	Progress comments
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WASTEWATER						
Hokitika - Mains upgrade	11,146	150,000	150,000			Scheduled to commence in Feb/March 2017
Franz Josef - New WWTP	103,890	200,000	200,000			Final invoices yet to be included.
Fox Glacier - WWTP upgrade	-	100,000	100,000			Not started as yet. Partial De-sludging
Haast - Mains upgrade	-	20,000	20,000			Scoping in progress
Haast - De-sludge oxidation ponds	-	150,000	150,000			Not started as yet. Partial De-sludging
	<b>115,036</b>	<b>620,000</b>	<b>620,000</b>			






STORMWATER						
Sewell Street Pump	83,886	-	83,886			Previous year emergency Work.
Hokitika - Tancred, Bealey and Rolleston street upgrades	43,032	769,000	769,000			The expenditure is related to previous year...
	<b>126,918</b>	<b>769,000</b>	<b>852,886</b>			

CEMETERIES						
Cemetery - Hokitika upgrade & expansion	-	10,000	10,000			Works in Feb/March 2017
Cemetery - Hokitika improvements	4,254	25,000	25,000			Works in Feb/March 2017
	<b>4,254</b>	<b>35,000</b>	<b>35,000</b>			

Community Township Development						
Sunset Point remedial work	1,685	-				Unbudgeted spend
New footpaths - Franz	-	25,000	25,000			To be disucssed with Community
Footpath upgrades - Hokitika	-	27,000	27,000			Part of NZTA program
Footpath upgrades - Kumara	-	5,000	5,000			Using carry forward first
Footpath upgrades - Franz	-	15,000	15,000			To be disucssed with Community
	<b>1,685</b>	<b>72,000</b>	<b>72,000</b>			


















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As at 30/12/2016

		Legend - Key		
Forecast on Budget			Project Delayed - Will not be completed by 30th June 2017	
Forecast over Budget			Project on-Track - Will be completed by 30th June 2017	
		Project Complete - 100% Progress		








Elderly Housing						
Elderly Housing - Roof repairs	14,760	40,000	39,760			Completed in January 2017

Information Services						
IT equipment Renewals	4,996	30,000	30,000			Committed

Office Equipment						
Inspection Administration	2,150	-	2,150			Upgrades to workstations and screens
Resource Management	3,433	-	3,433			Upgrades to workstations and screens
Emergency Management	475	-	475			Upgrades to workstations and screens
In House Professional Services	5,975	-	5,975			Upgrades to workstations and screens
Events Coordination	566	-	566			Upgrades to workstations and screens
Corporate Services	2,135	-	2,135			Upgrades to workstations and screens
Chief Executive	2,948	-	2,948			Upgrades to workstations and screens
Operations Administration	1,193	-	1,193			Upgrades to workstations and screens
	<b>18,875</b>	<b>0</b>	<b>18,875</b>			

Motor Vehicles						
Ford Kuga JFF992	3,184	-	3,184			Civil Defence equipment

Wildfoods Festival						
Replacement of promotional assets	-	20,000	20,000			

Land & Buildings						
Carnegie Building	17,446	-	17,446			Unbudgeted works - lighting
Ross Memorial Hall	93,136	-	93,136			Last year expenditure
Land & Buildings - carparking	-	15,000	15,000			
	<b>110,582</b>	<b>15,000</b>	<b>125,582</b>			

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As at 30/12/2016






				Legend - Key	
Forecast on Budget				Project Delayed - Will not be completed by 30th June 2017	
Forecast over Budget				Project on-Track - Will be completed by 30th June 2017	
				Project Complete - 100% Progress	





















Parks & Reserves						
Reserves - Cass Square - Repairs to Statues	-	5,000	5,000			Using carry forward first
Reserves - Cass Square - Grandstand	-	30,000	30,000			Scoping in progress. - Off-season works after Wild foods event
Reserves - Cass Square - Playground equipment upgrade	-	25,000	25,000			Scoping in progress. - Off-season works after Wild foods event
Reserves - Marks Road Reserve	-	10,000	10,000			Funds are for recreation purpose. Not scoped as yet.
Reserves - Hokitika Waterfront Development	-	100,000	100,000			Using carry forward first
Reserves - Hokitika Heritage trail signs	-	3,500	3,500			Staff currently liaising with Heritage Hokitika members.
	<b>0</b>	<b>173,500</b>	<b>173,500</b>			

Transportation						
Unsealed Pavement Maintenance	391	-	391			Annual Road Maintenance program. On-Track
Routine Drainage Mtce	17,350	-	17,350			Annual Road Maintenance program. On-Track
Environmental Maintenance	10,720	-	10,720			Annual Road Maintenance program. On-Track
Traffic Services Mtce	1,460	-	1,460			Annual Road Maintenance program. On-Track
4th Street Kumara	23,280	-	23,280			Costs are from the previous year - Complete works
Unsealed Road Metalling	89,461	278,000	278,000			Annual Road Maintenance program. On-Track
Sealed Road Resurfacing	2,828	875,500	875,500			Annual Road Maintenance program. On-Track
Maintenance - Drainage Renewals	65,089	154,500	154,500			Annual Road Maintenance program. On-Track
Structures Component Replace	24,474	206,000	206,000			Annual Road Maintenance program. On-Track
Traffic Services Renewals	9,237	123,500	123,500			Annual Road Maintenance program. On-Track
Routine Drainage Maintenance	10,080	-	10,080			Annual Road Maintenance program. On-Track

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As at 30/12/2016

		Legend - Key		
Forecast on Budget			Project Delayed - Will not be completed by 30th June 2017	
Forecast over Budget			Project on-Track - Will be completed by 30th June 2017	
			Project Complete - 100% Progress	

Sealed Road Resurfacing	-	154,500	154,500			Annual Road Maintenance program. On-Track
Drainage Renewal	-	26,000	26,000			Annual Road Maintenance program. On-Track
Structures Component Replace	85,879	51,500	51,500			Annual Road Maintenance program. On-Track
Traffic services renewals	641	10,500	10,500			Annual Road Maintenance program. On-Track
Minor Improvements	-	184,500	184,500			Annual Road Maintenance program. On-Track
Minor Improvements	-	28,000	28,000			Annual Road Maintenance program. On-Track
Sealed Road Pavement Rehabilitation	-	300,000	300,000			Annual Road Maintenance program. On-Track
Associated Improvements	-	1,000,000	1,000,000			Annual Road Maintenance program. On-Track
Whitcome valley road widening, seal and extention	24,951	500,000	500,000			Annual Road Maintenance program. On-Track
Ross Hall car park seal	-	35,000	35,000			Ross Car Park - Community has undertaken some works. Works to be completed by Feb 2017.
	<b>365,842</b>	<b>3,927,500</b>	<b>3,990,781</b>			
<b>Total</b>	<b>887,267</b>	<b>6,839,000</b>	<b>7,130,605</b>			



## Summary

The purpose of this section of the Quarterly Report is to provide an update on Council's Treasury Position **as at 31 December 2016**.

This section shows the Council's position for the following items:

- Loans

  - Other Borrowings (if any)
  - Swaps

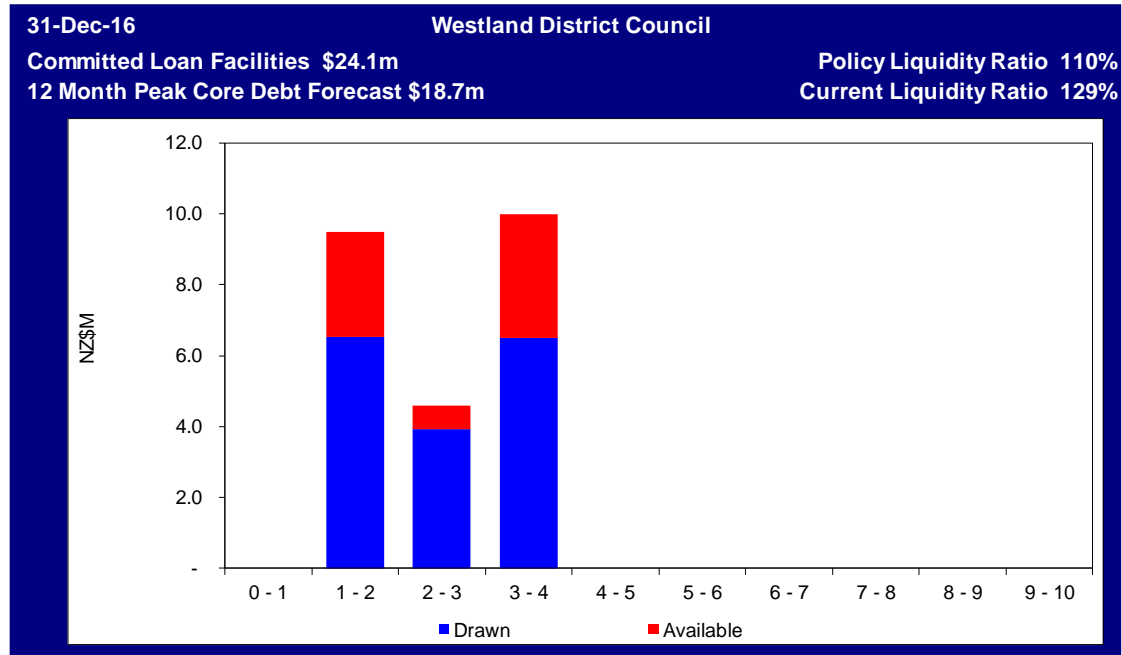
- Internal borrowing

  - Cash Investments
  - Deposits
  - Bonds
  - Debtors

Council has contracted PWC as an independent treasury adviser.

## Loans

This chart illustrates the Council's position in relation to the debt facility:



Council's policies require that we have liquidity cover of 110% of forecast debt. There are now three facilities in place, one with a borrowing limit of \$9.5m, a second has a borrowing limit of \$4.6m which the maturity has been extended from 2017 to 2019, and the third has a borrowing limit of \$10m, providing a total facility of \$24.1m. The forecast debt for the current year is \$18.7m with liquidity coverage at 129%.

As at 31 December, the Money Market Lending Statement shows:

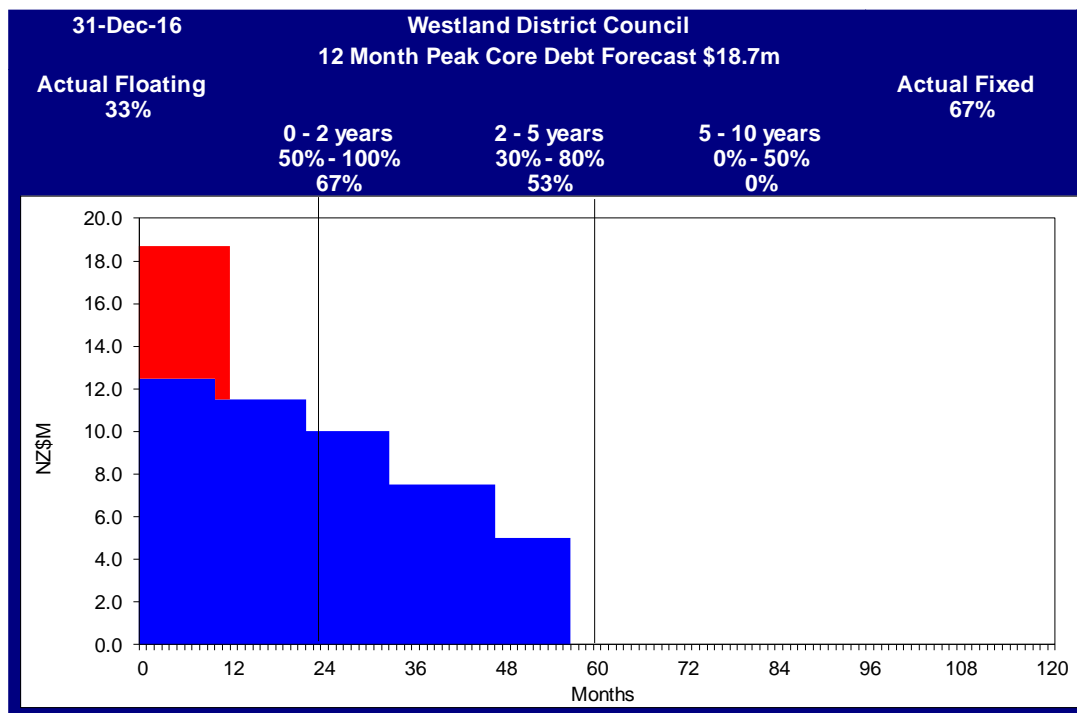
MOCL Facilities		
Amount	Rate	Maturity
\$6,543,353	1.915%	1/07/2018
\$3,940,000	1.765%	1/07/2019
\$6,057,000	1.915%	1/07/2020
\$450,000	1.915%	1/07/2020
<b>\$16,990,353</b>	<b>Total</b>	

*This does not include the 0.9% to 1.05% margins charged by the bank*

Swaps in place to protect against fluctuating interest rates are as follows:

Amount	Rate	Maturity
\$5,000,000	4.10%	1/10/2021
\$2,500,000	4.77%	17/09/2019
\$2,500,000	3.55%	17/11/2020
\$1,500,000	2.23%	17/09/2018
\$1,000,000	2.28%	18/09/2017
<b>\$12,500,000</b>	<b>Total</b>	

The following shows our current debt position and the amount of debt protected by interest rate swaps:



■ Floating Interest Rate  
■ Fixed Interest Rates

There have been no changes in swaps in Quarter 2. Council policy requires interest rate risk management within the ranges specified in the chart.

### Internal Borrowing

Kaniere Sewerage \$149,778.93

## Cash Investments

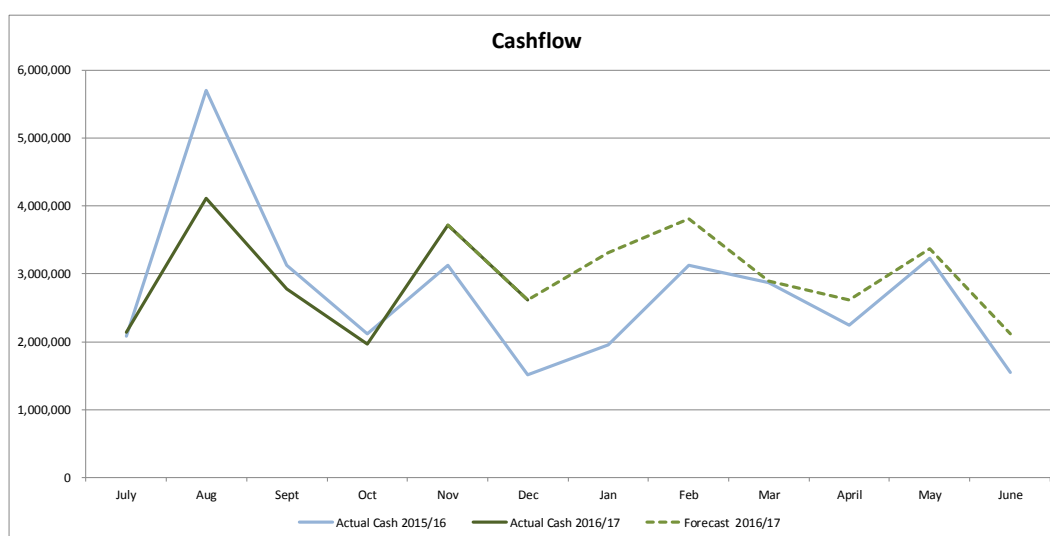
### Cash Deposits as at 31 December 2016

Cashflow is managed on a weekly basis. The highest spend is expected over the next two quarters with many operational projects scheduled for the summer months.

The following analysis excludes bond monies.

Closing balance of WDC Operational Account: \$1,693,955

Savings account balance of: \$919,120



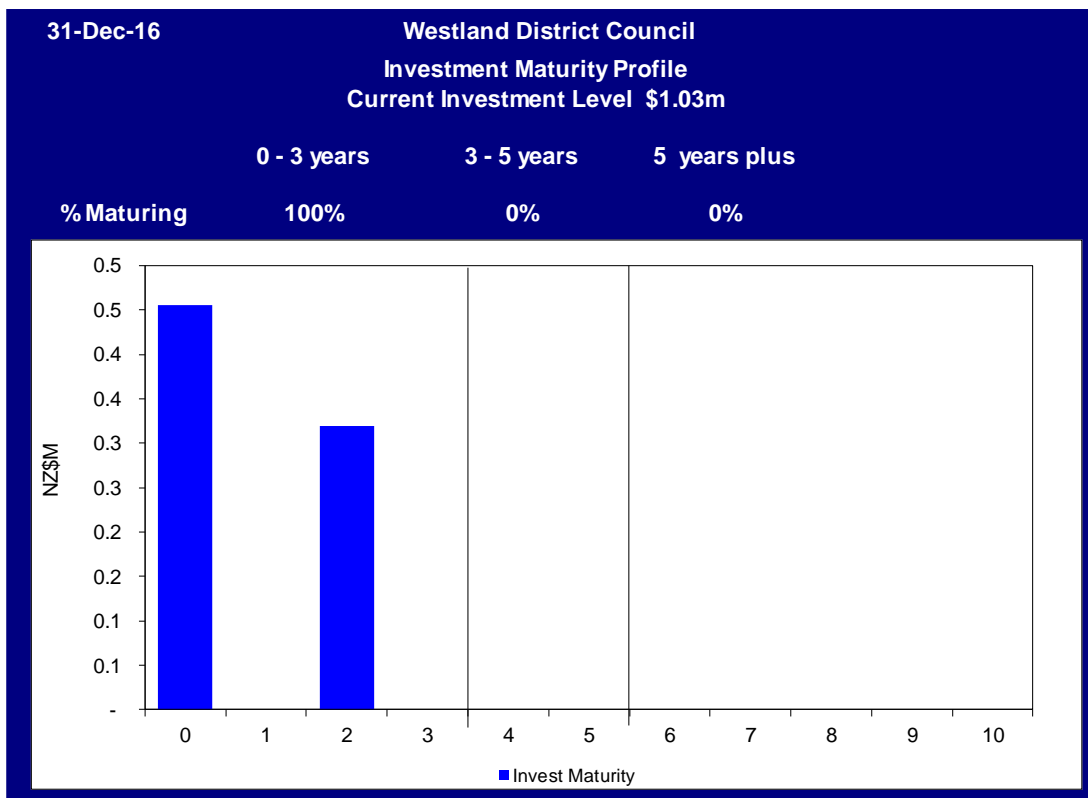
### Bonds

WDC Westpac Bond Portfolio valued at \$1,033,810 as at 31 December 2016. This is made up of \$0.775m in bonds and \$0.259m in cash from matured bonds.

Westland District Council Investment Counterparty Credit Limits				
Minimum Credit Rating is A-1/A (A+ for corporates)				
Counterparty Credit Risk	Credit Rating	Policy Limits NZD\$m	Counterparty Exposure NZD\$m	Policy Compliance
ANZ	AA-	1.00	0.10	Y
ASB	AA-	1.00	0.00	Y
Auckland Council	AA	1.00	0.10	Y
Auckland Int Airport	A-	1.00	0.00	N
BNZ	AA-	1.00	0.21	Y
Rabobank	BBB	1.00	0.25	N
Rabobank	A+	1.00	0.00	Y
Westpac	AA-	1.00	0.10	Y
<b>TOTAL</b>			<b>0.77</b>	

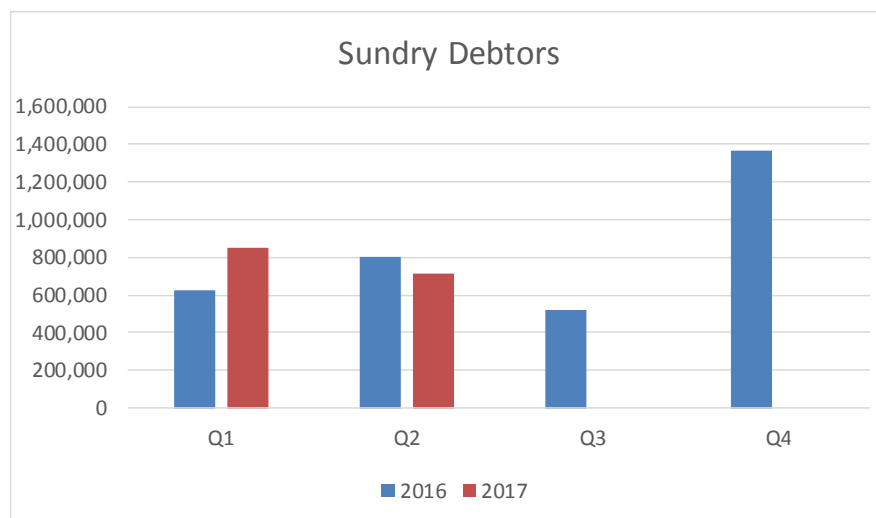
The policy requires that bond investments are with parties that have a credit rating of S&P A or better. Two bonds have rating below this limit. Council resolution decided to retain the bonds in the portfolio until maturity due to the high yields. The policy also has a limit of \$1m exposure per entity; all exposures are within this limit.

The following chart illustrates the maturity profile of the WDC investment portfolio:

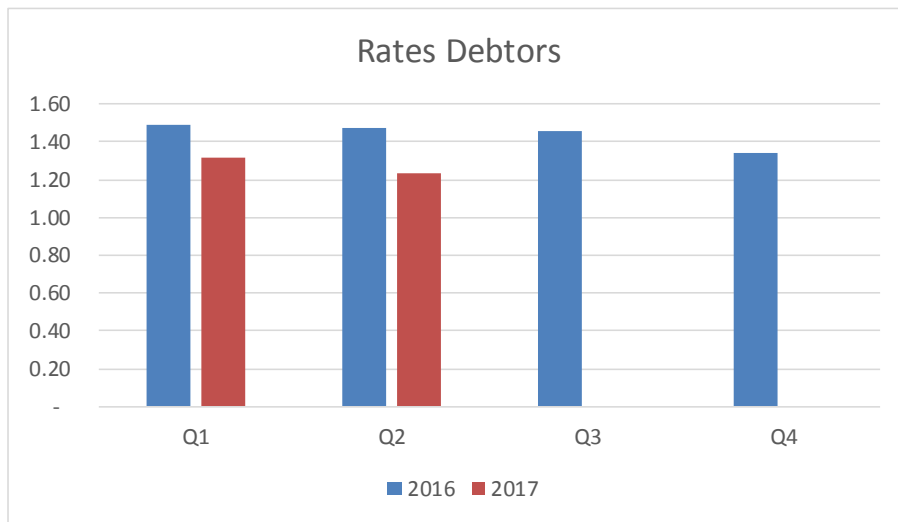


## Debtors

Outstanding Sundry debtors as at 31 December 2016 total \$713,303. Which is 11.3% less than Q2 2016.



At 31 December 2016, rates debtors figure is \$1,235,506 which is 16.2% less than Q2 2016, and 7.8% less than at 30 June 2016.



## Debt Collection

Prior to the end of the quarter, 224 penalty letters were sent out. A list of debts totalling \$90,342 was sent to credit recoveries during the quarter. Further notices are to be sent at the beginning of quarter 3.

Credit Recoveries performance as at 31 December for active debt:

### Credit Recoveries Table

#### Active debt

Date Debt Sent	Original Debt	Collected	Recovery Rate
Pre-2013	197,234.72	72,189.19	37%
2013	66,773.23	18,224.94	27%
2014	221,022.99	93,107.66	42%
2015	119,367.10	51,569.06	43%
2016	192,240.96	42,705.12	22%

A new process has been put in place where reminders and referrals are being dealt with more quickly. It is expected that the recovery rate will rise when new debts are received.

Automated Debt Recovery system will make the collection of debts and timely handling of delinquent debts more efficient.

The relationship between Council and the debt recovery agency is being actively managed with regular meetings and direction from Finance. This proactive approach has assisted in the success of the debt management process.

Further debts will be handed over to debt recovery during Q3.

## Summary

### **Reserves are divided into two categories:**

Restricted Reserves: These reserves can only be used for the purpose as set out in either legislation or by the funder.

Council Created Reserves: These reserves exist solely at the discretion of Council, as a matter of good business practice.

### **Financial Management Principles for Reserve Funds**

- There are no reserves that are required to be represented by specific cash funds. Council therefore takes a portfolio approach to treasury management.
- Reserves are funded by interest income from investments and available borrowing capacity.
- Reserve balances will grow by interest calculated at the weighted average 90 day bill rate, transferred quarterly into the reserve.
- During 2016/17 new depreciation reserves will grow quarterly. Interest will be earned on those reserves calculated based on the average 90 day bill rate. This will be funded from external interest revenue (or deficit reserves – internal borrowing) for 2016/17.
- Interest will be charged on any reserve in deficit at Council's weighted average cost of asset term debt.
- No funds shall be withdrawn from the Westpac Bonds or any reserve unless provided for in the Annual Plan or by Council resolution.

## Restricted Reserve Funds

Reserve	Purpose of each reserve fund	Balance 1 July 2016	Transfers into fund	Transfers out of fund	Balance 31 December 2016
		\$000	\$000	\$000	\$000
Offstreet Parking	Collected from developments in town to pay for off-street parking. Imposed by RMA/District Plan	31	0	0	31
Reserve Development	Monies collected from developments. Imposed by RMA/District Plan	513	48	0	561
Museum Assistance Fund	Originally the Museum Bequest Fund (\$8,458) & Carnegie Furnishings (\$3,929)	20	0	0	20
Kumara Endowment Fund	Proceeds from sale of Endowment land. Our brief research has not identified the specific terms of the endowment.	482	3	0	485
Euphemia Brown Bequest	Interest earned on funds administered by Public Trust Offices for the estates of Euphemia & William E Brown.	23	0	0	23
Mayors Trust Funds	Contributions from James & Margaret Isdell Trust; Coulston Herbert Trust;	19	0	0	19
Three Mile Domain	To fund three mile domain costs.	196	1	0	197
Ross Endowment Land	Various endowment land parcels in Ross sold over time.	89	1	0	90
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)	0
Taxi Chits	Grant funding Received	1	1	(0)	1
Hokitika War Memorial		24	0	0	24
<b>Total Restricted Reserves</b>		<b>1,398</b>	<b>54</b>	<b>(1)</b>	<b>1,451</b>



Council Created Reserve Funds

Reserve	Purpose of each reserve fund	Balance	Transfers	Transfers	Balance
		1 July 2016	into fund	out of fund	31 December 2016
		\$000	\$000	\$000	\$000
<b>2016</b>					
Kumara Township Fund	Township funding for the purpose of community related projects	0	7	(14)	(7)
Harihari Township Fund	Township funding for the purpose of community related projects	10	7	(5)	13
Whataroa Township fund	Township funding for the purpose of community related projects	2	7	(5)	4
Ross Township Fund	Township funding for the purpose of community related projects	0	7	0	7
Haast Township Fund	Township funding for the purpose of community related projects	(3)	7	0	4
Franz Township Fund	Township funding for the purpose of community related projects	1	18	0	19
Fox Township Fund	Township funding for the purpose of community related projects	1	17	(35)	(16)
Kokatahi/Kowhitirangi Community Rate	Allowing the community to have funds for various community related projects	0	4	0	4
Foreshore Protection Fund	Foreshore Protection for groin replacement on the foreshore.	26	0	0	26
Glacier Country Promotions	Targeted rates collected from Glacier Country to provide funding for marketing projects.	(3)	33	(26)	4
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	0	(0)	8
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.)	126	1	0	127
Guy Menzies Day	Surplus from Guy Menzies Day Event.	1	0	0	1
Cycleway	Road Reserve sold to Westland Diaries allocated to fund towards construction of Wilderness Trail.	0	0	0	0
Cycle Partner Contributions	Contributions from commercial partners towards upkeep of the Wilderness Trail	43	14	(41)	16
Emergency Contingency Fund	Rates collected to support Westland in a Civil Defence emergency.	50	1	0	50
Transportation Asset Renewal	For funding the renewal of roads and bridges.	0	362	(131)	232
Water Renewal	For funding the renewal of water supplies networks	849	409	(40)	1,218
Waste Water Renewal	For funding the renewal of sewerage and sewage networks	815	179	(11)	983
Stormwater Renewal	For funding the renewal of stormwater systems	646	80	0	726
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	57	46	(4)	99
Buildings Renewal	Asset Renewal For renewal of all Council operational buildings.	257	71	0	328
Administration Renewal	For renewal of office equipment, furniture, technical equipment, vehicles and technology	146	82	(29)	199
Library Book Renewals	To replace library books	61	64	(87)	38
<b>Total Council created reserves</b>		<b>3,095</b>	<b>1,417</b>	<b>(428)</b>	<b>4,084</b>
<b>Total Reserves</b>		<b>4,493</b>	<b>1,471</b>	<b>(429)</b>	<b>5,535</b>

The following section of the Quarterly Report contains:

- A summary of revenue and expenditure in this reporting period by Activity Group
- Commentary about Councils activity within each Group
- A summary of revenue and expenditure for the individual Activity
- Councils non-financial performance for each activity, measured against a set of 'key performance measures' that are in the Long Term Plan 2015 -2025.

**Note:**

Where a LOS performance measure is “% of residents satisfied”, Council holds results from the last survey of residents which was carried out in March 2016. The next survey of residents will be undertaken in the first quarter 2018.

A full explanation of the 2016 Resident Survey results is contained in Councils Annual Report 2015/16 and the survey itself can be obtained from the Council.

## Leadership Group

- Democracy
- Corporate Services
- Council Controlled Organisations

	LEADERSHIP ACTIVITY GROUP					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
Revenue	8,418,664	8,224,914	4,342,381	4,885,670	(543,290)	(u)
Expenditure	8,615,168	8,099,134	4,256,377	4,387,540	(131,163)	f
Surplus/(Deficit)	(196,504)	125,780	86,004	498,130	(412,126)	(u)

## Commentary

### Democracy

The local body elections were held on 8 October 2016 and a new Mayor and seven new Councillors elected for Westland. The inaugural Council meeting was held on 25 October 2016 where elected members were sworn in. Two Deputy Mayors were appointed - Cr Latham Martin and Cr Helen Lash - and two standing Committees established. A portfolio system was also implemented.

### Corporate Services

#### *i-SITE and Customer Services:*

Note – These activities are a part of the Corporate Services function. The commentary and service performance tables for this activity are however included in the “Leisure Services & Facilities” section of this report.

#### *Information Technology:*

An Information Support Officer commenced 5th December 2016.

Council’s website development project is progressing well – staff are currently at design stage.

New mobile devices have been distributed to all Elected Members. Aged PC’s are being upgraded throughout Council and upgrades to Window 10.

*Corporate Planner:*

The Annual Report 2015/16 was completed in this period, with an unqualified Audit opinion and was then adopted by Council.

The funding mechanism for the Franz Josef wastewater treatment facility was confirmed by the new Council as being a targeted rate method, supported by the introduction of other targeted (fee/charge) types of funding mechanisms.

The Commercial rating review recommenced, with 'stage 2' letters being generated. This correspondence will go out to parties that appear to be operating a commercial activity but not being rated accordingly.

The radio advertising and Westland Matters contracts were carried over for 2017. Some work is being done on the LGNZ creative campaign, utilising the Hokitika Wildfoods Festival as a first example.

Work commenced on the draft Annual Plan for 2017/18.

The Corporate Planner is working with staff to review Councils Service Request system, so it will better report on mandatory performance indicators.

Council Controlled Organisations

*Westland District Property Limited:*

Business as usual during this reporting period and all areas managed for Council ran smoothly.

Reroofing of the pensioner units is continuing with 42 of the 46 flats completed.

A number of beams on the lower wharf at Jackson Bay have been replaced and the main deck area cleaned.

WDPL staff are working with Hokitika Airport Management and staff to ensure a smooth transition of operations following the decision by Council to merge the two Companies.

## Democracy

	Democracy					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	1,092,079	968,678	516,507	516,977	(470)
Expenditure	1,062,451	968,678	487,833	526,997	(39,164)	f
Surplus/(Deficit)	29,627	-	28,674	(10,020)	38,694	f

The favourable expenditure variance is mainly due to lower than expected overhead charges.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Responsible leadership	% of residents satisfied with Council's leadership	31%	65%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018
The community understands what Council does	% of residents who understand how Council makes decisions	69%	50%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018

## Corporate Services

	Corporate Services					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
Revenue	7,320,519	7,230,986	3,825,873	4,368,693	(542,820)	(u)
Expenditure	7,420,002	6,983,730	3,699,601	3,777,590	(77,989)	f
Surplus/(Deficit)	(99,484)	247,256	126,272	591,104	(464,832)	(u)

The unfavourable revenue is mainly due to lower than anticipated overhead recoveries. The favourable expenditure variance is due to timing differences in expenditure and budgeted vacancies not yet filled.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Provide accountability about Council activities	Legally compliant financial plans and reports adopted	Annual Report 2013-14 adopted late	Annual Plans & Annual Report adopted on time	The Annual Plan 2016/17 was adopted on time. The Annual Report 2015/16 was also adopted on time, at a special Council Meeting on 31 October 2016.	
A comprehensive Customer Service Centre	% of residents satisfied with the service they receive	Not measured	75%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018
Effective engagement of the community during public decision-making opportunities	% of residents that believe they have been consulted appropriately	New measure	60%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018

## Council Controlled Organisations

	Council Controlled Organisations					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	6,067	25,250	3,034	22,217	(19,183)
Expenditure	132,714	146,726	68,943	82,954	(14,011)	f
Surplus/(Deficit)	(126,647)	(121,476)	(65,909)	(60,737)	(5,172)	f

The unfavourable revenue variance is due to insurance recoveries now being classified through the balance sheet, this is offset with the favourable expenditure variance where the insurance costs are also being classified through the balance sheet.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
CCOs comply with their Statements of Intent	All performance measures in the CCO Statement of Intent are met, as reported in half yearly and annual reports	84.5%	100%	No information to date	We will not receive this information until half year

## Planning and Regulatory Group

- Inspections and Compliance
- Resource Management
- Animal Control
- Emergency Management & Rural Fire

	PLANNING, COMMUNITY & ENVIRONMENT ACTIVITY GROUP SUMMARY					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	1,976,833	1,781,345	1,064,690	1,021,812	42,877
Expenditure	2,000,170	1,805,918	1,000,162	964,794	35,368	(u)
Surplus/(Deficit)	(23,337)	(24,573)	64,528	57,018	7,510	f

## Commentary

### Inspections and Compliance

#### *Building:*

Consent numbers were steady for this reporting period. Consents issued -

October	19
November	20
December	17

#### *Food Premises:*

All food premises operators needing to have a Food Control Plan in place by March 2017 under the new Food Act 2014 have been visited, inspected and been given advice about the new requirements regarding food control plans

#### *Liquor:*

Applications for two new licensed premises, being Kumara Racing Club and the Glacier Hot Pools have been processed.



## Resource Management

The resource consent workload has also been steady. Achievement of statutory timeframes has been hampered by two staff vacancies that were only just filled (November 2016).

## Animal Control

We currently have 90% of all known dogs registered for the current 2016/2017 dog registration year. This was not unexpected due to the delay in the start of the dog registration this year after the introduction of two new categories of dog ownership (normal year dog registrations due 31 July but this year dog registrations were due 30 September). Estimate 100% dog registration by the end of March.

## Emergency Management

### *Civil Defence:*

A new 0.5FTE Emergency Management Officer (EMO) was appointed on 17 October 2016.

Training and support focused on maximising training opportunities for staff and volunteers by planning a training schedule for 2017.

The capability and depth of our Emergency Operation Centre (EOC) was strengthened, partly through 1:1 schedule of meetings with existing or interested EOC staff to support ongoing involvement. A core EOC team has been identified to be on standby when events are forecast.

The Emergency Management Officer:

- Visited various local communities were to familiarise residents with existing plans and to update these plans with the new (Nov 2016) Civil Defence and Emergency Management Group Plan and recent educational material and emphasis on tsunami and earthquake preparedness. This work also involved developing Community Response Plans for the first time for some communities.
- Worked with the WDC library staff to develop a Civil Defence and Emergency Management display, with specific themes / activities planned (for school groups) throughout the year.
- Assisted in the roll out of the Ministry of Social Development funding 'Youth in Emergency Services Programme' (YES Programme) for 15 students to engage in a six month programme to increase awareness and experience of emergency services and take part in voluntary work.

### *Rural Fire:*

No incidences in the Westland District during this reporting period.

## Inspections and Compliance

	Inspections & Compliance					
	Forecast FYR	Budget FYR	Actual YTD	Budget YTD	Variance	f/(u)
	\$	\$	\$	\$	\$	
Revenue	876,571	790,900	436,216	437,696	(1,481)	(u)
Expenditure	891,986	814,440	462,263	439,365	22,898	(u)
Surplus/(Deficit)	(15,415)	(23,540)	(26,047)	(1,669)	(24,379)	(u)

The unfavourable revenue variance is due to timing differences on the building consent processing fees.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Timely processing of Building Consents	% of building consents processed within 20 working days as per the requirements of the Building Act	98%	100%	96%	
Provide appropriate advice to customers	% of users satisfied with the quality of the advice provided on building consent, environmental health and Liquor Licensing matters	Result for Building Consents: 92% user satisfaction Result for Environmental Health: 92% Result for Liquor Licensing: 70%	85%	Not yet measured	This performance target is covered by an in-house user satisfaction survey. The next results will be available about June 2017.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
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	84.5% of food premises inspected.	100%	30% of the total of yearly food and licensed premises inspections have been completed, to date.  i.e. 38 inspections/site visits out of the 118 premises.	

## Resource Management

	Resource Management					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	701,123	652,882	382,190	339,561	42,629
Expenditure	713,997	653,884	353,874	324,341	29,533	(u)
Surplus/(Deficit)	(12,874)	(1,002)	28,317	15,221	13,096	f

The favourable revenue variance is due to timing differences between the actual and budgeted revenue, the unfavourable expenditure variance is due to budgeted planner vacancies not yet filled offset by higher expenditure related to the higher than anticipated revenue.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Resource consents processed in accordance with the Resource Management Act	% of resource consents processed within statutory timeframes	91%	100%	62%	Ability to deliver to statutory timeframes has been compromised by staff vacancies which have only recently been filled.
Provide appropriate advice to customers	% of users satisfied with the quality of the advice provided on resource management matters	82%	85%	Not yet measured	This performance target is covered by an in-house user satisfaction survey. The next results will be available about June 2017.

## Animal Control

	Animal Control					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	188,764	179,894	137,082	143,382	(6,300)
Expenditure	185,152	180,309	91,419	93,488	(2,069)	f
Surplus/(Deficit)	3,612	(415)	45,663	49,894	(4,231)	(u)

The unfavourable revenue variance is due to the delay in dog registration fees. The remainder is expected during Q3 and Q4.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Keep the public safe from dogs and wandering stock	% of residents satisfied with the protection provided	72%	90%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018

## Emergency Management

	Emergency Management					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	210,375	157,669	109,202	101,172	8,030
Expenditure	209,036	157,285	92,606	107,600	(14,994)	f
Surplus/(Deficit)	1,339	384	16,596	(6,428)	23,023	f

Favourable expenditure variance is due timing difference of licence fees for repeater and bandlink.

### Civil Defence:

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Effective natural hazard readiness	Suitable emergency response training has occurred <ul style="list-style-type: none"> <li>- Emergency Management personnel meet CIMs 4 and EOC standards</li> <li>- Volunteers are offered at least 2 training opportunities per annum</li> <li>- Number of trained volunteers increases by 10%</li> </ul>	100%	100%	ONTRACK First Aid training was delivered to some staff in December 2016, with another scheduled prior to 1 July 2017.  Welfare CD training was provided to volunteers from Franz Josef and Fox Glacier in December 2016.  WDC EOC staff attended Foundation Training.	

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
				1:1 meetings held with the staff identified as EOC staff, to offer greater support and guidance by newly appointed EMO.	
Suitable response systems are in place	Community emergency response plans are in place for all Westland townships	80%	90 - 100%	ON TRACK Considerable work required to update and refresh some Community Response Plans – and update them in line with updated Group CDEM Plan. Good progress with Haast and plans underway for Kumara and Otira.	

#### Rural Fire:

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Appropriate emergency response to rural fires	WDC Rural Fire provides support to partner agencies as requested	100%	100%	100%	
Provide fire permit service	Fire permit requirements are publically advertised	100%	At beginning of fire season and prior to the at Christmas holiday break	On track	

## Community Services Group

- Community Development and Assistance
- Community Halls
- Townships (the development fund & improvement projects)

	COMMUNITY SERVICES ACTIVITY GROUP SUMMARY					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	1,016,389	955,067	632,827	506,312	126,515
Expenditure	957,010	1,003,591	683,868	645,787	38,081	(u)
Surplus/(Deficit)	59,378	(48,524)	(51,041)	(139,475)	88,434	f

## Commentary

### Community Development and Assistance

#### *District Economic Stimulus Fund (DESF):*

Expressions of Interest were called for in 'Round 2' by 23 November 2016. Thirteen expressions of Interest were received. Council agreed at their 24 November meeting to forward all expressions to Development West Coast (DWC) for their consideration. DWC then asked for all groups to submit full commercial applications back to Council.

#### *Receipt of grant:*

In December 2016, Council was successful in receiving a grant of \$30,000 from the Ministry of Youth Development (MYD) for a youth mentoring and connections programme to run at Westland High School and South Westland Area School in 2017. WestREAP will be subcontracted to run the programme.

#### *Safer communities:*

The Safe Communities Foundation of New Zealand have advised that Westland District has now met the criteria for accreditation. The Accreditation Ceremony is planned for Thursday 23 February 2017.

#### *Awards 2016:*

The Community Development Advisor assisted with the judging of the New Zealander of the Year Awards and Local Hero Awards.



### Community Halls

The Fox Glacier Community Centre is very nearly finished and the last of their Major District Initiative (MDI) Funding has been uplifted for the project.

The interior of the new RSA building in Sewell Street is finished.

St John at Haast are fundraising for their new facility which will contain a room for community use.

The Ross Memorial hall had its carpark prepped and resurfaced to a pleasing level of finish.

### Townships (the development fund & improvement projects)

The Franz Josef Community Council and the Glacier Country Tourism Group (GCTG) have signed their funding agreements for 2016/2017.

Franz Josef want to upgrade their community centre and the GCTG want to use their annual grant for administrative purposes.

## Community Development and Assistance

	Community Development and Assistance					
	Forecast FYR	Budget FYR	Actual YTD	Budget YTD	Variance	f/(u)
	\$	\$	\$	\$	\$	
Revenue	441,841	423,329	338,612	225,670	112,941	f
Expenditure	403,407	429,805	251,141	278,945	(27,804)	f
Surplus/(Deficit)	38,434	(6,476)	87,471	(53,275)	140,745	f

The favourable revenue and expenditure variances are due to timing differences between actual and budget.

There are no non-performance financial measures for this activity.

## Community Halls

	Community Halls					
	Forecast FYR	Budget FYR	Actual YTD	Budget YTD	Variance	f/(u)
	\$	\$	\$	\$	\$	
Revenue	133,423	131,626	67,947	65,785	2,162	f
Expenditure	123,022	137,090	66,965	69,070	(2,105)	(u)
Surplus/(Deficit)	10,401	(5,464)	983	(3,284)	4,267	f

The favourable expenditure variance is mainly due to maintenance work not yet required to be carried out, maintenance costs are expected to meet budget by end of the financial year.

Activity	Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Community Halls	Provide safe and useful community halls	% of residents satisfied with the standard of their local hall	67%	80%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018

## Community Township Development

	Township Development					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
Revenue	441,125	400,112	226,268	214,856	11,411	f
Expenditure	430,581	436,696	365,762	297,772	67,990	(u)
Surplus/(Deficit)	10,543	(36,584)	(139,494)	(82,916)	(56,579)	(u)

The unfavourable expenditure variance is due to Council resolution of \$150k for Kumara residents trust offset by timing differences on payment of the Township Development Funds.

There are no non-performance financial measures for this activity.

## Leisure Services & Facilities Group

- Cemeteries
- Elderly Housing
- Hokitika Museum
- Hokitika Wildfoods Festival
- i-SITE
- Land & Buildings
- Parks and Reserves
- Public Toilets
- Swimming Pools
- West Coast Wilderness Trail
- Westland District Library

	LEISURE & CULTURAL ACTIVITY GROUP SUMMARY					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
Revenue	3,093,413	2,813,652	1,454,791	1,383,912	70,878	f
Expenditure	3,336,731	2,878,562	1,556,329	1,541,815	14,514	(u)
Surplus/(Deficit)	(243,318)	(64,910)	(101,539)	(157,903)	56,364	f

### Commentary

#### Cemeteries

The Sextons shed at the Hokitika cemetery has been broken into multiple times this year. Additional security measures are being installed to reduce the likelihood of continued issues.

## Elderly Housing

Note - An update about the Elderly Housing function is contained within the Council Controlled Organisations section of this report (CCO's).

## Museum

The results of an assessment of the seismic strength of the buildings led to the closure of the Museum to visitors on 22 September 2016. Currently Council are considering the options and obtaining cost estimates for strengthening work.

Hokitika Museum staff have moved to temporary premises where they are continuing to respond to research enquiries (which are only nine per cent down on last year's figures despite the closure) and taking the opportunity to work through the very large backlog of collection cataloguing work, which will be a big step towards improving public access to the collection.

There is also a considerable amount of work being undertaken in the collection store with the installation of new shelving (funded by Heritage Hokitika), rehousing collection items and retrieving and boxing objects from the displays in the Carnegie Building.

## Hokitika Wildfood Festival

The Event Manager-Hokitika Wildfoods Festival has recommenced full time employment with Westland District Council in this quarter.

Forward planning for the 28th annual Hokitika Wildfoods Festival is well underway ahead of Saturday 11th March 2017. The driver of #BiggerBetterWilder is again at the forefront of staffs minds as the push to continue the positive financial and ticketing results of 2016 is a priority.

## i-SITE

Resumed tracking of Customer Service Centre Statistics began in October 2016. This showed some substantial increases in phone call and door traffic, compared with previous years.

Whilst bookings figures are comparatively similar, the income realised both from advertising and retail are down. For the former, it is suggested that this is a result of a number of operators going out of business as well as advertisers choosing other platforms. The retail figures show a large decline as it was decided at the end of the 2015-16 year to reduce the amount of retail offered.

Several challenges face the CSC:

### *Security*

An incident in September 2016 which resulted in the assault of a staff member has prompted a review of security. It has been proposed to increase security cameras, offer a 'safe room' should an incident occur, offer alternative meeting arrangements, and encourage Council Officers to be aware of their own vulnerability when meeting clients in a one-to-one situation. A Serious Incident Reporting procedure has been developed.

### *Council and i-SITE visitors*

Records have shown that both phone calls and visitor traffic has increased. There are differences in requirements between Council visitors and i-SITE visitors. Proposals have been made to enable both sets of visitors to feel comfortable in the one environment.

### *Visitor traffic and financial return*

Whilst visitor numbers have increased in October and November, that increase has not been reflected in sales growth. There are several reasons for this, from bookings made in advance to a pattern of visitors gleaning information concerning accommodation and activities at the i-SITE and then choosing to make bookings themselves.

### *Retail*

A decision was made in 2015-16 to reduce the amount of retail offered. This was made in order to increase the space in the CSC to allow both functions be carried out as well as the amount of time taken for stock take etc. This has follow on effects in terms of revenue achieved.

### *Staffing*

Currently the CSC and i-SITE enjoy the services of part-time and full time staff. A review is underway to analyse the service requirements and corresponding staffing of the area.

### *Community awareness of CSC*

Anecdotal evidence has shown community awareness of the i-SITE increasing, both through regular radio slots and radio advertising.

### Land and buildings

Detailed seismic assessments have been completed on 7 buildings throughout the district.

A section 124 certificate under the Building Act was issued by the building regulatory authority for the Carnegie building and the building was vacated by staff and closed to the public. Staff are now working in a temporary location on Revell Street while upgrade and strengthening plan costings are undertaken.

The Hokitika Swimming Pool changing sheds and entrance building, Ross swimming pool change shed and Cass Square changing sheds have all been defined as earthquake prone, a notice has been installed to the front of the building informing users of the buildings status. Upgrade design, planning and costings are being prepared.

### Parks and Reserves

The existing contract with Westroads remains ongoing.

Major Capital works remain as Cass Square and redevelopment of the playing surface by GSL and Westroads. There has been issues with the grass growth, however this is being addressed by contractors. Cass Square is expected to be opened in the 3rd week of February.

### Public toilets

Council decided to add another clean to the Franz Josef public toilets to keep on top of the peak of the tourist season. These toilets are now cleaned four times a day in an effort to keep the facilities sparkling.

The Franz toilets have been experiencing issues with the automatic door opening system and Fox have had troubles with blockages.

## West Coast Wilderness Trail

Trail data has been of poor quality to date, with erroneous monthly counts occurring due to logger faults. Two new magnetic counters have been procured and will be installed late-January 2017.

A Rider Survey has been prepared to assist with understanding the types of riders and trail sections ridden on a daily basis, rather than only collecting a monthly count.

A Project Completion Plan has been presented to the Ministry of Business Innovation & Employment (MBIE). Work has progressed on identified 'priority projects and physical works', commencing with creating the new off road track at Taramakau State Highway.

Planning was completed for the Golf Links Rd SH6 project and consents and heritage applications were lodged for the Hokitika-Kaniere Tramway part of the trail.

A new trail shelter was installed at Kawaka and two new Gangers sheds on the Ross section.

## Westland District Library

### *Library Talks*

On 2 November, the library began hosting talks from members of the community who have a passion for sharing their stories about an interesting job, hobby or an amazing travel experience. Talks will take place every two months. Sue Norris, from Greymouth, was our inaugural speaker who entertained approximately 40 people with tales from her time teaching English and living in Laos for several years.

### *Book Launch*

Approximately 45 children and parents helped Lynda Murphy launch her children's picture book 'Chips of Hokitika' on Saturday 3 December. Chips was a popular dog in Hokitika in the late 19th Century and more information is available from Hokitika Museum staff.

### *Summer Reading Challenge*

The Library Manager and the Youth Librarian visited St Mary's, Ross, Kaniere, Kokatahi and Kaniere schools to promote the 2016 Summer Reading Challenge. The Challenge runs from 19 December 29 January 2017. It is an incentive-based programme and the top prize is an iPad Air worth \$650. Funding from The Lion Foundation (\$1500), and the West Coast Community Trust (\$1100) ensure the success of the programme. Westland District Council also provides financial support for the programme.

### *Code Club*

This Club runs weekly during the school term, for upper primary/intermediate aged children interested in computer programming. The library works in conjunction with Westland High School to provide Code Club. The library provides the venue and the school provides the tutor and the Google Chromebooks each week. On 23 November, all the children who participated in Code Club visited the Greymouth Techspace to meet up with other like-minded children, and experience VR (virtual reality) technology. As the programme has been so popular, the library hopes to continue running the Code Club in 2017.

### *Stepping Up Computer Classes*

The free Stepping Up Computer Classes run weekly every Tuesday 2.00pm- 4.00pm in the History Room at the Library. These classes, run in conjunction with 20/20 Communications Trust, help people feel more comfortable in the digital world. On 29 November 'How to Manage Digital Photos' was the final class for 2017. Classes include 'How to Use your Tablet', 'Google and the Internet', 'Email' and 'How to use Social Media'. The classes will start again on 14 February 2017.

## Cemeteries

	Cemeteries					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	157,121	186,878	77,786	78,378	(592)
Expenditure	156,757	159,233	75,760	79,091	(3,331)	f
Surplus/(Deficit)	364	27,645	2,026	(713)	2,738	f

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Cemeteries have sufficient capacity	Each cemetery has at least 12 months capacity ahead	Hokitika 100% Kumara 100% Ross 100%	Hokitika 100% Kumara 100% Ross 50%	On target On target On target	



## Elderly Housing

	Elderly Housing					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	-	-	-	-	-
Expenditure	56,915	69,915	31,629	34,958	(3,329)	f
Surplus/(Deficit)	(56,915)	(69,915)	(31,629)	(34,958)	3,329	f

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
A safe and efficient service	Occupancy is maximised	100%	100%	100%	We continue to be fully occupied
	% tenants satisfied with the service	100%	>95%	100%	The annual satisfaction survey was conducted in September 2016 and 100% satisfaction was recorded.

## Hokitika Museum

	Hokitika Museum					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	357,007	385,190	184,757	190,489	(5,732)
Expenditure	392,470	371,979	183,460	211,405	(27,946)	f
Surplus/(Deficit)	(35,462)	13,211	1,297	(20,917)	22,214	f

The unfavourable revenue variance is due to the museum closure. The closure of the museum is also reflected in expenditure.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
A quality museum experience	Visitor numbers are showing an upward trend	13,753	An increase of 5% each year	2,266	Figure is until Museum closure on 22 September 2016
	% of residents satisfied with their museum experience	99%	85%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018

## Hokitika Wildfoods Festival

	Hokitika Wildfoods Festival					
	Forecast FYR	Budget FYR	Actual YTD	Budget YTD	Variance	f/(u)
	\$	\$	\$	\$	\$	
Revenue	360,442	374,057	42,308	46,599	(4,291)	(u)
Expenditure	341,137	376,148	42,874	65,547	(22,672)	f
Surplus/(Deficit)	19,305	(2,091)	(566)	(18,947)	18,381	f

The favourable expenditure variance is due to timing differences, most expenditure is budgeted around the festival period in March.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
A quality attendee experience	% of attendees satisfied (post event satisfaction survey)	90%	85%	N/A	
	Growth is experienced annually (to a limit of 10,000)	6,620 Festival 1,270 Afterparty	8,500	N/A	

## i-SITE

	i-SITE					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	443,272	336,332	216,363	226,179	(9,816)
Expenditure	485,149	347,890	237,215	227,297	9,919	(u)
Surplus/(Deficit)	(41,877)	(11,558)	(20,852)	(1,118)	(19,734)	(u)

The unfavourable revenue variance is due to lower than anticipated advertising sales. The unfavourable expenditure variance is due to higher than budgeted costs for the Customer Service Centre, this is offset in Corporate Services Admin expenditure.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
A quality customer experience	i-SITE NZ and Qualmark standards are met	83%	80%	Qualmark standards met for 2016/17.	Qualmark is accessed yearly by a Qualmark representative visit.
Increase resident population knowledge about what the i-SITE has to offer locals	Bookings made by local population	i-SITE decrease of 5% AA NZ increase of 6%	Maintain or Increase	Bookings made by the local population were 9.2% of all bookings, maintaining the rate of last year's booking figures.	

## Land and Buildings

	Land and Buildings					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	148,580	140,854	74,290	74,290	0
Expenditure	140,425	141,651	51,948	71,758	(19,811)	f
Surplus/(Deficit)	8,154	(797)	22,342	2,531	19,811	f

The favourable expenditure variance is due to timing differences of legal and survey fees.

There are no non-performance financial measures for this activity.

## Parks and Reserves

	Parks and Reserves					
	Forecast FYR	Budget FYR	Actual YTD	Budget YTD	Variance	f/(u)
	\$	\$	\$	\$	\$	
Revenue	401,787	247,742	232,446	169,046	63,400	f
Expenditure	342,706	258,810	140,758	173,165	(32,407)	f
Surplus/(Deficit)	59,080	(11,068)	91,687	(4,119)	95,807	f

The favourable revenue variance is due to higher than anticipated reserves contributions from developers and an unbudgeted donation of \$10k towards relocating the Pioneer statue. The favourable expenditure variance is due to timing of maintenance costs.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Reserves are pleasant, enjoyable and safe places	% of residents satisfied with parks and reserves	87%	90%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018

## Public Toilets

	Public Toilets					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	252,342	252,342	126,171	126,171	(0)
Expenditure	251,429	247,870	89,636	135,271	(45,635)	f
Surplus/(Deficit)	913	4,472	36,535	(9,100)	45,635	f

The favourable revenue variance is mainly due to the council grants for toilet cleaning not yet been requested.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Provide public toilets throughout the district	% of residents satisfied with the service	66%	100%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018
	Facilities are available for use during the day	100%	100%	100%	

## Swimming Pools

	Swimming pools					
	Forecast FYR	Budget FYR	Actual YTD	Budget YTD	Variance	f/(u)
	\$	\$	\$	\$	\$	
Revenue	270,657	256,846	135,329	135,329	0	f
Expenditure	319,078	276,928	161,289	160,721	567	(u)
Surplus/(Deficit)	(48,420)	(20,082)	(25,960)	(25,393)	(567)	(u)

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
A quality swimming or exercise experience at the Hokitika Pool	% of residents satisfied	58%	85%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018
	Maintain Pool Safe Accreditation	100%	100%	The pool has Pool Safe certification	



## West Coast Wilderness Trail

	West Coast Wilderness Trail					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	93,395	79,533	53,628	39,766	13,862
Expenditure	261,551	100,415	206,386	53,166	153,220	(u)
Surplus/(Deficit)	(168,156)	(20,882)	(152,757)	(13,400)	(139,358)	f

The favourable revenue variance is due to unbudgeted partner contributions, this is offset the expenditure variance. The unfavourable expenditure variance is also due to higher depreciation charges, depreciation is only funded on the structures on the cycle trail which amounts to approximately 17% and the cost of the project manager employed to complete the project.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
The cycle trail is well used	Numbers using the trail as measured by trail counters	8,753	10,000 per annum	Partial 6 month count was 3,281	We are still having problems with the trail counters, two new magnetic counters have been procured and will be installed late-January 2017.

## Westland District Library

	Westland District Library					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	590,649	553,878	293,551	297,666	(4,115)
Expenditure	572,743	553,878	304,657	313,412	(8,755)	f
Surplus/(Deficit)	17,906	-	(11,107)	(15,746)	4,640	f

The favourable expenditure variance is mainly due to timing differences of the maintenance costs.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Provide quality library services in the District	% of residents satisfied	81%	95%	Not yet measured	The next Residents survey will be undertaken in the first quarter 2018.  A survey of <i>library customers</i> was undertaken in November 2015 which indicated 95% customer satisfaction.
	% of residents who are library members	43%	42%	45%	

## Transportation Group

	TRANSPORTATION					
	Forecast	Budget	Actual	Budget	Variance	
	FYR	FYR	YTD	YTD		f/(u)
	\$	\$	\$	\$	\$	
Revenue	5,787,037	4,809,476	1,827,089	2,390,895	(563,806)	(u)
Expenditure	5,355,666	5,818,439	2,409,968	2,824,621	(414,653)	f
Surplus/(Deficit)	431,371	(1,008,963)	(582,879)	(433,726)	(149,153)	(u)

The unfavourable revenue variance is due to timing on spend and claiming of NZTA subsidy. The unfavourable expenditure variance is due to unbudgeted spend of \$277k on damaged culverts offset by timing differences of maintenance spend.

### Commentary

Westland District Council Staff attended the NZTA "REG R6" Workshop – Top of the South / West Coast Regions at St Arnaud, Nelson Lakes. Training and roll out of the One Network Road Classification system is in progress.

The Business case for the Whitecombe Valley Road (Hokitika Gorge) is being jointly funded by NZTA and the Westland District Council. Funding for the construction of this project is to be applied for under the NZTA Investment Funding Process as part of the Visitor Driver programme.

Westroads, Council's roading maintenance contractor has undertaken to start electronically entering maintenance information in the field into the "Ramm Contractor" system. This will start building up a database of roading maintenance costs.

Road safety, State Highway accidents, Overseas Visitors - Westroads have reported 10 accidents over a 5 day period at Christmas in the Franz Josef Area On the State Highway network. The majority of these accidents involved overseas visitors.

The joint reseals contract with the Grey District Council will commence in January 2017.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
The transportation network is safe for all users in Westland District	Road safety:  The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	No known fatalities to date.	Less than the previous year  [2016- 2017 No Fatal accidents in the Westland District Councils roading network]	No known fatalities on local roads within this reporting period.	
The surface condition of roads in Westland is of good quality	Road condition:  The average quality of ride on a sealed local road network, measured by smooth travel exposure	NAARA index not measured recently so the trend shown for last year is the most recent.	>90%	NAARA index not measured recently so the trend shown for last year is the most recent.	Typically only get data refreshed about every 2 years, but investigating use of a phone app to log this data more frequently with assistance from other road users such as Westland Milk Products.
	Residents are satisfied with the standard and safety of Council's unsealed roads	70%	50% of residents are satisfied with Council's unsealed roads	No information to date	The next Residents survey will be undertaken in the first quarter 2018
The surface condition of roads in Westland is maintained to a high standard	Road maintenance:  The percentage of the sealed local road network that is resurfaced	Target met	>7%	0% within this reporting quarter	The joint GDC/WDC reseals contract commenced in January 2017 i.e. after this reporting period

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Footpaths are maintained in good condition and are fit for purpose	<p>Footpaths:</p> <p>The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan)</p>	<p>Measure not yet determined.</p> <p>No known exceedances for deliverable standards.</p>	90%	No known exceedances for deliverable standards.	<p>Audit inspection required and data for some asset types may be transferred to AssetFinda.</p> <p>Additional field inspection resource required.</p> <p>Scheduling required of future footpath programme.</p> <p>Field inspection required, Possible Engineering student holiday position</p>
Response to service requests are dealt with promptly	<p>Customer service requests:</p> <p>The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.</p>	No known timeline exceedances for response from NCS database.	100%	Ongoing	The service request system and process with the contractor is not currently aligned to adequately monitor this measure.

## Water Supply Group

	WATER SUPPLY					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
Revenue	4,097,756	3,857,955	2,286,111	2,046,146	239,966	f
Expenditure	2,974,250	3,164,034	1,279,917	1,625,473	(345,556)	f
Surplus/(Deficit)	1,123,506	693,921	1,006,195	420,673	585,522	f

The favourable revenue variance is due to recovery of water connection cost and timing differences of metered water, the favourable expenditure variance is due to costs that are expected to be realised later in the financial year.

### Commentary

There were 92 water related service requests recorded between 1 July 2016 and 31 December 2016. 49 of the 92 water related service requests were associated with jobs reported in Hokitika. The remaining service requests were associated with jobs identified in Kumara, Arahura, Ross, Harihari, Whataroa, Franz Josef, Fox Glacier and Haast. The service requests received during this timeframe can be broken down into the following categories:

Category	No. of Service Requests		
	QUARTER 1 1 July – 30 September 2016	QUARTER 2 1 October – 31 December 2016	Total
Leaks	19	17	36
Operational Matters	11	6	17
Other Fault (e.g. toby fault, missing toby lids etc.)	10	6	16
Water Quality, Supply or Pressure Complaint	2	4	6
Other Complaints	0	2	2
Service Locate	2	4	6
New Water Connections	2	1	3
General Enquiry	1	1	2
Private Issues	1	3	4
TOTAL	48	44	92

The following service performance table includes a measure about response times for addressing the above service requests.

Council has tendered for the planned upgrades of both the Kumara and Whataroa Water Treatment Plants. The physical works are to be completed this financial year. Both upgrades will result in improvements to drinking water quality for both supplies and improve compliance with the Drinking-water Standards for New Zealand 2005 (Revised 2008).

An open day session for public to view the existing water supplies is scheduled for January in Whataroa and Kumara.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Council supplied potable water is safe to drink	<p>Safety of drinking water:</p> <p>The extent to which the local authority's drinking water supply complies with:</p> <p>(a) part 4 of the drinking-water standards (bacteria compliance criteria), and</p> <p>(b) part 5 of the drinking-water standards (protozoal compliance criteria).</p>	<p>a) 2 out of 9 supplies fully compliant with bacterial compliance criteria at both the water treatment plant and in the distribution zone</p> <p>b) 0 out of the 9 supplies compliant with protozoal compliance criteria.</p>	<p>Years 1-3</p> <p>These drinking water schemes will comply with parts (a) and (b) of the key performance measure: Hokitika, Ross, Harihari, Franz Josef, Haast</p> <p>Years 2-3</p> <p>These drinking water schemes will comply with parts (a) and (b) of the key performance measure: Kumara, Whataroa</p> <p>Years 2-3</p> <p>These drinking water schemes will comply with parts (a) and (b) of the performance measure: Fox, the Arahura scheme if it is continued as a Council service</p>	<p>A full explanation about the status of Councils water supplies is contained in the recent Annual Report.</p> <p>We are unable to report further on this measure until the completion of the Annual Drinking Water Survey for 2016-17. This is undertaken in July-August 2017 with confirmed results available later in 2017.</p>	
Requests for service are dealt with promptly	<p>Fault response times:</p> <p>Where the local authority attends a call-out in response to a fault or unplanned</p>		<p>(a) 100%</p> <p>(b) 100%</p> <p>(c) 100%</p> <p>(d) 100%</p>	No update. We are working with our contractor and through our internal processes	Audit NZ highlighted to Council that we need to improve our use of the Customer Service System to record response



Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
	<p>interruption to its networked reticulation system, the following median response times measured:</p> <p>(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and (2 hours)</p> <p>(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (12 hours)</p> <p>(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and (24 hours)</p> <p>(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service</p>	<p>The response time for urgent callouts (under 2 hours): <i>Unable to report accurately</i></p> <p>The resolution of urgent callouts (under 12 hours): <i>Unable to report accurately</i></p> <p>The response time for non-urgent callouts (under 24 hours): <i>Unable to report accurately</i></p> <p>The resolution of urgent callouts (under 72 hours):</p>		<p>to begin reporting this measure over the coming months.</p>	<p>times. We are working with our contractor and through our internal processes to rectify this.</p>

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
	personnel confirm resolution of the fault or interruption. (72 hours)	<i>Unable to report accurately</i>			
Council supplied water is reliable	Maintenance of the reticulation network: The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).	Will not be measured	Council does not intend to measure this as it will impose an unreasonable cost	Not measured	
	Demand management: The average consumption of drinking water per day per resident within the territorial authority district.	Not measured in 2015/16	The average water consumption per person per day is < 500l/day	Not measured	Not measured
Customers are generally satisfied with the Council supplied water	Customer satisfaction: The total number of complaints received by the local authority about any of the following:  (a) drinking water clarity (a) drinking water taste (b) drinking water odour (c) drinking water pressure or flow (d) continuity of supply, and	(a) 2 (b) 1 (c) 1 (d) 5 (e) 5 (f) 0  Total number of complaints = 14	Type and number of complaints received (25 per 1000 connections)	Total number of service connections = 2684  a) 3 b) 1 c) 0 d) 1 e) 1 f) 0  Total number of complaints = 6	

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
	(e) the local authority's response to any of these issues Expressed per 1000 connections to the local authority's networked reticulation system.	Complaints per 1000 connections = 5		Complaints per 1000 connections = 2	

## Wastewater Group

	WASTE WATER					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
Revenue	1,029,076	1,005,115	483,211	506,443	(23,232)	(u)
Expenditure	1,064,554	1,035,660	575,749	537,854	37,895	(u)
Surplus/(Deficit)	(35,478)	(30,545)	(92,537)	(31,411)	(61,126)	(u)

The unfavourable revenue variance is due to timing differences, the unfavourable expenditure variance is due to unbudgeted legal fees and consultants costs for the Franz Josef Wastewater treatment plan.

### Commentary

There were 11 wastewater related service requests recorded between 1 July 2016 and 30 September 2016. 10 of the 11 wastewater related service requests were associated with jobs identified by the public or Council staff. One service request was an enquiry regarding Otira which has a private wastewater scheme that is not managed by Council. The service requests received during this timeframe can be broken down into the following categories:

Category	No. of Service Requests (1 July – 30 September)
Operational Matters	4
Service Locate	2
Private Issues	2
Complaint	2
New Sewer Connections	1
TOTAL	11

The following service performance table includes a measure about response times for addressing the above service requests.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Council wastewater systems are managed without risk to public health	System and adequacy: The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	Currently unable to measure service requests related specifically to dry weather overflows	Number: 10 per 1000	Total number of service connections = 2007  Total number of dry weather overflows = 0  Dry weather overflows per 1000 connections = 0	
Council wastewater systems are safe and compliant	Discharge compliance: Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: <ul style="list-style-type: none"> <li>(a) abatement notices</li> <li>(b) infringement notices</li> <li>(c) enforcement orders, and</li> <li>(d) convictions,</li> </ul> Received by the territorial authority in relation those resource consents.	(a) 0 (b) 0 (c) 3 (d) 0	100%	(a) 0 (b) 0 (c) 1 (d) 0	Enforcement order for continuation of breach of consent conditions at the Franz Josef Wastewater Treatment Plant.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Customers are generally satisfied with the Council wastewater systems	<p>Fault response times:</p> <p>Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:</p> <p>(a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and (2 hours)</p> <p>(b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. (4 hours)</p>	Unable to measure accurately using information in our existing service request system.	100%	No update. We are working with our contractor and through our internal processes to begin reporting this measure over the coming months.	We are working with our contractor and through our internal processes to begin reporting this measure over the coming months.
	<p>Customer satisfaction:</p> <p>The total number of complaints received by the territorial authority about any of the following:</p> <p>(a) sewage odour</p> <p>(b) sewerage system faults</p> <p>(c) sewerage system blockages, and</p> <p>(d) the territorial authority's response to issues with its sewerage system,</p> <p>Expressed per 1000 connections to the territorial authority's sewerage system.</p>	<p>(a) 11</p> <p>(b) Unable to measure at present.</p> <p>(c) 4</p> <p>(d) 0</p> <p>Key performance measure condition has been met:</p> <p>Complaints per 1000 connections = 8</p>	25 per 1000	<p>Total number of service connections = 2007</p> <p>a) 2</p> <p>b) 0</p> <p>c) 4</p> <p>d) 1</p> <p>Total number of complaints = 7</p> <p>Complaints per 1000 connections = 3.5</p>	

## Stormwater Group

	STORMWATER					
	Forecast FYR	Budget FYR	Actual YTD	Budget YTD	Variance	f/(u)
	\$	\$	\$	\$	\$	
Revenue	465,717	465,717	232,859	232,859	(0)	f
Expenditure	446,594	596,518	206,227	252,262	(46,035)	f
Surplus/(Deficit)	19,123	(130,801)	26,632	(19,403)	46,034	f

The favourable expenditure variance is due to lower than budgeted depreciation costs. These assets were revalued at the end of the 2015-16 financial year and expected lives and depreciation rates have been adjusted.

### Commentary

There were 41 stormwater related service requests recorded between 1 July 2016 and 31 December 2016. 38 of the 41 water related service requests were associated with jobs reported in Hokitika. The remaining service requests were associated with jobs identified in Ross and Fox Glacier. The service requests received during this timeframe can be broken down into the following categories:

Category	No. of Service Requests		
	QUARTER 1	QUARTER 2	Total
	1 July – 30 September 2016	1 October – 31 December 2016	
Complaint	11	11	22
Operational Matters	3	5	8
Private Issues	2	3	5
New Stormwater Connections	2	0	2
General Enquiry	1	1	2
Other Faults (e.g. manhole lids)	0	2	2
TOTAL	19	22	41

Council is currently out to tender for the works associated with the Hokitika stormwater upgrade. Upgrade works in the Bealey, Rolleston and Tancred Street catchments are due for completion this financial year.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Council Stormwater systems have the capacity to resist major storms and flooding events.	<p>System adequacy:</p> <p>(a) The number of flooding events that occur in a territorial authority district.</p> <p>(b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)</p>	<p>(a) 0</p> <p>(b) 0</p>	<p>(a) 2</p> <p>(b) 10 per 1000</p>	<p>(a) 0</p> <p>(b) 0</p>	
Requests for service are dealt with promptly	<p>Response times:</p> <p>The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (1 hour)</p>	<100%	100%	No flooding events during reporting period.	
	<p>Customer satisfaction:</p> <p>The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.</p>	<p>Key performance measure condition has not been met:</p> <p>Total number of connections = 455</p> <p>Total number of complaints = 33</p> <p>Complaints per 1000 connections = 73</p>	10 per 1000	<p>Total number of connections = 457</p> <p>Total number of complaints = 22</p> <p>Complaints per 1000 connections = 48</p>	



Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
Council stormwater systems protect the natural environment	Discharge compliance: Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, Received by the territorial authority in relation those resource consents.	(a) 0 (b) 0 (c) 0 (d) 0	100%	(a) 0 (b) 0 (c) 0 (d) 0	

## Solid Waste Management Group

	SOLID WASTE					
	Forecast FYR \$	Budget FYR \$	Actual YTD \$	Budget YTD \$	Variance \$	f/(u)
	Revenue	2,300,837	2,369,056	1,418,706	1,143,967	274,739
Expenditure	2,214,763	2,316,192	977,654	1,101,121	(123,467)	f
Surplus/(Deficit)	86,074	52,864	441,052	42,845	398,206	f

The favourable revenue variance is due to higher waste revenues due to more waste being taken to the landfills. The favourable expenditure variance is mainly due to timing differences.

### Commentary

This last quarter has seen steady progress with keeping the Solid Waste Service up to date.

#### *Butler's landfill:*

Monitoring at Butlers has been continuing with the weekly, three weekly, quarterly sample taking and visual checks undertaken as required. The macroinvertebrate survey has been completed at the Butlers and Hokitika sites and the reports are due to follow. Sprinkler maintenance has been completed at Butler's landfill for the leachate field.

#### *Haast, Franz and Kumara transfer stations:*

Haast, Franz and Kumara are being monitored as required. The transfer stations have been operating well and there has not been any complaints brought to Council's attention in relation to the Contractors. In general the level of service is performing as required.

#### *Waste minimisation programme:*

This programme is required by legislation. It has been running smoothly and the spending and cost return has been provided to the Ministry within the allotted period.

#### *Surrender of consents:*

Resource Consents have been surrendered for historic landfill sites. This will greatly reduce the monitoring costs associated with the consents.

#### *The refuse and recycling collection service:*

In response to Councils last resident survey (March 2016), some respondents asked for a glass collection service to be provided. This has not been directly factored into new budgets by staff and if it is supported by elected members then an opportunity presents itself in the Annual Plan preparations for 2017/18.

#### *Fees at gate:*

In response to Councils last resident survey (March 2016), some respondents stated that gate fees at transfer stations are "too high". Staff note that rates do not currently cover the whole cost of the Councils waste management service, so additional user-charges (fees) are necessary. In addition, evidence shows that residents have been removing recyclables from their general waste, in order to reduce additional costs of dumping. This is a positive impact as it will prolong the life of the landfill sites.

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 December 2016	Explanation about any variances
A reliable refuse and recycling collection service is provided	% of residents that receive the service are satisfied	100%	100%	No information to date	The next Residents survey will be undertaken in the first quarter 2018
A reliable transfer station service	% of residents satisfied	95%	100%	No information to date	The next Residents survey will be undertaken in the first quarter 2018
Solid waste is managed appropriately	All necessary consents for solid waste activities and capital projects are applied for, held and monitored accordingly	<p><b>Consents in place = 100%</b></p> <p>Monitoring of Butlers = 100%</p> <p>= Monitoring was not 100% for other sites</p>	100%	<p>All consents that are required at this time are in place and current.</p> <p>All monitoring is up to date for the landfills.</p> <p>Consents that are no longer required have been surrendered.</p> <p>Capital projects are tracking along as required.</p>	
Education about waste minimisation is provided to the community	Number of visits to schools and community groups	<p>3 different school groups have been taken to the transfer station and landfill.</p> <p>Handouts and informative narrative undertaken.</p>	3 schools, 3 groups per annum	<p>Schools have been visited as required and visits to the landfill have been ongoing to educate the community to the advantages of waste reduction.</p> <p>Paper for trees has been run successfully with 12 District schools, resulting with a significant amount of material being diverted from the landfill.</p>	