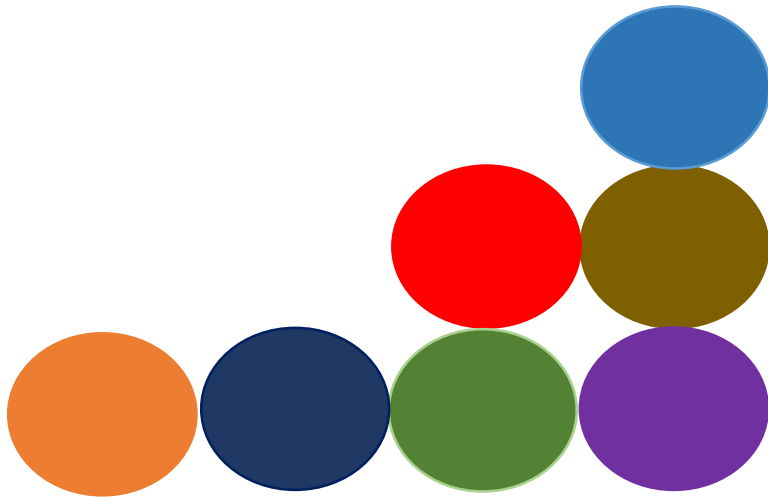


# WESTLAND DISTRICT COUNCIL



## SUMMARY

### ANNUAL REPORT 2014 / 2015



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# Summary: Annual Report 2014/15

## About This Report

This report summarises Council's financial and service delivery performance for the year ended 30 June 2015. It is intended to provide an overview of how we delivered against planned activities and budgets.

Council's Annual Report has been prepared in observance of new Local Government (Financial Reporting and Prudence) Regulations 2014 along with the Local Government Act 2002 Amendment Bill (No 3), which bring additional disclosure requirements. It is the first Annual Report produced under the requirements of the new IPSAS equivalent Public Sector PBE Standards. Substantial increases in the Group's operating cost base, in particular due to Westroads' acquisition of Trenching Dynamix, mean that Council is reporting as a Tier 1 entity.

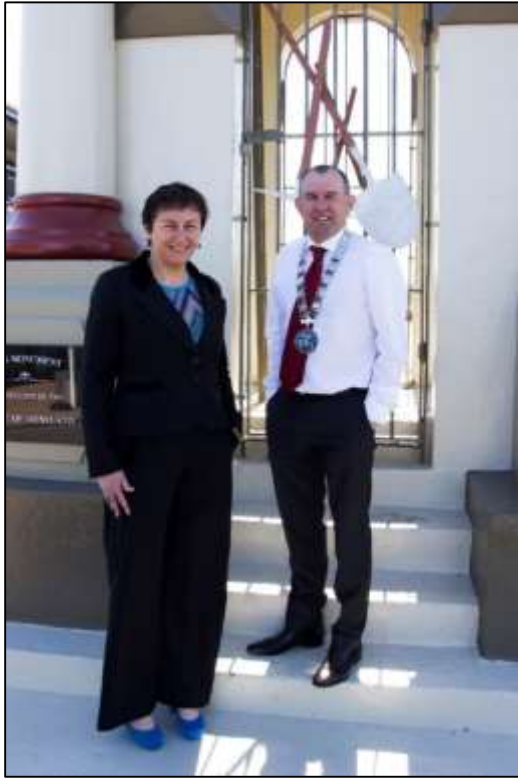
The whole story is contained in the full Annual Report 2014/15, which was adopted and authorised for issue by Council on 2 November 2015. This is available from:

- Council's website: [www.westland.govt.nz](http://www.westland.govt.nz)
- Council headquarters: 36 Weld Street, Hokitika

## Some key facts

Population – Census Night (2013)	11,136
Resident in District	8,307
Total Area	1,188,017 ha
Rateable Area	140,604 ha
No. of Rateable Assessments	6,613
No. of Non-rateable Assessments	656
Proportion of general rates to total income	37%
Average general rates per rateable property	\$981
Public debt (as a percentage of property, plant & equipment)	4%
Public debt (per rateable property)	\$2,519

# Mayor and Chief Executive's Report



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

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

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

The work associated with these projects has been a huge undertaking, when at the same time, Council was developing the 2015-25 Long Term Plan. This required a significant time commitment from November 2014 onwards, so a key milestone was achieved when the Long Term Plan was adopted on the statutory deadline of 30 June 2015. Another milestone was achieved when the Annual Report for 2014/15 was adopted on the statutory deadline of 2 November 2015.

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

Construction of the West Coast Wilderness Trail continued in 2014-15 with the Kumara Tram section completed in early 2015. This included a 110m suspension bridge over the Kumara Chasm, which has become a highlight of

this section. Focus in early 2015 turned to the Hokitika to Ross section with this opening at Labour Weekend 2015.

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

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

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

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

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



**Mike Havill**  
**MAYOR**  
24 November 2015



**Tanya Winter**  
**CHIEF EXECUTIVE**  
24 November 2015

# Reporting Guidelines and the Long-Term Plan 2012 - 2022

This report is prepared in observance of new Local Government (Financial Reporting and Prudence) Regulations 2014 along with the Local Government Act 2002 Amendment Bill (No 3), which bring additional disclosure requirements. This is the first Annual Report produced under the requirements of the new IPSAS equivalent Public Sector PBE Standards. Substantial increases in the Group's operating cost base, in particular due to Westroads' acquisition of Trenching Dynamix, mean that Council is reporting as a Tier 1 entity.

# What we achieved

## Highlights from the 2014-15 year

### Completion of the Council Controlled Organisations (CCOs) review

- Council commenced a review of our CCO's in December 2013 to examine the rationale for the activities performed by each company and the structure of the group.
- In February 2015 Council resolved not to make any significant changes.

### Completion of the rating system review

- The rating system had become complex and unwieldy and it no longer provided certainty, predictability or clarity. The rating system review was based upon a possible change to capital value and a chance to moderate the number of differentials that were in place. We engaged with the community over more than a year and in a variety of ways, with our consultation culminating in a formal submission period.
- A new capital value based system was adopted, with two general rates, eight community zones and in the first year the UAGC has been set at 21.7% of total rates.

### Implementation of Plan Change 7

- A Fault Rupture Avoidance Zone (FRAZ) is included in the District Plan to manage future development in Franz Josef/Waiau with regard to the Alpine Fault risk
- A Franz Josef/Waiau Working Party has been established in order to facilitate the management of a number of strategic issues identified by the community, including the natural hazard risks

### Upgrade of the Hokitika Water Treatment Plant

- The upgrade means we are able to supply Westland Milk Products with the volume of high quality water they need to operate
- This project is fully funded by Westland Milk Products.

### Allocation of MDI Funds

- Ross Community Association, \$100,000, to upgrade the Ross Community Hall
- Hokitika/Westland RSA, up to \$400,000, to rebuild a RSA facility on the same site
- Westland High School, up to \$1.5 million, to develop a recreation and community centre on the Westland High School grounds

### A new Customer Service Centre

- The new Centre blends both the i-SITE and Council's customer service function and means that we can provide services to you 7 days a week.

### The West Coast Wilderness Trail

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

### Adoption of both the Council Plan 2015–2025 and the Annual Report 2014-15 within statutory timeframes



# Summary of Service Delivery Compared to Performance Targets

This section summarises Council's performance in delivering services, measured against selected non-financial targets. The entire range of performance results is reported in the full Annual Report 2014/15.

Council believes that there are three fundamental aspects to determining good service:

- Feedback from customers
- Meeting / exceeding industry standards
- Responsiveness to incidents reported to Council\*

Due to financial constraints Council was unable to undertake a comprehensive customer survey during 2014/15. A budget for a comprehensive resident's satisfaction survey has been included in the Council Plan 2015 – 2025 (LTP).

Nonetheless, Council regularly invites feedback from the community and consults publicly on significant matters. Several of Council's departments have daily contact with customers and some conduct their own tailored surveys or use industry specific benchmarks.

The data gathered is combined with the statistics and measurements captured in Council's systems to give a balanced scorecard of where we are meeting our objectives, and the areas where improvement is required.

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

# Democracy



**Governance** Elected members attended 92% of all meetings and workshops (target 100%). 74% of items on Council agendas were conducted in open meetings (the remaining 26% were listed in the confidential section), the target is for 90% of items to be addressed in the open forum. These are similar results from the previous year.

**Corporate services** The 2013/14 Annual Report was adopted late (29 January 2015 instead of 31st October 2014). The LTP 2015-25 was adopted on time however this major project placed demand on resources and exceeded budget. Rate arrears increased by 13.5% (the target is to reduce these arrears by 5% per year). This was a high increase in comparison to the 0.4% increase in the previous year.

## Planning & Regulation



**Inspections & compliance** 95% of building consents were processed within statutory timeframes (a reduction from last year) and 83% of licenced premises were inspected (increased performance from last year). An Environmental Health / Regulatory Officer was employed midway through the 2014/15 year which improved performance levels.

**Resource management** 95% of resource consents and 99% of LIMs were processed within statutory timeframes (target 100%). This is a significant improvement in the consent processing activity.

**Emergency management** The number of rural fire training sessions exceeded target, as did the number of fire permits that people applied for. Council is happy with both of these outcomes.

A new (part time) Civil Defence Co-ordinator position was established during this reporting period.

**Animal control** The performance targets for this activity were met, with the exception of the annual residents' survey not being carried out.

# Community Services



## Community assistance & Community development

With the exception of where Council was unable to obtain information from external agencies, the performance targets for these activities were met.

## Leisure & Culture



**Library** Our customers continue to be satisfied with the library environment and the selection of material available in print, E-forms, audio visual and IT services.

**Museum** 7 exhibitions were held (target 8) however one of these was the WWI 100 Years series which was a large and successful event.

**Swimming Pools** The Hokitika pool again performed well against most targets.

**i-SITE** Council experienced a decrease in income from the previous year (so did not meet target), in part due to the change in the Fox Glacier conditions, coupon vouchers and online bookings. The number of Visitors handled by the i-SITE however increased from last year.

**Events** The Hokitika Wildfood Festival attendance satisfaction was 95%, 6,242 attendees was a decline from the previous year. Popular celebratory guests included Masterchef winners and the Top Twins.

**Community Halls and Buildings** 100% of these buildings have current WOF.

**Parks and Reserves** A small number of requests for service did not meet our targeted response rate however it was an improvement from the previous year's performance. We have since changed our system which will enable more improvement.

**Cemeteries** The Resident's Survey was not undertaken for this reporting period. Family members have commented to staff that (various) cemeteries in the District are well maintained.

**Elderly Housing** 100% of tenants, when surveyed, responded that they were satisfied or very satisfied with their landlord and with their standard of accommodation. This is an improvement from last year.

## Other Assets



**Community township development** As per the previous year, local communities were involved in the decision-making about the use of their township development grants.

**Land and buildings** As per the previous year, the Westland District Council Offices building did not have a warrant of fitness (it was issued in October 2015, so we now meet target performance).

**Public toilets** 2 complaints were received and these were responded to within 1 day (as per the performance standard). This is an improvement on the previous year.

## Infrastructure

**Transportation** Roads in this district are better than the national average for smoothness and condition. This exceeds our targets and maintains or improves our performance from the previous year. An existing bridge at Kawhaka was reconstructed, at a higher loading level (the Van Beek Bridge).

**Water supply** The performance targets for this activity were met (an improvement on the previous year), with the exception of the annual residents' survey not being carried out. Council tested supplies during the year in accordance with Drinking Water Standard, with no complaints received from Community Public Health. The majority of non-compliance issues for the treatment plants have occurred because some (not all) of Free Available Chlorine (FAC) samples did not meet the DWSNZ limit of 0.2mg/l or higher. Other non-compliance issues, relating to the treatment plants, are because the minimum number of samples required to be taken were not met. A number treatment plants are not complaint due to upgrades not been undertaken. There was no risk to the community for these supplies. Two zones are reported non-compliant with the DWSNZ due to e-coli transgressions. When retested these samples were clear for 3 consecutive samples, which indicates an error in sampling or reporting with no need to issue a "boil water" notice. Again there was no risk to the community.

**Wastewater** 1 disruption to the wastewater system was responded to later than target, due to travel distance and on site staff being unable to attend. For another year Council struggled to comply with resource consent conditions for the Franz Josef and Haast plants, with 1 Abatement Notice and 1 Infringement Fine being received. A way forward for addressing these compliance issues is included in the LTP 2015-2025.

**Stormwater** The performance targets for this activity were met (as they were in the previous year). The 1 in 100 year heavy rain event in June however strained the capacity of the stormwater systems in Hokitika and flooding of several properties occurred.

**Solid waste management** Due to staff resource issues some unfavourable results occurred for this activity, including insufficient monitoring of the landfills and the waste minimisation education programme not occurring. This was a reduction in performance from the previous year.



# What it cost

## Financial Performance Summary

This section provides an overview of the financial results for the year ended 30 June 2015. It contains information extracted directly from the financial statements contained in the full audited Annual Report 2014/15. The Audit opinion is included in the Annual Report, it states that the information in the report fairly presents Council's financial and non-financial performance and that Council's financial statements comply with generally accepted accounting practice in New Zealand.

The Group figures represent the consolidated financial statements for Council and the Group (which includes Westland Holdings, Westland Properties, Westroads and Hokitika Airport). Figures are presented in New Zealand Dollars and rounded to the nearest thousand.

This summary report has been prepared in accordance with FRS43 – Summary Financial Statements. It was authorised for issue by the Mayor and Chief Executive on 24 November 2015.

The audited financial statements comply with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The following summary Financial Statements do not include all the disclosures that are provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

For a complete understanding of Council's financial performance, financial position and cash flows; readers are encouraged to refer to the full Annual Report 2014-15.

## Our operating performance was substantially in line with budget

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

## Council is supporting a key local industry & employer

The upgrade of the Hokitika water treatment plant resulted in a public debt of \$16.7 million. This debt will be recovered from Westland Milk Products via a specific targeted rate. At the moment a corresponding balance is included in Assets Under Construction.

## Our cash inflow & equity continue to increase

The balances for cash, creditors and debtors are all substantially higher than the corresponding balances at 30 June 2014. These are interrelated due to the level of assets under construction, as above, and the level of infrastructure maintenance that was conducted shortly before year end. Council is in a healthier position to invest in assets that will provide sustainable services and community amenities.

## Our significant fixed assets have increased in value

Council undertook revaluations of its significant and material fixed assets; three waters, transportation network and buildings. This realised a gain of \$23.5 million.

# Financial Statements

The primary financial statements are shown below. The full Annual Report 2014/15 contains comprehensive financial statements supported by detailed notes and explanations.

## Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2015

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

## Statement of Changes in Equity

For the year ended 30 June 2015

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



## Statement of Financial Position

As at 30 June 2015

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

Statement of financial position continued...

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

## Statement of Cash Flows

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2015	2015	2014	2015	2014
	\$000	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>					
<i>Cash provided from:</i>					
Rates	8,852	8,753	8,021	8,813	7,894
Targeted water rates and fees and charges	3,959	4,999	3,252	3,960	3,252
Interest received	161	50	165	172	172
Dividends received	0	497	390	0	225
Receipts from other revenue	4,059	3,179	7,721	15,833	15,657
<i>Cash paid to:</i>					
Payments to suppliers and employees	(11,057)	(12,964)	(12,341)	(20,568)	(18,298)
Interest paid	(813)	(772)	(724)	(1,166)	(970)
Income tax paid	0	0	0	(261)	(107)
<i>Net cash flow from operating activities</i>	<b>5,159</b>	<b>3,742</b>	<b>6,484</b>	<b>6,780</b>	<b>7,825</b>
<b>Cash flows from investing activities</b>					
<i>Cash provided from</i>					
Receipts from sale of property, plant and equipment	88	0	140	484	645
Receipts from sale of investments	0	0	0	0	225
Movement in Westpac bonds	321	0	0	321	0
<i>Cash paid to:</i>					
Purchase of property, plant and equipment	(6,337)	(3,237)	(4,742)	(10,500)	(6,770)
<i>Net cash flow from investing activities</i>	<b>(5,927)</b>	<b>(3,237)</b>	<b>(4,602)</b>	<b>(9,694)</b>	<b>(5,900)</b>
<b>Cash flows from financing activities</b>					
<i>Cash provided from:</i>					
Loans raised	2,000	830	0	4,450	560
<i>Cash paid to:</i>					
Loan repayments	(100)	(424)	(738)	(550)	(1,336)
<i>Net cash flow from financing activities</i>	<b>1,900</b>	<b>406</b>	<b>(738)</b>	<b>3,900</b>	<b>(776)</b>
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts	1,131	911	1,145	986	1,150
<i>Cash and cash equivalent 01 Jul 2014</i>	2,806	1,703	1,661	3,224	2,074
<b>Cash and cash equivalent 30 Jun</b>	<b>3,936</b>	<b>2,614</b>	<b>2,806</b>	<b>4,209</b>	<b>3,224</b>

## Summary Revenue and Expenditure by Group of Activities

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

# Auditor's Report

## **Independent Auditor's Report**

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

The summary annual report was derived from the annual report of the Westland District Council (the District Council) and group for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 9 to 20:

the summary statement of financial position as at 30 June 2015;

the summaries of the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2015;

the notes to the summary financial statements that include accounting policies and other explanatory information; and

- the summary statement of service provision (referred to as "Summary of Service Delivery Compared to Performance Targets") of the Council and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 2 November 2015.

## **Opinion**

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and

the summary statements comply with FRS-43 (PBE): Summary Financial Statements.

## **Basis of opinion**

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 2 November 2015 on the full audited statements.

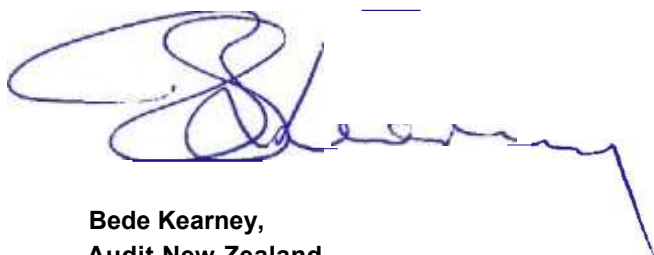
The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

## **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council or any of its subsidiaries.



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