



# WESTLAND DISTRICT COUNCIL

Annual Report

2018/19



# DISTRICT PROFILE

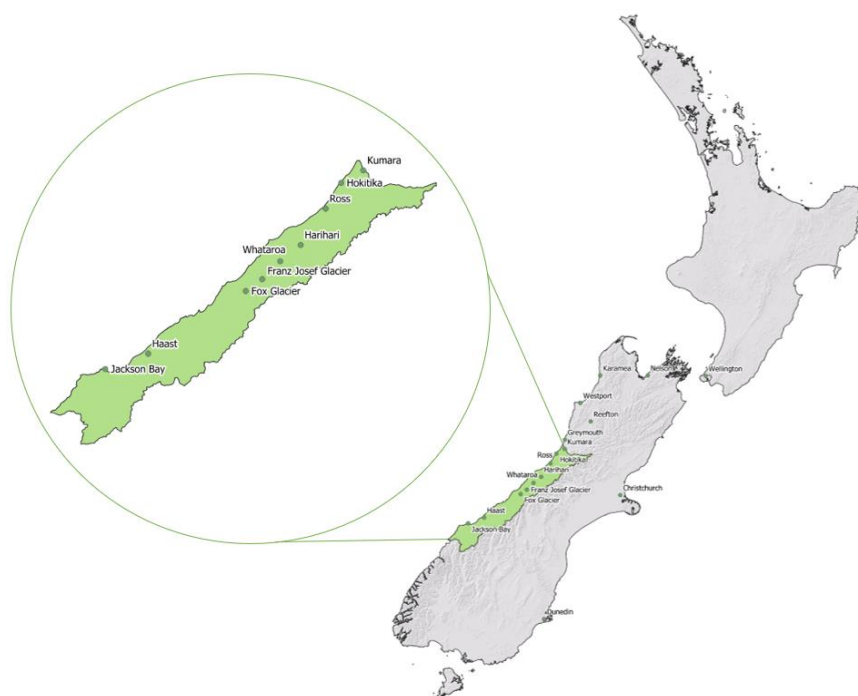
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**Date of Constitution of District**  
**Population – Census Night (2018)**  
**Resident in District**  
**Total Area**  
**Rateable Area**  
**No. of Rateable Assessments**  
**No. of Non-rateable Assessments**  
**Rateable Capital Value as at 30 June 2018**  
**Non-rateable Capital Value as at 30 June 2018**  
**Rateable Land Value as at 30 June 2018**  
**Non-rateable Land Value as at 30 June 2018**  
**Date of Last Valuation (by Quotable Valuation Limited)**  
**Date of Next Valuation (by Quotable Valuation Limited)**  
**Auditor**  
**Bankers**  
**Insurance Brokers**

1 November 1989  
11,301  
8,640  
1,186,272 ha  
139,324 ha  
6574  
862  
\$2,434,781,700  
\$606,917,900  
\$1,287,087,700  
\$545,260,000  
1 September 2017  
1 September 2020  
  
Audit New Zealand, on behalf of the Auditor-General  
Westpac Bank  
Aon New Zealand

Cover photo –Lake Matheson, credit John Stowell  
Vision statement photo –Kotuku credit Anonymus





We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment

# TABLE OF CONTENTS

|  |           |
|--|-----------|
| <b>MAYOR AND CE MESSAGE</b> .....                                  | <b>4</b>  |
| <b>THE PLANNING CYCLE</b> .....                                    | <b>6</b>  |
| ABOUT THE ANNUAL REPORT .....                                      | 6         |
| <b>STATEMENT OF COMPLIANCE</b> .....                               | <b>7</b>  |
| <b>MĀORI CONTRIBUTION TO DECISION-MAKING</b> .....                 | <b>7</b>  |
| <b>COUNCILLORS</b> .....   | <b>8</b>  |
| <b>EXECUTIVE TEAM</b> .....  | <b>9</b>  |
| <b>YEAR IN REVIEW: 2018/19</b> .....                               | <b>11</b> |
| <b>YEAR IN REVIEW: 2018/19</b> .....                               | <b>12</b> |
| <b>YEAR IN REVIEW: 2018/19</b> .....                               | <b>13</b> |
| <b>PERFORMANCE AT A GLANCE</b> .....                               | <b>14</b> |
| <b>FINANCIAL PERFORMANCE</b> .....                                 | <b>15</b> |
| FINANCIAL STATISTICS .....   | 15        |
| FINANCIAL PERFORMANCE SUMMARY .....                                | 15        |
| <b>DISCLOSURE STATEMENT</b> .....                                  | <b>16</b> |
| 1. RATES AFFORDABILITY.....  | 16        |
| 2. DEBT AFFORDABILITY BENCHMARK .....                              | 16        |
| 3. BALANCED BUDGET BENCHMARK.....                                  | 17        |
| 4. ESSENTIAL SERVICES BENCHMARK .....                              | 17        |
| 5. DEBT SERVICING BENCHMARK.....                                   | 17        |
| 6. DEBT CONTROL BENCHMARK .....                                    | 18        |
| 7. OPERATIONS CONTROL BENCHMARK .....                              | 18        |
| <b>FINANCIAL STATEMENTS</b> .....                                  | <b>19</b> |
| STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE .....               | 20        |
| STATEMENT OF CHANGES IN EQUITY .....                               | 21        |
| STATEMENT OF FINANCIAL POSITION.....                               | 22        |
| STATEMENT OF CASH FLOWS .....                                      | 24        |
| WHOLE OF COUNCIL FUNDING IMPACT STATEMENT .....                    | 27        |
| <b>NOTES TO THE FINANCIAL STATEMENTS</b> .....                     | <b>28</b> |
| <b>RESERVE FUNDS REPORT</b> .....                                  | <b>75</b> |
| SUMMARY .....  | 75        |
| <b>STATEMENTS OF SERVICE PROVISION</b> .....                       | <b>78</b> |
| COUNCIL'S PERFORMANCE IN EACH ACTIVITY.....                        | 78        |
| HOW COUNCIL ACTIVITIES CONTRIBUTE TOWARDS MEETING ITS VISION ..... | 79        |
| AN OVERVIEW OF COUNCIL PERFORMANCE .....                           | 80        |
| <b>LEADERSHIP GROUP</b> .....                                      | <b>81</b> |
| DEMOCRACY.....   | 81        |
| CORPORATE SERVICES .....   | 81        |
| COUNCIL CONTROLLED ORGANISATIONS .....                             | 82        |
| <b>PLANNING AND REGULATORY GROUP</b> .....                         | <b>89</b> |
| RESOURCE MANAGEMENT .....  | 89        |
| INSPECTIONS AND COMPLIANCE .....                                   | 89        |
| ANIMAL CONTROL .....   | 90        |

|  |            |
|--|------------|
| EMERGENCY MANAGEMENT/ CIVIL DEFENCE (CD):.....     | 91         |
| <b>COMMUNITY SERVICES GROUP .....</b>              | <b>96</b>  |
| COMMUNITY DEVELOPMENT AND ASSISTANCE:.....         | 96         |
| <b>LEISURE SERVICES AND FACILITIES GROUP .....</b> | <b>100</b> |
| ELDERLY HOUSING .....                              | 100        |
| HOKITIKA MUSEUM .....                              | 100        |
| HOKITIKA SWIMMING POOL .....                       | 102        |
| HOKITIKA WILDFOODS FESTIVAL.....                   | 102        |
| I-SITE .....                                       | 102        |
| LAND AND BUILDINGS .....                           | 103        |
| PARKS AND RESERVES.....                            | 103        |
| CEMETERIES .....                                   | 103        |
| PUBLIC TOILETS .....                               | 104        |
| WEST COAST WILDERNESS TRAIL.....                   | 104        |
| WESTLAND DISTRICT LIBRARY .....                    | 104        |
| <b>TRANSPORTATION GROUP .....</b>                  | <b>110</b> |
| <b>WATER SUPPLY.....</b>                           | <b>113</b> |
| <b>WASTEWATER GROUP.....</b>                       | <b>117</b> |
| <b>STORMWATER GROUP .....</b>                      | <b>121</b> |
| <b>SOLID WASTE MANAGEMENT GROUP .....</b>          | <b>124</b> |
| LANDFILLS AND TRANSFER STATIONS.....               | 124        |
| <b>INDEPENDENT AUDITOR'S REPORT .....</b>          | <b>128</b> |
| <b>OTHER INFORMATION.....</b>                      | <b>133</b> |
| COUNCIL COMMITTEES AND APPOINTMENTS.....           | 133        |
| COUNCIL CONTROLLED ORGANISATIONS.....              | 135        |
| <b>GLOSSARY OF TERMS .....</b>                     | <b>136</b> |

# MAYOR AND CE MESSAGE

## E aku nui, e aku rahi, tēnā koutou katoa. Anei te pūrongo ā-tau hei pānui mā koutou.

*Greetings to all of you. Here is the Annual Report for you to read.*

The 2018/19 financial year is Year One of the 2018-28 Long Term Plan (LTP). This Annual Report is an opportunity to reflect on the year and report to you, our community, on the progress Council has made towards achieving the work programme agreed in the LTP.

Council developed its new Vision as part of the LTP process: We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment. This vision will help council fulfil its obligations to the four wellbeings that have been adopted back into the Local Government Act 2002 and will continue to be at the forefront of council minds around the council table.

### Achievements and Challenges

Council is committed to making sure we have the infrastructure the district needs. Much of this work is not visible to residents but is essential for the district to continue to thrive. Some of the main infrastructure projects progressed this year include:

- Whitcombe Valley Rd and Hokitika Carpark Upgrades were completed.
- Completion of the majority of the West Coast Wilderness Trail. Construction is continuing on Waimea Water Race.
- Resurfacing of 25km of sealed roads.
- Ongoing upgrading and renewal of stormwater and sewer mains.
- Progress on new water plants in Kumara and Whataroa.
- Progress on the new WWTP at Franz Josef.
- Completion of the new Water intake for Franz Josef.
- New public toilets in Bruce Bay.
- Recovery works following the 26 March storm

This year, Council received central government funding to the value of almost \$8 million. This included standard NZTA subsidies for maintenance and improvements to the local road network, funding for storm recovery and Tourism Infrastructure Fund monies to assist with tourism infrastructure projects.

Recreational and cultural facilities continue to provide quality services for both residents and visitors:

- The district swimming pools attracted record attendances across all age groups, with many residents taking advantage of the increasing range of classes and activities on offer.

- The school holiday programmes offered at the library are now so successful that a booking system is often needed. With a variety of different craft and technology based activities, these creative sessions are popular with parents, caregivers and children of all ages. The programmes are facilitating social and intergenerational learning and helping to raise community awareness of what our staff and these facilities offer.
- Our library is a real community hub, with an ever increasing range of activities and services offered in response to community requests. A number of very successful evening talks were hosted and staff have collaborated with local community groups and businesses to provide a more varied programme of events to appeal to different sectors of the community. The new fully equipped digital learning centre has provided the flexible space to cater for different activities as well as an alternative space for public hire.

The impact of severe weather events affecting local communities in both the short and long term has put council's vision to the test during the financial year and in recent years. Costs for roading works and cleaning up the breached Fox Glacier landfill have had an impact during the financial year that will continue to be seen in the medium to long term.

### Financial Performance

Due to a range of factors, not least the major storm event in March, Council's surplus has not met budget. Unbudgeted spend on the emergency event and other expenses has depleted cash reserves that were being built up for asset renewals as they fall due.

### Community Views

During the year council took an informal approach survey resident satisfaction with Council services by conducting an online community survey. There were some very positive results such as 80% satisfaction with the overall work of the council and 95% of residents considering the district to be at least as good a place to live as it was three years ago. The survey also showed areas council can work to improve, and this helps officers focus their efforts going forward.

There have been number of opportunities for the community to formally provide views this year. Engagement with the community is showing improvement, especially about topics that impact on the

community wellbeing. In late 2018 interested parties were invited to make submissions on the proposed freedom camping bylaw; 64 people made written submissions and 11 people spoke to the meeting. This bylaw was reviewed in February 2019 after public opinion suggested that it was not working effectively; 20 written submissions were received and 18 people spoke to their submission. A working group involving council, commercial accommodation providers, iwi, community representatives and other interested parties was set up as a result.

Over one hundred members of the community took the opportunity to make a submission on council's draft Annual Plan. Council was able to hear from a number of the submitters and the adopted plan was adjusted to take into account community views and was adopted within the legislative timeframe.

## Finally

The 2018-19 year has been challenging for Council and the Westland District. The March storm impacted on tourism, businesses and the environment. Clean-up and recovery required time and resources and is an ongoing process. Council encourages growth in all business sectors of the district and will continue to work to support new ventures. Customer service also remains a top priority. There are continued improvements in consent processing and a greater interaction with customers to work together to resolve issues.

The council team has been rebuilt over the last twelve months. Quality staff have been appointed to vacant positions, although some are still to be filled. This has set a solid foundation to progress into the 2019-20 year.

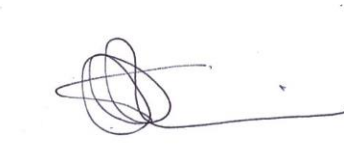
The district continues to be a desirable place to live, due to the cooperative efforts of communities, volunteers, Council staff and contractors, Councillors, and most importantly the residents who choose live in the beautiful Westland District.

Nō reira e ngā iwi o tēnei rohe Tēnā koutou, tēnā koutou, tēnā tātou katoa



**Bruce Smith**

**Mayor 2018/19**



**Simon Bastion**

**Chief Executive**

## THE PLANNING CYCLE



## ABOUT THE ANNUAL REPORT

The Annual Report explains what Council has done to deliver the work programmes for 2018/19 as outlined in the Long Term Plan 2018 – 28 (LTP) for year 1, as required by section 98 of the Local Government Act 2002. This shows how Council performed financially and whether we delivered the services outlined in the LTP. The Long Term Plan was adopted by Council on 2 July 2018.

This report is prepared in observance of the Local Government (Financial Reporting and Prudence) Regulations 2014 along with the Local Government Act 2002 Amendment Act provisions.

The diagram above outlines the local government planning and reporting cycle.



## STATEMENT OF COMPLIANCE

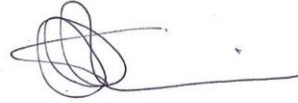
Westland District Council hereby confirms that all statutory requirements contained in the Local Government Act 2002, in relation to the Annual Report 2018/19 have been complied with.

Council adopted this Annual Report on 31 October 2019.



**Bruce Smith**

**Mayor 2018/19**



**Simon Bastion**

**Chief Executive**

## MĀORI CONTRIBUTION TO DECISION-MAKING

Section 81 of the Local Government Act 2002 sets out the obligations for Council under clause 35, schedule 10 LGA, to both consult Māori and encourage Māori involvement in the Council's decision making processes. Section 35 of the Act requires Council to report on the activities that have been undertaken in the year to establish and maintain processes to enable Māori to contribute.

The Long Term Plan 2018-2028 includes a statement of commitment to consultation and engagement with Maori, particularly mana whenua.

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

At the 26 July 2018 Ordinary Council Meeting, an invitation was extended to the Chairs of Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio to attend and participate in Council Meetings and the Business of Council, in acknowledgement of, and to further strengthen, Council's partnership with Mana Whenua of Westland.

The Chairs of Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio are full members of the Finance, Audit and Risk Committee and are able to participate in Council Meetings.

On the 22 November 2018, Council approved the Partnership Agreement for Te Rūnanga O Ngāti Waewae and Te Rūnanga O Makaawhio.

## COUNCILLORS



Back row (L-R): Cr Graeme Olson, Cr Desmond Routhan, Cr Durham Havill, Cr Gray Eatwell  
 Front row (L-R): Cr David Carruthers, Deputy Mayor Helen Lash, Mayor Bruce Smith, Deputy Mayor Latham Martin, Cr Jane Neale

|               |                            |  |
|---------------|----------------------------|--|
| Mayor         | Mayor Bruce Smith          | <a href="mailto:mayor.smith@westlanddc.govt.nz">mayor.smith@westlanddc.govt.nz</a>     |
| Hokitika Ward | Deputy Mayor Latham Martin | <a href="mailto:cr.martin@westlanddc.govt.nz">cr.martin@westlanddc.govt.nz</a>         |
|               | Cr David Carruthers        | <a href="mailto:cr.carruthers@westlanddc.govt.nz">cr.carruthers@westlanddc.govt.nz</a> |
|               | Cr Desmond Routhan         | <a href="mailto:cr.routhan@westlanddc.govt.nz">cr.routhan@westlanddc.govt.nz</a>       |
| Northern Ward | Cr Graeme Olson            | <a href="mailto:cr.olsen@westlanddc.govt.nz">cr.olsen@westlanddc.govt.nz</a>           |
|               | Cr Jane Neale              | <a href="mailto:cr.neale@westlanddc.govt.nz">cr.neale@westlanddc.govt.nz</a>           |
|               | Cr Durham Havill           | <a href="mailto:cr.havill@westlanddc.govt.nz">cr.havill@westlanddc.govt.nz</a>         |
| Southern Ward | Deputy Mayor Helen Lash    | <a href="mailto:cr.lash@westlanddc.govt.nz">cr.lash@westlanddc.govt.nz</a>             |
|               | Cr Gray Eatwell            | <a href="mailto:cr.eatwell@westlanddc.govt.nz">cr.eatwell@westlanddc.govt.nz</a>       |

### RŪNANGA REPRESENTATIVES

Francois Tumahai - Chair Te Rūnanga o Ngāti Waewae

Tim Rochford – Chair Te Rūnanga o Makaawhio

Photo Credit: Katrina Thornley Photography

## EXECUTIVE TEAM



Left to Right: Simon Bastion, Te Aroha Cook, Lesley Crichton, David Inwood, Fiona Scadden, Kim Hibbs, Diane Maitland

*Photo Credit: Katrina Thornley Photography*

### **Simon Bastion**

Chief Executive

Telephone: 03 756 9010

Email: [ce@westlanddc.govt.nz](mailto:ce@westlanddc.govt.nz)

As Chief Executive, Simon has the overall responsibility to ensure that Westland District Council:

- Receives good policy advice
- Delivers all services to the desired standard
- Complies with the law

Simon also oversees economic development, advocacy, mining, sport and recreation and tourism strategy portfolios in conjunction with Westland District Councillors.

### **David Inwood**

Group Manager: District Assets

Telephone: 03 756 9034

Email: [david.inwood@westlanddc.govt.nz](mailto:david.inwood@westlanddc.govt.nz)

David's primary responsibility is to oversee the operation, maintenance and improvement of Council's infrastructural assets. These include roading, water and wastewater services, recreational assets, cemeteries, land and buildings, and solid waste disposal. David is also responsible for the development of Asset Management / Activity Management Plans and long-term infrastructure strategies.

### **Fiona Scadden**

Planning and Customer Service Manager

Telephone 03 756 9010

Email: [fiona.scadden@westlanddc.govt.nz](mailto:fiona.scadden@westlanddc.govt.nz)

As Planning and Customer Service Manager, Fiona leads the team responsible for meeting the District's Resource Management obligations. These include reviewing and utilising the District plan, processing land use resource consent applications and subdivisions, undertaking compliance and monitoring, creating planning policy, submitting on government policy on behalf of Westland and engaging with Central Government through representation in Stakeholder and Working Groups. It also means ongoing engagement with our communities and community groups. Fiona's customer service team is responsible for ensuring high quality frontline customer service and is the first port of call for rates payments, dog registration and direction to appropriate departments.

### **Kim Hibbs**

People and Capability Manager

Telephone 03 756 9010

Email: [kim.hibbs@westlanddc.govt.nz](mailto:kim.hibbs@westlanddc.govt.nz)

As People and Capability Manager, Kim leads a team that is committed to attracting, developing and retaining great people and supporting them to be the best they can be. Kim's team's core functions include recruitment, talent

development, pay and benefits, employment relations and health and safety.

**Lesley Crichton**

Group Manager: Corporate Services

Telephone: 03 756 9081

Email: [lesley.crichton@westlanddc.govt.nz](mailto:lesley.crichton@westlanddc.govt.nz)

As Group Manager: Corporate Services, Lesley's primary responsibility is to provide effective financial management within the policies adopted by Council. Other responsibilities include the financial inputs and preparation of the Annual Report, Annual Plan, and Long Term Plan, and ensuring the Council Controlled Organisations meet their reporting requirements. Lesley's team also provides information services and Geographical Information System support, business analysis, strategy and communications, and library services.

**Te Aroha Cook**

Regulatory Services Manager

Telephone 03 756 9010

Email: [tearoha.cook@westlanddc.govt.nz](mailto:tearoha.cook@westlanddc.govt.nz)

As Regulatory Services Manager, Te Aroha is responsible for overseeing the management and delivery of regulatory functions of Council. This includes Building Control, Animal Control, Environmental Health, Liquor Licencing, Compliance, and associated Bylaws. Te Aroha is also Council's Maori Liaison Officer, with an oversight of Council's statutory obligations to strengthen the capacity of Maori to take part in local government and its decisions making processes.

**Diane Maitland**

Executive Assistant

Telephone: 03 756 9038

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

Diane provides the Chief Executive, Mayor and Councillors with a comprehensive and efficient administrative and secretarial service. Diane facilitates and maintains a professional link between the Mayor, Councillors, Chief Executive and Executive Team. Diane's team provides governance functions and has responsibility for the Local Government Information and Meetings Act 1987 responses.

## YEAR IN REVIEW: 2018/19



### In-house Animal Control

Animal control services are now being provided by a council officer after a number of years of being contracted out. This has improved the service that animal control is able to provide in dog owner education, dog registration and reducing nuisance caused by animals in the area. Easy access transport crates were installed on the dog control ute by Coastal Marine Engineering, who also assisted in the unique design concept.



### Armistice lights at the museum

The façade of the Carnegie Building in Hokitika was the perfect backdrop for the Armistice Lights & Picture Show Memorial that took place in November 2018 to commemorate 100 years since the Armistice of World War 1. A large crowd of Westland residents enjoyed the light and picture show accompanied by a brass band, music and singing, and an Anzac Biscuit competition. This was an opportunity for the Museum to continue to support the cultural and social wellbeing of the Westland community and to support local community groups.

*Photo: Carnegie Building, credit: Kay Lyes*

### Collaborative library initiatives

The Stepping-Up programme of digital skills classes continues to contribute to the economic and social wellbeing of Westland communities, and is particularly popular with senior patrons, as small, informal groups allow learning to be at their own pace with support from skilled staff.

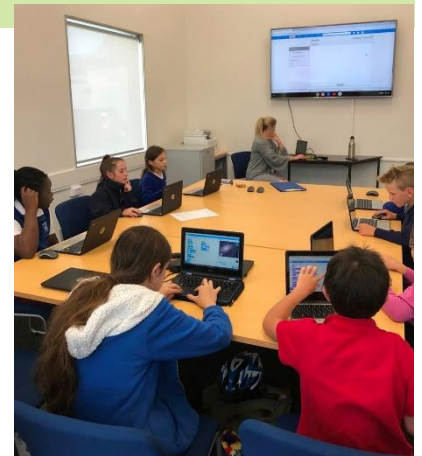
Library staff were very excited to pilot the new Online Banking class in partnership with Digital Inclusion Alliance Aotearoa. This scheme is of great benefit to the community, as the majority of Westland's population has no easy access to a bank. Using the new Digital Learning Centre, Library staff were able to deliver two fully booked sessions, helping learners get to grips with banking online, how to keep their information safe and avoid being scammed.

The library continues to collaborate with Grey and Buller District Libraries, adding a Dementia Collection to be shared along with the existing Large-Print stock rotation. This is a cost effective way to share resources across the library services, giving better access to quality information to West Coast communities.

As part of the work to improve access to library services staff have extended the outreach services. Work so far includes visiting a Grey Power meeting to run demonstration sessions on e-Books and e-Newspaper services and starting a regular Reading Group for residents at the Alan Bryant Care-Home.

The Youth Librarian has continued to visit Hokitika pre-schools and has been able to visit every single school in Westland as part of a successful Summer Reading Challenge programme, made possible with the help of The Lion Foundation and West Coast Community Trust.

The main library continues to support the cultural wellbeing of its communities, with 8 Community Libraries from Kumara to Haast. Franz Joseph Community Library has now re-opened in the new Community Centre.



## YEAR IN REVIEW: 2018/19

### Strengthening partnerships with local iwi

In July 2018 the Chairs of Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio (or their representative) were invited to attend and participate in Council Meetings and the business of Council. This invitation was made to acknowledge and strengthen Council's relationship with the Mana Whenua of Westland. Both Chairs have full speaking and voting rights in the Finance, Audit and Risk Committee and speaking rights in Council.

*Photos: from left, Chair of Te Rūnanga o Ngāti Waewae, Francois Tuamhai; Chair of Te Rūnanga o Makaawhio, Tim Rochford*



### Kumara and Whataroa Water Treatment Plants

Both the Kumara and Whataroa Water Treatment Plants have been upgraded this year including mixed media and cartridge filtration, UV reactors and disinfection which provide multiple barriers to ensure contaminants are removed from the water supply, which is a requirement to meet public health compliance. Both plants also designed include resilience aspects and improved communication with operations.

The Kumara and Whataroa new water treatment plants are operational but in their final testing phase providing both townships with quality water that meets the NZ Drinking Water Standards.

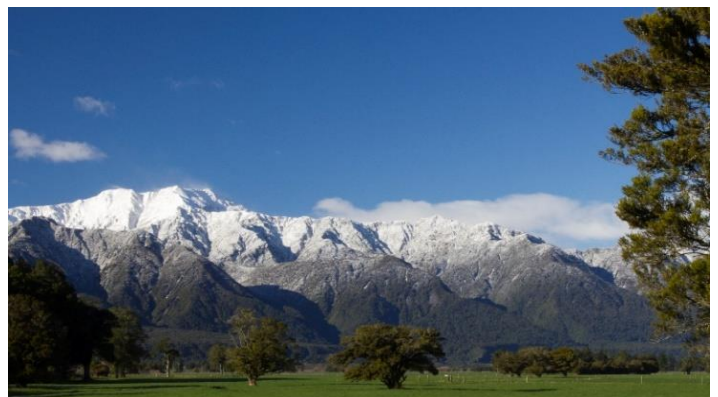
*Photo: the new building housing the latest technology in water treatment at Kumara*



### Tai Poutini – One District Plan

Westland District Council, along with the three other West Coast Councils and local iwi are working together to create a combined district plan under the Resource Management Act 1991. This is known as Tai Poutini – One District Plan. The West Coast Regional Council is responsible for funding the development of the Plan. Westland District Council is represented by the Mayor and one councillor. Development of the Plan began this year and is an ongoing focus for the Planning team.

*Photo: Kowhitirangi, credit: Helen Cook*



## YEAR IN REVIEW: 2018/19



### Increasing public toilet facilities

In response to the growing number of tourists visiting the district, council secured \$117,200 in Tourism Infrastructure Funding to build new public toilets around the district. Facilities were installed in Bruce Bay.

*Photo: New public toilets in Bruce Bay*

### Franz Josef Waste Water Treatment Ponds Upgrade Project

After a detailed design process, construction is progressing on the new ponds and associated infrastructure at the Franz Josef wastewater treatment plant. The upgrade includes lining of the ponds, pipework modifications including a series of manholes, a splitter chamber and pond penetrations, the installation of two pump stations and a pond influent screen to remove inorganics prior to treatment.

A variation to the resource consent was required due to a design change for the treated effluent disposal field. The new design incorporates five Rapid Infiltration Basins (RIBs) aimed at providing greater flexibility and drainage for treated effluent disposal.

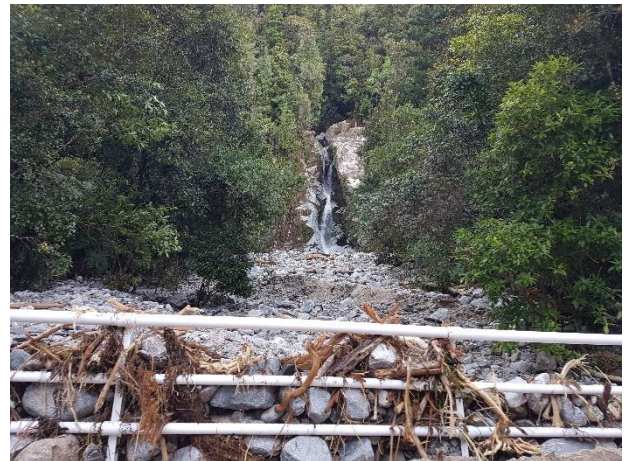
*Photo: progress at the beginning of June 2019.*



### Effects of the March 26 Storm

Following the devastating storm in March roads around the region suffered extensive damage, costing just over \$1.9 million. A number of roads were closed including Milltown Road, Waiho Flat Road and Dorothy Falls Road. Staff and contractors were able to reopen most roads soon after the event, but the damage to Dorothy Falls road saw it remain closed until July.

*Photo: Dorothy Falls Road after the storm*



### Exercise Seaview – Civil Defence education

Council staff and civil defence volunteers were involved in a training exercise in October that involved the West Coast Civil Defence and Emergency Management Group and Urban Search and Rescue. The exercise involved a simulated response to a rupture on the Alpine Fault triggering a major earthquake in the Westland District. This was a valuable day for everyone involved ensuring that staff and volunteers are trained and confident when an emergency occurs.



PERFORMANCE AT A GLANCE



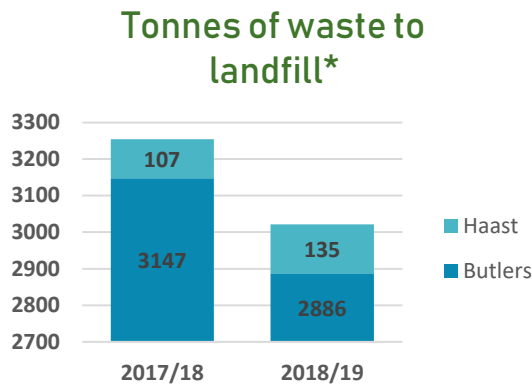
WESTLAND DISTRICT LIBRARY

73,183 library items issued  
3,345 people participated in library events



SWIMMING POOLS

Over 3,000 under 12's school holiday free swims



\*Reduction due to better information capture

254 Building Consents issued; 89 Resource Consents issued; 100% licenced premises inspected; 149 new or renewed Licenced Manager's Certificates

2 new aerators at Hokitika wastewater ponds



WASTEWATER

25.9k roads resurfaced; 0 fatal or serious crashes on WDC road network; 124,568 rides or walks on the West Coast Wilderness Trail

98% of known dogs registered



ANIMAL CONTROL



PUBLIC TOILETS

New public toilets at Bruce Bay



## FINANCIAL PERFORMANCE

### FINANCIAL STATISTICS

|  | 2018/19 | 2017/18 | 2016/17 | 2015/16 | 2014/15 |
|--|---------|---------|---------|---------|---------|
| Proportion of general rates to total income                  | 25%     | 29%     | 33%     | 29%     | 36%     |
| Average general rates per rateable property                  | 1,028   | 1,019   | 1,073   | 1,010   | 981     |
| Public debt (as a percentage of property, plant & equipment) | 5%      | 4%      | 4%      | 4%      | 4%      |
| Public debt (per rateable property)                          | 2,832   | 2,698   | 2,514   | 2,650   | 2,519   |

### FINANCIAL PERFORMANCE SUMMARY

|                       | 2018/19<br>\$000 | 2017/18<br>\$000 | 2016/17<br>\$000 | 2015/16<br>\$000 | 2014/15<br>\$000 |
|-----------------------|------------------|------------------|------------------|------------------|------------------|
| Rates - general       | 6,761            | 6,808            | 7,166            | 6,711            | 6,373            |
| Net surplus/(deficit) | 1,084            | 238              | (1,325)          | 764              | (1,935)          |
| Working capital       | 3,634            | 1,181            | 3,993            | 4,004            | 4,189            |
| Public debt           | 18,618           | 18,018           | 16,790           | 17,600           | 16,660           |
| Total assets          | 422,163          | 448,399          | 447,632          | 449,597          | 418,884          |

# DISCLOSURE STATEMENT

The following information is the annual report disclosure statement for year ending 30 June 2019.

The purpose of this statement is to disclose the council’s financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

## 1. Rates affordability

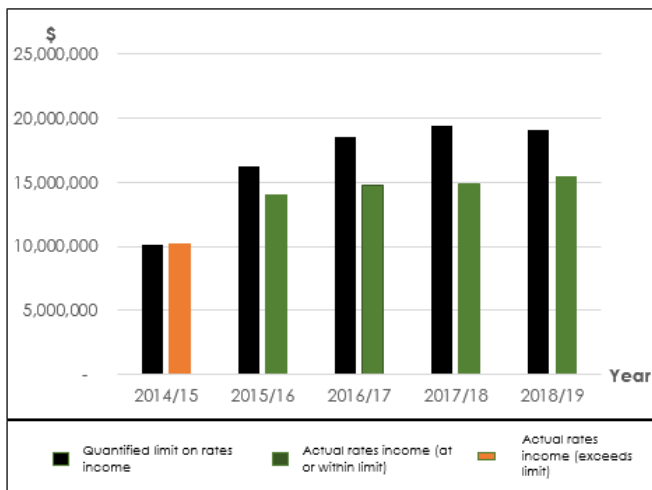
Council meets the rates affordability benchmark if -

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

The following graph compares the council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the council’s long-term plan. The quantified limit is 5%.

Council has met this measure in the 2018/19 financial year: rates do not exceed the rates (income) affordability benchmark.

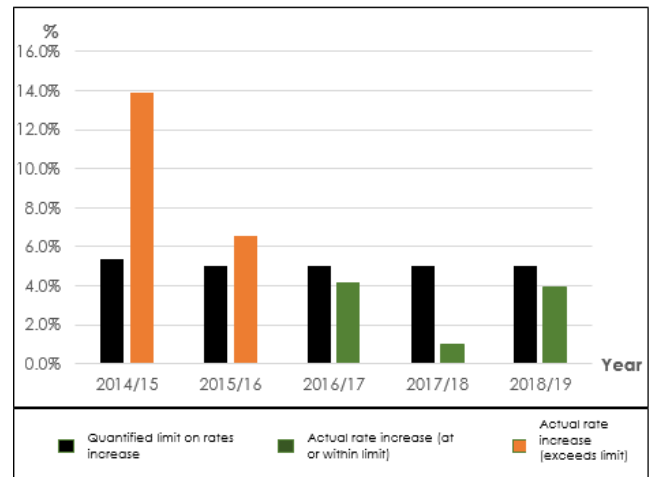
### Rates (income) affordability



The following graph compares the council’s actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council’s long-term plan. The quantified limit is 5% in any one year.

Council has met this measure in the 2018/19 financial year: rates do not exceed the rates (increases) affordability benchmark.

### Rates (increases) affordability

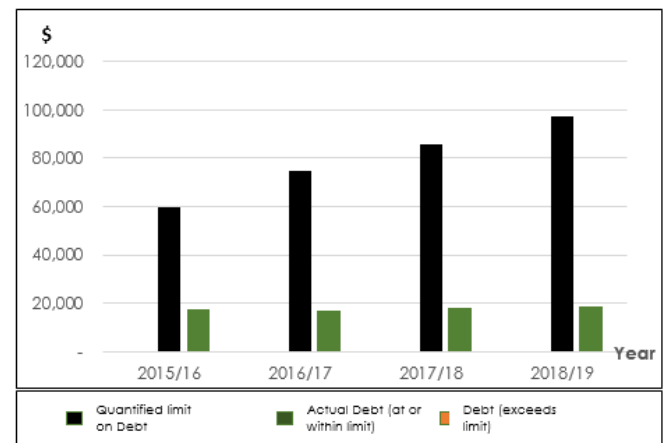


## 2. Debt affordability benchmark

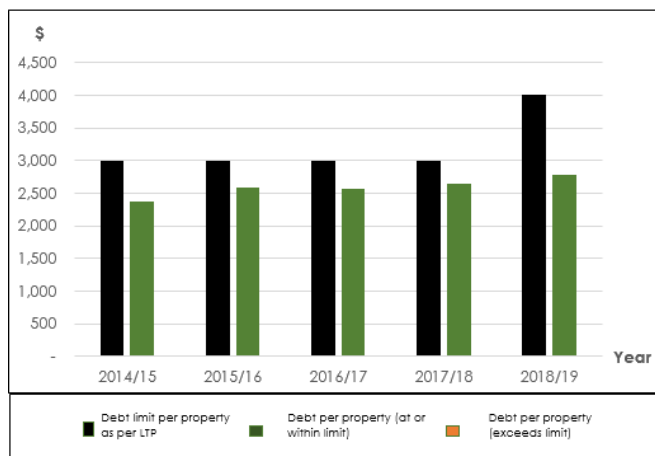
Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council’s long-term plan. The quantified limit is set so that finance costs will not exceed 10% of revenue.

Council has met this measure in the 2018/19 financial year: debt does not exceed the debt affordability benchmark.



The following graph shows the limits included in the LTP 2018-2028 (which completes the 5-year reporting requirement). The quantified limit is that average debt will not exceed \$4,000 per rateable property. The actual average debt was \$2,786 therefore this measure has been met. (The limit was increased from \$3,000 to \$4,000 by council during the Long Term Plan process).

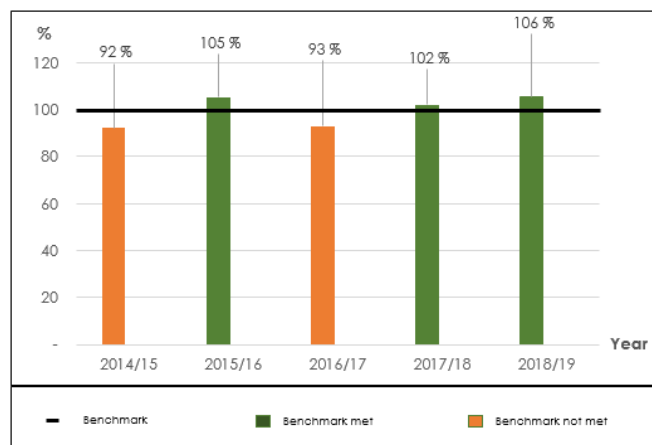


### 3. Balanced budget benchmark

The following graph displays council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). Council meets this benchmark if its revenue equals or is greater than its operating expenses.

This benchmark has been met in the 2018/19 financial year.

Revenue / Expenditure (%)

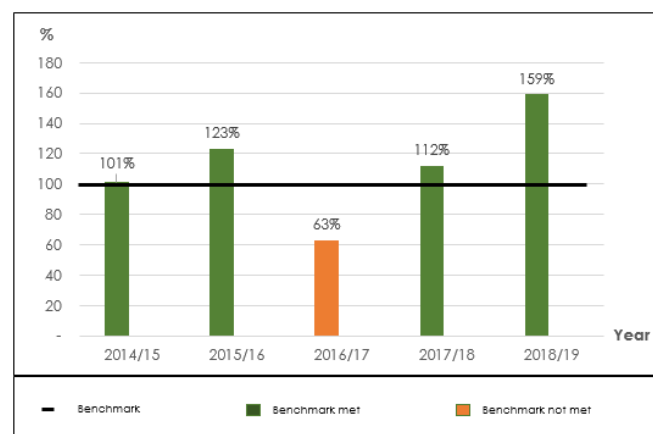


### 4. Essential services benchmark

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

This benchmark has been met in the 2018/19 financial year.

Capital expenditure / Depreciation (%)



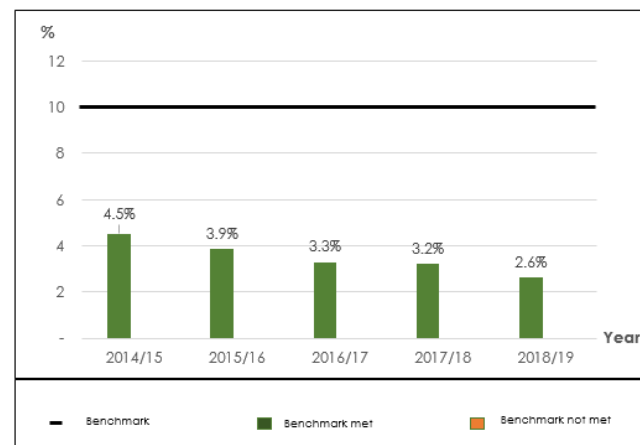
### 5. Debt servicing benchmark

The following graph displays council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Westland District's population will grow more slowly than the national population growth rate, council meets the debt servicing benchmark if its borrowing costs are equal to or are less than 10% of its revenue.

This benchmark has been met in the 2018/19 financial year.

Borrowing costs/Revenue (%)

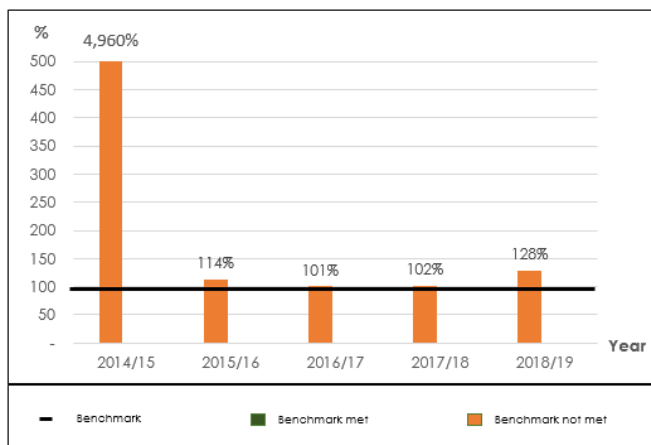


## 6. Debt control benchmark

The following graph displays council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. This benchmark has not been met in the 2018/19 financial year.

### Actual / Budgeted net debt (%)



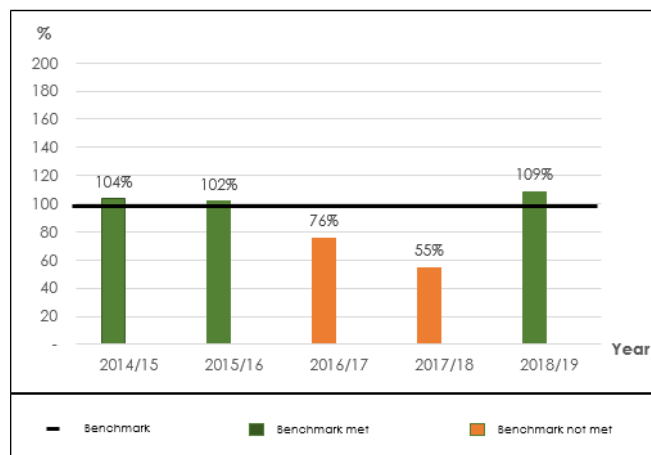
## 7. Operations control benchmark

This graph displays council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

This benchmark has been met in the 2018/19 financial year.

### Actual / Budget net cash flow from operations (%)



# FINANCIAL STATEMENTS

This section outlines Council's financial performance for the year. The following information is included:

- Statement of Comprehensive Revenue and Expense
- Statement of Changes in Equity
- Statement of Financial position
- Statement of Cash Flows
- Whole of Council Funding impact statement
- Notes to the Financial Statements
- Reserve Funds

# Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2019

| Statement of Comprehensive Revenue and Expense  |                                 |                                 |                                 |                               |                               |         |
|---|---------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|---------|
|   | Council Actual<br>2019<br>\$000 | Council Budget<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 | Notes   |
| <b>Revenue</b>  |                                 |                                 |                                 |                               |                               |         |
| Rates   | 15,517                          | 15,596                          | 14,934                          | 15,517                        | 14,934                        | 3       |
| Grants and subsidies  | 7,825                           | 5,690                           | 4,615                           | 7,825                         | 4,615                         | 3       |
| Interest revenue  | 87                              | 99                              | 82                              | 87                            | 83                            | 3       |
| Fees and charges  | 1,892                           | 1,813                           | 1,758                           | 1,892                         | 1,758                         | 3       |
| Other revenue   | 1,708                           | 1,257                           | 1,701                           | 23,730                        | 22,191                        | 3       |
| <b>Total operating revenue</b>  | <b>27,028</b>                   | <b>24,455</b>                   | <b>23,089</b>                   | <b>49,050</b>                 | <b>43,581</b>                 |         |
| <b>Expenditure</b>  |                                 |                                 |                                 |                               |                               |         |
| Employee benefit expenses   | 3,687                           | 3,749                           | 3,628                           | 15,952                        | 14,209                        | 4       |
| Finance costs   | 766                             | 757                             | 805                             | 1,250                         | 1,174                         | 5       |
| Depreciation and amortisation   | 6,313                           | 5,929                           | 5,919                           | 8,631                         | 7,909                         | 13 & 14 |
| Other expenses  | 15,179                          | 11,244                          | 12,496                          | 21,482                        | 18,069                        | 6       |
| <b>Total operating expenditure</b>  | <b>25,945</b>                   | <b>21,679</b>                   | <b>22,848</b>                   | <b>47,315</b>                 | <b>41,361</b>                 |         |
| <b>Income tax expenses/(benefit)</b>  |                                 |                                 |                                 |                               |                               |         |
| Income tax expenses/(benefit)   | -                               | -                               | 4                               | 388                           | 575                           | 7       |
| <b>Income tax expenses/(benefit)</b>  | <b>-</b>                        | <b>-</b>                        | <b>4</b>                        | <b>388</b>                    | <b>575</b>                    |         |
| <b>Operating Surplus/(Deficit)</b>  | <b>1,084</b>                    | <b>2,776</b>                    | <b>238</b>                      | <b>1,348</b>                  | <b>1,645</b>                  |         |
| <b>Other comprehensive revenue and expense</b>  |                                 |                                 |                                 |                               |                               |         |
| Gain/(loss) on revaluation of assets  | (28,761)                        | 17,700                          | (341)                           | (28,761)                      | (1,172)                       | 13 & 19 |
| Movement in Landfill Provision  | -                               | -                               | (31)                            | -                             | (31)                          | 16      |
| <b>Other Comprehensive Revenue and Expenses Subtotal</b>                                      | <b>(28,761)</b>                 | <b>17,700</b>                   | <b>(372)</b>                    | <b>(28,761)</b>               | <b>(1,203)</b>                |         |
| <b>Total comprehensive revenue and expense/(deficit) for the year attributable to Council</b> | <b>(27,677)</b>                 | <b>20,476</b>                   | <b>(134)</b>                    | <b>(27,413)</b>               | <b>442</b>                    |         |

Explanations of major variances against budget are provided in Note 24.

*The accompanying notes form part of these financial statements.*

## Statement of Changes in Equity

For the year ended 30 June 2019

| Statement of Changes in Equity |  |  |  |  |  |
|--------------------------------|--|--|--|--|--|
|                                | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
| Balance at 1 July              | 424,162                                  | 430,608                                  | 424,978                                  | 428,552                                | 428,792                                |
| Assets disestablished          | -  | -  | (1,006)                                  | -                                      | (1,006)                                |
| Restatement adjustment         | -  | -  | 323                                      | -                                      | 323                                    |
| Total comprehensive income     | (27,677)                                 | 20,476                                   | (134)                                    | (27,413)                               | 442                                    |
| <b>Balance at 30 June</b>      | <b>396,484</b>                           | <b>451,084</b>                           | <b>424,162</b>                           | <b>401,139</b>                         | <b>428,552</b>                         |

Explanations of major variances against budget are provided in Note 24.

*The accompanying notes form part of these financial statements.*

# Statement of Financial Position

As at 30 June 2019

| Statement of Financial Position      |                                 |                                 |                                 |                               |                               |       |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|-------|
|                                      | Council Actual<br>2019<br>\$000 | Council Budget<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 | Notes |
| <b>Assets</b>                        |                                 |                                 |                                 |                               |                               |       |
| <b>Current assets</b>                |                                 |                                 |                                 |                               |                               |       |
| Cash & cash equivalents              | 2,589                           | 5,570                           | 2,021                           | 3,032                         | 2,256                         | 8     |
| Debtors & other receivables          | 4,675                           | 2,354                           | 5,277                           | 7,633                         | 8,207                         | 9     |
| Inventory                            | -                               | -                               | -                               | 1,103                         | 548                           | 10    |
| Work in progress                     | -                               | -                               | -                               | 577                           | 496                           | 13    |
| Other financial assets               | -                               | 328                             | 310                             | -                             | 310                           | 12    |
| <b>Total Current Assets</b>          | <b>7,265</b>                    | <b>8,251</b>                    | <b>7,609</b>                    | <b>12,345</b>                 | <b>11,818</b>                 |       |
| <b>Non-current assets</b>            |                                 |                                 |                                 |                               |                               |       |
| Council Controlled Organisation      | 8,695                           | 8,695                           | 8,695                           | -                             | -                             | 12    |
| Intangible assets                    | 117                             | 81                              | 143                             | 117                           | 294                           | 14    |
| Assets Under Construction            | 4,458                           | 1,309                           | 2,698                           | 4,517                         | 2,780                         | 13    |
| Derivative financial instruments     | -                               | -                               | 5                               | -                             | 5                             | 11    |
| Other Financial Assets               | 368                             | 74                              | 302                             | 368                           | 302                           | 12    |
| Investment property                  | -                               | -                               | -                               | 1,035                         | 1,382                         | 13A   |
| Property, Plant and Equipment        | 401,260                         | 458,407                         | 428,947                         | 418,717                       | 445,871                       | 13    |
| Term Inventory                       | -                               | -                               | -                               | 353                           | 351                           | 10    |
| <b>Total Non-current assets</b>      | <b>414,898</b>                  | <b>468,565</b>                  | <b>440,791</b>                  | <b>425,108</b>                | <b>450,986</b>                |       |
| <b>Total Assets</b>                  | <b>422,163</b>                  | <b>476,816</b>                  | <b>448,399</b>                  | <b>437,453</b>                | <b>462,803</b>                |       |
| <b>Liabilities</b>                   |                                 |                                 |                                 |                               |                               |       |
| <b>Current liabilities</b>           |                                 |                                 |                                 |                               |                               |       |
| Creditors & other payables           | 2,845                           | 2,087                           | 2,604                           | 5,126                         | 4,127                         | 15    |
| Employee benefit liabilities         | 368                             | 182                             | 358                             | 1,290                         | 1,214                         | 17    |
| Tax payable                          | 3                               | 3                               | 3                               | 233                           | 498                           | 7     |
| Borrowings                           | -                               | 1,701                           | 3,000                           | 1,066                         | 4,488                         | 18    |
| Derivative financial instruments     | 20                              | -                               | 1                               | 20                            | 1                             | 11    |
| Other Liabilities                    | 395                             | 377                             | 461                             | 415                           | 504                           | 18    |
| <b>Total Current Liabilities</b>     | <b>3,631</b>                    | <b>4,351</b>                    | <b>6,428</b>                    | <b>8,150</b>                  | <b>10,833</b>                 |       |
| <b>Non-current liabilities</b>       |                                 |                                 |                                 |                               |                               |       |
| Deferred Tax                         | 32                              | 28                              | 32                              | 286                           | 208                           | 7     |
| Employee benefit liabilities         | 36                              | 20                              | 35                              | 128                           | 121                           | 17    |
| Provisions                           | 2,480                           | 2,089                           | 2,179                           | 2,480                         | 2,179                         | 16    |
| Borrowings                           | 18,618                          | 18,745                          | 15,018                          | 24,389                        | 20,365                        | 18    |
| Derivative financial instruments     | 882                             | 500                             | 545                             | 882                           | 545                           | 11    |
| <b>Total Non-Current Liabilities</b> | <b>22,048</b>                   | <b>21,382</b>                   | <b>17,810</b>                   | <b>28,165</b>                 | <b>23,419</b>                 |       |
| <b>Total Liabilities</b>             | <b>25,679</b>                   | <b>25,733</b>                   | <b>24,237</b>                   | <b>36,315</b>                 | <b>34,251</b>                 |       |
| <b>Net Assets</b>                    | <b>396,484</b>                  | <b>451,084</b>                  | <b>424,163</b>                  | <b>401,138</b>                | <b>428,552</b>                |       |



| <b>Equity</b>                                   |                |                |                |                |                |    |
|---|----------------|----------------|----------------|----------------|----------------|----|
| Retained earnings                               | 147,535        | 151,581        | 147,994        | 152,189        | 152,384        | 19 |
| Restricted Reserves                             | 9,164          | 7,347          | 7,622          | 9,164          | 7,622          | 19 |
| Revaluation reserves                            | 239,721        | 292,091        | 268,483        | 239,721        | 268,483        | 19 |
| Other comprehensive revenue and expense reserve | 64             | 64             | 64             | 64             | 64             | 19 |
| <b>Equity</b>                                   | <b>396,484</b> | <b>451,084</b> | <b>424,163</b> | <b>401,138</b> | <b>428,552</b> |    |

Explanations of major variances against budget are provided in Note 24.

*The accompanying notes form part of these financial statements.*

# Statement of Cash Flows

For the year ended 30 June 2019

| <b>CASH FLOW STATEMENT</b>                              |  |  |  |  |  |              |
|---|--|--|--|--|--|--------------|
|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council<br/>Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> | <b>Notes</b> |
| <b>Cashflow Operating Activities</b>                    |  |  |  |  |  |              |
| Cash was provided from:                                 |  |  |  |  |  |              |
| Rates Revenue   | 15,616                                   | 15,706                                       | 14,461                                   | 15,506                                 | 14,379                                 |              |
| Fees, charges, and other receipts (including donations) | 2,137                                    | 1,813  | 1,758                                    | 2,137                                  | 1,758                                  |              |
| Interest Received                                       | 87                                       | 99   | 81                                       | 87                                     | 82                                     |              |
| Dividends received                                      | 324                                      | 600  | 120                                      | 24                                     | -                                      |              |
| Grants and Subsidies                                    | 8,047                                    | 5,696  | 2,822                                    | 8,047                                  | 2,822                                  |              |
| Other Revenue   | 1,612                                    | 1,241  | 1,571                                    | 23,635                                 | 20,486                                 |              |
| <b>Total:</b>   | <b>27,822</b>                            | <b>25,155</b>                                | <b>20,812</b>                            | <b>49,436</b>                          | <b>39,526</b>                          |              |
| Cash was applied to:                                    |  |  |  |  |  |              |
| Payment Staff & Suppliers                               | 16,889                                   | 14,952                                       | 15,631                                   | 34,858                                 | 30,952                                 |              |
| Interest Paid   | 677                                      | 757  | 668                                      | 1,161                                  | 1,037                                  |              |
| Income tax paid   | -  | -  | -  | 586                                    | 114                                    |              |
| <b>Total:</b>   | <b>17,566</b>                            | <b>15,709</b>                                | <b>16,299</b>                            | <b>36,605</b>                          | <b>32,103</b>                          |              |
| <b>Net Cashflow Operating Activities</b>                | <b>10,256</b>                            | <b>9,446</b>                                 | <b>4,513</b>                             | <b>12,831</b>                          | <b>7,423</b>                           |              |
| <b>Cashflow Investment Activities</b>                   |  |  |  |  |  |              |
| Cash was provided from:                                 |  |  |  |  |  |              |
| Proceeds from Investments realised                      | -  | -  | -  | -                                      | -                                      |              |
| Proceeds from sale of property, plant and equipment     | 200                                      | -  | 43                                       | 574                                    | 232                                    |              |
| Movement in Westpac bonds                               | 310                                      | -  | 459                                      | 310                                    | 459                                    |              |
| <b>Total</b>  | <b>510</b>                               | <b>-</b>                                     | <b>502</b>                               | <b>884</b>                             | <b>691</b>                             |              |
| Cash was applied to:                                    |  |  |  |  |  |              |
| Purchase of property, plant and equipment               | 10,645                                   | 9,042  | 6,629                                    | 13,389                                 | 10,858                                 |              |
| Purchase of intangibles                                 | 87                                       | -  | 101                                      | 87                                     | 101                                    |              |
| Purchase of Investments                                 | 69                                       | -  | 229                                      | 69                                     | 476                                    |              |
| <b>Cash was applied to:</b>                             | <b>10,801</b>                            | <b>9,042</b>                                 | <b>6,959</b>                             | <b>13,545</b>                          | <b>11,435</b>                          |              |
| <b>Net Cashflow Investment Activities</b>               | <b>(10,291)</b>                          | <b>(9,042)</b>                               | <b>(6,457)</b>                           | <b>(12,661)</b>                        | <b>(10,744)</b>                        |              |
| <b>Cashflow Finance Activities</b>                      |  |  |  |  |  |              |
| Cash was provided from:                                 |  |  |  |  |  |              |
| Proceeds from borrowings                                | 2,171                                    | 2,615  | 3,020                                    | 3,715                                  | 4,859                                  |              |
| Capital works loan repayments                           | 3  | -  | 4  | 3                                      | 4                                      |              |
| <b>Total</b>  | <b>2,174</b>                             | <b>2,615</b>                                 | <b>3,024</b>                             | <b>3,718</b>                           | <b>4,863</b>                           |              |
| Cash was applied to:                                    |  |  |  |  |  |              |
| Repayment of borrowings                                 | 1,571                                    | 1,571  | 1,792                                    | 2,804                                  | 2,351                                  |              |
| <b>Cash was applied to:</b>                             | <b>1,571</b>                             | <b>1,571</b>                                 | <b>1,792</b>                             | <b>2,804</b>                           | <b>2,351</b>                           |              |
| <b>Net Cashflow Finance Activities</b>                  | <b>603</b>                               | <b>1,044</b>                                 | <b>1,232</b>                             | <b>914</b>                             | <b>2,513</b>                           |              |

|   |              |              |              |              |              |   |
|---|--------------|--------------|--------------|--------------|--------------|---|
| <b>Cash Balance</b>                       |              |              |              |              |              |   |
| Net increase/(decrease) in cash held      | 568          | 1,449        | (712)        | 1,084        | (1,136)      |   |
| Total cash resources at start of the year | 2,021        | 4,121        | 2,733        | 1,928        | 3,065        |   |
| <b>Cash Balance</b>                       | <b>2,589</b> | <b>5,570</b> | <b>2,021</b> | <b>3,012</b> | <b>1,928</b> |   |
| Cash & cash equivalents                   | 2,589        | 5,570        | 2,021        | 3,032        | 2,256        | 8 |
| Bank overdraft                            | -            | -            | -            | (20)         | (328)        |   |
| <b>Cash Balance</b>                       | <b>2,589</b> | <b>5,570</b> | <b>2,021</b> | <b>3,012</b> | <b>1,928</b> |   |

Explanations of major variances against budget are provided in Note 24.

*The accompanying notes form part of these financial statements.*

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

|   | Council Actual<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
|---|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
| <b>Surplus/(deficit) after tax</b>                                      | <b>1,084</b>                    | <b>238</b>                      | <b>1,348</b>                  | <b>1,645</b>                  |
| <b>Add/(Less) non-cash items</b>  |                                 |                                 |                               |                               |
| Depreciation and amortisation   | 6,313                           | 5,919                           | 8,631                         | 7,909                         |
| Increase/(decrease) in provision for doubtful debts                     | (156)                           | 13                              | (154)                         | 16                            |
| Increase/(decrease) in employee entitlements                            | (2)                             | 53                              | 4                             | 46                            |
| Increase/(decrease) in deferred tax                                     | -                               | 4                               | 77                            | (23)                          |
| (Gain)/loss on fair value of investment property                        | -                               | -                               | 7                             | (97)                          |
| Impairment of goodwill  | -                               | -                               | 151                           | -                             |
| (Gain)/loss in interest rate swap                                       | 358                             | 32                              | 358                           | 32                            |
|   | <b>6,512</b>                    | <b>6,022</b>                    | <b>9,073</b>                  | <b>7,884</b>                  |
| <b>Add/(less) items classified as investing or financing activities</b> |                                 |                                 |                               |                               |
| (Gains)/losses on sale of assets  | 443                             | 481                             | 216                           | 418                           |
| Dividends to equity holders   | -                               | -                               | -                             | -                             |
| Net loss/(gain) on sale of investment property                          | -                               | -                               | -                             | -                             |
| Capital creditors   | 1,126                           | (749)                           | 1,183                         | (723)                         |
|   | <b>1,569</b>                    | <b>(268)</b>                    | <b>1,399</b>                  | <b>(305)</b>                  |
| <b>Add/(less) movements in working capital</b>                          |                                 |                                 |                               |                               |
| Debtors and other receivables   | 633                             | (2,214)                         | 86                            | (2,957)                       |
| Inventories   | -                               | -                               | (551)                         | (244)                         |
| Creditors and other payables  | 445                             | 811                             | 1,687                         | 916                           |
| Deferred income   | -                               | -                               | (25)                          | (1)                           |
| Current and non-current provisions                                      | -                               | (54)                            | -                             | (54)                          |
| Employee entitlements   | 13                              | (24)                            | 80                            | 57                            |
| Tax refund due  | -                               | -                               | -                             | 11                            |
| Taxation provision  | -                               | -                               | (266)                         | 468                           |
|   | <b>1,091</b>                    | <b>(1,482)</b>                  | <b>1,011</b>                  | <b>(1,804)</b>                |
| <b>Net cash inflow/(outflow) from operating activities</b>              | <b>10,256</b>                   | <b>4,513</b>                    | <b>12,831</b>                 | <b>7,423</b>                  |

Explanations of major variances against budget are provided in Note 24.

*The accompanying notes form part of these financial statements.*

# Whole of Council Funding Impact Statement

For the year ended 30 June 2019

| <b>Funding Impact Statement for Whole of Council</b>                     |                                       |   |  |                                  |
|--|---------------------------------------|---|--|----------------------------------|
|  | <b>Annual Plan<br/>2018<br/>\$000</b> | <b>Annual Report<br/>2018<br/>\$000</b> | <b>Long Term<br/>Plan 2019<br/>\$000</b> | <b>Actual<br/>2019<br/>\$000</b> |
| <b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>                          |                                       |   |  |                                  |
| <b>Sources of Operating Funding</b>                                      |                                       |   |  |                                  |
| General rates, uniform annual general charges, rates penalties           | 7,006                                 | 6,733                                   | 6,926                                    | 6,700                            |
| Targeted Rates   | 8,199                                 | 8,201                                   | 8,780                                    | 8,817                            |
| Subsidies and grants for operating purposes                              | 2,235                                 | 1,267                                   | 1,943                                    | 3,289                            |
| Fees and charges   | 2,409                                 | 2,594                                   | 1,840                                    | 1,892                            |
| Interest and dividends from investments                                  | 622                                   | 646                                     | 699                                      | 411                              |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 4,673                                 | 203                                     | 510                                      | 1,234                            |
| <b>Total Operating Funding (A)</b>                                       | <b>25,145</b>                         | <b>19,644</b>                           | <b>20,698</b>                            | <b>22,343</b>                    |
| <b>Applications of Operating Funding</b>                                 |                                       |   |  |                                  |
| Payments to staff and suppliers  | 18,685                                | 15,561                                  | 15,083                                   | 18,272                           |
| Finance Costs  | 778                                   | 1,030                                   | 757                                      | 766                              |
| Other operating funding applications                                     | -                                     | -                                       | -  | -                                |
| <b>Total Applications of Operating Funding (B)</b>                       | <b>19,463</b>                         | <b>16,591</b>                           | <b>15,840</b>                            | <b>19,038</b>                    |
| <b>Surplus/(Deficit) of Operating Funding (A - B)</b>                    | <b>5,682</b>                          | <b>3,054</b>                            | <b>4,857</b>                             | <b>3,305</b>                     |
| <b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>                            |                                       |   |  |                                  |
| <b>Sources of Capital Funding</b>  |                                       |   |  |                                  |
| Subsidies and grants for capital expenditure                             | 2,391                                 | 3,351                                   | 3,754                                    | 4,535                            |
| Development and financial contributions                                  | 94                                    | -                                       | 93                                       | -                                |
| Increase (decrease) in debt  | 2,760                                 | 1,228                                   | 1,044                                    | 600                              |
| Gross proceeds from sale of assets                                       | -                                     | 49                                      | -  | -                                |
| Lump sum contributions   | -                                     | -                                       | -  | -                                |
| Other dedicated capital funding  | -                                     | -                                       | -  | -                                |
| <b>Total Sources of Capital Funding (C)</b>                              | <b>5,245</b>                          | <b>4,628</b>                            | <b>4,891</b>                             | <b>5,135</b>                     |
| <b>Application of Capital Funding</b>                                    |                                       |   |  |                                  |
| Capital Expenditure:   |                                       |   |  |                                  |
| - to meet additional demand  | 60                                    | 1,713                                   | 39                                       | 508                              |
| - to improve the level of service  | 589                                   | 2,604                                   | 4,829                                    | 4,403                            |
| - to replace existing assets   | 6,721                                 | 3,180                                   | 4,174                                    | 4,924                            |
| Increase (decrease) in reserves  | 3,557                                 | 421                                     | 707                                      | (1,394)                          |
| Increase (decrease) of investments                                       | -                                     | (236)                                   | -  | -                                |
| <b>Total Applications of Capital Funding (D)</b>                         | <b>10,927</b>                         | <b>7,682</b>                            | <b>9,749</b>                             | <b>8,440</b>                     |
| <b>Surplus/(Deficit) of Capital Funding (C - D)</b>                      | <b>(5,682)</b>                        | <b>(3,054)</b>                          | <b>(4,857)</b>                           | <b>(3,305)</b>                   |
| <b>Funding Balance ((A - B) + (C - D))</b>                               | <b>-</b>                              | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                         |

Explanations of major variances against budget are provided in Note 24.

*The accompanying notes form part of these financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1: STATEMENT OF ACCOUNTING POLICIES

### REPORTING ENTITY

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

The group consists of the ultimate parent, Westland District Council, and its subsidiaries, Westland Wilderness Trust, Westland Holdings Limited (100% owned), and the 100% owned subsidiaries of Westland Holdings Limited: Westroads Limited, Destination Westland Limited.

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

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

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

The financial statements of the Council and group are for the year ended 30 June 2019.

Section 98(3) of the Local Government Act 2002 requires the Council to complete and adopt the annual report within four months of the end of the financial year to which it relates.

### BASIS OF PREPARATION

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

### Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R) which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The Financial Statements have been prepared in accordance with Tier 1 PBE Standards.

These financial statements comply with PBE Reporting Standards.

### Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than the remuneration and the severance payment disclosures in Note 4, and the related party transaction disclosures in Note 20, which are rounded to the nearest dollar.

The functional currency of the Council is New Zealand dollars.

### ACCOUNTING STANDARDS ISSUED FOR PUBLIC BENEFIT ENTITIES

The Council is subject to Tier 1 reporting requirements of the Accounting Standard for Public Benefit Entities.

The financial statements are compliant with the International Public Sector Accounting Standards (IPSAS).

## **STANDARDS ISSUED BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED**

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

### *Financial instruments*

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group have not yet assessed the effects of the new standard.

### *Separate financial statements*

In January 2017, the XRB issued PBE IPSAS 34, Separate financial statements. This prescribes the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements. PBE IPSAS 34 is effective for annual periods beginning on or after 1 January 2019, with early application permitted.

### *Consolidated financial statements*

In January 2017, the XRB issued PBE IPSAS 35, Consolidated financial statements. This establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. PBE IPSAS 35 is effective for annual periods beginning on or after 1 January 2019, with early application permitted.

### *Interests in other entities*

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 36-38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6-8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply these standards in preparing its 30 June 2020 financial statements. The Council and group have not yet assessed the effects of these new standards.

## **CHANGES IN ACCOUNTING POLICIES**

Council changed its accounting policy in regards to revaluation of landfills. It was decided that the revaluation and accounting for landfills and landfill provision provided for a complexity that was not necessary and has changed the policy back to the cost model. Refer to note 13.

## **SIGNIFICANT ACCOUNTING POLICIES –**

Are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

## **Basis of consolidation:**

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

## **SUBSIDIARIES**

Subsidiaries are those entities in which Council has control. Westland Holdings Ltd is Council's direct reporting subsidiary. As of 30 June 2019, this company controls two Council Controlled Organisations which are reporting entities under the Local Government Act 2002. As at 30 June 2019 the Group consists of Destination Westland Ltd and Westroads Ltd. Investments in subsidiaries are recorded at cost. Transactions with subsidiaries are at arm's length and under normal trading terms. Recharges are invoiced at cost.

## **GOODS AND SERVICES TAX (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## **Budget figures**

The budget figures are those approved by Council in its Long Term Plan 2018/28. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

## **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing the financial forecasts and statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Estimating the landfill aftercare provision – see Note 16.
- Estimating the fair value of land, buildings, and infrastructural assets – see Note 13.
- Estimating the retirement and long service leave obligation – see Note 17.

## **NOTE 2: SUMMARY REVENUE AND EXPENDITURE FOR GROUP OF ACTIVITIES**

### **Accounting policy**

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

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

The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as staff numbers, items processed, and/or based on level of support provided to each activity.

There have been no changes to the cost allocation methodology during the year.



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

| <b>SUMMARY REVENUE AND EXPENDITURE FOR GROUP OF ACTIVITIES</b> |  |  |  |
|--|--|--|--|
|  | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> |
| <b>Revenue</b>   |  |  |  |
| Community Services   | 926                                      | 935                                      | 1,027                                    |
| Leadership   | 8,444                                    | 8,255                                    | 8,881                                    |
| Leisure services and facilities                                | 2,760                                    | 1,134                                    | 2,231                                    |
| Planning & Regulatory  | 1,707                                    | 1,033                                    | 1,144                                    |
| Solid Waste  | 1,641                                    | 1,555                                    | 1,566                                    |
| Stormwater   | 576                                      | 576                                      | 552                                      |
| Transportation   | 4,566                                    | 3,660                                    | 3,774                                    |
| Wastewater   | 2,546                                    | 3,547                                    | 988                                      |
| Water Supply   | 4,186                                    | 4,120                                    | 4,087                                    |
| less internal overhead recoveries                              | (7,022)                                  | (7,176)                                  | (7,735)                                  |
| General Rates  | 6,700                                    | 6,816                                    | 6,575                                    |
| <b>Total operating revenue</b>                                 | <b>27,028</b>                            | <b>24,454</b>                            | <b>23,090</b>                            |
| <b>Expenditure</b>   |  |  |  |
| Community Services   | 1,434                                    | 1,353                                    | 1,384                                    |
| Leadership   | 9,594                                    | 9,150                                    | 9,697                                    |
| Leisure services and facilities                                | 3,792                                    | 2,690                                    | 3,716                                    |
| Planning & Regulatory  | 2,860                                    | 2,266                                    | 2,562                                    |
| Solid Waste  | 2,584                                    | 2,316                                    | 2,284                                    |
| Stormwater   | 633                                      | 562                                      | 538                                      |
| Transportation   | 7,676                                    | 5,818                                    | 6,060                                    |
| Wastewater   | 1,307                                    | 1,576                                    | 959                                      |
| Water Supply   | 3,087                                    | 3,124                                    | 3,382                                    |
| less internal overhead expenses                                | (7,022)                                  | (7,176)                                  | (7,735)                                  |
| <b>Total operating expenditure</b>                             | <b>25,945</b>                            | <b>21,679</b>                            | <b>22,848</b>                            |
| <b>Operating Surplus/(Deficit)</b>                             | <b>1,084</b>                             | <b>2,775</b>                             | <b>242</b>                               |

### **NOTE 3: REVENUE**

#### **Accounting policy**

Revenue is measured at the fair value of consideration received.

#### **(i) Rates revenue**

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

## RATES REVENUE

|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
|---|--|--|--|--|--|
| <b>Gross rates</b>                                |  |  |  |  |  |
| <b>General rates</b>                              |  |  |  |  |  |
| General rates                                     | 6,761                                    | 6,763                                    | 6,808                                    | 6,761                                  | 6,808                                  |
| Penalties   | 124                                      | 163                                      | 141                                      | 124                                    | 141                                    |
| <b>Total general-purpose rates</b>                | <b>6,885</b>                             | <b>6,926</b>                             | <b>6,949</b>                             | <b>6,885</b>                           | <b>6,949</b>                           |
| <b>Targeted rates</b>                             |  |  |  |  |  |
| Community rates                                   | 2,016                                    | 2,016                                    | 2,008                                    | 2,016                                  | 2,008                                  |
| Sewerage rates                                    | 1,491                                    | 1,491                                    | 923                                      | 1,491                                  | 923                                    |
| Tourism rates                                     | 385                                      | 385                                      | 511                                      | 385                                    | 511                                    |
| Enterprise Hokitika rates (DH)                    | 39                                       | 39                                       | 39                                       | 39                                     | 39                                     |
| Waste management                                  | 733                                      | 733                                      | 733                                      | 733                                    | 733                                    |
| <b>Total targeted rates excluding water rates</b> | <b>4,663</b>                             | <b>4,663</b>                             | <b>4,213</b>                             | <b>4,663</b>                           | <b>4,213</b>                           |
| <b>Water rates</b>                                |  |  |  |  |  |
| Metered water supply                              | 386                                      | 353                                      | 340                                      | 386                                    | 340                                    |
| Westland Milk Products water rate                 | 2,724                                    | 2,720                                    | 2,747                                    | 2,724                                  | 2,747                                  |
| Other water rates                                 | 1,044                                    | 1,044                                    | 918                                      | 1,044                                  | 918                                    |
| <b>Total targeted water rates</b>                 | <b>4,154</b>                             | <b>4,118</b>                             | <b>4,005</b>                             | <b>4,154</b>                           | <b>4,005</b>                           |
| <b>Total rates revenue (gross of remissions)</b>  | <b>15,702</b>                            | <b>15,706</b>                            | <b>15,167</b>                            | <b>15,702</b>                          | <b>15,167</b>                          |
| <b>Net rates</b>                                  |  |  |  |  |  |
| <b>Rates remissions</b>                           |  |  |  |  |  |
| Remissions and write offs                         | 151                                      | 85                                       | 207                                      | 151                                    | 207                                    |
| Rates discounts                                   | 34                                       | 25                                       | 26                                       | 34                                     | 26                                     |
| <b>Total rates remissions</b>                     | <b>185</b>                               | <b>110</b>                               | <b>233</b>                               | <b>185</b>                             | <b>233</b>                             |
| <b>Total rates revenue net of remissions</b>      | <b>15,517</b>                            | <b>15,596</b>                            | <b>14,935</b>                            | <b>15,517</b>                          | <b>14,935</b>                          |

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$186,404 (2018: \$211,375). For the Group, rates of \$329,911 (2018: \$308,336) have not been eliminated.

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission.

**(ii) Other revenue**

| <b>FINANCE REVENUE AND OTHER REVENUE</b>        |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |  |
| <b>Finance revenue</b>                          |  |  |  |  |  |  |
| Call and current account interest               | 35                                       | 99                                       | 34                                       | 35                                     | 35                                     |  |
| Term deposit interest                           | 36                                       | -  | 24                                       | 36                                     | 24                                     |  |
| Interest on bonds                               |  | -  | 13                                       |  | 13                                     |  |
| Other interest                                  | 10                                       | -  | 11                                       | 10                                     | 11                                     |  |
| Borrower notes                                  | 7  | -  | -  | 7                                      | -                                      |  |
| <b>Total finance revenue</b>                    | <b>87</b>                                | <b>99</b>                                | <b>82</b>                                | <b>87</b>                              | <b>83</b>                              |  |
| <b>Subsidies and grants</b>                     |  |  |  |  |  |  |
| NZTA Government grants                          | 4,463                                    | 3,660                                    | 3,763                                    | 4,463                                  | 3,763                                  |  |
| Tourism Infrastructure grants                   | 2,059                                    | 1,985                                    | 725                                      | 2,059                                  | 725                                    |  |
| West Coast Wilderness Trail grants              | 962                                      | -  | -  | 962                                    | -                                      |  |
| Events grants                                   | 6  | -  | 62                                       | 6                                      | 62                                     |  |
| Civil defence grants                            | 300                                      | -  | -  | 300                                    | -                                      |  |
| Other grants                                    | 34                                       | 45                                       | 65                                       | 34                                     | 65                                     |  |
| <b>Total subsidies and grants</b>               | <b>7,825</b>                             | <b>5,690</b>                             | <b>4,615</b>                             | <b>7,825</b>                           | <b>4,615</b>                           |  |
| <b>Fees and charges</b>                         |  |  |  |  |  |  |
| Landfill fees                                   | 900                                      | 822                                      | 828                                      | 900                                    | 828                                    |  |
| Building and resource consent fees              | 147                                      | 148                                      | 139                                      | 147                                    | 139                                    |  |
| Regulatory fees                                 | 478                                      | 568                                      | 497                                      | 478                                    | 497                                    |  |
| Admission fees                                  | -  |  | 128                                      | -                                      | 128                                    |  |
| Other fees and charges                          | 367                                      | 275                                      | 166                                      | 367                                    | 166                                    |  |
| <b>Total fees and charges</b>                   | <b>1,892</b>                             | <b>1,813</b>                             | <b>1,758</b>                             | <b>1,892</b>                           | <b>1,758</b>                           |  |
| <b>Other revenue</b>                            |  |  |  |  |  |  |
| Dividend revenue                                | 324                                      | 600                                      | 120                                      | 24                                     | -                                      |  |
| Donations                                       | 4  | 3  | 2  | 4                                      | 2                                      |  |
| Gain on interest rate swaps                     | 172                                      | -  | 195                                      | 172                                    | 195                                    |  |
| Infringements and fines                         | 25                                       | 28                                       | 17                                       | 25                                     | 17                                     |  |
| Petrol tax                                      | 145                                      | 130                                      | 169                                      | 145                                    | 169                                    |  |
| Property, plant and equipment: gain on disposal | 150                                      | -  | 49                                       | 407                                    | 139                                    |  |
| Regulatory revenue                              | 135                                      | 152                                      | 96                                       | 135                                    | 96                                     |  |
| Subvention receipts                             | 240                                      | -  | 250                                      | -                                      | -                                      |  |
| Other revenue                                   | 514                                      | 344                                      | 802                                      | 22,818                                 | 21,573                                 |  |
| <b>Total other revenue</b>                      | <b>1,708</b>                             | <b>1,257</b>                             | <b>1,701</b>                             | <b>23,730</b>                          | <b>22,191</b>                          |  |
| <b>Total Finance Revenue and Other Revenue</b>  | <b>11,512</b>                            | <b>8,859</b>                             | <b>8,155</b>                             | <b>33,534</b>                          | <b>28,647</b>                          |  |

There are no unfulfilled conditions or contingencies attached to the subsidies and grants recognised.

There was no admission fee revenue in this financial year as the facilities and events function transferred to Destination Westland (2018: \$128,000).

#### *Provision of commercially based services*

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. The stage of completion is assessed by reference to surveys of work performed.

#### *Sales of goods*

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns or allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

#### *Infringement fees and fines*

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The revenue recognised is determined based on the probability of collecting fines.

#### *Vested or donated physical assets*

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

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

#### *Donated and bequeathed financial assets*

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

#### *Revenue from investments*

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

### **(iii) Grants and Subsidies**

Council receives government grants from New Zealand Transport Agency, which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Council also from time to time receives grants from other parties that are recognised on the same basis.

#### (iv) Fees and charges

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

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

##### *Entrance fees:*

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

##### *Landfill fees:*

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

#### (v) Operating leases as a lessor

Investment property is leased under operating leases. The following aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

| <b>OPERATING LEASES AS A LESSOR</b>               |  |  |  |  |
|---|--|--|--|--|
|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
| Not later than one year                           | -  | -  | 119                                    | 123                                    |
| Later than one year and not later than five years | -  | -  | 205                                    | 219                                    |
| Later than five years                             | -  | -  | 140                                    | 117                                    |
| <b>Total non-cancellable operating leases</b>     | <b>-</b>                                 | <b>-</b>                                 | <b>464</b>                             | <b>459</b>                             |

No contingent rents have been recognised during the period.

#### **NOTE 4: PERSONNEL COSTS**

##### **Accounting policy**

##### **Superannuation schemes**

##### *Defined contribution schemes*

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

##### *Defined benefit schemes*

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the board of trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

## EMPLOYEE BENEFIT EXPENSES

|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
|---|--|--|--|--|--|
| Salaries and wages  | 3,577                                    | 3,642                                    | 3,466                                    | 15,355                                 | 13,598                                 |
| Employer contributions to superannuation schemes and benefits | 112                                      | 107                                      | 109                                      | 527                                    | 485                                    |
| Increase/(decrease) in employee entitlements                  | (2)                                      | -  | 53                                       | 70                                     | 126                                    |
| <b>Total employee benefit expenses</b>                        | <b>3,687</b>                             | <b>3,749</b>                             | <b>3,628</b>                             | <b>15,952</b>                          | <b>14,209</b>                          |

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

## PERSONNEL COSTS

|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> |
|---|--|--|
| <b>Chief Executive</b>                      |  |  |
| Salary                                      | 235,000                                  | 220,003                                  |
| Superannuation contribution                 | 7,050                                    | 4,911                                    |
| <b>Total Chief Executive's remuneration</b> | <b>242,050</b>                           | <b>224,914</b>                           |

### Elected representatives received the following remuneration:

|  |   |                |                |
|--|---|----------------|----------------|
| B. Smith   | Mayor                                   | 77,620         | 73,326         |
| L. Martin  | Councillor/Deputy Mayor/Committee Chair | 29,148         | 27,324         |
| H. Lash  | Councillor/Deputy Mayor                 | 25,174         | 24,499         |
| G. Eatwell   | Councillor                              | 21,200         | 19,873         |
| D. Carruthers                                      | Councillor                              | 29,148         | 25,523         |
| D. Havill  | Councillor                              | 21,200         | 19,873         |
| J. Neale   | Councillor                              | 21,200         | 19,873         |
| G. Olson   | Councillor                              | 21,200         | 19,873         |
| D. Routhan   | Councillor                              | 21,200         | 19,873         |
| <b>Total elected representatives' remuneration</b> |   | <b>267,090</b> | <b>250,037</b> |

There were no directors' fees paid by Westland Holdings Ltd in this financial year (2018: \$16,000) to councillors.

There were \$21,000 directors' fees paid by Destination Westland Ltd in this financial year (2018: \$25,250) to councillors.

There were \$23,833 directors' fees paid by Westroads Ltd in this financial year (2018: \$23,999) to councillors.

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

| Council employee remuneration by band                    | 2019      | 2018      |
|--|-----------|-----------|
| Annual remuneration by band for employees as at 30 June: |           |           |
| < \$60,000   | 19        | 21        |
| \$60,000 - \$79,999                                      | 13        | 16        |
| \$80,000 - \$99,999                                      | 13        | 9         |
| \$100,000 - \$159,999                                    | 6         | 6         |
| \$160,000 - \$239,999                                    | -         | 1         |
| \$240,000- \$259,999                                     | 1         | -         |
| <b>Total employees</b>                                   | <b>52</b> | <b>53</b> |

| Council employee staffing levels | 2019         | 2018         |
|----------------------------------|--------------|--------------|
| Number of Full-time Staff        | 42.00        | 37.00        |
| Number of Part-time FTEs         | 5.19         | 6.03         |
| <b>Total FTEs</b>                | <b>47.19</b> | <b>43.03</b> |

Total remuneration includes any non-financial benefits provided to employees.

A full-time employee is determined on the basis of a 40-hour working week.

#### Severance Payments

There have been no severance payments in the 2018-19 financial year (2018: Nil)

## NOTE 5: FINANCE COSTS

### Accounting policy

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

| FINANCE COSTS              |                                 |                                 |                                 |                               |                               |
|----------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
|                            | Council Actual<br>2019<br>\$000 | Council Budget<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
| Interest on other          | 57                              | -                               | 66                              | 57                            | 66                            |
| Interest on secured loans  | 491                             | 757                             | 482                             | 975                           | 851                           |
| Interest rate swaps        | 218                             | -                               | 257                             | 218                           | 257                           |
| <b>Total finance costs</b> | <b>766</b>                      | <b>757</b>                      | <b>805</b>                      | <b>1,250</b>                  | <b>1174</b>                   |

## NOTE 6: OTHER EXPENSES

| <b>OTHER EXPENSES</b>  |  |  |  |  |  |
|--|--|--|--|--|--|
|  | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
| <b>Fees to principal auditor</b>                                       |  |  |  |  |  |
| Audit Fees for financial statement audit                               | 140                                      | 152                                      | 138                                      | 248                                    | 229                                    |
| Audit fees for other services  | 3  | -  | 5  | 3                                      | 5                                      |
| Audit fees for Long Term Plan audit                                    | -  | -  | 115                                      | -                                      | 115                                    |
| <b>Total fees to principal auditor</b>                                 | <b>143</b>                               | <b>152</b>                               | <b>258</b>                               | <b>251</b>                             | <b>349</b>                             |
| <b>Other operating expenses</b>  |  |  |  |  |  |
| Consultants and legal fees   | 418                                      | 415                                      | 594                                      | 418                                    | 594                                    |
| Contractors  | 1,753                                    | 992                                      | 1,428                                    | 1,753                                  | 1,428                                  |
| Donations and grants   | 630                                      | 653                                      | 599                                      | 633                                    | 611                                    |
| Fair value (gains)/losses on valuation of investment property          | -  | -  | -  | 7                                      | 97                                     |
| Impairment of receivables  | (136)                                    | -  | (11)                                     | (134)                                  | (8)                                    |
| Insurance premiums   | 268                                      | 217                                      | 222                                      | 268                                    | 222                                    |
| Loss on held for trading interest rate swaps                           | 530                                      | 196                                      | 228                                      | 530                                    | 228                                    |
| Minimum lease payments under operating leases                          | 49                                       | 50                                       | 42                                       | 217                                    | 42                                     |
| Property, plant and equipment: loss on disposal                        | 594                                      | -  | 428                                      | 618                                    | 454                                    |
| Other operating expenses   | 10,930                                   | 8,570                                    | 8,709                                    | 16,921                                 | 14,052                                 |
| <b>Total other operating expenses (excl Fees to principal auditor)</b> | <b>15,036</b>                            | <b>11,092</b>                            | <b>12,238</b>                            | <b>21,231</b>                          | <b>17,720</b>                          |
| <b>Total other operating Expenses</b>                                  | <b>15,179</b>                            | <b>11,244</b>                            | <b>12,496</b>                            | <b>21,482</b>                          | <b>18,069</b>                          |

Material variances are explained in Note 24.

Council has reclassified certain GL codes from other operating expenses to donations and grants – accordingly, the 2018 comparative has been restated by \$217,000.

### **Accounting policy**

#### *Grant expenditure*

The Council's grants awarded have no substantive conditions attached.

Discretionary grants are those grants where the Council has no obligation to award on the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

#### *Operating leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.



## Operating leases as lessee

| OPERATING LEASES AS A LESSEE                      |                                 |                                 |                               |                               |
|---|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
|   | Council Actual<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
| Not later than one year                           | 170                             | 82                              | 315                           | 217                           |
| Later than one year and not later than five years | 173                             | 1                               | 592                           | 102                           |
| Later than five years                             | -                               | -                               | 3                             | 29                            |
| <b>Total non-cancellable operating leases</b>     | <b>343</b>                      | <b>83</b>                       | <b>910</b>                    | <b>348</b>                    |

Leases generally have a non-cancellable term of 1 – 36 months, with rents set by reference to current market rates for items of equivalent age and condition. The Council does have the option to purchase the asset at the end of the lease term. There are no restrictions placed on the Council by any of the leasing arrangements.

## NOTE 7: INCOME TAX

### Accounting policy

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax. Current tax is the amount of revenue tax payable based on the taxable profit for the current year, plus any adjustments to revenue tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities. Current tax and deferred tax is recognised against the surplus or deficit, except when it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

| INCOME TAX                                |                                 |                                 |                               |                               |
|---|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
|   | Council Actual<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
| <b>Components of tax expense</b>          |                                 |                                 |                               |                               |
| Current tax expense                       | -                               | -                               | 330                           | 597                           |
| Adjustments to current tax in prior years | -                               | -                               | (16)                          | -                             |
| Deferred tax expense                      | -                               | 4                               | 74                            | (23)                          |
| <b>Tax expense</b>                        | <b>-</b>                        | <b>4</b>                        | <b>388</b>                    | <b>575</b>                    |

## Relationship between tax expense and accounting profit

|   |       |          |            |            |
|---|-------|----------|------------|------------|
| <b>Net surplus before tax</b>           | 1,084 | 242      | 1,736      | 2,220      |
| <b>Tax at 28%</b>                       | 303   | 68       | 486        | 622        |
| Plus (less) tax effect of:              |       |          |            |            |
| Permanent differences                   | (370) | (134)    | (194)      | (47)       |
| Tax loss not previously recognised      | -     | -        | -          | -          |
| Tax loss not recognised                 | -     | -        | -          | -          |
| Prior year adjustment                   | -     | -        | 96         | -          |
| Group loss offset [subvention payments] | 67    | 70       | -          | -          |
| Deferred tax adjustment                 | -     | -        | -          | -          |
| <b>Tax expense</b>                      | -     | <b>4</b> | <b>388</b> | <b>575</b> |

## Deferred tax asset (liability) Council

|                                       | Property, plant and equipment | Other provisions | Tax losses | Total       |
|---------------------------------------|-------------------------------|------------------|------------|-------------|
| Balance at 30 June 2017               | (40)                          | -                | 12         | (28)        |
| Charged to surplus or deficit         | (3)                           | -                | (1)        | (4)         |
| Charged to other comprehensive income | -                             | -                | -          | -           |
| <b>Balance at 30 June 2018</b>        | <b>(43)</b>                   | <b>-</b>         | <b>11</b>  | <b>(32)</b> |
| Charged to surplus or deficit         | -                             | -                | -          | -           |
| Charged to other comprehensive income | -                             | -                | -          | -           |
| <b>Balance at 30 June 2019</b>        | <b>(43)</b>                   | <b>-</b>         | <b>11</b>  | <b>(32)</b> |

## Deferred tax asset (liability) Group

|                                       | Property, plant and equipment | Other provisions | Tax losses | Total        |
|---------------------------------------|-------------------------------|------------------|------------|--------------|
| Balance at 30 June 2017               | (464)                         | 155              | 17         | (292)        |
| Charged to surplus or deficit         | 88                            | (24)             | 20         | 84           |
| Charged to other comprehensive income | -                             | -                | -          | -            |
| <b>Balance at 30 June 2018</b>        | <b>(376)</b>                  | <b>131</b>       | <b>37</b>  | <b>(208)</b> |
| Charged to surplus or deficit         | (37)                          | (32)             | (9)        | (78)         |
| Charged to other comprehensive income | -                             | -                | -          | -            |
| <b>Balance at 30 June 2019</b>        | <b>(413)</b>                  | <b>99</b>        | <b>28</b>  | <b>(286)</b> |

Council has tax losses of \$42,738 available to carry forward into the 2020 income year.

## NOTE 8: CASH AND CASH EQUIVALENTS

### Accounting policy

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

| <b>CASH AND CASH EQUIVALENTS</b>  |  |  |  |  |  |
|---|--|--|--|--|--|
|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
| Cash at bank and in hand  | 1,853                                    | 5,570                                    | 1,476                                    | 2,296                                  | 1,711                                  |
| Term deposits with maturities less than three months at acquisition                   | 736                                      | -  | 545                                      | 736                                    | 545                                    |
| <b>Total cash and cash equivalents for the purpose of the statement of cash flows</b> | <b>2,589</b>                             | <b>5,570</b>                             | <b>2,021</b>                             | <b>3,032</b>                           | <b>2,256</b>                           |

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

## NOTE 9: RECEIVABLES

### Accounting policy

Receivables are recorded at the amount due, less any provision for un-collectability.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

| <b>RECEIVABLES</b>   |  |  |  |  |  |
|--|--|--|--|--|--|
|  | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
| <b>Gross debtors and other receivables</b>                 |  |  |  |  |  |
| Rates receivables  | 1,317                                    | -  | 1,517                                    | 1,317                                  | 1,517                                  |
| Related party receivables                                  | 217                                      | -  | 279                                      | -                                      | -                                      |
| NZ Transport Agency receivables                            | 1,885                                    | -  | 2,108                                    | 1,885                                  | 2,108                                  |
| Subvention receivable                                      | 240                                      | -  | 250                                      | -                                      | -                                      |
| Other receivables  | 1,088                                    | 2,354                                    | 1,352                                    | 4,510                                  | 4,814                                  |
| <b>Total gross debtors and other receivables</b>           | <b>4,747</b>                             | <b>2,354</b>                             | <b>5,505</b>                             | <b>7,712</b>                           | <b>8,439</b>                           |
| <b>Current portion debtors and other receivables</b>       |  |  |  |  |  |
| Less provision for impairment of receivables               | (71)                                     | -  | (228)                                    | (78)                                   | (232)                                  |
| <b>Total current portion debtors and other receivables</b> | <b>(71)</b>                              | <b>-</b>                                 | <b>(228)</b>                             | <b>(78)</b>                            | <b>(232)</b>                           |
| <b>Total gross debtors and other receivables</b>           | <b>4,675</b>                             | <b>2,354</b>                             | <b>5,277</b>                             | <b>7,633</b>                           | <b>8,207</b>                           |

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

|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
|---|--|--|--|--|--|
| <b>Opening Balance</b>                      | 228                                      | -  | 241                                      | 232                                    | 242                                    |
| Additional provisions made during this year | -  | -  | -  | 2                                      | 4                                      |
| provisions reversed during the year         | (156)                                    | -  | (13)                                     | (156)                                  | (13)                                   |
| Receivables written-off during the period   | -  | -  | -  | 0                                      | -                                      |
| <b>Closing Balance</b>                      | <b>71</b>                                | <b>-</b>                                 | <b>228</b>                               | <b>78</b>                              | <b>232</b>                             |

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

Provision for impairment of receivables includes a rates component covering debts aged up to six years, unoccupied Māori land rates and abandoned land rates. Council has various powers under the Local Government (Rating) Act 2002 to recover other outstanding rates. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments if the effect of discounting is material. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit. The impairment provision has been calculated based on a review of specific overdue receivables.

|                 | <b>2019<br/>Gross<br/>\$000</b> | <b>2019<br/>Impairment<br/>\$000</b> | <b>2019<br/>Net<br/>\$000</b> | <b>2018<br/>Gross<br/>\$000</b> | <b>2018<br/>Impairment<br/>\$000</b> | <b>2018<br/>Net<br/>\$000</b> |
|-----------------|---------------------------------|--------------------------------------|-------------------------------|---------------------------------|--------------------------------------|-------------------------------|
| <b>Council</b>  |                                 |                                      |                               |                                 |                                      |                               |
| 0 to 3 months   | 4,240                           | -                                    | 4,240                         | 4,771                           | -                                    | 4,771                         |
| 4 to 6 months   | 133                             | -                                    | 133                           | 203                             | (48)                                 | 155                           |
| 7 to 9 months   | 143                             | -                                    | 143                           | 75                              | -                                    | 75                            |
| 10 to 12 months | 47                              | -                                    | 46                            | 29                              | -                                    | 29                            |
| > 12 months     | 184                             | (71)                                 | 113                           | 428                             | (180)                                | 248                           |
| <b>Total</b>    | <b>4,747</b>                    | <b>(71)</b>                          | <b>4,675</b>                  | <b>5,505</b>                    | <b>(228)</b>                         | <b>5,277</b>                  |
| <b>Group</b>    |                                 |                                      |                               |                                 |                                      |                               |
| 0 to 3 months   | 7,286                           | (1)                                  | 7,285                         | 7,484                           | -                                    | 7,484                         |
| 4 to 6 months   | 111                             | -                                    | 111                           | 461                             | (48)                                 | 413                           |
| 7 to 9 months   | 89                              | -                                    | 89                            | 148                             | (2)                                  | 146                           |
| 10 to 12 months | 101                             | (5)                                  | 96                            | 105                             | (1)                                  | 104                           |
| > 12 months     | 124                             | (72)                                 | 52                            | 241                             | (181)                                | 61                            |
| <b>Total</b>    | <b>7,712</b>                    | <b>(78)</b>                          | <b>7,633</b>                  | <b>8,439</b>                    | <b>(232)</b>                         | <b>8,207</b>                  |

Note: Time bands used relate to rates instalments, as these are the material receivables and impairments.

## NOTE 10: INVENTORIES

### Accounting policy

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down. In the case of metal inventories and work in progress, cost includes an appropriate share of productions overheads based on normal operating capacity. Metal inventory cost is calculated on a

discounted sale value basis, as an approximation of weighted average cost. When land held for development and future resale is transferred from investment property/property, plant, and equipment to assets held for sale, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment. Net realisable value is the estimated selling prices in the ordinary course of business, less the estimated costs of completion and selling expenses.

| <b>INVENTORY</b>            |  |  |  |  |
|-----------------------------|--|--|--|--|
|                             | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
| Metal stocks                | -  | -  | 833                                    | 313                                    |
| Other supplies              | -  | -  | 270                                    | 235                                    |
| <b>Total inventory</b>      | <b>-</b>                                 | <b>-</b>                                 | <b>1,103</b>                           | <b>548</b>                             |
| Development land            | -  | -  | 353                                    | 351                                    |
| <b>Total term inventory</b> | <b>-</b>                                 | <b>-</b>                                 | <b>353</b>                             | <b>351</b>                             |

Council does not hold any stock as at 30 June 2019. Stocks held at the i-SITE and at the museum have been divested to Destination Westland Limited. Stocks held by the group are promotional retail items that carry an inherent risk of obsolescence. Consequently, minimal stocks are held and, as a measure of prudence purchases are accounted for in the surplus or deficit. As at 30 June 2018, the historical cost of items held was \$34,291. In line with the above policy, they are assumed to have nil realisable value.

#### **NOTE 11: ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES**

##### **Accounting policy**

The Council and group use derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. The Council does not hold or issue derivative financial instruments for trading purposes.

## DERIVATIVE FINANCIAL INSTRUMENTS

|  | Council Actual<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
|--|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
| <b>Current asset portion</b>                             |                                 |                                 |                               |                               |
| Interest rate swaps - cash flow hedges                   | -                               | -                               | -                             | -                             |
| Total current asset portion                              | -                               | -                               | -                             | -                             |
| <b>Non-current asset portion</b>                         |                                 |                                 |                               |                               |
| Interest rate swaps - cash flow hedges                   | -                               | 5                               | -                             | 5                             |
| Total non-current asset portion                          | -                               | 5                               | -                             | 5                             |
| <b>Total derivative financial instrument assets</b>      | <b>-</b>                        | <b>5</b>                        | <b>-</b>                      | <b>5</b>                      |
| <b>Current liability portion</b>                         |                                 |                                 |                               |                               |
| Interest rate swaps - cash flow hedges                   | 20                              | 1                               | 20                            | 1                             |
| Total current liability portion                          | 20                              | 1                               | 20                            | 1                             |
| <b>Non-current liability portion</b>                     |                                 |                                 |                               |                               |
| Interest rate swaps - cash flow hedges                   | 882                             | 545                             | 882                           | 545                           |
| Total non-current liability portion                      | 882                             | 545                             | 882                           | 545                           |
| <b>Total derivative financial instrument liabilities</b> | <b>902</b>                      | <b>546</b>                      | <b>902</b>                    | <b>546</b>                    |

The interest rate swaps have been included at fair value. The basis for valuation are observable inputs (Level 2 - see Note 23 for Fair Value Hierarchy). Details of the outstanding interest rate swap contracts as at 30 June are shown in the table below:

| Start Date | Maturity date | Fixed interest rate | Amount 2019       | Amount 2018       |
|------------|---------------|---------------------|-------------------|-------------------|
| 2/10/2023  | 2/10/2025     | 3.67%               | 5,000,000         | 5,000,000 *       |
| 1/10/2021  | 2/10/2023     | 3.34%               | 5,000,000         | 5,000,000 *       |
| 17/09/2019 | 17/03/2023    | 2.98%               | 2,500,000         | 2,500,000 *       |
| 3/08/2015  | 1/10/2021     | 4.10%               | 5,000,000         | 5,000,000         |
| 18/09/2017 | 18/09/2021    | 3.01%               | 2,500,000         | 2,500,000         |
| 4/10/2012  | 17/11/2020    | 3.55%               | 2,500,000         | 2,500,000         |
| 17/12/2013 | 17/09/2019    | 4.77%               | 2,500,000         | 2,500,000         |
| 17/06/2016 | 17/09/2018    | 2.35%               |                   | 1,500,000         |
|            |               |                     | <b>25,000,000</b> | <b>26,500,000</b> |

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The movement in the fair value of the derivative contracts that are not hedge accounted is recognised in the surplus or deficit.

Council has no designated hedging instruments.

## NOTE 12: OTHER FINANCIAL ASSETS

### Accounting policy

The Council and Group classify its financial assets into the following four categories for the purpose of measurement: financial assets at fair value through the surplus or deficit, held-to-maturity investments, loans and receivables, and fair value through other comprehensive revenue and expense. The classification depends on the purpose for which the investments were

acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through the surplus or deficit in which case the transaction costs are recognised therein. Purchases or sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

| <b>OTHER FINANCIAL ASSETS</b>                        |  |  |  |  |  |
|--|--|--|--|--|--|
|  | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Budget<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
| <b>Current portion</b>                               |  |  |  |  |  |
| <b>Loans and receivables:</b>                        |  |  |  |  |  |
| Westpac Bonds  | -  | 328                                      | 310                                      | -                                      | 310                                    |
| <b>Total loans and receivables</b>                   | <b>-</b>                                 | <b>328</b>                               | <b>310</b>                               | <b>-</b>                               | <b>310</b>                             |
| <b>Total current portion</b>                         | <b>-</b>                                 | <b>328</b>                               | <b>310</b>                               | <b>-</b>                               | <b>310</b>                             |
| <b>Non-current portion</b>                           |  |  |  |  |  |
| <b>Investment in CCOs</b>                            |  |  |  |  |  |
| Westland Holdings Limited                            | 8,695                                    | 8,695                                    | 8,695                                    | -                                      | -                                      |
| <b>Total investment in CCOs and similar entities</b> | <b>8,695</b>                             | <b>8,695</b>                             | <b>8,695</b>                             | <b>-</b>                               | <b>-</b>                               |
| <b>Other</b>   |  |  |  |  |  |
| Civic Assurance shares                               | 46                                       | 44                                       | 43                                       | 46                                     | 43                                     |
| Forestry   | -  | 2  | 2  | -                                      | 2                                      |
| Community loan                                       | 25                                       | 28                                       | 28                                       | 25                                     | 28                                     |
| LGFA - Floating rate securities                      | 298                                      | -  | 229                                      | 298                                    | 229                                    |
| <b>Total other</b>                                   | <b>368</b>                               | <b>74</b>                                | <b>302</b>                               | <b>368</b>                             | <b>302</b>                             |
| <b>Total non-current portion</b>                     | <b>9,063</b>                             | <b>8,769</b>                             | <b>8,997</b>                             | <b>368</b>                             | <b>302</b>                             |
| <b>Total other financial assets</b>                  | <b>9,063</b>                             | <b>9,096</b>                             | <b>9,307</b>                             | <b>368</b>                             | <b>612</b>                             |

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

|                           | <b>2019</b> | <b>2018</b> |
|---------------------------|-------------|-------------|
| Westland Holdings Limited | 8,695       | 8,695       |

#### *Assets Available for Sale:*

Assets available for resale are valued at fair value, based on the published price of the assets.

#### *Fixed Interest Portfolio –Bonds:*

Bonds are disclosed at quoted market price (Level 1).

Council's investment policy stipulates that financial investments held in the form of bonds should have a minimum credit rating of A.

The four categories of financial assets are:

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

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values.

Gains or losses on re-measurement are recognised in the surplus or deficit where hedge accounting is not applied. Financial assets in this category include derivative financial instruments.

## **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Loans and receivables are classified as “trade and other receivables” in the Statement of Financial Position.

## **Held to maturity investments**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost using the effective interest method, less impairment.

Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. The Council currently holds Local Government Funding Agency Floating Rate Securities Notes that have been classified as held to maturity investments.

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

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

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

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Council’s investments in its subsidiaries are not included in this category as they are held at cost as allowed by PBE IPSAS 6 *Consolidated and Separate Financial Statements*.

## **Impairment of financial assets**

At each balance sheet date, the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

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

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into



bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

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

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

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

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

### **NOTE 13: PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of:

#### **Operational assets**

These include land, buildings, museum artefacts, Jackson Bay Wharf, library books, plant and equipment, and motor vehicles. Land, buildings, and Jackson Bay Wharf are revalued and are measured at fair value less accumulated depreciation, all other assets are measured at cost less accumulated depreciation and impairment losses.

#### **Restricted assets**

Restricted assets are parks and reserves owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions. These include land vested under the Reserves Act 1977 and endowments or other property held in trust for specific purposes. Reserve land is revalued but was not revalued in 2017/18 as reserve land is difficult to dispose of and any revaluation amount would likely be cancelled out by the cost of sale.

Council will determine whether revaluation is required at the next revaluation date, which will be in 2022.

#### **Infrastructure assets**

Infrastructural assets are the fixed utility systems owned by the Council. Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. Each asset class includes all items that are required for the network to function. Infrastructural assets (except land under roads and landfills) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

#### **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and Group and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances,

an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

## Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

## Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised as an operating expense in the surplus or deficit as they are incurred.

## Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and museum artefacts, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

| CATEGORY                           | DEPRECIATION RATES |         | DEPRECIABLE LIFE (YEARS) |         |
|------------------------------------|--------------------|---------|--------------------------|---------|
|                                    | Minimum            | Maximum | Minimum                  | Maximum |
| <b>Infrastructural</b>             |                    |         |                          |         |
| Buildings                          | 2%                 | 10%     | 10                       | 50      |
| Land                               | 0%                 | 0%      | N/A                      | N/A     |
| <b>Refuse</b>                      |                    |         |                          |         |
| Landfill Sites                     | 1%                 | 33%     | 3                        | 75      |
| Landfill Provision                 | 1%                 | 1%      | 70                       | 70      |
| <b>Roading</b>                     |                    |         |                          |         |
| Bridges                            | 1%                 | 1%      | 70                       | 100     |
| Culverts                           | 1%                 | 2%      | 50                       | 80      |
| Edge Mark Post                     | 33%                | 33%     | 3                        | 3       |
| Footpaths                          | 2%                 | 3%      | 34                       | 67      |
| Formation                          | 0%                 | 0%      | N/A                      | N/A     |
| Pave Marking                       | 4%                 | 17%     | 6                        | 25      |
| Railings                           | 4%                 | 31%     | 3                        | 24      |
| Raised Reflective Pavement Markers | 50%                | 50%     | 2                        | 2       |
| Roundabouts                        | 3%                 | 3%      | 31                       | 31      |
| Sealed Surface                     | 12%                | 20%     | 5                        | 20      |
| Signs                              | 19%                | 34%     | 3                        | 5       |
| Streetlights                       | 6%                 | 11%     | 9                        | 17      |
| Structure Base Course              | 1%                 | 2%      | 41                       | 91      |
| Structure Sub-Base                 | 0%                 | 0%      | N/A                      | N/A     |
| Unseal Structure Wearing Course    | 20%                | 33%     | 3                        | 5       |
| Unsealed Structure                 | 0%                 | 0%      | N/A                      | N/A     |
| Drainage                           | 2%                 | 3%      | 37                       | 67      |

| CATEGORY                      | DEPRECIATION RATES |         | DEPRECIABLE LIFE (YEARS) |         |
|-------------------------------|--------------------|---------|--------------------------|---------|
|                               | Minimum            | Maximum | Minimum                  | Maximum |
| <b>Sewerage</b>               |                    |         |                          |         |
| Line                          | 1%                 | 2%      | 50                       | 100     |
| Plant                         | 1%                 | 10%     | 10                       | 88      |
| Point                         | 1%                 | 2%      | 50                       | 80      |
| <b>Stormwater</b>             |                    |         |                          |         |
| Earth                         | 0%                 | 0%      | N/A                      | N/A     |
| Line                          | 1%                 | 2%      | 50                       | 100     |
| Plant                         | 1%                 | 5%      | 20                       | 85      |
| Point                         | 1%                 | 2%      | 50                       | 80      |
| Rock                          | 0%                 | 1%      | 165                      | N/A     |
| <b>Water</b>                  |                    |         |                          |         |
| Line                          | 1%                 | 5%      | 20                       | 100     |
| Plant                         | 1%                 | 20%     | 5                        | 69      |
| Point                         | 1%                 | 10%     | 10                       | 100     |
| <b>Operational</b>            |                    |         |                          |         |
| Buildings                     | 2%                 | 20%     | 5                        | 63      |
| Furniture & Fittings          | 2%                 | 25%     | 4                        | 60      |
| Jackson Bay Wharf             | 20%                | 20%     | 5                        | 5       |
| Land                          | 0%                 | 0%      | N/A                      | N/A     |
| Library Collection            | 13%                | 13%     | 8                        | 8       |
| Motor Vehicles                | 20%                | 20%     | 5                        | 5       |
| Museum Artefacts              | 0%                 | 0%      | N/A                      | N/A     |
| Office and Computer Equipment | 1%                 | 25%     | 4                        | 120     |
| Plant Equipment               | 10%                | 20%     | 5                        | 10      |
| <b>Restricted</b>             |                    |         |                          |         |
| Buildings                     | 1%                 | 14%     | 7                        | 199     |
| Land                          | 0%                 | 0%      | N/A                      | N/A     |
| Pools                         | 1%                 | 13%     | 8                        | 80      |
| Recreation Improvement        | 1%                 | 72%     | 1                        | 80      |

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

| <b>DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY</b>                       |  |  |
|---|--|--|
|   | <b>Council<br/>Actual<br/>2019<br/>\$000</b> | <b>Council<br/>Actual<br/>2018<br/>\$000</b> |
| <b>Directly attributable depreciation and amortisation expense by group of activity</b> |  |  |
| Leisure and Culture   | 851  | 898  |
| Community Services  | 213  | 210  |
| Planning and Regulatory Services  | 31   | 18   |
| Transportation  | 3,188  | 2,889  |
| Water Supply  | 1,059  | 1,048  |
| Wastewater  | 386  | 383  |
| Stormwater  | 229  | 240  |
| Solid Waste   | 117  | 132  |
| Democracy Services  | 240  | 102  |
| <b>Total depreciation and amortisation expense</b>                                      | <b>6,313</b>                                 | <b>5,919</b>                                 |

## Revaluation

All valuations are carried out on a three to five-yearly cycle by independent qualified valuers or in-house peer reviewers, unless there is a significant change in carrying value, in which case they will be revalued as required. All other asset classes are carried at depreciated historical cost.

Land and buildings (operational and restricted), library books, and infrastructural assets (except land under roads and landfills) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. Land and Buildings were revalued effective 30 June 2018. The fair value was tested as at 30 June 2019 and fair value does not differ materially to carrying values.

Transportation, 3 Waters and Reserve Improvement assets were all revalued as at 30 June 2019. Transportation Assets were valued by Beca mainly from Assetfinda and the RAMM system. All other assets were valued by Westland District Council staff using Assetfinda and peer reviewed by Beca.

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

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

## Impairment of property, plant & equipment.

Assets that have a finite useful life are carried at cost and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair

value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

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

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

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

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

### **Critical accounting estimates and assumptions**

#### *Infrastructural assets*

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes which are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be affected by the local conditions, for example weather patterns and traffic growth.
  - If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.
  - To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates. Experienced independent valuers perform Council's infrastructural asset revaluations.

| PROPERTY, PLANT, AND EQUIPMENT                    |                |                 |                |   |                |                |                 |             |                |   |                |                |
|---|----------------|-----------------|----------------|---|----------------|----------------|-----------------|-------------|----------------|---|----------------|----------------|
|   | Cost/valuation |                 |                | Accumulated depreciation & impairment changes |                |                | Carrying amount |             |                | Accumulated depreciation and impairment charges |                |                |
|   | 1 July 2018    | 1 July 2018     | 1 July 2018    | 1 July 2018                                   | 1 July 2018    | 1 July 2018    | 1 July 2018     | 1 July 2018 | 30 June 2019   | 30 June 2019                                    | 30 June 2019   |                |
|   | \$'000         | \$'000          | \$'000         | \$'000  | \$'000         | \$'000         | \$'000          | \$'000      | \$'000         | \$'000  | \$'000         |                |
| <b>COUNCIL 2019</b>                               |                |                 |                |   |                |                |                 |             |                |   |                |                |
| <b>Operational assets</b>                         |                |                 |                |   |                |                |                 |             |                |   |                |                |
| Land (leased)                                     | 4,323          | -               | 4,323          | -   | -              | -              | -               | -           | 4,323          | -   | -              | 4,323          |
| Land (leased airport)                             | 4,278          | -               | 4,278          | -   | -              | -              | -               | -           | 4,278          | -   | -              | 4,278          |
| Land (operational)                                | 6,390          | -               | 6,390          | 2   | -              | -              | -               | -           | 6,392          | -   | -              | 6,392          |
| Buildings   | 8,103          | (3)             | 8,100          | 23  | -              | (251)          | -               | -           | 8,126          | (254)   | -              | 7,872          |
| Furniture & fittings                              | 1,565          | (939)           | 626            | 35  | -              | (75)           | -               | -           | 1,600          | (1,014)   | -              | 586            |
| Library books                                     | 674            | (410)           | 264            | 54  | (30)           | (57)           | 30              | -           | 698            | (437)   | -              | 261            |
| Museum artefacts                                  | 165            | -               | 165            | -   | -              | -              | -               | -           | 165            | -   | -              | 165            |
| Computer equipment                                | 506            | (354)           | 152            | 129   | (55)           | (81)           | 42              | -           | 579            | (392)   | -              | 187            |
| Office equipment                                  | 497            | (464)           | 33             | 23  | (3)            | (10)           | 3               | -           | 517            | (471)   | -              | 45             |
| Motor Vehicles                                    | 346            | (229)           | 117            | 76  | -              | (52)           | -               | -           | 422            | (281)   | -              | 141            |
| Operational Plant and Equipment                   | 74             | (28)            | 45             | 88  | -              | (16)           | -               | -           | 162            | (44)  | -              | 118            |
| Jackson's Bay wharf                               | 160            | -               | 160            | -   | -              | (32)           | -               | -           | 160            | (32)  | -              | 128            |
| <b>Total operational assets</b>                   | <b>27,079</b>  | <b>(2,426)</b>  | <b>24,653</b>  | <b>430</b>                                    | <b>(88)</b>    | <b>(574)</b>   | <b>75</b>       | <b>-</b>    | <b>27,421</b>  | <b>(2,925)</b>                                  | <b>-</b>       | <b>24,496</b>  |
| <b>Infrastructural assets</b>                     |                |                 |                |   |                |                |                 |             |                |   |                |                |
| Land  | 1,964          | -               | 1,964          | 285   | -              | -              | -               | -           | 2,249          | -   | -              | 2,249          |
| Buildings   | 940            | (91)            | 849            | -   | -              | (35)           | -               | -           | 940            | (125)   | -              | 815            |
| Roading network                                   | 212,814        | (4,682)         | 208,132        | 4,212   | (599)          | (2,667)        | 21              | (32)        | 180,302        | (28,765)  | -              | 180,302        |
| Land under roads                                  | 55,365         | -               | 55,365         | -   | -              | -              | -               | -           | 55,365         | -   | -              | 55,365         |
| Bridges   | 46,692         | (991)           | 45,700         | 241   | -              | (498)          | -               | -           | 42,070         | (3,373)   | -              | 42,070         |
| Water supply reticulation                         | 21,054         | (754)           | 20,300         | 831   | -              | (382)          | -               | -           | 20,340         | (410)   | -              | 20,340         |
| Water supply treatment                            | 13,361         | (1,338)         | 12,023         | 312   | -              | (676)          | -               | -           | 11,049         | (609)   | -              | 11,049         |
| Drainage/stormwater                               | 10,163         | (459)           | 9,703          | 107   | -              | (254)          | -               | -           | 16,827         | 7,270   | -              | 16,827         |
| Refuse sites (ex Butlers)                         | 2,298          | (101)           | 2,197          | -   | -              | (53)           | -               | -           | 2,298          | (152)   | -              | 2,146          |
| Butlers refuse site                               | 2,576          | (77)            | 2,499          | 286   | -              | (35)           | -               | -           | 2,862          | (114)   | -              | 2,748          |
| Sewerage system reticulation                      | 10,582         | (509)           | 10,072         | 121   | -              | (257)          | -               | -           | 188            | 188   | -              | 10,125         |
| Sewerage system treatment                         | 6,614          | (224)           | 6,390          | 11  | -              | (113)          | -               | -           | 5,233          | (1,055)   | -              | 5,233          |
| <b>Total infrastructural assets</b>               | <b>384,423</b> | <b>(9,228)</b>  | <b>375,196</b> | <b>6,406</b>                                  | <b>(599)</b>   | <b>(4,969)</b> | <b>21</b>       | <b>(32)</b> | <b>349,660</b> | <b>(26,753)</b>                                 | <b>(391)</b>   | <b>349,269</b> |
| <b>Restricted assets</b>                          |                |                 |                |   |                |                |                 |             |                |   |                |                |
| Land  | 1,244          | -               | 1,244          | -   | (52)           | -              | -               | -           | 1,192          | -   | -              | 1,192          |
| Public buildings                                  | 3,161          | (1)             | 3,160          | 189   | -              | (106)          | -               | -           | 3,350          | (107)   | -              | 3,244          |
| Cemetery buildings                                | 56             | (10)            | 46             | -   | -              | (4)            | -               | -           | 56             | (15)  | -              | 42             |
| Cemetery land                                     | 1,088          | -               | 1,088          | -   | -              | -              | -               | -           | 1,088          | -   | -              | 1,088          |
| Reserve/recreation land                           | 7,003          | -               | 7,003          | -   | -              | -              | -               | -           | 7,003          | -   | -              | 7,003          |
| Reserve/recreation buildings                      | 2,140          | (18)            | 2,122          | -   | -              | (94)           | -               | (16)        | 2,115          | (104)   | -              | 2,011          |
| Reserve/improvements                              | 12,915         | (789)           | 12,126         | 944   | -              | (428)          | -               | 48          | 10,682         | (2,007)   | -              | 10,682         |
| Swimming pools                                    | 2,403          | (94)            | 2,309          | 20  | -              | (96)           | -               | -           | 2,423          | (190)   | -              | 2,234          |
| <b>Total restricted assets</b>                    | <b>30,011</b>  | <b>(912)</b>    | <b>29,099</b>  | <b>1,153</b>                                  | <b>(52)</b>    | <b>(729)</b>   | <b>-</b>        | <b>32</b>   | <b>27,911</b>  | <b>(2,007)</b>                                  | <b>(415)</b>   | <b>27,496</b>  |
| <b>Total Council</b>                              | <b>441,513</b> | <b>(12,566)</b> | <b>428,947</b> | <b>7,989</b>                                  | <b>(738)</b>   | <b>(6,272)</b> | <b>96</b>       | <b>-</b>    | <b>404,992</b> | <b>(28,760)</b>                                 | <b>(3,732)</b> | <b>401,260</b> |
| <b>Subsidiaries property, plant and equipment</b> |                |                 |                |   |                |                |                 |             |                |   |                |                |
| Land & Buildings                                  | 4,422          | (806)           | 3,616          | 685   | (26)           | (444)          | -               | 41          | 5,122          | (950)   | -              | 4,172          |
| Plant and machinery                               | 22,819         | (11,549)        | 11,270         | 2,251   | (1,118)        | (2,073)        | 990             | -           | 23,952         | (12,632)  | -              | 11,320         |
| Office equipment                                  | 550            | (434)           | 116            | 27  | -              | (57)           | -               | -           | 577            | (491)   | -              | 86             |
| Hokitika Airport                                  | 2,437          | (515)           | 1,922          | -   | -              | (64)           | -               | -           | 2,437          | (559)   | -              | 1,878          |
| <b>Total subsidiaries</b>                         | <b>30,228</b>  | <b>(13,304)</b> | <b>16,924</b>  | <b>2,963</b>                                  | <b>(1,144)</b> | <b>(2,318)</b> | <b>990</b>      | <b>41</b>   | <b>32,088</b>  | <b>(14,631)</b>                                 | <b>-</b>       | <b>17,457</b>  |
| <b>Total Group assets</b>                         | <b>471,741</b> | <b>(25,870)</b> | <b>445,871</b> | <b>10,952</b>                                 | <b>(1,882)</b> | <b>(8,590)</b> | <b>1,086</b>    | <b>41</b>   | <b>437,080</b> | <b>(28,760)</b>                                 | <b>(4,183)</b> | <b>418,717</b> |

|   | Cost/valuation<br>1 July 2017<br>\$000 | Accumulated<br>depreciation &<br>impairment charges<br>1 July 2017<br>\$000 | Carrying amount<br>1 July 2017<br>\$000 | Additions<br>\$000 | Disposals<br>\$000 | Impairment<br>charges<br>\$000 | Depreciation<br>\$000 | Disposals<br>depreciation<br>\$000 | Reclassification cost<br>\$000 | Revaluation<br>surplus/(deficit)<br>\$000 | Cost/revaluation<br>30 June 2018<br>\$000 | Accumulated<br>depreciation and<br>impairment charges<br>30 June 2018<br>\$000 | Carrying amount<br>30 June 2018<br>\$000 |
|---|--|---|---|--------------------|--------------------|--------------------------------|-----------------------|------------------------------------|--------------------------------|---|---|--|--|
| <b>COUNCIL 2018</b>                               |  |   |   |                    |                    |                                |                       |                                    |                                |   |   |  |  |
| <b>Operational assets</b>                         |  |   |   |                    |                    |                                |                       |                                    |                                |   |   |  |  |
| Land (leased)                                     | 4,413                                  | -   | 4,413                                   | -                  | (90)               | -                              | -                     | -                                  | -                              | -   | 4,323                                     | -  | 4,323                                    |
| Land (leased airport)                             | 4,278                                  | -   | 4,278                                   | -                  | -                  | -                              | -                     | -                                  | -                              | -   | 4,278                                     | -  | 4,278                                    |
| Land (operational)                                | 6,499                                  | -   | 6,499                                   | -                  | -                  | -                              | -                     | -                                  | (109)                          | (109)                                     | 6,390                                     | -  | 6,390                                    |
| Buildings   | 8,368                                  | (705)   | 7,662                                   | 49                 | (631)              | (314)                          | (314)                 | 57                                 | (23)                           | 1,300                                     | 8,103                                     | (3)  | 8,100                                    |
| Furniture & fittings                              | 1,571                                  | (884)   | 687                                     | 10                 | (16)               | (70)                           | (70)                  | 16                                 | -                              | -   | 1,565                                     | (939)  | 626                                      |
| Library books                                     | 1,273                                  | (1,021)   | 253                                     | 54                 | (653)              | (43)                           | (43)                  | 653                                | -                              | -   | 674                                       | (410)  | 264                                      |
| Museum artefacts                                  | 165                                    | -   | 165                                     | -                  | -                  | -                              | -                     | -                                  | -                              | -   | 165                                       | -  | 165                                      |
| Computer equipment                                | 564                                    | (382)   | 181                                     | 63                 | (49)               | (44)                           | (44)                  | 45                                 | (44)                           | -   | 506                                       | (354)  | 152                                      |
| Office equipment                                  | 497                                    | (454)   | 44                                      | 1                  | (1)                | (10)                           | (10)                  | 0                                  | -                              | -   | 497                                       | (464)  | 33                                       |
| Motor Vehicles                                    | 373                                    | (334)   | 39                                      | 107                | (134)              | (28)                           | (28)                  | 134                                | -                              | -   | 346                                       | (229)  | 117                                      |
| Operational Plant and Equipment                   | 69                                     | (21)  | 47                                      | 5                  | -                  | (7)                            | (7)                   | -                                  | -                              | -   | 74  | (28)   | 45                                       |
| Jackson's Bay wharf                               | 263                                    | (11)  | 252                                     | -                  | -                  | (5)                            | (5)                   | -                                  | -                              | (87)                                      | 160                                       | -  | 160                                      |
| <b>Total operational assets</b>                   | <b>28,831</b>                          | <b>(3,813)</b>  | <b>24,519</b>                           | <b>289</b>         | <b>(1,574)</b>     | <b>-</b>                       | <b>(521)</b>          | <b>905</b>                         | <b>(67)</b>                    | <b>1,104</b>                              | <b>27,079</b>                             | <b>(2,426)</b>   | <b>24,653</b>                            |
| <b>Infrastructural assets</b>                     |  |   |   |                    |                    |                                |                       |                                    |                                |   |   |  |  |
| Land  | 2,170                                  | -   | 2,170                                   | -                  | -                  | -                              | -                     | -                                  | -                              | (206)                                     | 1,964                                     | -  | 1,964                                    |
| Buildings   | 1,006                                  | (110)   | 896                                     | -                  | -                  | (37)                           | (37)                  | -                                  | -                              | (9)                                       | 940                                       | (91)   | 849                                      |
| Roading network                                   | 211,244                                | (2,289)   | 208,955                                 | 1,570              | -                  | (2,393)                        | (2,393)               | -                                  | -                              | -   | 212,814                                   | (4,682)  | 208,132                                  |
| Land under roads                                  | 55,365                                 | -   | 55,365                                  | -                  | -                  | -                              | -                     | -                                  | -                              | -   | 55,365                                    | -  | 55,365                                   |
| Bridges   | 46,550                                 | (495)   | 46,055                                  | 141                | -                  | (496)                          | (496)                 | -                                  | -                              | -   | 46,692                                    | (891)  | 45,700                                   |
| Water supply reticulation                         | 21,022                                 | (377)   | 20,646                                  | 32                 | -                  | (377)                          | (377)                 | -                                  | -                              | -   | 21,054                                    | (754)  | 20,300                                   |
| Water supply treatment                            | 13,281                                 | (668)   | 12,613                                  | 80                 | -                  | (670)                          | (670)                 | -                                  | -                              | -   | 13,361                                    | (1,338)  | 12,023                                   |
| Drainage/stormwater                               | 8,848                                  | (218)   | 8,629                                   | 1,315              | -                  | (241)                          | (241)                 | -                                  | -                              | -   | 10,163                                    | (459)  | 9,703                                    |
| Refuse sites                                      | 2,298                                  | (51)  | 2,247                                   | -                  | -                  | (51)                           | (51)                  | -                                  | -                              | -   | 2,298                                     | (101)  | 2,197                                    |
| Bulker refuse site                                | 2,222                                  | (35)  | 2,187                                   | 352                | 18                 | (61)                           | (61)                  | -                                  | -                              | -   | 2,576                                     | (77)   | 2,499                                    |
| Sewerage system reticulation                      | 9,338                                  | (255)   | 9,084                                   | 1,243              | -                  | (255)                          | (255)                 | -                                  | -                              | -   | 10,582                                    | (509)  | 10,072                                   |
| Sewerage system treatment                         | 6,548                                  | (112)   | 6,435                                   | 67                 | -                  | (112)                          | (112)                 | -                                  | -                              | -   | 6,614                                     | (224)  | 6,390                                    |
| <b>Total infrastructural assets</b>               | <b>379,893</b>                         | <b>(4,609)</b>  | <b>375,284</b>                          | <b>4,800</b>       | <b>18</b>          | <b>-</b>                       | <b>(4,693)</b>        | <b>-</b>                           | <b>-</b>                       | <b>(215)</b>                              | <b>384,423</b>                            | <b>(9,228)</b>   | <b>375,196</b>                           |
| <b>Restricted assets</b>                          |  |   |   |                    |                    |                                |                       |                                    |                                |   |   |  |  |
| Land  | 1,254                                  | (11)  | 1,254                                   | -                  | -                  | -                              | -                     | -                                  | -                              | (10)                                      | 1,244                                     | -  | 1,244                                    |
| Public buildings                                  | 3,356                                  | (255)   | 3,101                                   | 890                | (99)               | (129)                          | (129)                 | 21                                 | (9)                            | (615)                                     | 3,161                                     | (1)  | 3,160                                    |
| Cemetery buildings                                | 73                                     | (13)  | 60                                      | 2                  | -                  | (4)                            | (4)                   | -                                  | -                              | (12)                                      | 56  | (10)   | 46                                       |
| Cemetery land                                     | 1,088                                  | -   | 1,088                                   | -                  | -                  | -                              | -                     | -                                  | -                              | -   | 1,088                                     | -  | 1,088                                    |
| Reserve/recreation land                           | 6,963                                  | -   | 6,963                                   | -                  | -                  | -                              | -                     | -                                  | -                              | 40  | 7,003                                     | -  | 7,003                                    |
| Reserve/recreation buildings                      | 3,143                                  | (314)   | 2,829                                   | 15                 | (913)              | (113)                          | (113)                 | 68                                 | 26                             | 209                                       | 2,140                                     | (18)   | 2,122                                    |
| Reserve/improvements                              | 12,618                                 | (391)   | 12,227                                  | 289                | -                  | (397)                          | (397)                 | -                                  | 7                              | -   | 12,915                                    | (789)  | 12,126                                   |
| Swimming pools                                    | 2,861                                  | (125)   | 2,736                                   | 56                 | -                  | (30)                           | (30)                  | -                                  | -                              | (452)                                     | 2,403                                     | (94)   | 2,309                                    |
| <b>Total restricted assets</b>                    | <b>31,357</b>                          | <b>(1,098)</b>  | <b>30,259</b>                           | <b>1,252</b>       | <b>(1,011)</b>     | <b>-</b>                       | <b>(673)</b>          | <b>89</b>                          | <b>24</b>                      | <b>(840)</b>                              | <b>30,011</b>                             | <b>(912)</b>   | <b>29,099</b>                            |
| <b>Total Council</b>                              | <b>439,581</b>                         | <b>(9,520)</b>  | <b>430,060</b>                          | <b>6,341</b>       | <b>(2,566)</b>     | <b>-</b>                       | <b>(5,887)</b>        | <b>994</b>                         | <b>(43)</b>                    | <b>49</b>                                 | <b>441,513</b>                            | <b>(12,566)</b>  | <b>428,947</b>                           |
| <b>Subsidiaries property, plant and equipment</b> |  |   |   |                    |                    |                                |                       |                                    |                                |   |   |  |  |
| Land & Buildings                                  | 5,311                                  | (681)   | 4,630                                   | 107                | -                  | (125)                          | (125)                 | -                                  | (100)                          | (896)                                     | 4,422                                     | (806)  | 3,616                                    |
| Plant and machinery                               | 19,177                                 | (10,041)  | 9,136                                   | 4,008              | (896)              | -                              | (1,773)               | 265                                | 30                             | -   | 22,819                                    | (11,549)   | 11,270                                   |
| Office equipment                                  | 505                                    | (386)   | 119                                     | 45                 | -                  | (48)                           | (48)                  | -                                  | -                              | -   | 550                                       | (434)  | 116                                      |
| Hokitika Airport                                  | 2,433                                  | (471)   | 1,962                                   | 4                  | -                  | (44)                           | (44)                  | -                                  | -                              | -   | 2,437                                     | (515)  | 1,922                                    |
| <b>Total subsidiaries</b>                         | <b>27,426</b>                          | <b>(11,579)</b>   | <b>15,847</b>                           | <b>4,164</b>       | <b>(396)</b>       | <b>-</b>                       | <b>(1,990)</b>        | <b>265</b>                         | <b>(70)</b>                    | <b>(896)</b>                              | <b>30,228</b>                             | <b>(13,304)</b>  | <b>16,924</b>                            |
| <b>Total Group assets</b>                         | <b>467,007</b>                         | <b>(21,099)</b>   | <b>445,907</b>                          | <b>10,505</b>      | <b>(2,962)</b>     | <b>-</b>                       | <b>(7,877)</b>        | <b>1,259</b>                       | <b>(113)</b>                   | <b>(847)</b>                              | <b>471,741</b>                            | <b>(25,870)</b>  | <b>445,871</b>                           |

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

|   | <b>Closing book value<br/>\$000</b> | <b>Additions constructed by Council<br/>\$000</b> | <b>Additions transferred to Council<br/>\$000</b> | <b>Most recent replacement estimate for revalued assets<br/>\$000</b> |
|---|-------------------------------------|---|---|---|
| <b>COUNCIL 2019</b>                           |                                     |   |   |   |
| <b>Water Supply</b>                           |                                     |   |   |   |
| - reticulation and other                      | 20,340                              | 831   | -   | 30,873  |
| - treatment plants and facilities             | 11,049                              | 312   | -   | 21,124  |
|   | <b>31,388</b>                       | <b>1,143</b>                                      | <b>-</b>  | <b>51,996</b>   |
| <b>Sewerage</b>                               |                                     |   |   |   |
| - other assets (such as reticulation systems) | 10,125                              | 121   | -   | 23,438  |
| - treatment plants and facilities             | 5,233                               | 11  | -   | 7,455   |
|   | <b>15,357</b>                       | <b>132</b>  | <b>-</b>  | <b>30,892</b>   |
| <b>Stormwater drainage</b>                    | <b>16,827</b>                       | <b>107</b>  | <b>-</b>  | <b>34,135</b>   |
| <b>Roads and Footpaths</b>                    | <b>225,514</b>                      | <b>4,453</b>                                      | <b>-</b>  | <b>319,728</b>  |
|   | <b>289,087</b>                      | <b>5,834</b>                                      | <b>-</b>  | <b>436,752</b>  |
| <b>COUNCIL 2018</b>                           |                                     |   |   |   |
| <b>Water Supply</b>                           |                                     |   |   |   |
| - reticulation and other                      | 20,300                              | 32  | -   | 31,410  |
| - treatment plants and facilities             | 12,023                              | 80  | -   | 18,499  |
|   | <b>32,323</b>                       | <b>111</b>  | <b>-</b>  | <b>49,909</b>   |
| <b>Sewerage</b>                               |                                     |   |   |   |
| - other assets (such as reticulation systems) | 10,072                              | 1,243   | -   | 18,246  |
| - treatment plants and facilities             | 6,390                               | 67  | -   | 7,988   |
|   | <b>16,462</b>                       | <b>1,310</b>                                      | <b>-</b>  | <b>26,234</b>   |
| <b>Stormwater drainage</b>                    | <b>9,703</b>                        | <b>1,315</b>                                      | <b>-</b>  | <b>16,363</b>   |
| <b>Roads and Footpaths</b>                    | <b>253,861</b>                      | <b>1,711</b>                                      | <b>-</b>  | <b>314,552</b>  |
|   | <b>312,350</b>                      | <b>4,448</b>                                      | <b>-</b>  | <b>407,058</b>  |

Assets are recorded at their most recent estimate of depreciated replacement cost. All valuations are carried out on a cyclical basis. A full valuation of the Infrastructure assets at 30 June 2019 was conducted by WDC staff and Beca. No formal valuations were undertaken of land and buildings in 2018/19 however, Fair Value assessments have been carried out by District Assets officers on the land and buildings and there were no significant changes to the carrying values.

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

The total value of assets covered by commercial insurance contracts was \$53,225,592, with \$46,007,990 insured at replacement value and the \$7,217,602 at indemnity value. There is an excess of \$10,000 for all claims except residential dwellings (\$5,000) or weather perils (\$25,000) for any single event.

Westland District Council participates in the Local Authority Protection Programme (LAPP), which provides cover to \$300 million (including \$60 million from central government). This means that all of Council underground infrastructural assets (\$63.6 million ) are fully covered at replacement cost. Council's excess is \$250,000. With a total asset base of \$401,260,000 as at 1 July 2019, the above arrangements leave \$337,687,000 self-insured by Council.



Of this \$262,193,000 relate to land and roads, which are considered low risk areas, leaving an exposure of \$75,494,000. This exposure is covered by subsidies that are available from NZTA and the government. As at 30 June 2019 asset renewal funds total \$7,661,000.

## Assets under construction

| ASSETS UNDER CONSTRUCTION         |                                 |                                 |                               |                               |
|-----------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
|                                   | Council Actual<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
| <b>Capital projects</b>           |                                 |                                 |                               |                               |
| Buildings                         | 589                             | 90                              | 589                           | 90                            |
| Water                             | 1,095                           | 614                             | 1,095                         | 614                           |
| Sewerage                          | 2,253                           | 141                             | 2,253                         | 141                           |
| West Coast Wilderness Trail       | 108                             | 773                             | 108                           | 773                           |
| Stormwater                        | 38                              | -                               | 38                            | -                             |
| Museum Development                | 91                              | 58                              | 91                            | 58                            |
| Hokitika Waterfront Development   | 168                             | 38                              | 168                           | 38                            |
| Transportation                    | -                               | 983                             | -                             | 983                           |
| Information Management            | 37                              | -                               | 37                            | -                             |
| Responsible Camping               | 78                              | -                               | 78                            | -                             |
| Other                             | -                               | -                               | 59                            | 82                            |
| <b>Balance as on 30 June 2018</b> | <b>4,458</b>                    | <b>2,698</b>                    | <b>4,517</b>                  | <b>2,780</b>                  |

The \$1,095,039 Water Services relates to the Kumara water treatment plant, Whataroa water treatment plant, initial works on the Arahura water treatment plant and Fox Glacier water treatment plant, and various mains upgrade in progress as of the 30<sup>th</sup> of June.

The \$2,253,488 Sewerage relates to the upgrade of the Franz Josef Wastewater Treatment Plant, and preliminary works for the Hokitika wastewater treatment ponds.

The \$108,243 West Coast Wilderness Trail relates to Waimea water race section of the trail.

The \$588,768 Buildings relates to new toilets and facilities at Haast, Kumara, Ross and Whataroa, and works on the Carnegie building and Council headquarters building.

## Capital commitments

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

There are capital commitments for the Council of \$502,233 (2018: \$201,480) and Group of \$89,020 as of 30th June 2019 (2018: \$201,480).

| CAPITAL COMMITMENTS  |                                    |                                    |                                  |                                  |
|--|------------------------------------|------------------------------------|----------------------------------|----------------------------------|
|  | Council<br>Actual<br>2019<br>\$000 | Council<br>Actual<br>2018<br>\$000 | Group<br>Actual<br>2019<br>\$000 | Group<br>Actual<br>2018<br>\$000 |
| Capital commitments approved and contracted transfers from general funds | 502                                | 201                                | 89                               | 201                              |
| <b>Total capital commitments</b>   | <b>502</b>                         | <b>201</b>                         | <b>89</b>                        | <b>201</b>                       |

## NOTE 13A: INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

| INVESTMENT PROPERTY                             | Council Actual | Council Actual | Group Actual | Group Actual |
|---|----------------|----------------|--------------|--------------|
|   | 2019           | 2018           | 2019         | 2018         |
|   | \$000          | \$000          | \$000        | \$000        |
| Balance at 1 July                               | -              | -              | 1,382        | 968          |
| Transferred from PPE                            | -              | -              | -            | 70           |
| Adjustments                                     | -              | -              | (340)        | 247          |
| Fair value gains/(losses) on valuation (note 7) | -              | -              | (7)          | 97           |
| <b>Balance at 30 June</b>                       | <b>-</b>       | <b>-</b>       | <b>1,035</b> | <b>1,382</b> |

Investment properties are valued annually effective at 30 June 2019 to fair value by David Shaw (MNZIV, MP, NZ Registered Valuer) from Quotable Value. Quotable Value is an experienced valuer with extensive market knowledge in the types and location of property owned by the Group.

## NOTE 14: INTANGIBLE ASSETS

### Accounting policy

#### Software

Software licences and similar assets that are acquired by the Council, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the surplus or deficit on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The useful lives and associated amortisation rates of the assets class are estimated as follows:

| CATEGORY           | DEPRECIATION RATES |         | DEPRECIABLE LIFE (YEARS) |         |
|--------------------|--------------------|---------|--------------------------|---------|
|                    | Minimum            | Maximum | Minimum                  | Maximum |
| <b>OPERATIONAL</b> |                    |         |                          |         |
| Computer Software  | 10%                | 25%     | 4                        | 10      |

#### Carbon credits

Purchased Carbon credits are recognised at cost on acquisition. They are not amortised, but instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

## Goodwill

Goodwill on the acquisition of businesses and subsidiaries is included in Intangible assets.

| <b>INTANGIBLE ASSETS</b>                       |                                 |                                    |                                |                           |                                  |                              |
|--|---------------------------------|------------------------------------|--------------------------------|---------------------------|----------------------------------|------------------------------|
|  | <b>Carbon Credits<br/>\$000</b> | <b>Computer Software<br/>\$000</b> | <b>Council Total<br/>\$000</b> | <b>Goodwill<br/>\$000</b> | <b>Mining licences<br/>\$000</b> | <b>Group \$000<br/>Total</b> |
| <b>Cost</b>                                    |                                 |                                    |                                |                           |                                  |                              |
| Balance at 1 July 2018                         | 26                              | 270                                | 296                            | 151                       | 0                                | 447                          |
| Prior year adjustment                          | 0                               | 0                                  | 0                              | 0                         | 0                                | 0                            |
| Additions                                      | 77                              | 10                                 | 87                             | 0                         | 0                                | 87                           |
| Disposals                                      | (72)                            | (47)                               | (119)                          | 0                         | 0                                | (119)                        |
| <b>Balance at 30 June 2019</b>                 | <b>31</b>                       | <b>233</b>                         | <b>264</b>                     | <b>151</b>                | <b>0</b>                         | <b>415</b>                   |
| Balance at 1 July 2017                         | 31                              | 148                                | 179                            | 151                       | 0                                | 329                          |
| Prior year adjustment                          | 0                               | 71                                 | 71                             | 0                         | 0                                | 71                           |
| Additions                                      | 65                              | 54                                 | 118                            | 0                         | 0                                | 118                          |
| Disposals                                      | (69)                            | (3)                                | (72)                           | 0                         | 0                                | (72)                         |
| <b>Balance at 30 June 2018</b>                 | <b>26</b>                       | <b>270</b>                         | <b>296</b>                     | <b>151</b>                | <b>0</b>                         | <b>447</b>                   |
| <b>Accumulated amortisation and impairment</b> |                                 |                                    |                                |                           |                                  |                              |
| Balance at 1 July 2018                         | 0                               | 153                                | 153                            | 0                         | 0                                | 153                          |
| Prior year adjustment                          | 0                               | 0                                  | 0                              | 0                         | 0                                | 0                            |
| Amortisation charges                           | 0                               | 41                                 | 41                             | 0                         | 0                                | 41                           |
| Impairment loss                                | 0                               | 0                                  | 0                              | 151                       | 0                                | 151                          |
| Disposals                                      | 0                               | (47)                               | (47)                           | 0                         | 0                                | (47)                         |
| <b>Balance at 30 June 2019</b>                 | <b>0</b>                        | <b>147</b>                         | <b>147</b>                     | <b>151</b>                | <b>0</b>                         | <b>298</b>                   |
| Balance at 1 July 2017                         | 0                               | 97                                 | 97                             | 0                         | 0                                | 97                           |
| Prior year adjustment                          | 0                               | 27                                 | 27                             | 0                         | 0                                | 27                           |
| Amortisation charges                           | 0                               | 32                                 | 32                             | 0                         | 0                                | 32                           |
| Impairment loss                                | 0                               | 0                                  | 0                              | 0                         | 0                                | 0                            |
| Disposals                                      | 0                               | (3)                                | (3)                            | 0                         | 0                                | (3)                          |
| <b>Balance at 30 June 2018</b>                 | <b>0</b>                        | <b>153</b>                         | <b>153</b>                     | <b>0</b>                  | <b>0</b>                         | <b>153</b>                   |
| <b>Carrying amounts</b>                        |                                 |                                    |                                |                           |                                  |                              |
| Balance at 1 July 2018                         | 26                              | 117                                | 143                            | 151                       | 0                                | 294                          |
| Reclassified from PPE                          | 0                               | 0                                  | 0                              | 0                         | 0                                | 0                            |
| Movement in intangible assets during year      | 5                               | (31)                               | (26)                           | (151)                     | 0                                | (177)                        |
| <b>Balance at 30 June 2019</b>                 | <b>31</b>                       | <b>86</b>                          | <b>117</b>                     | <b>0</b>                  | <b>0</b>                         | <b>117</b>                   |

Council considers that there is no impairment of carbon credits held as they are expected to be fully utilised in satisfying carbon obligation from its landfill operations. Carbon credits have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

Purchased Goodwill from the acquisition of Trenching Dynamics, which is a subsidiary of Westland Holdings Limited.

## Impairment of intangible assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

### NOTE 15: PAYABLES

#### Accounting policy

Trade and other payables are recorded at face value.

| PAYABLES                       |                                 |                                 |                                 |                               |                               |
|--------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
|                                | Council Actual<br>2019<br>\$000 | Council Budget<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
| Trade payables                 | 887                             | 2,087                           | 792                             | 3,664                         | 3,299                         |
| Amounts due to related parties | 1,255                           | -                               | 994                             | -                             |                               |
| Accrued expenses               | 375                             | -                               | 498                             | 1,134                         | 508                           |
| Other payables                 | 328                             | -                               | 320                             | 328                           | 320                           |
| <b>Total payables</b>          | <b>2,845</b>                    | <b>2,087</b>                    | <b>2,604</b>                    | <b>5,126</b>                  | <b>4,127</b>                  |

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

### NOTE 16: PROVISIONS

#### Accounting policy

The Council recognises a provision for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event,
- it is probable that expenditures will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

| PROVISIONS                      |                                 |                                 |                               |                               |
|---------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
|                                 | Council Actual<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
| <b>Non-current</b>              |                                 |                                 |                               |                               |
| Landfill closure and monitoring | 2,480                           | 2,179                           | 2,480                         | 2,179                         |
| <b>Total provisions</b>         | <b>2,480</b>                    | <b>2,179</b>                    | <b>2,480</b>                  | <b>2,179</b>                  |

#### Critical accounting estimates and assumptions

##### *Landfill aftercare provision*

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

The Council has responsibility under its resource consent to provide on-going maintenance and monitoring of the landfill after the site is closed. The responsibilities include fencing, drainage, signage, planting, coverage and monitoring the site for a set

number of years after closure. The cash outflows for landfill post-closure are expected to occur in one to thirty-three years' time. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The provision has been estimated taking into account existing technology and using discount rates of between 1.2% and 1.8% based on Treasury Risk-free discount rates, and inflation rates using Treasury CPI forecasts. As at 30 June 2019 this was 1.72% and is forecast to remain within 1.72% over the next ten years.

The gross provision before discounting is \$3,004,103 (2018: \$3,037,056).

#### *Reconciliation of movement in landfill provision*

|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> |
|---|--|--|
| <b>Opening Balance</b>                      | <b>2,179</b>                             | <b>1,849</b>                             |
| Additional provisions made during this year | 61                                       | 334                                      |
| Amount Used                                 | (46)                                     | (69)                                     |
| Discount unwind                             | 286                                      | 65                                       |
| <b>Closing Balance</b>                      | <b>2,480</b>                             | <b>2,179</b>                             |

## **NOTE 17: EMPLOYEE BENEFITS**

### **Accounting policy**

#### *Short-term benefits*

Employee benefits that the Council expects to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date and sick leave, retiring and long service leave entitlements expected to be settled within 12 months. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences. The Council recognise a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

#### *Long service leave and retirement leave*

Entitlements that are payable beyond 12 months, after the end of the period in which the employee renders the related service, such as long service leave and retiring leave; are calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the estimated future cash flows.

#### *Presentation of employee entitlements*

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

## EMPLOYMENT BENEFIT LIABILITIES

|   | Council Actual<br>2019<br>\$000 | Council Budget<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
|---|---------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
| <b>Employee benefit liabilities current</b>     |                                 |                                 |                                 |                               |                               |
| Accrued pay                                     | 151                             | -                               | 138                             | 202                           | 159                           |
| Annual leave                                    | 217                             | 182                             | 220                             | 1,000                         | 963                           |
| Retirement and long service                     | -                               | -                               | -                               | 88                            | 92                            |
| <b>Total employee benefit liabilities</b>       | <b>368</b>                      | <b>182</b>                      | <b>358</b>                      | <b>1,290</b>                  | <b>1,214</b>                  |
| <b>Employee benefit liabilities non-current</b> |                                 |                                 |                                 |                               |                               |
| Retirement and long service                     | 36                              | 20                              | 35                              | 128                           | 121                           |
| <b>Total employee benefit liabilities</b>       | <b>36</b>                       | <b>20</b>                       | <b>35</b>                       | <b>128</b>                    | <b>121</b>                    |
| <b>Total employee benefit liabilities</b>       | <b>404</b>                      | <b>202</b>                      | <b>393</b>                      | <b>1,418</b>                  | <b>1,335</b>                  |

### Critical accounting estimates and assumptions

#### *Estimating retirement and long service leave obligations*

A discount rate of 1.6%, and an inflation factor of 1.8% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees. The discount rate is the 90 bank bill rate as at the 30<sup>th</sup> of June 2019 and the inflation factor is from BERL forecasts.

### NOTE 18: BORROWINGS

#### Accounting policy

Borrowings are initially recognised at their fair value, plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

#### *Finance leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, the Council and Group recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

## BORROWINGS

|                                  | Council<br>Actual<br>2019<br>\$000 | Council<br>Actual<br>2018<br>\$000 | Group<br>Actual<br>2019<br>\$000 | Group<br>Actual<br>2018<br>\$000 |
|----------------------------------|------------------------------------|------------------------------------|----------------------------------|----------------------------------|
| <b>Current portion</b>           |                                    |                                    |                                  |                                  |
| Bank overdraft                   | -                                  | -                                  | 20                               | 328                              |
| Term debts                       | -                                  | 3,000                              | 1,000                            | 4,121                            |
| Finance leases                   | -                                  | -                                  | 46                               | 39                               |
| <b>Total current portion</b>     | <b>-</b>                           | <b>3,000</b>                       | <b>1,066</b>                     | <b>4,488</b>                     |
| <b>Non-current portion</b>       |                                    |                                    |                                  |                                  |
| Secured loans                    |                                    |                                    |                                  |                                  |
| Term debts                       | 18,618                             | 15,018                             | 24,280                           | 20,219                           |
| Finance leases                   | -                                  | -                                  | 109                              | 146                              |
| <b>Total non-current portion</b> | <b>18,618</b>                      | <b>15,018</b>                      | <b>24,389</b>                    | <b>20,365</b>                    |
| <b>Total borrowings</b>          | <b>18,618</b>                      | <b>18,018</b>                      | <b>25,455</b>                    | <b>24,853</b>                    |

The Council's secured debt of \$18,618,352 (2018: \$18,018,352) is issued at variable rates of interest, protected by the swap contracts described in Note 11. Council has a Multi Option Credit Line of \$4,000,000 (2018: \$8,000,000), and loan facility through the LGFA of \$20,000,000 as borrower only. A full draw down on these facilities would be above the Council's liability management policy debt threshold of \$3,000 per rateable unit. However, \$1,752,702 of the current loan was for the Hokitika water treatment plant upgrade and river intake, which is recoverable via a specific rate adopted by Council on 30 June 2015.

Council repaid infrastructure debt of \$1,570,676 during the year. The movements are shown in the table below:

| Loan                      | Balance<br>30 June 2018<br>\$ | New Loans Raised<br>\$ | Principal Repaid<br>\$ | Balance<br>30 June 2019<br>\$ |
|---------------------------|-------------------------------|------------------------|------------------------|-------------------------------|
| Waste Management Projects | 2,215,680                     | 45,553                 | 159,786                | 2,101,447                     |
| Hokitika Water Upgrade    | 2,538,000                     | 233,702                | 1,019,000              | 1,752,702                     |
| Wastewater Projects       | 1,475,000                     | 1,057,327              | 81,250                 | 2,451,077                     |
| Water Supply Projects     | 2,178,450                     | 321,657                | 168,290                | 2,331,817                     |
| Westland Holding Limited  | 7,845,000                     | -                      | -                      | 7,845,000                     |
| Other loans               | 378,020                       | 145,524                | 78,750                 | 444,794                       |
| Storm Water Projects      | 702,502                       | 107,384                | 37,000                 | 772,886                       |
| Roading                   | 685,700                       | 259,529                | 26,600                 | 918,629                       |
| <b>Total Council Debt</b> | <b>18,018,352</b>             | <b>2,170,676</b>       | <b>1,570,676</b>       | <b>18,618,352</b>             |
| <b>Available facility</b> | <b>9,981,648</b>              |                        |                        | <b>5,381,648</b>              |
| <b>Total Facility</b>     |                               |                        |                        | <b>24,000,000</b>             |

The Council's loans are secured over the district's rates through a debenture trust deed.

A debenture exists over the assets of Westroads Limited Group.

Council had no internal borrowing processes operating in 2018/19. Council has no finance leases.

## Interest terms for secured loans

The Council's secured loans are mostly issued at floating rate of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

### *Other liabilities*

| <b>OTHER LIABILITIES</b>                    |  |  |  |  |
|---|--|--|--|--|
|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
| <b>Current</b>                              |  |  |  |  |
| Rates and other revenue received in advance | 395                                      | 461                                      | 415                                    | 504                                    |
| <b>Total other liabilities</b>              | <b>395</b>                               | <b>461</b>                               | <b>415</b>                             | <b>504</b>                             |

*There are no non-current other liabilities*

## Debt liability

Council has breached the Liability Management Policy Interest rate risk position. The policy limits for fixed interest rates are a minimum of 55% and a maximum of 90%. The fixed portion of interest rates stands at 51%. The breach is because Council has better asset information and is reviewing the capital projects over the next few years, this has resulted in difficulty in forecasting a 12 month debt forecast.

Due to the current market factors of low interest rates which are unlikely to change significantly over the next 12 months our Treasury advisors feel this is a low risk breach and have taken a stance of monitoring the breach rather than reactively changing the limits until Council is able to better forecast the 12 month debt requirements.

## NOTE 19: EQUITY

### Accounting policy

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

- Retained earnings
- Restricted Reserves (Trusts and Bequests)
- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense

### Restricted Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council. Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

### Asset revaluation reserve

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

### Fair value through other comprehensive revenue and expense reserve



This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

| <b>EQUITY</b>   |  |  |  |  |
|---|--|--|--|--|
|   | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
| <b>Retained earnings</b>  |  |  |  |  |
| Balance at 1 July   | 147,994                                  | 150,742                                  | 152,383                                | 153,725                                |
| Restatement adjustment  | -  | (37)                                     | -                                      | (37)-                                  |
| Restated balance at 1 July  | 147,994                                  | 150,705                                  | 152,383                                | 153,688                                |
| Assets Disestablished   | -  | (1,006)                                  | -                                      | (1,006)                                |
| Transfers to restricted reserves  | (4,337)                                  | (4,160)                                  | (4,337)                                | (4,160)                                |
| Transfers from restricted reserves  | 2,795                                    | 2,145                                    | 2,795                                  | 2,145                                  |
| Transfer from 'Revaluation reserve  | -  | 72                                       | -                                      | 72                                     |
| Surplus/(deficit) for the year  | 1,084                                    | 238                                      | 1,348                                  | 1,645                                  |
| <b>Balance at 30 June</b>   | <b>147,535</b>                           | <b>147,994</b>                           | <b>152,190</b>                         | <b>152,383</b>                         |
| <b>Restricted reserves</b>  |  |  |  |  |
| Balance at 1 July   | 7,622                                    | 5,606                                    | 7,622                                  | 5,606                                  |
| Transfers to retained earnings  | (2,795)                                  | (2,145)                                  | (2,795)                                | (2,145)                                |
| Transfers from retained earnings  | 4,337                                    | 4,160                                    | 4,337                                  | 4,160                                  |
| <b>Balance at 30 June</b>   | <b>9,164</b>                             | <b>7,622</b>                             | <b>9,164</b>                           | <b>7,622</b>                           |
| <b>Assets revaluation reserve</b>   |  |  |  |  |
| Balance at 1 July   | 268,483                                  | 269,508                                  | 268,483                                | 270,340                                |
| Restatement adjustment  | -  | (905)                                    | -                                      | (905)                                  |
| Restated balance at 1 July  | 268,483                                  | 268,603                                  | 268,483                                | 269,435                                |
| Revaluation gains of property, plant and equipment                        | (28,761)                                 | (341)                                    | (28,761)                               | (341)                                  |
| Restatement adjustment  | -  | 323                                      | -                                      | (508)                                  |
| Transfer of revaluation reserve to retained earnings                      | -  | (72)                                     | -                                      | (72)                                   |
| Landfill Provision  | -  | (31)                                     | -                                      | (31)                                   |
| <b>Balance at 30 June</b>   | <b>239,721</b>                           | <b>268,483</b>                           | <b>239,721</b>                         | <b>268,483</b>                         |
| <b>Fair value through other comprehensive revenue and expense reserve</b> |  |  |  |  |
| Balance 1 July  | 64                                       | 64                                       | 64                                     | 64                                     |
| Tax on revaluations   | -  | -  | -                                      | -                                      |
| <b>Balance at 30 June</b>   | <b>64</b>                                | <b>64</b>                                | <b>64</b>                              | <b>64</b>                              |
| <b>Total equity</b>   | <b>396,484</b>                           | <b>424,163</b>                           | <b>401,138</b>                         | <b>428,552</b>                         |

## NOTE 20: RELATED PARTY TRANSACTIONS

Westland District Council has the ability to appoint trustees to Tourism West Coast Incorporated (now incorporated into Development West Coast). The trustees appointed by Westland District Council have between 20% and 50% of the voting rights to the entity. Westland District Council does make a contribution to Tourism West Coast (\$86,000 annually) for operational purposes but does not have any rights to any distributions from that entity. Therefore, no income, expenses or assets are recognised in respect of this interest.

There were no transactions with the Westland Wilderness Trust.

The following table depicts the transactions and closing balances for the year ended 30 June between Westland District Council and its trading CCOs:

| <b>RELATED PARTY TRANSACTIONS</b>  |  |  |
|------------------------------------|--|--|
|                                    | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> |
| <b>Westroads Limited</b>           |  |  |
| Revenue earned                     | 47                                       | 43                                       |
| Expenditure charged                | 10,595                                   | 8,103                                    |
| Accounts payable by the Council    | 1,156                                    | 991                                      |
| Accounts receivable to the Council | 3  | 2  |
| Group tax loss offset              | -  | -  |
| Subvention payment                 | 240                                      | 250                                      |
| <b>Destination Westland</b>        |  |  |
| Revenue earned                     | 332                                      | 173                                      |
| Expenditure charged                | 1,108                                    | 400                                      |
| Purchase of Land                   | 285                                      | 0  |
| Accounts payable by the Council    | 99                                       | 4  |
| Accounts receivable to the Council | 212                                      | 276                                      |
| <b>Westland Holdings Limited</b>   |  |  |
| Revenue earned                     | -  | 1  |
| Expenditure charged                | 6  | -  |
| Accounts payable by the Council    | -  | -  |
| Accounts receivable to the Council | -  | -  |
| Dividends received                 | 300                                      | 120                                      |

#### Transactions with key management personnel:

During the year, Councillors and senior management, as part of a normal customer relationship, were involved in minor transactions with the Council.

|  | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> |
|--|--|--|
| <i>Councillors:</i>                                      |  |  |
| Remuneration   | 267                                      | 250                                      |
| <i>Senior Management team including Chief Executive:</i> |  |  |
| Remuneration   | 795                                      | 635                                      |
| <b>Total key management personnel compensation</b>       | <b>1,062</b>                             | <b>885</b>                               |
| <b>Total full-time equivalent personnel</b>              | <b>14</b>                                | <b>13</b>                                |

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

## NOTE 21: CONSTRUCTION CONTRACTS

### Accounting policy

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the surplus or deficit. Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less losses, the net amounts are presented as a liability.

| CONSTRUCTION CONTRACTS  |                                 |                                 |                               |                               |
|---|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
|   | Council Actual<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
| Contract Costs incurred   | -                               | -                               | 8,727                         | 7,913                         |
| Recognised in profits/losses                                      | -                               | -                               | 1,652                         | 1,995                         |
|   | -                               | -                               | <b>10,380</b>                 | <b>9,909</b>                  |
| Progress billings   | -                               | -                               | 10,242                        | 9,691                         |
| <b>Gross amounts receivable from Customers</b>                    | -                               | -                               | <b>86</b>                     | <b>218</b>                    |
| <b>Retentions receivable in respect of construction contracts</b> | -                               | -                               | <b>542</b>                    | <b>670</b>                    |

In identifying construction contracts, the group has only included contracts of \$1,000 or more. Construction contracts include laying waterlines, constructing roads and footpaths and constructing section pads.

## NOTE 22: CONTINGENCIES

### Contingent Liabilities:

| CONTINGENCIES                       |                                 |                                 |                               |                               |
|-------------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
|                                     | Council Actual<br>2019<br>\$000 | Council Actual<br>2018<br>\$000 | Group Actual<br>2019<br>\$000 | Group Actual<br>2018<br>\$000 |
| Performance bonds                   | -                               | -                               | 1,471                         | 1,148                         |
| Mining bonds                        | -                               | -                               | 17                            | 17                            |
| <b>Total contingent liabilities</b> | -                               | -                               | <b>1,488</b>                  | <b>1,165</b>                  |

### Council

At balance date Council is subject of a claim for >\$30,000,000 by Scenic Circle Hotel Group Ltd. The claim is denied and will be defended by Council with the backing of its public liability insurer

At balance date Council, along with the 28 other territorial authorities, is subject to a lawsuit brought by Carter Holt Harvey (CHH) for contribution to the class action lawsuit against CHH in respect of allegedly defective products installed in homes throughout New Zealand. This claim has not been quantified or estimates of relevant remedial work provided (2018: Nil).

#### *Group*

At balance date Destination Westland Ltd is involved in litigation of an employment related matter arising from events prior to 30 June. The Group are not in a position to disclose further information as this is an ongoing legal matter (2018: Nil).

### **Contingent Assets:**

#### *Council*

Council has no contingent assets at 30 June 2019 (2018: Nil).

#### *Group*

The Group has no contingent assets at 30 June 2019 (2018: Nil).

### **Defined Benefit Superannuation Scheme:**

The Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme ("the Scheme"), which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the Scheme, Council could be responsible for any deficit of the Scheme. Similarly, if a number of employers cease to have employees participating in the Scheme; Council could be responsible for an increased share of any deficit. Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the Scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2019, the Scheme had a past service deficit of \$1.8 million (2018: \$6.6 million surplus) and 1.9% (2018: 6.1%) of liabilities. This amount is exclusive of Employer Superannuation Contribution Tax. This deficit was calculated by the actuary to the Scheme using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of PBE IPSAS 25. The actuary to the Scheme has recommended previously that the employer contributions were suspended with effect from 1 April 2011. In the latest report the Actuary recommended employer contributions remain suspended.

## NOTE 23: FINANCIAL INSTRUMENTS

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

| <b>FINANCIAL INSTRUMENTS</b>                         |  |  |  |  |
|--|--|--|--|--|
|  | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
| <b>Financial Assets</b>                              |  |  |  |  |
| <b>Fair value through surplus or deficit</b>         |  |  |  |  |
| Interest rate swaps - cash flow hedges               | -  | 5  | -                                      | 5                                      |
|  | -  | 5  | -                                      | 5                                      |
| <b>Loans and Receivables</b>                         |  |  |  |  |
| Cash and cash equivalents                            | 2,589                                    | 2,021                                    | 3,032                                  | 2,256                                  |
| Receivables  | 3,890                                    | 4,947                                    | 7,381                                  | 7,867                                  |
| <b>Other financial assets:</b>                       |  |  |  |  |
| Civic Assurance                                      | 46                                       | 43                                       | 46                                     | 43                                     |
| Westpac Bonds  | -  | 310                                      | -                                      | 310                                    |
| Floating Rate Securities                             | 298                                      | 229                                      | 298                                    | 229                                    |
| Forestry   | -  | 2  | -                                      | 2                                      |
| Community loan                                       | 25                                       | 28                                       | 25                                     | 28                                     |
| <b>Total loans and receivables</b>                   | <b>6,847</b>                             | <b>7,581</b>                             | <b>10,781</b>                          | <b>10,736</b>                          |
| <b>Financial Liabilities</b>                         |  |  |  |  |
| <b>Fair value through surplus or deficit</b>         |  |  |  |  |
| Interest rate swaps - cash flow hedges               | 902                                      | 546                                      | 902                                    | 546                                    |
|  | <b>902</b>                               | <b>546</b>                               | <b>902</b>                             | <b>546</b>                             |
| <b>Financial liabilities at amortised cost</b>       |  |  |  |  |
| Payables   | 2,845                                    | 2,604                                    | 5,126                                  | 4,127                                  |
| <b>Borrowings:</b>                                   |  |  |  |  |
| Bank overdraft                                       | -  | -  | 20                                     | 328                                    |
| Term debts   | 18,618                                   | 18,018                                   | 25,435                                 | 24,525                                 |
| <b>Total financial liabilities at amortised cost</b> | <b>21,463</b>                            | <b>20,622</b>                            | <b>30,581</b>                          | <b>28,980</b>                          |

## FAIR VALUE HIERARCHY DISCLOSURES

| Fair Value Hierarchy Disclosures        | Total<br>\$000 | Quoted<br>Market Price<br>\$000 | Observable inputs<br>\$000 |
|---|----------------|---------------------------------|----------------------------|
| <b>30 June 2019 - Council and Group</b> |                |                                 |                            |
| <b>Financial Assets</b>                 |                |                                 |                            |
| Westpac Bonds                           | -              | -                               | -                          |
| Derivatives                             | -              | -                               | -                          |
| <b>Financial liabilities</b>            |                |                                 |                            |
| Derivatives                             | 902            | -                               | 902                        |
| <b>30 June 2018 - Council and Group</b> |                |                                 |                            |
| <b>Financial Assets</b>                 |                |                                 |                            |
| Westpac Bonds                           | 310            | 310                             |                            |
| Derivatives                             | 5              | -                               | 5                          |
| <b>Financial liabilities</b>            |                |                                 |                            |
| Derivatives                             | 546            | -                               | 546                        |

### *Fair Value Hierarchy Disclosures*

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

*Level 1 Quoted market price* - Financial instruments with quoted prices for identical instruments in active markets.

*Level 2 Valuation technique using observable inputs* - Financial instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are not observable.

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

## Credit risk

Credit risk is the risk that a third party will default on its obligations to the Council and Group, causing it to incur a loss. Do to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and bonds, which gives credit risk.

| <b>FINANCIAL INSTRUMENT RISKS</b> |   |   |   |   |
|-----------------------------------|---|---|---|---|
| <b>Credit Risk</b>                | <b>Council<br/>Actual \$<br/>2019<br/>\$000</b> | <b>Council<br/>Actual \$<br/>2018<br/>\$000</b> | <b>Group<br/>Actual \$<br/>2019<br/>\$000</b> | <b>Group<br/>Actual \$<br/>2018<br/>\$000</b> |
| Bonds                             | -   | 310   | -   | 310   |
| Cash at bank and term deposits    | 2,589   | 2,021   | 3,032   | 2,256   |
| Trade and other receivables       | 3,890   | 4,947   | 7,381   | 8,207   |
| <b>Maximum Exposure</b>           | <b>6,479</b>                                    | <b>7,279</b>                                    | <b>10,413</b>                                 | <b>10,774</b>                                 |

| <b>Credit Quality</b>                 | <b>Council Actual<br/>2019<br/>\$000</b> | <b>Council Actual<br/>2018<br/>\$000</b> | <b>Group Actual<br/>2019<br/>\$000</b> | <b>Group Actual<br/>2018<br/>\$000</b> |
|---------------------------------------|--|--|--|--|
| <b>Cash at bank and term deposits</b> |  |  |  |  |
| AA-                                   | 2,589                                    | 2,021                                    | 3,032                                  | 2,256                                  |
| <b>Bonds</b>                          |  |  |  |  |
| AA                                    | -  | -  | -                                      | -                                      |
| AA-                                   | -  | 206                                      | -                                      | 206                                    |
| A+                                    | -  | 104                                      | -                                      | 104                                    |
| BBB-                                  | -  | -  | -                                      | -                                      |

## Liquidity Risk

Liquidity risk is the risk that the Council and Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, the Council maintains a liquid portfolio of investments that can be liquidated on short notice as required.

Council borrowings guidelines are defined in its Revenue and Financing Policy and its Liability Management Policy.

The maturity profiles of the Council and Group's interest bearing investments and borrowings are disclosed in notes 12 and 18.

## Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

Council's investment policy prescribes a minimum credit rating of A for investments of this type. The group invests funds only in deposits with registered banks and local authority stock.

## Contractual Maturity Analysis of Financial Liabilities

The table below analyses the Council and Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

| Contract Maturities - Liabilities | Carrying amount | Contractual cash flows | Less than 1 year | 1-5 years     | More than 5 years |
|-----------------------------------|-----------------|------------------------|------------------|---------------|-------------------|
| <b>Council 2019</b>               |                 |                        |                  |               |                   |
| Trade and other payables          | 2,845           | 2,845                  | 2,845            | -             | -                 |
| Term debt                         | 18,618          | 18,618                 | -                | 12,018        | 6,600             |
| <b>Total</b>                      | <b>21,463</b>   | <b>21,463</b>          | <b>2,845</b>     | <b>12,018</b> | <b>6,600</b>      |
| <b>Group 2019</b>                 |                 |                        |                  |               |                   |
| Trade and other payables          | 5,126           | 5,126                  | 5,126            | -             | -                 |
| Term debt                         | 25,280          | 25,280                 | 1,000            | 17,680        | 6,600             |
| Bank overdraft                    | 20              | 20                     | 20               | -             | -                 |
| <b>Total</b>                      | <b>30,426</b>   | <b>30,426</b>          | <b>6,146</b>     | <b>17,680</b> | <b>6,600</b>      |
| <b>Council 2018</b>               |                 |                        |                  |               |                   |
| Trade and other payables          | 2,604           | 2,604                  | 2,604            | -             | -                 |
| Term debt                         | 18,018          | 18,018                 | 3,000            | 9,718         | 5,300             |
| <b>Total</b>                      | <b>20,622</b>   | <b>20,622</b>          | <b>5,604</b>     | <b>9,718</b>  | <b>5,300</b>      |
| <b>Group 2018</b>                 |                 |                        |                  |               |                   |
| Trade and other payables          | 4,127           | 4,117                  | 4,117            | -             | -                 |
| Term debt                         | 24,525          | 24,525                 | 4,488            | 14,737        | 5,300             |
| Bank overdraft                    | 328             | 328                    | 328              | -             | -                 |
| <b>Total</b>                      | <b>28,980</b>   | <b>28,980</b>          | <b>8,933</b>     | <b>14,737</b> | <b>5,300</b>      |



## Contractual Maturity Analysis of Financial Assets

The table below analyses the Council and Group's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

| Contract Maturities - Assets | Carrying amount | Contractual cash flows | Less than 1 year | 1-5 years | More than 5 years |
|------------------------------|-----------------|------------------------|------------------|-----------|-------------------|
| <b>Council 2019</b>          |                 |                        |                  |           |                   |
| Cash and cash equivalents    | 2,589           | 2,589                  | 2,589            | -         | -                 |
| Trade and other receivables  | 3,890           | 3,890                  | 3,890            | -         | -                 |
| Westpac Bonds                | -               | -                      | -                | -         | -                 |
| Civic Assurance              | 46              | -                      | -                | -         | -                 |
| <b>Total</b>                 | <b>6,525</b>    | <b>6,479</b>           | <b>6,479</b>     | <b>-</b>  | <b>-</b>          |
| <b>Group 2019</b>            |                 |                        |                  |           |                   |
| Cash and cash equivalents    | 3,032           | 3,032                  | 3,032            | -         | -                 |
| Trade and other receivables  | 7,381           | 7,381                  | 7,381            | -         | -                 |
| Westpac Bonds                | -               | -                      | -                | -         | -                 |
| Civic Assurance              | 46              | -                      | -                | -         | -                 |
| <b>Total</b>                 | <b>10,459</b>   | <b>10,413</b>          | <b>10,413</b>    | <b>-</b>  | <b>-</b>          |
| <b>Council 2018</b>          |                 |                        |                  |           |                   |
| Cash and cash equivalents    | 2,021           | 2,021                  | 2,021            | -         | -                 |
| Trade and other receivables  | 4,947           | 4,947                  | 4,947            | -         | -                 |
| Westpac Bonds                | 310             | 310                    | 310              | -         | -                 |
| Civic Assurance              | 43              | -                      | -                | -         | -                 |
| <b>Total</b>                 | <b>7,322</b>    | <b>7,279</b>           | <b>7,279</b>     | <b>-</b>  | <b>-</b>          |
| <b>Group 2018</b>            |                 |                        |                  |           |                   |
| Cash and cash equivalents    | 2,256           | 2,256                  | 2,256            | -         | -                 |
| Trade and other receivables  | 8,207           | 8,207                  | 8,207            | -         | -                 |
| Westpac Bonds                | 310             | 310                    | 310              | -         | -                 |
| Civic Assurance              | 43              | -                      | -                | -         | -                 |
| <b>Total</b>                 | <b>10,817</b>   | <b>10,774</b>          | <b>10,774</b>    | <b>-</b>  | <b>-</b>          |

## Sensitivity Analysis

### Interest Rate Risk – Council

As at 30 June 2019 it is estimated that a two percentage increase/decrease in market interest rates would decrease/increase the Council's equity by approximately \$1,208,000 (30 June 2018 \$392,000). This calculation is based on a reassessment of the fair values of financial instruments that are classified as available for sale.

## Interest Rate Risk – Group

As at 30 June 2018 it is estimated that a two percentage point increase/decrease in market interest rates would decrease/increase the Council and Group's equity by approximately \$1,342,000 (30 June 2018 \$523,000). This calculation is the annual impact on loans and borrowings which are subject to a variable market interest rate at balance date.

### Sensitivity analysis

| Interest rate risk                     | -2%<br>2019<br>\$000 | +2%<br>2019<br>\$000 | -2%<br>2018<br>\$000 | +2%<br>2018<br>\$000 |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>Council</b>                         |                      |                      |                      |                      |
| <b>Financial assets</b>                |                      |                      |                      |                      |
| Westpac bonds                          | -                    | -                    | (6)                  | 6                    |
| <b>Total</b>                           | <b>-</b>             | <b>-</b>             | <b>(6)</b>           | <b>6</b>             |
| <b>Financial liabilities</b>           |                      |                      |                      |                      |
| Term debt                              | 372                  | (372)                | 118                  | (118)                |
| Interest rate swaps - held for trading | 836                  | (922)                | 280                  | (280)                |
| <b>Total</b>                           | <b>1,208</b>         | <b>(1,294)</b>       | <b>398</b>           | <b>(398)</b>         |
| <b>Total sensitivity</b>               | <b>1,208</b>         | <b>(1,294)</b>       | <b>392</b>           | <b>(392)</b>         |
| <b>Group</b>                           |                      |                      |                      |                      |
| <b>financial assets</b>                |                      |                      |                      |                      |
| Westpac bonds                          | -                    | -                    | (6)                  | 6                    |
| <b>Total</b>                           | <b>-</b>             | <b>-</b>             | <b>(6)</b>           | <b>6</b>             |
| <b>Financial liabilities</b>           |                      |                      |                      |                      |
| Term debt                              | 506                  | (506)                | 249                  | (249)                |
| Interest rate swaps - held for trading | 836                  | (922)                | 280                  | (280)                |
| <b>Total</b>                           | <b>1,342</b>         | <b>(1,428)</b>       | <b>529</b>           | <b>(529)</b>         |
| <b>Total sensitivity</b>               | <b>1,342</b>         | <b>(1,428)</b>       | <b>523</b>           | <b>(523)</b>         |

## NOTE 24: EXPLANATION OF VARIANCES

### EXPLANATIONS FOR MAJOR VARIATIONS FROM THE COUNCIL'S BUDGET FIGURES IN THE LONG TERM PLAN FOR 2018/19 ARE AS FOLLOWS:

#### *Statement of comprehensive revenue and expenses*

The total revenue is higher than budgeted by \$2.57 million mainly due to:

- Rates were \$0.08 million lower than budget mainly due to write offs and remissions being higher than budgeted.
- Subsidies were \$2.1 million above budget. The NZTA subsidy recognised in subsidies and grants was \$0.8 million higher than budgeted for 2018-2019, due to extra work in the wake of the March rainfall event. Council also received unbudgeted grants for the West Coast Wilderness Trail \$0.96 million and civil defence \$0.3 million.
- Interest was \$0.011 million below budget due to lower than expect cash reserves.
- Fees and charges were \$0.078 million above budget, refuse site fees were \$0.073 million above budget, mostly due to a timing adjustment between actual fees and charges received and budgeted.
- Other revenue was \$0.45 million greater than budget due to an unbudgeted gain on disposal of \$0.15 million for a land sale and recoveries \$0.095 million above budget, this is offset in expenses by an increase in recoverable

expenditure. There was an unbudgeted gain on swaps for \$0.17 million, this is due to market factors and is offset by the loss on swaps being over budget.

The total operating expenditure is higher than budget by \$4.27 million due to:

- Employee costs were \$0.062 million lower than budget due to staff vacancies, this variance includes \$0.1 million of personnel costs that were unbudgeted but fully subsidised for responsible camping.
- Depreciation was \$0.38 million higher than budgeted due to higher depreciation rates than forecast on completed projects.
- There was unbudgeted loss on disposals of \$0.59 million, of this \$0.54 million was due to disposal of roading damaged in the March flood event.
- Other expenses were \$3.935 million over budget. This was due to unbudgeted storm damage repairs on roading, which was \$1.08 million, due to the March rainfall event. There was excess of \$0.74 million than budgeted spending on contractors and \$0.65 million on repairs and maintenance. \$0.45 million spending on contractors due to the March flooding event and \$0.12 million on contractors in place of staff, partially offset by the variance in personnel costs. Repairs and maintenance on wastewater networks was \$0.19 million above budget. There was \$0.12 million unbudgeted costs for the Repairs and maintenance to the Fox Glacier landfill. Loss on Swaps was a variation of \$0.3 million due to market factors. Management contracts were \$0.034 million above budget due to cost fluctuations. Operating costs for the responsible camping initiative was \$0.2 million, however, this was subsidised.

#### Current assets

- The balance of cash and cash equivalents is \$2.98 million lower than budget. This is due to unbudgeted expenditure depleting cash reserves and higher than budgeted debtors at the end of financial year.
- Debtors and other receivables are \$2.3 million above budget. This variance is primarily due to timing differences with claiming for subsidised expenditure.

#### Non-current assets

- There has been a decrease of \$57.15 million to budget for property, plant and equipment. This has arisen from a variance to budget on the Infrastructure revaluation of \$46.46 million. Originally forecast as a surplus of \$17.7 million the revaluations showed a deficit of \$28.76 million, mainly due to roading revaluation movements of \$28.8 million. There was also \$0.9 million revaluation loss on the Butlers landfill due to a change in accounting policy from the revaluation method to the cost method, therefore resulting in the removal of the previous revaluation on this asset and restating it at cost. Significant capital projects were either delayed or incomplete as at balance date. Projects were deferred or put on hold due to many factors, such as applying for external funding, weather and the March flood event. There was a \$3.15 million increase to budget on assets under construction due to construction works that were still in progress at the financial year end that will be completed at the start of the following year.

#### Current liabilities

- Creditors and other payables are \$0.76 million above budget. This variance is primarily due to timing differences.

#### Non-current liabilities

- Derivative financial instruments are interest rate swaps and are valued at \$0.4 million above budget. This is due to interest rate restructuring with our increased debt and joining the Local Government Funding Agency to ensure we remain compliant with our debt funding policies.
- Total debt is collectively \$1.8 million lower than budget in current and non-current liabilities. This is due to loan funded capital expenditure being either deferred into the following year or re-scoped through the annual plan process for the following financial year.

## NOTE 25. CAPITAL MANAGEMENT

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit residents in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provisions in its Long Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Revenue and Financing Policy.

Council also maintains specific purpose reserves funds. These are reported in the next section.

## NOTE 26: RESTATEMENT OF PROVISIONS

The Council and group has restated its comparative year financial statements for the year ended 30 June 2018 for the restatement of the landfill aftercare provision. Council has changed its accounting policy and is no longer revaluing landfill assets and therefore has reversed the prior year revaluation amounts.

|                              | Before<br>adjustments<br>\$000 | Adjustment<br>\$000 | After<br>adjustments<br>\$000 |
|------------------------------|--------------------------------|---------------------|-------------------------------|
| <b>Council</b>               |                                |                     |                               |
| <b>Equity</b>                |                                |                     |                               |
| Asset revaluation reserve    | 269,508                        | (905)               | 268,603                       |
| Retained earnings            | 150,742                        | (37)                | 150,705                       |
| <b>Non-current asset</b>     |                                |                     |                               |
| Property Plant and Equipment | 431,001                        | (942)               | 430,060                       |

|                              | Before<br>adjustments<br>\$000 | Adjustment<br>\$000 | After<br>adjustments<br>\$000 |
|------------------------------|--------------------------------|---------------------|-------------------------------|
| <b>Group</b>                 |                                |                     |                               |
| <b>Equity</b>                |                                |                     |                               |
| Asset revaluation reserve    | 270,340                        | (905)               | 269,435                       |
| Retained earnings            | 153,688                        | (37)                | 153,651                       |
| <b>Non-current asset</b>     |                                |                     |                               |
| Property Plant and Equipment | 446,849                        | (942)               | 445,907                       |

## Note 27: POST BALANCE DATE EVENT DISCLOSURE

There are no events post balance date to disclose.

# Reserve Funds Report

## 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 2018/19 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 2018/19.
- Interest will be charged on any reserve in deficit at Council's weighted average cost of asset term debt.

### **In the 2018-2019 Financial year**

All community township funding has been claimed excluding Kokatahi-Kowhitirangi, has been carried over to the following financial year. This will be distributed to the community group on their becoming a registered group.

The renewal reserves funds (depreciated funded reserves), have been used for replacement of existing assets with revenues received from funded depreciation.

A new council created reserve was created for the proceeds of sale after costs, of Marks Road. This fund will be split between civil defence requirements in Haast, and the Haast community to use towards community projects.

The reserve development fund has been used to fund \$100,000 for the Westland Spots Hub at Westland High School, \$61,382 has been used on the Sunset point redevelopment and \$108,243 was used to fund the Waimea Water Race part of the West Coast Wilderness Trail.

There were two significant payments made to the Mayoral Fund in 2018-2019. One was due to the close of the Isdell trust and a final payment of \$13,878 was made to the Mayoral Fund. There was also a payment of \$75,000 for relief for ratepayers effected by the March storm event, claims for this are to be paid in the 2019-2020 financial year. \$10,000 was transferred from the Mayoral Fund to the Emergency contingency fund as this is the remainder of a grant specifically for emergency management from the 2014 – 2015 financial year.

## Council Created Reserves

| Council Created Reserve Funds         |   | Balance 1 July 2018 \$'000 | Transfers into fund \$'000 | Transfers out of fund \$'000 | Balance 30 June 2019 \$'000 |
|---------------------------------------|---|----------------------------|----------------------------|------------------------------|-----------------------------|
| Reserve                               | Purpose of each reserve fund  |                            |                            |                              |                             |
| Kumara Township fund                  | Township funding for the purpose of community related projects  | 0                          | 14                         | (14)                         | 0                           |
| HariHari township                     | Township funding for the purpose of community related projects  | 2                          | 14                         | (14)                         | 2                           |
| Whataroa township                     | Township funding for the purpose of community related projects  | 2                          | 14                         | (14)                         | 2                           |
| Ross township                         | Township funding for the purpose of community related projects  | 1                          | 14                         | (14)                         | 1                           |
| Haast township                        | Township funding for the purpose of community related projects  | (3)                        | 14                         | (14)                         | (3)                         |
| Franz township                        | Township funding for the purpose of community related projects  | 1                          | 35                         | (35)                         | 2                           |
| Fox township                          | Township funding for the purpose of community related projects  | 1                          | 47                         | (47)                         | 1                           |
| Kokatahi community fund               | Township funding for the purpose of community related projects  | 0                          | 8                          | 0                            | 8                           |
| Foreshore                             | Foreshore Protection for groin replacement on the foreshore.  | 19                         | 0                          | 0                            | 20                          |
| Glacier country promotions            | Targeted rates collected from Glacier Country to provide funding for marketing projects.  | 0                          | 65                         | (65)                         | 0                           |
| Prestons bush                         | Mr Preston donated the reserve to Council. This fund was for the community to beautify the bush with tracks and interpretation boards.                              | 10                         | 6                          | (8)                          | 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.) | 78                         | 1                          | (6)                          | 73                          |
| Guy Menzies trust                     | Surplus from Guy Menzies Day Event.   | 1                          | 0                          | 0                            | 1                           |
| Cycle partnership contributions       | Contributions from commercial partners towards upkeep of the Wilderness Trail   | 0                          | 0                          | 0                            | 0                           |
| Emergency contingency fund            | Fund to support Westland in a Civil Defence emergency.  | 52                         | 11                         | 0                            | 63                          |
| Marks Road reserve fund               | Net Sale proceeds of section of Marks Road Reserve for to be split between Haast Civil Defense and the Haast Community  | 0                          | 202                        | (13)                         | 189                         |
| Transport renewals                    | For funding the renewal of roads and bridges.   | 414                        | 1,026                      | (950)                        | 490                         |
| Water renewal                         | For funding the renewal of water supplies networks  | 2,533                      | 870                        | (723)                        | 2,681                       |
| Waste water renewal                   | For funding the renewal of sewerage and sewage networks   | 1,680                      | 881                        | (132)                        | 2,429                       |
| Stormwater renewal                    | For funding the renewal of stormwater systems   | 439                        | 261                        | (38)                         | 661                         |
| Solid Waste renewal                   | For funding the renewal of Refuse transfer Stations and landfills.  | 0                          | 0                          | 0                            | 0                           |
| Parks and Reserves renewals           | For funding Parks, Reserves, Public Toilets, Ross Pool and Cemeteries Asset Renewal   | 107                        | 130                        | (23)                         | 214                         |
| Building renewals                     | For renewal of all Council operational buildings.   | 490                        | 233                        | (101)                        | 623                         |
| Administration renewals               | For renewal of office equipment, furniture, technical equipment, vehicles and technology  | 263                        | 234                        | (219)                        | 279                         |
| Library renewals                      | To replace library books  | 176                        | 91                         | (83)                         | 184                         |
| <b>Total Council Created Reserves</b> |   | <b>6,266</b>               | <b>4,173</b>               | <b>(2,512)</b>               | <b>7,927</b>                |

## Restricted Reserve Funds

| <b>Reserve</b>                   | <b>Purpose of each reserve fund</b>  | <b>Balance 1 July 2018 \$000</b> | <b>Transfers into fund \$000</b> | <b>Transfers out of fund \$000</b> | <b>Balance 30 June 2019 \$000</b> |
|----------------------------------|--|----------------------------------|----------------------------------|------------------------------------|-----------------------------------|
| Offstreet Parking                | Collected from developments in town to pay for off-street parking. Imposed by RMA/District Plan                  | 32                               | 1                                | 0                                  | 33                                |
| Reserve Development              | Monies collected from developments. Imposed by RMA/District Plan   | 646                              | 58                               | (270)                              | 434                               |
| Museum Assistance Fund           | Originally the Museum Bequest Fund   | 20                               | 0                                | 0                                  | 21                                |
| Kumara Endowment Fund            | Proceeds from sale of Endowment land. Our brief research has not identified the specific terms of the endowment. | 347                              | 7                                | 0                                  | 353                               |
| Euphemia Brown Bequest           | Interest earned on funds administered by Public Trust Offices for the estates of Euphemia & William E Brown.     | 23                               | 0                                | 0                                  | 24                                |
| Mayoral Relief Funds             | Contributions from James & Margaret Isdell Trust; Coulston Herbert Trust;  | 16                               | 90                               | (11)                               | 95                                |
| Three Mile Domain                | To fund three mile domain costs.   | 204                              | 4                                | 0                                  | 208                               |
| Ross Endowment Land              | Various endowment land parcels in Ross sold over time.   | 66                               | 1                                | 0                                  | 67                                |
| Big Brothers Big Sisters         | Grant funding Received   | (1)                              | 0                                | 0                                  | (1)                               |
| Community Patrol                 | Grant funding Received   | (0)                              | 0                                | 0                                  | (0)                               |
| Graffiti                         | Grant funding Received   | 4                                | 0                                | (0)                                | 4                                 |
| Taxi Chits                       | Grant funding Received   | (3)                              | 4                                | (3)                                | (2)                               |
| Hokitika War Memorial            | Contributions from RSA parking lease   | 0                                | 0                                | 0                                  | 0                                 |
| <b>Total Restricted Reserves</b> |  | <b>1,355</b>                     | <b>164</b>                       | <b>(283)</b>                       | <b>1,237</b>                      |
| <b>Total Reserves</b>            |  | <b>7,622</b>                     | <b>4,337</b>                     | <b>(2,795)</b>                     | <b>9,164</b>                      |

# STATEMENTS OF SERVICE PROVISION

## COUNCIL'S PERFORMANCE IN EACH ACTIVITY

This section of the report identifies progress during 2018/19 towards the achievement of the Council's vision and describes the work and performance of the Council's Groups of Activities, including:

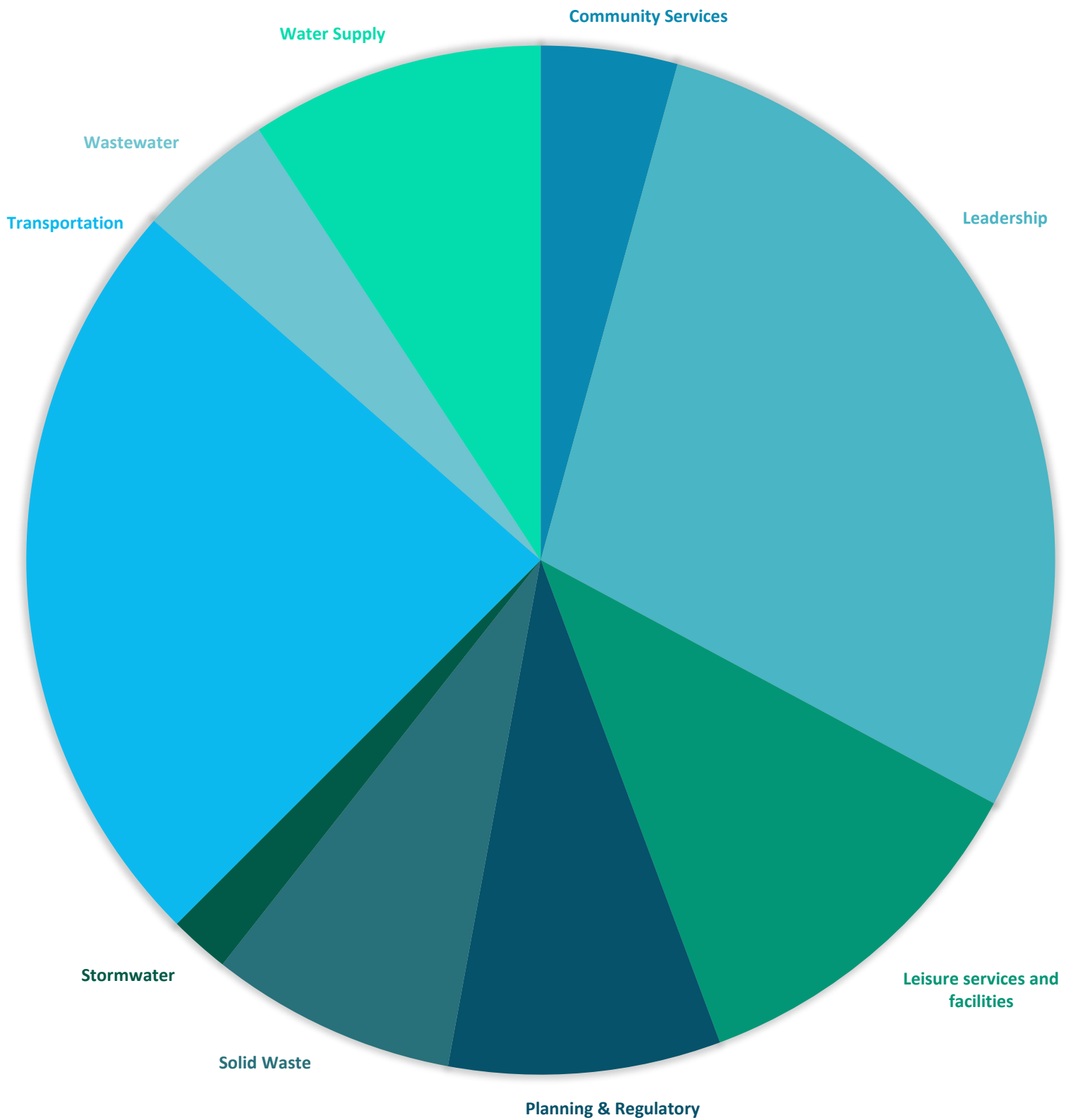
- A summary of key achievements and projects during the year.
- A summary of how the Council performed against performance measures for each activity.
- A summary of significant variances in the achievement of work projects or tasks planned during the year.
- Key financial information for each group of activities, compared to budgets, including the prescribed Funding Impact Statement.

| Activity Group                   | Activity   |
|----------------------------------|--|
| Leadership                       | Corporate Services, Governance,<br>Council Controlled Organisations<br>Professional Services<br>Customer Services  |
| Planning and Regulatory Services | Resource Management<br>Inspections & Compliance<br>Animal Control  |
| Community Services               | Community Development & Assistance<br>Community Halls  |
| Leisure Services and Facilities  | Elderly Housing<br>Hokitika Museum<br>Swimming Pools<br>i-SITE<br>Events<br>Parks & Reserves<br>Cemeteries<br>Land & Buildings<br>Public Toilets<br>Westland District Libraries<br>West Coast Wilderness Trail |
| Transportation                   |  |
| Water Supply                     |  |
| Wastewater                       |  |
| Stormwater                       |  |
| Solid Waste Management           |  |



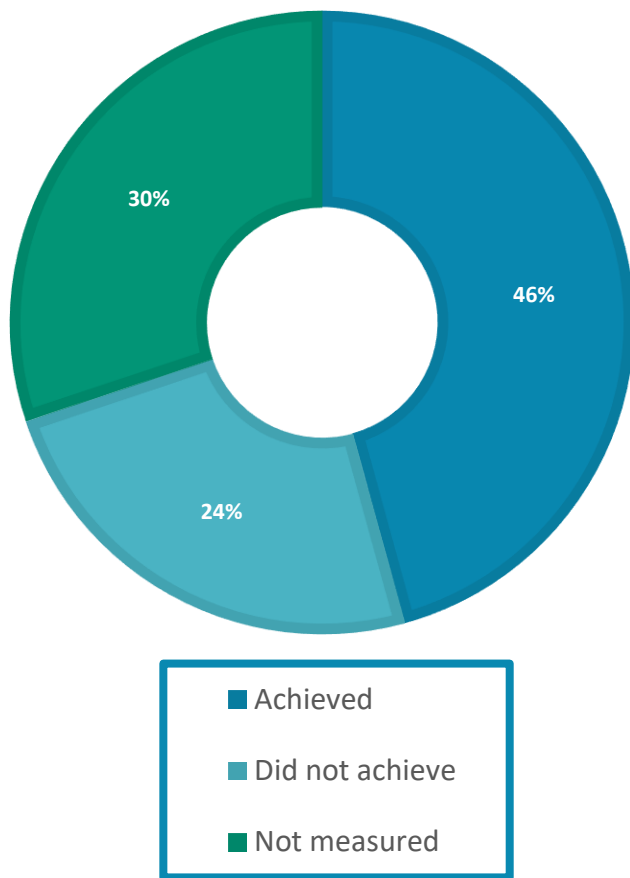
# HOW COUNCIL ACTIVITIES CONTRIBUTE TOWARDS MEETING ITS VISION

This graph represents the operational expenditure for each group.



## AN OVERVIEW OF COUNCIL PERFORMANCE

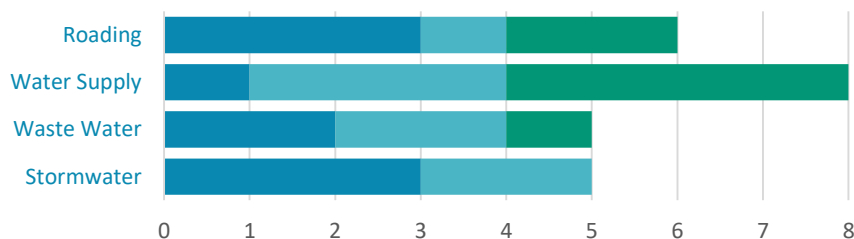
The following Statements of Service provision measure how Council has performed against the performance targets set in the 2018 – 28 Long Term Plan for each set of activities.



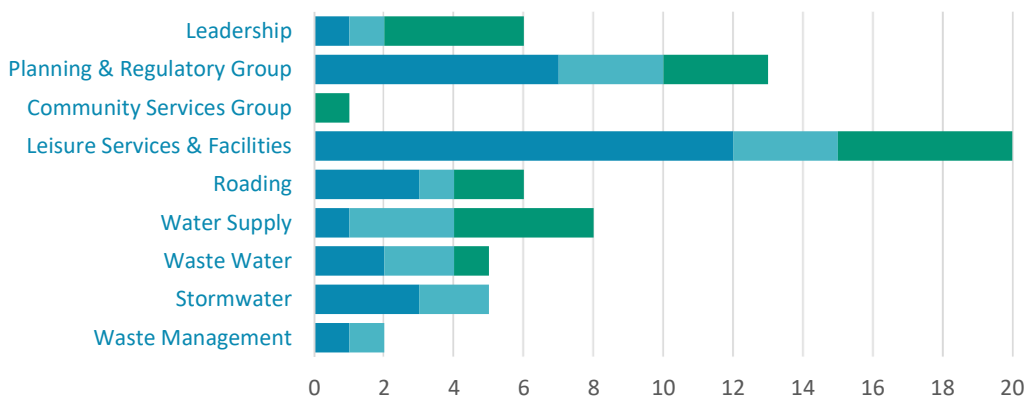
Council has 9 groups of activities. Performance is measured against a number of different indicators. Some of these are mandatory measures set by central government and others are measures that Council set itself. There are 66 measures in total.

- We achieved 46% of the measures (30 out of 66). This includes 38% of the mandatory measures (9 out of 24)
- We did not achieve 24% of the measures (16 out of 66).
- During the 2018/19 year council did not conduct a formal bi-annual Resident Satisfaction Survey. Where an indicator which would usually be monitored using the Resident Survey was monitored in an alternative way this is not considered to be measured. This means that 30% of the indicators were not measured (20 out of 66).

### Mandatory Measures



### All Performance Measures



## Leadership Group

### Democracy

Council meetings are publicly notified in accordance with the Local Government Official Information and Meetings Act 1987 (LGOIMA), which provides the public with an opportunity to attend. Only matters where there are specific grounds under section 48(1) of the LGOIMA are excluded from the public section of the meetings.

During this reporting year a total of \$1,000 was expended from the Mayoral Relief Fund and \$10,000 was moved to the Emergency Contingency Fund.

A total of 82 Local Government Official Information requests (including follow up requests to an original request) were received this financial year. The average number of days for completion was 11.7 days. Four of the request are pending, due to the complexity of the request and third parties being involved. One request is pending as no response has been received to council's letter of clarification.

This activity contributes to social, economic and cultural wellbeing of the district by providing open and transparent governance by way of open meetings and the provision of Local Government Official Information requests and assisting citizens through the Mayoral Relief Fund.

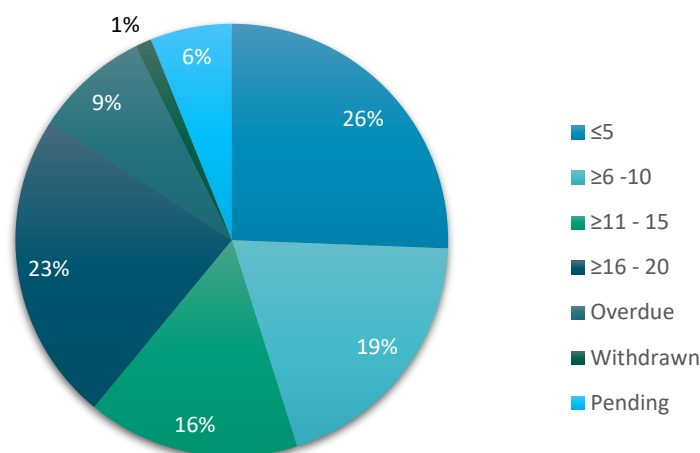
### Corporate Services

#### Finance

The finance team have been focusing on a more efficient reporting process, to achieve this a new reporting system in the process of being implemented. The system was used solely for Councils Annual Plan process with great success, it has also been used for the financial reporting of this Annual Report. This has allowed for a more efficient and accurate process to be developed. The next stage of implementation is expected to take place in the next financial year which will allow for budget managers to have more transparency over the budgets they manage versus the actual spend.

There were some staffing changes during the financial year, the Accountant vacancy was filled in September 2018, and the Accounts Receivable officer retired and the vacancy filled in March 2019.

### Number of days for LGOIMA completion 2018/19



### Strategy and Communications

A new Strategy and Communications Advisor was appointed in September 2018, which filled the vacancy left in the previous financial year. Work has been undertaken to improve the quality of our legislative documents and encourage public participation in Council processes.

There were 162 submissions to the Draft Annual Plan 2019/20 consultation. This demonstrates some success in engaging the community. The Annual Plan was adopted on 27 June 2019.

*"Documentation was informative; process for responding to consultation was very good." (Informal Resident Satisfaction Survey)*

In order to continue improving council understanding of ratepayer satisfaction, an informal online survey was conducted over two weeks of February and two weeks of March 2019. This was open to all residents in the district and focused on the satisfaction measures of the statements of service. The survey showed some improvements in areas such as dog control, which has been brought back in-house, and reduced satisfaction in other areas. Understanding the opinion of people in the district allows council officers to improve and maintain our services. A formal telephone survey will be conducted in early 2020.

In February Council resolved to encourage the use of Te Reo in council documents, publications, communications and signage by engaging with local iwi to produce an approved Te Reo word list. Council has amended the

Finance, Audit and Risk, and Council agendas to include an opening karakia and subject headings in Te Reo.

## Information Services

This year has been quite a disruptive one for Information Services with the resignation in December of the Information Services Support Officer and the subsequent recruiting and appointing of the replacement. The iSite and Museum were removed from our network when the activities were transferred to Destination Westland Ltd.

In April the Information Services Manager attended an ITIL 4 (Information Technology Infrastructure Library) Training in Wellington. ITIL 4 describes an operating model for the delivery of tech-enabled products and services. One of the outcomes from this was the instigation of an IT helpdesk portal and the investigation of a possible joint portal with the other three Councils on the West Coast (WC4).

WC4 is a collaborative group of IT staff from each of the four West Coast Councils to look at joint systems and processes to create efficiencies. There are two groups: the WC4 governance group, which comprises the Group Managers from the Councils who have responsibility for IT/IS; and the WC4 technical group, which is overseen by the WC4 governance group. This is the first model of this sort in NZ, and although in the early stages, has already provided some efficiencies.

Some other examples of the collaborations being implemented include:

- investigating joining the shared phone system with the other local councils
- Office 365 shared tenure
- shared public GIS mapping portal
- consistent level of service across all four Councils provided for Civil Defence and Emergency Management

A major information system project Council is currently implementing is a new Electronic Document and Records Management system (EDRMS). Electronic document and records management is used by organisations to manage documents and records throughout the document life-cycle, from creation to destruction. For Council this means moving from a paper based system to digital record keeping. The first step will be to start moving some of our archival records to secure storage.

## Library

The library services are now part of the Corporate Services group. They will continue to report under the leisure services and facilities.

## Council Controlled Organisations

Statements of service for Westland Holdings Ltd, Destination Westland and Westroads are provided below.

### Westland Wilderness Trust:

The Westland Wilderness Trust has not met in the past year and there are no audit requirements as per 24 November 2015 resolution.

### Tourism West Coast

Council takes a governance / advisory role with any contributions included in Council's normal operation. Neither organisation is required to produce an annual report.

## Funding Impact Statement (for the Leadership group)

For the year ended 30 June 2019

| <b>Group Level Funding Impact Statement</b>                              |  |  |                                  |
|--|--|--|----------------------------------|
|  | <b>Long Term Plan<br/>2018<br/>\$000</b> | <b>Long Term Plan<br/>2019<br/>\$000</b> | <b>Actual<br/>2019<br/>\$000</b> |
| <b>Leadership</b>  |  |  |                                  |
| <b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>                          |  |  |                                  |
| <b>Sources of Operating Funding</b>                                      |  |  |                                  |
| General rates, uniform annual general charges, rates penalties           | 972                                      | 956                                      | 754                              |
| Targeted Rates   | -  | -  | -                                |
| Subsidies and grants for operating purposes                              | 2  | -  | -                                |
| Fees and charges   | 43                                       | 70                                       | 163                              |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 664                                      | 753                                      | 1257                             |
| Internal charges and overheads recovered                                 | -  | 3,543                                    | 7,022                            |
| <b>Total Operating Funding (A)</b>                                       | <b>1,680</b>                             | <b>5,322</b>                             | <b>9,195</b>                     |
| <b>Applications of Operating Funding</b>                                 |  |  |                                  |
| Payments to staff and suppliers  | 897                                      | 3,006                                    | 5,023                            |
| Finance Costs  | 385                                      | 557                                      | 441                              |
| Internal charges and overheads applied                                   | -  | 1,754                                    | 3,874                            |
| Other operating funding applications                                     | -  | -  | -                                |
| <b>Total Applications of Operating Funding (B)</b>                       | <b>1,283</b>                             | <b>5,318</b>                             | <b>9,339</b>                     |
| <b>Surplus/(Deficit) of Operating Funding (A - B)</b>                    | <b>397</b>                               | <b>4</b>                                 | <b>(143)</b>                     |
| <b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>                            |  |  |                                  |
| <b>Sources of Capital Funding</b>  |  |  |                                  |
| Subsidies and grants for capital expenditure                             | -  | -  | -                                |
| Development and financial contributions                                  | -  | -  | -                                |
| Increase (decrease) in debt  | (272)                                    | (17)                                     | 73                               |
| Gross proceeds from sale of assets                                       | -  | -  | -                                |
| Lump sum contributions   | -  | -  | -                                |
| Other dedicated capital funding  | -  | -  | -                                |
| <b>Total Sources of Capital Funding (C)</b>                              | <b>(272)</b>                             | <b>(17)</b>                              | <b>73</b>                        |
| <b>Application of Capital Funding</b>                                    |  |  |                                  |
| Capital Expenditure:   |  |  |                                  |
| - to meet additional demand  | -  | -  | -                                |
| - to improve the level of service  | -  | 45                                       | 39                               |
| - to replace existing assets   | 174                                      | 197                                      | 279                              |
| Increase (decrease) in reserves  | (48)                                     | (254)                                    | (389)                            |
| Increase (decrease) of investments                                       | -  | -  | -                                |
| <b>Total Applications of Capital Funding (D)</b>                         | <b>126</b>                               | <b>(13)</b>                              | <b>(71)</b>                      |
| <b>Surplus/(Deficit) of Capital Funding (C - D)</b>                      | <b>(397)</b>                             | <b>(4)</b>                               | <b>143</b>                       |
| <b>Funding Balance ((A - B) + (C - D))</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                         |

## Democracy

| Level of Service                            | Measure / Targets   | Progress  |
|---|---|---|
| Responsible leadership                      | <b>65%</b> of residents satisfied with Council's leadership.    | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: Fairly Good / Very Good 58%, 2018 Residents' Satisfaction Survey)</i> |
| The community understands what Council does | <b>50%</b> of residents understand how Council makes decisions. | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: Understanding is 77%, 2018 Residents' Satisfaction Survey)</i>        |

## Corporate Services

| Level of Service  | Measure / Targets  | Progress  |
|---|--|---|
| Provide accountability about Council activities                                   | Legally compliant financial plans and reports adopted <b>on time</b> .       | 2018/19: The Annual Plan was adopted by Council on 27 June 2019, which met the statutory deadline.<br><br><i>(2017/18: The Long Term Plan was adopted on 2 July 2018. The Annual Report was adopted on 22 November 2018.)</i> |
| A comprehensive Customer Service Centre   | <b>75%</b> of residents satisfied with the service they receive.             | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: 78% satisfied, 2018 Residents' Satisfaction Survey)</i>     |
| Effective engagement of the community during public decision-making opportunities | <b>55%</b> of residents that believe they have been consulted appropriately. | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: 46% satisfied, 2018 Residents' Satisfaction Survey)</i>     |

## Council Controlled Organisations

| Level of Service                            | Measures / Target   | Progress   |
|---|---|--|
| CCOs comply with their Statements of Intent | <b>100%</b> performance measures in the CCO Statement of Intent are met, as reported in half yearly and annual reports. | 2018/19: 62.5%, 25/40 – Full Statements of Service are contained in the CCOs 2018/19 Annual Reports.<br><br><i>(2017/18: 42%, 14/33)</i> |



**Directors:**

Joanne Conroy – Chair – appointed 28 June 2018, appointed Chair 27 June 2019  
 Chris Rea – appointed 28 June 2018  
 Chris Gourley – appointed 26 July 2018  
 Albert Brantley – Chair – retired 28 June 2019

Established July 2002.

Westland Holdings Limited (WHL) is the governance link between Council and its trading entities. The Company is responsible for ensuring the trading organisations meet their statutory, commercial and public obligations as defined in their Annual Statements of Intent. These are reviewed by WHL on behalf of Council, with reference to the objectives determined in the Long Term Plan 2018-2028, along with each company’s individual strategy. This report concentrates on the performance objectives contained in the Long Term Plan. The performance of the companies is extensively examined in their own Annual Reports.

**Key Objective:**

‘To achieve the objectives of the shareholder, Westland District Council, both commercially and non-commercially as specified in the Statement of Intent in a manner that recognises sound business practice, good employer obligations and social and environmental responsibility.’

| Key Performance Measures:  | Progress  |
|--|---|
| Targeted Ratio of Shareholders funds to total assets shall not be less than 50% for the period covered by the Statement of Intent. | <b>Achieved:</b> 52.73%<br><i>(2017/18: 53.96%)</i>   |
| Subsidiary companies shall return a minimum acceptable dividend.   | <b>Not Achieved:</b> WHL paid a dividend of \$300,000 in December 2018 after receiving a dividend from Westroads of \$270,000 and subvention payments of \$50,000.<br><i>(2017/18: Not Achieved: WDC budgeted \$523k for the year, including subvention payments. WDC actually received \$120k in dividend and accrued for \$250k subvention payments.)</i> |
| Ensure that the financial targets and strategic direction of WHL are in line with the WDC requirements.                            | <b>Achieved:</b> Final Statement of Intent submitted to Council on 27 June 2019.<br><i>(2017/18: Achieved, final SI submitted to Council on 28 June 2018)</i>   |

On 29 June 2018, Westland District Property Limited amalgamated with Hokitika Airport and changed the entity name to Destination Westland.

A review was carried out to consider the streamlining of the two companies and cost reduction if the two companies were amalgamated. The decision was that there would be some cost savings and efficiencies through amalgamation.

### Directors

Ian Hustwick - Chair appointed 31 December 2016

Richard Benton - Director appointed 31 December 2016

Deputy Mayor Latham Martin - Director appointed 12 March 2017

Chris Rea – Director appointed 27 June 2019

Pauline Cox - Retired 30 April 2019

| Key Performance Measures:  | Progress  |
|--|---|
| The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds within a range of 1% and 6% for the year commencing 2018/2019           | <b>Not Achieved: -4.7%</b><br><i>This is a new KPI under the 2018 – 28 Long Term Plan.</i>  |
| Compliance with statutory and regulatory requirements enabling Destination Westland, Westland Holdings Limited and Westland District Council to comply with the Local Government Act 2002. | <b>Achieved:</b> The Annual Report was completed on 27 September 2019.<br><i>(2017/18: Not achieved. The Company [Westland District Property Limited] did not meet the statutory deadline for the completion of its Annual Report by 30 September 2018)</i> |
| Aged Care:<br>Annual percentage occupancy to be no less than 95%.  | <b>Achieved:</b> 99.6% Four flats were completely refurbished during this year and were unoccupied during that time.<br><i>(2017/18: 100%)</i>  |
| Swimming pool:<br>Annual total admissions to be within 5% those of the previous year.  | <b>Achieved:</b> 20,306 includes 4,506 free swims.<br><i>(2017/18 achieved 20,384 including 4,230 free swims)</i>   |
| Baches on Road Reserve:<br>Annual number of licenses to occupy to be greater than 70.  | <b>Achieved:</b><br>86 Signed agreements to occupy <i>(2017/18: 85)</i><br>14 Signed agreements – season sites <i>(2017/18: 11)</i><br>20 Signed agreements – other occupations <i>(2017/18: 14)</i><br>0 Applications in process <i>(2017/18: 14)</i>      |
| Jacksons Bay Wharf:<br>Annual percentage of commercial fishing vessels who use the wharf with licenses = 90%   | <b>Achieved:</b> 100% - this excludes casual users.<br><i>(2017/18: 100%)</i>   |
| Leasehold properties:<br>Annual percentage of leasehold properties available for lease = 80%   | <b>Achieved:</b> 18 WDC properties are managed: 15 are leased - 83%<br><i>(2017/18: 84%)</i>  |



|   |   |
|---|---|
| Tenant satisfaction<br>Tenant satisfaction with the provision of the company's aged care rental housing greater than or equal to 90%. | <b>Achieved:</b> 98%<br><i>(2017/18: 100%)</i>  |
| Time loss through injury<br>Loss Time Injuries will be 0  | <b>Achieved:</b> 0 loss time<br><i>(2017/18: 0)</i>   |
| Annual CAA audit findings<br>Nil findings   | <b>Achieved</b> No findings reported.<br>This is a new measure under the 2018 – 28 Long Term Plan |
| Aircraft Movement statistics<br>Within 5% of previous year  | <b>Achieved:</b> 4,177 aircraft movements<br><i>(2017/18:4,066)</i>                               |
| Passenger numbers through terminal<br>Within 5% of previous year  | <b>Achieved: 45,577</b> <i>(2017/18: 41,873)</i>  |



## Directors

Peter Cuff – Chair appointed 18 January 1995

Bryce Thomson – Deputy Chair appointed 26 November 1998

Ross Pickworth – Director appointed 1 November 2017

Durham Havill – Director retired 31 May 2019

Established January 1995.

Westroads Limited is a general contractor in the infrastructure sector, based in Hokitika and Greymouth and operating depots throughout Westland.

Key Objective:

‘Operates a successful business by meeting market requirements in terms of quality, excellence in service and pricing on a commercially competitive basis and ensure a reasonable rate of return to the ratepayers of Westland in accordance with the Statement of Intent.’

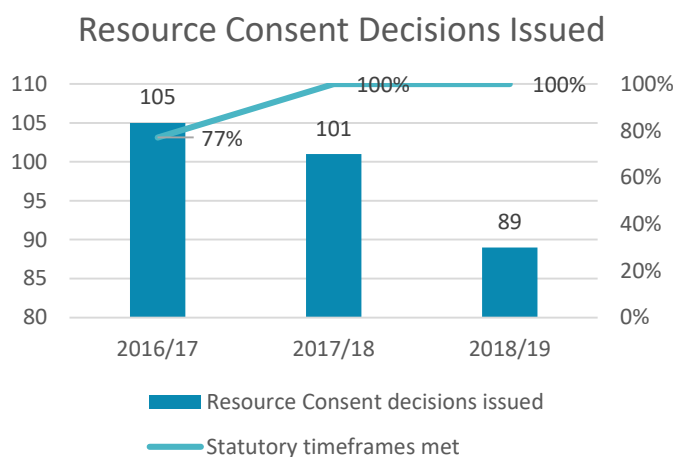
| Key Performance Measures:   | Progress   |
|---|--|
| The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds shall be at least 10%  | <b>Achieved</b> 16.1%<br>(2017/18: 29.17%)   |
| A return of an annual dividend to the shareholder within a range of 40-70% of the company’s net profit after tax, after adjusting for returns to shareholders via subvention payment. | <b>Achieved</b> 75.2%<br>(2017/18: 25.7%)  |
| Compliance with statutory and regulatory requirements enabling Westroads Ltd, Westland Holdings Ltd and Westland District Council to comply with the Local Government Act.            | <b>Achieved</b> The Annual Report was completed on 27 September 2019.<br>(2017/18: <i>Achieved</i> ) |
| The ratio of consolidated shareholder funds to total assets shall be greater than 45-100%.  | <b>Achieved</b> 48%<br>(2017/18: 48%)  |

## Planning and Regulatory Group

### Resource Management

During this reporting year the Planner was promoted to the Senior Planner role, filling a gap in the team. To replace the Planner, a Trainee Planner, who will complete their qualifications while working under the Planning team, was recruited.

The resource management and planning team managed to achieve 100% compliance with statutory timeframes for the entire financial year (processing all non-notified resource consents within the 20 working day timeframe set under the RMA 1991). This is a year on year achievement since the unfavourable 77.06% compliance achieved in the 2016/17 year.



No Environment Court Appeals nor Commissioner Hearings were instigated or defended in this financial year.

Progress was made with streamlining the Land Information Memoranda (LIM) process and ensuring high quality recording of internal information to feed in to LIM's.

Local Government New Zealand (LGNZ) announced the instruction for Buller, Grey and Westland Districts to combine District Plans through the creation of Tai Poutini Plan. A Chair was appointed along with a Project Manager. A committee formed and progress made on recruiting Senior Policy Planners to progress and write the document. The Project Manager and Senior Policy Planners are managed and paid for by West Coast Regional Council. The Planning Team have been actively recruiting for a Senior Policy Planner to support Westland District with identifying land rezoning opportunities to adequately reflect current and projected activities. The position will support Natural Hazard Management and potential

options for Franz Josef. Both of which will feed directly to the Tai Poutini Plan.

The Planning Manager is involved in a feedback group for the Proposed National Policy Statement (NPS) for Biodiversity. Initial comments and 'road testing' of the proposed Policy Statement have been undertaken to express the costs and benefits to the Westland Community.

The Planning Manager also provided feedback to Aotearoa New Zealand Resource Strategy for Petroleum and Minerals 2019-2029. The strategy proposes major changes to the mining sector within Westland. As the strategy progresses feedback to the consultation process will continue to be provided.

Department Customer Satisfaction Surveys indicate an increase in satisfaction with the Planning Department for the 2018/2019 year, up 10% from 90% in the 2017/18 financial year, this is a vast improvement from 80% satisfaction in 2016/2017 year.

By ensuring timely processing of consents and participating in national initiatives the Planning Department contributes to the social, economic and environmental wellbeing of the district.

## Inspections and Compliance

### Building

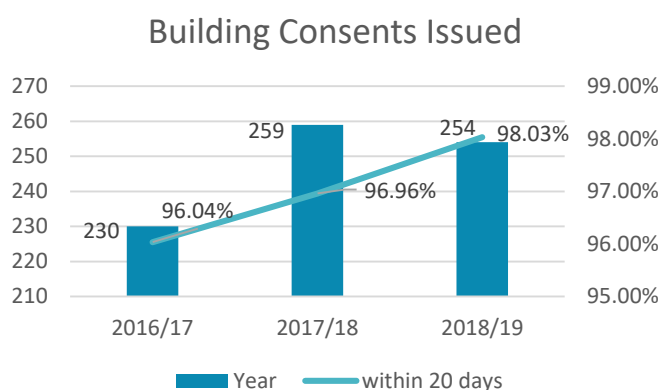
Council's existing Building Control Authority Accreditation has been maintained for the reporting period.

For this reporting period, Council's Building Control Authority (BCA) processed all new building consents via the Alpha-One system. Only amendments to consents received before the implementation of Alpha-One continue to be processed manually. 254 building consents were issued via Alpha-One, of which 249 met the required timeframe (98.03 %). The average processing time for building consents lodged in Alpha-One is 13.38 days.

Impacts on processing times are due to the increase in technical requirements and more commercial consents applied for and processed than in previous years. The BCA has reduced its reliance on the use of external contractors to achieve quality policy objectives, improve customer service and reduce costs to the consumer.

Previous Statistics from the AlphaOne user group indicate that the median for consents issued within 20 days' nationwide rests at around 95.6%. This indicates that the Westland District Council BCA is performing well when measured against other BCA's nationally.

The BCA is continuing its collaborative relationship with the other West Coast Building Consent Authorities (BCAs) - Grey and Buller Districts - in order to share training opportunities and reduce costs through the delivery of shared services when requested. Council remains a part of the "Mainland Group" of BCAs / Territorial Authorities and participates in quarterly meetings.



## Food Premises

The Food Act 2014 requires that all food premises within the Westland District Council area to register either a Template Food Control Plan or a National Programme with Council. 100% of all food premises have complied with this requirement.

100% of all premises on Template Food Control Plans have received their initial verification inspection under the new Act.

During the 2018/2019 year a number of smaller food businesses such as service stations, motels, camp grounds and other providers of manufacturer pre-packaged foods decided to register a National Programme instead of a Template Food Control Plan. As Council cannot verify National Programmes under the Food Act 2014 these premises will be verified in future by independent verifiers. These premises will still be registered with Council.

98% of all the food premises received an inspection during the 2018/2019 year. 100% of all licensed premises received an inspection during the 2018/2019 year.

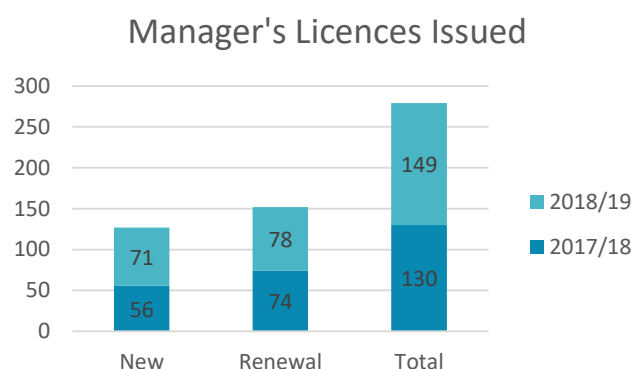
## Alcohol

During the 2018/2019 year one regional alcohol meeting was held, which was attended by the Police, Medical Officer of Health and the Council Licensing Inspector and Liquor Administration Officer.

As well as the regional meeting the Police, the Medical Officer of Health, the Council Licensing Inspector and the Liquor Administration Officer, held monthly local licensing meetings to discuss local liquor licensing issues.

A total of 55 licensed premises were inspected during the 2018/2019 year. There were 16 joint monitoring inspections of premises with liquor licences carried out during the evening with the Police, the Medical Officer of Health and Council's Licensing Inspector.

71 new manager's certificate applications were completed during the 2018/2019 year along with 78 manager's certificate renewals.



There were no Liquor licensing hearings held before the District Licensing Committee on liquor licensing matters. Two cases were brought before the Alcohol Regulatory Licensing Authority (ARLA). One of those cases has yet to be resolved.

## Animal Control

Council is involved in Animal Control for Dog Control and Stock Control. This is a requirement of the Dog Control Act 1996 and Council's Dog Control Bylaw. The responsibility for delivery of Dog Control services was brought back in-house as of 1 July 2018. A contractor is engaged to respond to after-hours call outs through the district for Stock Control. Council Officers respond to Stock Control matters during working hours.

The Dog Pound is operated in co-operation with the Hokitika SPCA. Council has four designated pound kennels within the SPCA premises on Hau Hau Road, two kennels situated at the Haast Police Station, and one kennel situated at the Franz Josef Police Station. Council is

responsible for the maintenance and management of its own pound assets and facilities, and the stewardship and nourishment of any dogs impounded in Council's care.

98% of the 1,859 known to Council were registered within the reporting period. Twenty-two infringements were issued to owners for failure to register dogs. Six dogs have been classified as menacing and seven dogs classified as dangerous for this reporting period. Eight dogs are registered as dangerous, and twenty-seven registered as menacing for the 2018/2019 registration year.

*"Registered dogs. Was easy and quick." (Informal Resident Satisfaction Survey)*

For the reporting period Council has ensured that; dog owners are held responsible for dogs in their ownership, and that dogs do not cause a nuisance to other people and/or property; the welfare of animals is protected, opportunities are taken to educate owners and members of the public on dog behaviour, and, responses to wandering stock are expedient to avoid risk to public safety.

## Emergency Management/ Civil Defence (CD):

### Flood Events - November 2018 & March 2019

The Westland District Council (WDC) Emergency Operations Centre (EOC) was activated on the 8 and 9 November in response to a significant rainfall event. The event caused road damage, surface flooding and high river levels across the Westland District. WDC EOC staff monitored the situation across the district. The Haast, Waiho and Hokitika Rivers all reached alarm levels. The Hokitika River Flood Response Plan was used for the first time in an event and will now go through its first revision phase alongside the development of a plan for the Waiho River.

Landslips, flash flooding, debris flows, inundation, river bed aggradation and degradation spread across Westland from Jacksons Bay to Arahura (approximately 400 kilometres) caused by the severe 26 March storm. This caused significant impact to the region. The loss of the NZTA owned Waiho Bridge caused widespread disruption across the whole West Coast region. West Coast Civil Defence Emergency Management (CDEM) response to this event was supported by various partner agencies including councils, lifeline utility groups, welfare agencies, emergency services, local community members, and helicopter companies. A great reminder that CDEM is made up and strengthened by everyone in the community working together. One of the key successes was the deployment from Fire and Emergency NZ and their Urban Search and Rescue (USAR) Remotely Piloted Aircraft

System (RPAS) teams to assist in disaster monitoring, impact and risk assessment.

The March flood event caused widespread damage to the local road network, flood protection infrastructure, and farmland. Work continues on the reinstatement of the Milton Stopbank for the Lower Waiho Rating District. In addition, the Fox River landfill was significantly compromised and triggered a large-scale clean-up operation involving a wide range of agencies and the huge volunteer support from across New Zealand and overseas.

In May funding of \$75,000 was provided by central government to a special Mayoral Relief fund for district residents, ratepayers, business owners and non-profit organisations who suffered financial or emotional hardship as a result of the 26 March adverse weather event. Applications closed on 21 June 2019. The Mayoral Relief Fund Committee will consider all applications received in July 2019 with the payment of grants made in the 2019/2020 financial year.

### Other Events

West Coast CDEM Group Staff and a WDC staff member were deployed to assist the Nelson Tasman CDEM Group in the response to the Pidgeon Valley fire in February 2019. The WDC EOC was activated once again on 29 May to monitor predicted heavy rainfall. While the weather event did not cause any major damage, residents in Ross and Hokitika used the West Coast CDEM Group's crowdsource image platform to report sizeable hail stones. A number of other events have also been monitored closely including MetService's heavy swell alerts and NIWA's storm-tide alert days.

### Training and Capacity Building

Training sessions were held with local community CDEM volunteer teams in Haast and Franz Josef during October 2018. The training sessions covered a refresher on the co-ordinated incident management system (CIMS), how their communities function in an emergency event and the development of community response plans (CRPs). Both sessions were extremely well attended.

WDC Building Control Officers (BCO) attended a two-day Rapid Assessment Team training in October that was co-facilitated by representatives from West Coast CDEM Group and Urban Search and Rescue (USAR). Day one covered the theory of response to disasters for BCO and Day two was a practical exercise at Seaview in Hokitika. The data collected was used by the incoming USAR team for Exercise Arahura.

Exercise Arahura was held by USAR on 30 October at the WDC Council Chambers / WDC EOC. USAR personnel from around New Zealand were deployed to Hokitika as part of a simulated response to a major earthquake. West Coast

CDEM group ran Exercise Seaview, which provided training in running the EOC, alongside USAR's response and was well attended by WDC staff. The exercise's collaborative approach helped to strengthen ties for emergency management on the West Coast.

While the workload of Council staff and availability of volunteers, along with the number of emergency events, has limited training opportunities, progress has been made in improving staff capabilities to respond to emergency events. An Integrated Training Framework (ITF) intermediate course was offered in March 2019, however, the March flood events caused the delay of the planned Coordinated Incident Management Systems (CIMS) function training. EOC short sessions have been well attended by WDC staff. The West Coast CDEM Group and WDC will continue to work together on training and capacity building. It must also be noted that responses to emergency events across the last 12 months can also be seen as beneficial 'real-life' training for all staff.

### Community Engagement/ Public Education

A wide-variety of community engagement and public education initiatives have been undertaken in Westland to ensure the community is well informed and well prepared. The community response planning (CRPs) process presents a good opportunity to engage with all of the main communities or townships in Westland. In doing so strengthening the local volunteer CDEM capability, which can be seen during events such as the flooding in March. When undertaking this community engagement, the focus has often been on what is done response, a recent shift has been to the 4Rs approach (Reduction, Readiness and Response, Recovery) and in particular ensuring our isolated

communities are well prepared by pushing the 7-days of emergency supplies message.

Presentations were given to a number of groups, including Grey Power and Westland Safer Community Coalition to increase public education. Presentations focused on informing the public of the work that is being done in the CDEM space and also to ensure individuals, families and organisations are well prepared for emergency events. Project AF8's The Science Beneath our Feet Roadshow went ahead for Westland in June. The roadshow visited South Westland Area School and Westland High School where students were exposed to the science behind the Alpine Fault and what they can do to prepare. The roadshow also included Public Science Talks by leading Alpine Fault scientists held in Franz Josef and Hokitika. The events were very well attended and the crowd showed a great level of preparedness when asked.

As well as face-to-face community engagement and public education, the West Coast CDEM Group uses online services to inform the public before, during and after emergency events. The Civil Defence West Coast Facebook has over 4,500 followers and a post of the Waiho Bridge had a reached over 255,000 people. Considerable time and resources have also been put into the development of the Public Information and Emergency Situation Map. The map pulls in information from a wide variety of sources including partner agencies such as New Zealand Transport Authority, Electronet Services and MetService to create integrated mapping solution for the public to use during an emergency or if they are just simply planning a trip of the Southern Alps. Other public education initiatives include the development of a Public Information Management (PIM) Plan for the Haast area and the West Coast CDEM Group's 4Rs Newsletter distribution.

## Funding Impact Statement (for the Planning and Regulatory group)

For the year ended 30 June 2019

| <b>Group Level Funding Impact Statement</b>                              |  |  |                                  |
|--|--|--|----------------------------------|
|  | <b>Long Term Plan<br/>2018<br/>\$000</b> | <b>Long Term Plan<br/>2019<br/>\$000</b> | <b>Actual<br/>2019<br/>\$000</b> |
| <b>Planning &amp; Regulatory</b>   |  |  |                                  |
| <b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>                          |  |  |                                  |
| <b>Sources of Operating Funding</b>                                      |  |  |                                  |
| General rates, uniform annual general charges, rates penalties           | 1,340                                    | 1,233                                    | 1,233                            |
| Targeted Rates   | -  | -  | -                                |
| Subsidies and grants for operating purposes                              | -  | -  | 637                              |
| Fees and charges   | 813                                      | 908                                      | 687                              |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 48                                       | 125                                      | 173                              |
| Internal charges and overheads recovered                                 | -  | 122                                      | -                                |
| <b>Total Operating Funding (A)</b>                                       | <b>2,201</b>                             | <b>2,388</b>                             | <b>2,731</b>                     |
| <b>Applications of Operating Funding</b>                                 |  |  |                                  |
| Payments to staff and suppliers  | 1,514                                    | 1,700                                    | 2,217                            |
| Finance Costs  | -  | -  | -                                |
| Internal charges and overheads applied                                   | 672                                      | 672                                      | 613                              |
| Other operating funding applications                                     | -  | -  | -                                |
| <b>Total Applications of Operating Funding (B)</b>                       | <b>2,187</b>                             | <b>2,372</b>                             | <b>2,830</b>                     |
| <b>Surplus/(Deficit) of Operating Funding (A - B)</b>                    | <b>14</b>                                | <b>15</b>                                | <b>(99)</b>                      |
| <b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>                            |  |  |                                  |
| <b>Sources of Capital Funding</b>  |  |  |                                  |
| Subsidies and grants for capital expenditure                             | 5  | -  | 209                              |
| Development and financial contributions                                  | -  | -  | -                                |
| Increase (decrease) in debt  | -  | -  | -                                |
| Gross proceeds from sale of assets                                       | -  | -  | -                                |
| Lump sum contributions   | -  | -  | -                                |
| Other dedicated capital funding  | -  | -  | -                                |
| <b>Total Sources of Capital Funding (C)</b>                              | <b>5</b>                                 | <b>-</b>                                 | <b>209</b>                       |
| <b>Application of Capital Funding</b>                                    |  |  |                                  |
| Capital Expenditure:   |  |  |                                  |
| - to meet additional demand  | -  | -  | 209                              |
| - to improve the level of service  | -  | -  | 13                               |
| - to replace existing assets   | -  | -  | -                                |
| Increase (decrease) in reserves  | 19                                       | 15                                       | (112)                            |
| Increase (decrease) of investments                                       | -  | -  | -                                |
| <b>Total Applications of Capital Funding (D)</b>                         | <b>19</b>                                | <b>15</b>                                | <b>109</b>                       |
| <b>Surplus/(Deficit) of Capital Funding (C - D)</b>                      | <b>(14)</b>                              | <b>(15)</b>                              | <b>99</b>                        |
| <b>Funding Balance ((A - B) + (C - D))</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                         |

## Resource Management

| Level of Service   | Measure / Target  | Progress   |
|--|---|--|
| Resource consents processed in accordance with the Resource Management Act | <b>100%</b> of resource consents processed within statutory timeframes:                               | 2018/19: 100%. All statutory timeframes met.<br><i>(2017/18: 100%)</i>   |
| Provide appropriate advice to customers                                    | <b>85%</b> of users satisfied with the quality of the advice provided on resource management matters. | 2018/19: 100% satisfaction with the quality of advice provided by Planning staff, 2019 Resource Management Satisfaction Survey.<br><i>(2017/18: 90%, 2018 Resource Management Satisfaction Survey)</i> |

## Inspections and Compliance

| Level of Service  | Measure / Target  | Progress  |
|---|---|---|
| Timely processing of Building Consents  | <b>100%</b> of building consents processed within 20 working days as per the requirements of the Building Act.                                | 2018/19: Consents issued = 254<br>98.3% issued within 20 day statutory timeframe.<br>Impacts on processing times are due to the increase in technical requirements and more commercial consents applied for and processed than in previous years.<br><i>(2017/18: Consents issued = 259<br/>96.96% issued within 20 day statutory timeframe.)</i>   |
| Provide appropriate advice to customers   | <b>85%</b> of users satisfied with the quality of the advice provided on building consent, environmental health and Liquor Licensing matters. | <b>Building Consents</b><br>2018/19: 94% 2018/2019 Building Consent Authority Satisfaction Survey.<br><i>(2017/18: 100%, 2018 Planning and Regulatory Satisfaction Survey)</i><br><b>Environmental Health</b><br>2018/19: A Planning and Regulatory Satisfaction Survey was not conducted as the departments were restructured therefore there are no results for comparison with previous year.<br><i>(2017/18: 100%, 2018 Planning and Regulatory Satisfaction Survey)</i><br><b>Liquor Licensing</b><br>2018/19: A Planning and Regulatory Satisfaction Survey was not conducted as the departments were restructured therefore there are no results for comparison with previous year.<br><i>(2017/18: 87%, 2018 Planning and Regulatory Satisfaction Survey)</i> |
| Encourage compliance with health standards by undertaking inspections so that all food, liquor and other licensed premises comply with the relevant legislation | <b>100%</b> licensed and registered premises are inspected at least annually:   | <b>Food Premises</b><br>2018/19: 98% inspected.<br>This can be attributed to staffing levels during the year.<br><i>(2017/18: 100% inspected)</i><br><b>Liquor Premises</b><br>2018/19: 100% inspected.<br><i>(2017/18: 100% inspected)</i>   |



## Animal Control

| Level of Service                                   | Measures / Target  | Progress  |
|--|--|---|
| Keep the public safe from dogs and wandering stock | <b>90%</b> of residents satisfied with the protection provided.                            | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: 39% satisfied, 2018 Residents' Satisfaction Survey, 2016/17: 29%)</i> |
|  | <b>98%</b> of known dogs registered by 30 June each year.                                  | 2018/19: 98% of known dogs registered.<br><br><i>(2017/18: New Measure 2018 – 2028 LTP, not reported on in Annual Report)</i>   |
|  | Response times to Priority 1 callouts is <b>30 minutes or less (excluding travel time)</b> | 2018/19: 100% of response times to Priority calls in 30 minutes or less.<br><br><i>(2017/18: New Measure 2018 – 2028 LTP, not reported on in Annual Report)</i>   |

## Emergency Management

| Level of Service                     | Measures / Targets   | Progress   |
|--------------------------------------|--|--|
| Effective natural hazard readiness   | <b>100%</b> of suitable emergency response training has occurred<br><br><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 <b>10%</b></li> </ul> | 2018/19: 100%<br><br><ul style="list-style-type: none"> <li>• 16 WDC staff registered on Takatu</li> <li>• 14 WDC staff attended Exercise Seaview in October</li> <li>• 3 WDC staff attended ITF course in March</li> <li>• BCO staff attended rapid impact assessment training</li> <li>• EOC Short sessions open to volunteers</li> <li>• WMP and DOC engaged for March 2019 event</li> <li>• Franz CIMS foundation/refresher course– October 2018</li> <li>• Haast community response workshop – October 2018</li> </ul> <p>At the two community trainings we had a number of new volunteers resulting in a 10% increase in trained volunteers.</p> <p><i>(2017/18: 70%, a number of training sessions were held, volunteers increased at least 10%)</i></p>      |
| Suitable response plans are in place | <b>90 – 100%</b> of community emergency response plans are in place for all Westland townships.  | 2018/19: 60%<br><br>Community Responses Plans (CRP):<br><br><ul style="list-style-type: none"> <li>• Haast CRP complete with PIM plan draft.</li> <li>• Kumara, Ross, Hari Hari, Whataroa, Franz, Bruce Bay and Fox CRPs currently in draft but operational.</li> <li>• Engagement and planning required for Otira and Waitaha Valley.</li> </ul> <p>(CRPs: 1 complete, 8 in draft and 2 to be established)</p> <p>Other Key Response Plans:</p> <ul style="list-style-type: none"> <li>• Hokitika Flood Response Plan in place.</li> <li>• Waiho Flood Response Plan in draft.</li> <li>• Mills Creek and Callery Landslide Dam Response Plans in draft.</li> </ul> <p><i>(2017/18: 50%, a new CRP format designed but not implemented within communities.)</i></p> |

# Community Services Group

## Community Development and Assistance:

### Westland Communities Contact & Liaison

The 2018-2019 year challenged the social, economic and environmental wellbeing of Westland and showed how resilient our Westland communities can be. The March weather event proved how useful and necessary the upgrades of hall facilities were, and the foresight of community groups in prioritising these upgrades. The Freedom Camping Bylaw and the installation of facilities reduced much of the previous negative impact of summer tourist numbers as reported by many of our Westland Communities.

The Community Development Advisor (CDA), along with council staff, has attended many of the monthly community meetings and many Public Meetings from Haast to Kumara during the year. At the heart of this has been Mahi Ngatahi – Working Together to ensure the lines of communication move in both directions with concerns and issues being heard and getting responses from the appropriate people for our Community Groups. The CDA has presented reports to Council from Community groups wishing to access Reserve funds.

Ensuring our communities are aware of Community Funding Opportunities is a large part of community contact, ensuring applicants meet criteria and have assistance where necessary to complete applications. Assistance has been provided to groups completing applications to Lotteries and Trusts, also those completing the formality of Major District Initiative (MDI) funding. Westland High School and Westland Industrial Heritage Park are currently working through their MDI and Lotteries funded projects.

### Funding

#### Township Development Fund

All Townships that have become Incorporated Societies have used their Township Development funding 2018-2019 and worked through the process of community meetings and prioritising projects.

Waitaha Hall Committee and Kokatahi – Kowhitirangi Community Committee are now going through the process of applying for Incorporated Society status in line with Westland District Council's more stringent policies to meet current fraud control practices.

#### Creative Communities NZ

The Creative Communities NZ funding Round 1 for local arts closed on 31 August. The Creative Communities NZ Committee distributed \$6,117.00 to three applicant groups for the August 2018 funding round.

The Creative Communities NZ funding Round 2 for local arts closed on 9 March. The Creative Communities NZ Committee distributed \$5,906.00 to six applicant groups for the March 2019 funding round.

#### Sport NZ Rural Travel Fund

The Sport New Zealand Rural Travel Fund Committee allocated \$9,500.00 between nine sporting groups throughout Westland in the 2018-2019 funding round.

### WDC Promoted Events

#### Waitangi Day

The CDA was part of the organisation of Waitangi Day Celebrations cementing the Mahi Ngatahi – Working Together approach initiated by Westland District Council, promoting the belief that cultural well-being comes from being valued for the differences that define us and we have to know and acknowledge the past to understand the present. Over 450 people took up the opportunity to celebrate Waitangi Day at Arahura Marae. Funding of \$3,000 was secured through Commemorating Waitangi Day Fund.

#### Peace Rally

A Peace Rally, following the Christchurch terror attack, was organised by Westland District Council on Thursday 21 March in Hokitika. The evening Peace Rally was attended by approximately 450 people to acknowledge shock and grief for the families and friends of the 51 people tragically killed. This was followed up with a quiet Public Memorial Service on Friday 29 March at the Regent Theatre where the Memorial Service in Christchurch was live screened. This was facilitated by Local Government NZ. The Peace Rally and Memorial Service screening provided an avenue for the community to express their grief and shock as part of social and cultural wellbeing of our community.

#### Culture Feast

The CDA worked with New Coasters to organise Culture Feast at Seaview Hall on 25 May. This was an opportunity to celebrate Westland's diversity. The 15 food stalls were run by representatives of our local ethnic groups who

showcased their countries of origin. They sold a variety of food at family-friendly prices, mostly dressed in traditional attire, decorated their stalls and informed the festival visitors about their cultures. The Culture Feast was well supported with over 500 people attending and enjoyed a positive atmosphere, diverse food, musical acts and conversations promoting social and cultural well-being in our community. Funding of \$3,000 was secured from Ethnic Communities Development Fund, with support from New Coasters, Westland District Council and prominent community groups. Advertising the festival was improved this year and included more social media.

*“This is just what we need after those awful attacks in Christchurch.” (A community member Facebook post)*

### Safe Community Coalition

The CDA is the co-ordinator for the Westland Safe Community Coalition (WSCC) which works toward five outcomes: social connectedness, supporting youth, reducing social isolation, reducing harm and reducing crime through Westland Safe Community Projects. This group meets bi-monthly and supports Council’s vision.

Current projects under the WSCC Strategic Plan include: Hokitika Half Price Taxi Chits, Community Champions, Community Patrol, CACTUS, and Big Brothers Big Sisters. A new project is underway DriveWest a community Driver Mentoring Programme.

Westland Safe Community Coalition supports and is involved with many initiatives within Westland:

- *New Coasters* who provide connections for migrants and those new to the Coast through many different programmes that increase community well-being.
- *Westland District Library* provides information, activities, tech support, and events that provide community connectedness, reduce isolation and promote community well-being.
- *Grey Power* who provide a meeting point for elderly community members and facilitate physical activity programmes, social connectedness and reducing isolation with activities, outings, events, and speakers. Grey Power recently received funding to renovate kitchen, provide chairs with arms for elderly, and are looking at further funding for a generator to be more resilient and establishing them as a Welfare Centre during weather events when power goes out.
- *The Salvation Army West Coast Bridge Services* (Community-based AOD Assessment and intervention solutions).
- *Civil Defence Group* working with many community groups promoting social connectedness as a way for our communities in Westland to be more resilient and

sustainable in the increased number of weather events the West Coast is facing.

### Hokitika Reserves & Environs Community Group

The CDA is part of the Hokitika Reserves and Environs Community Group, this group meet quarterly to discuss issues and concerns around local public seating, signage, parks and reserves. The CDA presented reports to Council relevant to the Statues, Monuments, Memorials and Public Art Policy as directed by this group.

West Coast and Westland Meetings are attended by the Community Development Officer where there is benefit for the Westland Safe Community Coalition, and assisting people in our wider community:

- West Coast Te Rito Violence Prevention network
- Heartlands Partners Meeting
- Hokitika WestREAP AGM
- West Coast Food Security Meeting

## Funding Impact Statement (for the Community Services group)

For the year ended 30 June 2019

| <b>Group Level Funding Impact Statement</b>                              |  |  |                                  |
|--|--|--|----------------------------------|
|  | <b>Long Term Plan<br/>2018<br/>\$000</b> | <b>Long Term Plan<br/>2019<br/>\$000</b> | <b>Actual<br/>2019<br/>\$000</b> |
| <b>Community Services</b>  |  |  |                                  |
| <b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>                          |  |  |                                  |
| <b>Sources of Operating Funding</b>                                      |  |  |                                  |
| General rates, uniform annual general charges, rates penalties           | 194                                      | 313                                      | 307                              |
| Targeted Rates   | 772                                      | 891                                      | 891                              |
| Subsidies and grants for operating purposes                              | 27                                       | 41                                       | 31                               |
| Fees and charges   | -  | -  | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 13                                       | 3  | 4                                |
| Internal charges and overheads recovered                                 | -  | -  | -                                |
| <b>Total Operating Funding (A)</b>                                       | <b>1,006</b>                             | <b>1,248</b>                             | <b>1,233</b>                     |
| <b>Applications of Operating Funding</b>                                 |  |  |                                  |
| Payments to staff and suppliers  | 781                                      | 1,004                                    | 1,025                            |
| Finance Costs  | -  | -  | -                                |
| Internal charges and overheads applied                                   | 153                                      | 208                                      | 195                              |
| Other operating funding applications                                     | -  | -  | -                                |
| <b>Total Applications of Operating Funding (B)</b>                       | <b>934</b>                               | <b>1,212</b>                             | <b>1,220</b>                     |
| <b>Surplus/(Deficit) of Operating Funding (A - B)</b>                    | <b>72</b>                                | <b>35</b>                                | <b>13</b>                        |
| <b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>                            |  |  |                                  |
| <b>Sources of Capital Funding</b>  |  |  |                                  |
| Subsidies and grants for capital expenditure                             | -  | -  | -                                |
| Development and financial contributions                                  | -  | -  | -                                |
| Increase (decrease) in debt  | -  | -  | -                                |
| Gross proceeds from sale of assets                                       | -  | -  | -                                |
| Lump sum contributions   | -  | -  | -                                |
| Other dedicated capital funding  | -  | -  | -                                |
| <b>Total Sources of Capital Funding (C)</b>                              | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                         |
| <b>Application of Capital Funding</b>                                    |  |  |                                  |
| Capital Expenditure:   |  |  |                                  |
| - to meet additional demand  | -  | -  | -                                |
| - to improve the level of service  | -  | -  | -                                |
| - to replace existing assets   | -  | -  | -                                |
| Increase (decrease) in reserves  | 72                                       | 35                                       | 13                               |
| Increase (decrease) of investments                                       | -  | -  | -                                |
| <b>Total Applications of Capital Funding (D)</b>                         | <b>72</b>                                | <b>35</b>                                | <b>13</b>                        |
| <b>Surplus/(Deficit) of Capital Funding (C - D)</b>                      | <b>(72)</b>                              | <b>(35)</b>                              | <b>(13)</b>                      |
| <b>Funding Balance ((A - B) + (C - D))</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                         |

## Community Halls

| Level of Service                        | Measure / Target   | Progress  |
|---|--|---|
| Provide safe and useful community halls | <b>80%</b> of residents satisfied with the standard of their local hall. | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: Not measured as this was not included in the 2018 Residents' Satisfaction Survey)</i> |

## Leisure Services and Facilities Group

### Elderly Housing

*This information has been supplied by Destination Westland:*

On behalf of Westland District Council, Destination Westland manages 42 elderly housing units in Hokitika and four in Ross, as well as independently owning and managing nine units in Hokitika. The annual satisfaction survey was conducted in July 2019 with over 94% of residents responding.

Ninety-eight percent of residents interviewed were satisfied or very satisfied with living conditions and with the quality of their flats. Twenty percent of residents have lived in their flat for over 10 years. During 2018/2019, five new residents moved into the units.

DW completely renovated two flats while they were vacant, replacing toilets, baths with showers and new vanity units. Carpet was replaced, and the flats totally repainted before the new tenant moved in. We also replaced the ovens in two flats, which means over the past four years we have replaced 28 ovens.

With emergency funding from WDC, we reroofed two blocks of flats in Revell Street which means all 42 flats in Hokitika now have new roofs.

With approved Annual Plan funding, we will continue our double-glazing project. The flats in Tancred street have been completed and during 2019/2020 the flats in Sewell Street and 199 Revell Street will be finished.

This activity supports the social and economic wellbeing of the district by providing safe, secure and affordable accommodation to elderly residents in the district.

### Hokitika Museum

*This information has been supplied by Destination Westland:*

The year was another one of change for the museum with the transition to Council Controlled Organisation, Destination Westland, management in July 2018. All systems and staff were moved over from Westland District Council (WDC). In May 2019 the museum staff moved back to the Drummond Hall, Tancred St building from temporary premises at Revell St where they had been relocated following seismic building safety concerns.

Research access and ongoing volunteer programmes were suspended at this time.

Since the relocation museum staff have focused on key collection tasks and reorganisation of storage in preparation for the Carnegie Building seismic strengthening project. A WDC funding application to Lottery Environment and Heritage for the seismic strengthening project was notified as successful in June 2019 and planning commenced for the removal and storage of collections for the strengthening project period. The Carnegie Building remained open limited daily hours. 15,188 visitors were counted over the year. The museum activity supports the district's cultural well-being by providing events and exhibitions during the year and maintaining a space for the display of collections that allow residents and visitors to embrace the history of the district.

### General/Staff

After eighteen months without in-house museum management, a part time Director and part-time Museum Manager were appointed on fixed term contracts in November 2018. A Destination Westland staff restructure in May 2019 disestablished both roles and a new fixed-term position of Project Lead was created to focus on leading the staff through collection planning and preparation. A student intern was appointed over the summer and completed a scanning project. A casual employee focusing on collection reorganisation, cataloguing and research enquiries was appointed. The Carnegie building supervisor resigned in June.

One staff member attended the ICOM Museum conference, which involved visiting numerous museums in the North Island. Two staff attended the National Digital Forum and associated workshops in Wellington for three days in November 2018. First Aid Refreshers were completed by two staff in December (one day). Photographs Curator attended a two day 20<sup>th</sup> century photographs collection care workshop in Canterbury in January.

Several staff attended a Te Papa National Services Te Paerangi workshop "Rationalising your Collection" at Shantytown in Greymouth, joined by museum staff from across the coast. Three staff enrolled in the New Zealand Certificate in Museum Practice, a workplace-based qualification.

## Research

Museum staff handled 286 enquiries during the year on-line and in person. The Past Perfect database was updated to include an online capacity and catalogue checks for items to potentially go online started. The Annual Museums Aotearoa Visitor Survey was carried out at the Carnegie in the last week of March showing approximately 85% of visitors ranked the Museum 8 or 9 out of 10 for visitor satisfaction.

*"I took an out of town guest who enjoyed the museum and the approach-ability and knowledge of the museum attendant." (Informal Online Resident Satisfaction Survey)*

A number of notable photograph research and supply projects were conducted, including for *The Luminaries* production team. Community groups and businesses supported by the museum included: The Kaniere Heritage Group, Westland Industrial Heritage Park, RSA, Heritage Hokitika, Regent Theatre, Overseas Adventure Travel, Street Walk Tours, Kumara Community Project, Churches, Wilderness Trail, Ngai Tahu, West Coast Heritage Trust, Kerry Jeffs and the Tohu Whenua project, Westland District Council and DOC.

Hokitika Museum coordinated the development of a research database of all Westland people who served during World War One and community members were invited to contribute. An on-line promotion of museum research into Westland women celebrated Women's History Month.

## Collections

New shelving for the storage areas was purchased and installed. The audio visual area was converted into a secure storage and work area. All areas were cleaned and surplus non-collection items and properties disposed of or removed to containers. Digital dataloggers were reinstalled and provided weekly monitoring of relative humidity and temperature in all museum areas. Conditions remain a cause for concern as they are well outside recommended ranges for museum collection preservation.

- The Museum Development Adviser, National Services Te Paerangi, Te Papa Tongarewa visited on an extended Expert Knowledge Exchange and presented a comprehensive report on the collection and storage conditions.
- A review of museum materials stored at Westland Industrial Heritage Park has begun.
- Sorting of the very large map collection continued with volunteer support.

- Interpretation was developed for the Countess boat shed area. The boatshed was cleaned with Heritage Hokitika.
- A Heritage Hokitika newsletter was designed and compiled by the museum.
- Large collections rehousing, listing and relocating continues: the entire photograph collection, Seaview Collection, Davidson, Chinn, Hicks, Hebert Merle Sweney collections and others.

Notable acquisitions to the collection during the year included materials concerning: Olson, Detlaff, Wildfoods, Hokitika and Westland Savings Banks, Teichelmann, Hokitika Harbour Board, WG Preston, Bert Mercer and the Seddon Family, costume properties from *The Luminaries* production. Two valuable items were purchased by Heritage Hokitika and donated: GJ Roberts Photo Album 1897, and Joseph Linklater's *On Active Service in South Africa with the "Silent Sixth"*, 1901.

|                            |     |
|----------------------------|-----|
| Number of items catalogued | 416 |
| Updated records            | 204 |

## Income

\$10,561.80 from all sources (photograph sales, research, entry donations and other sales).

## Public programmes (exhibitions and events)

| Month      | Event  |
|------------|--|
| July       | Westland High School Cartoons Exhibition   |
| September  | Junk 2 Funk Exhibition<br>Suffragette Celebration  |
| November   | Hokitika Art Group Exhibition<br>Armistice Light and Sound Show<br>Family Search genealogy presentation co-hosted with the library |
| December   | Back Country Huts Exhibition   |
| January    | Riley Art Show   |
| February   | Lions Club Symposium   |
| March      | Wildfoods 30 years<br>Flax, Gold, Paper  |
| April      | Art by Svetlana  |
| May / June | Prospects Fearful  |

In November the museum presented a very successful Armistice event *Armistice Light and Sound show*

projection onto the Carnegie Building which drew a crowd of hundreds to the stunning evening performance.

The museum contributed a display of images for the VIP tent at the *Wildfoods Festival* and developed an exhibition in the Carnegie Gallery that showed the history and memorabilia of the festival collected since its first days.

A loan of 11 taonga from Te Papa was returned and the Pounamu display area refreshed.

### Strategic Plan and forward planning

The Director and staff developed a strategic plan for the year Nov 2019 - Nov 2020 which was submitted to the board of Destination Westland. Gurden Consulting Ltd worked with staff on future concepts and funding applications for the Museum.

## Hokitika Swimming Pool

*This information has been supplied by Destination Westland:*

A new ventilation system was installed at the Hokitika Swimming Pool during the maintenance break in July 2018. New louvres were also fitted which has helped with pool hall air quality.

The Swim School has grown this year. Both tutors are Austswim trained and one tutor is continuing to upskill through Austswim training programmes.

We continued with the free swim holiday programme for all children 12 and under – with over 3,000 children being admitted during this time. Children under 8 had to be supervised by a parent or caregiver.

Our aqua classes go from strength to strength, and the instructor was busy with 2,468 participants attending.

*“Excellent staff. Great opening hours. Great facility. Great asset for the town.” (Informal Resident Satisfaction Survey)*

The Pool was again awarded its PoolSafe accreditation.

## Hokitika Wildfoods Festival

*This information has been supplied by Destination Westland:*

The 2019 30th Anniversary Wildfoods festival was run for the first year by Destination Westland (DW) on 9 March at Cass Square.

The festival was coordinated by the DW Events Manager, assisted by the DW Digital Marketing Manager and the DW Facilities and Maintenance Manager. The project was led by the DW Chief Executive.

A major change in format this year meant there was no break and no after party. The festival ran from 10am until 9.30pm when a fireworks display at Sunset point was put on by Birchfield/Ross Mining. This was a fitting finale to a wonderful day.

Ticket prices included the continuation of the successful Coasters Discount which was initiated last year. A \$30 early bird ticket for 30 days to celebrate the 30th anniversary was also a success and resulted in a spike in ticket sales. All West Coast school pupils were again given complimentary tickets as part of the festival promotion to encourage more families to attend.

Major sponsorship was received from Air Rescue and Community Services, Air New Zealand, Monteith’s and Westland Milk Products. Wildfoods also received a number of product sponsorship.

Once again the Feral Fashion competition was a huge part of the festival. A new category of ‘wild child’ was introduced, and a record number of entries across all categories were received. The supreme winner received a prize package valued at over \$2,000.

Social media was an important part of the promotion plan for the festival. Both the Festival Facebook page and the Website received over 250,000 hits and the Wildfoods social media campaign was ranked 45th in the Asia Pacific region by “We are festivals.com”.

This year the festival promoted local musicians with guest entertainers the Topp Twins as the lead act. The twins entertained on the main stage and in the VIP tent. The New Zealand Army Band returned to entertain the crowd throughout the day.

The VIP tent was well received, and tickets were sold out prior to the day.

## i-SITE

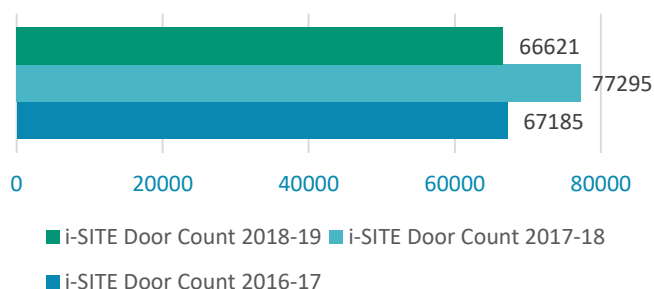
*This information has been supplied by Destination Westland:*

Destination Westland took over management of the i-SITE from Council on 3 July, 2018.



Overall door count shows a year-on-year decrease of 1.4% in line with national averages, slightly exacerbated by 2018 peaks due to cyclones Gita and Fehi.

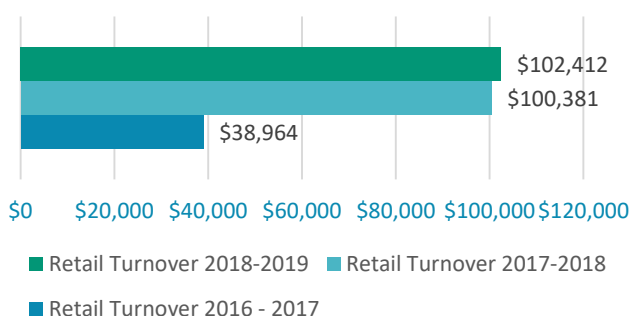
### i-SITE Door Count



### Retail Sales

Revenue on retail sales shows an increase of 2%, which when normalised to remove 2018 Wildfoods ticket sales (which were sold as retail for that year) shows a year-on-year increase of 11%, almost double the national trend of 5.6%.

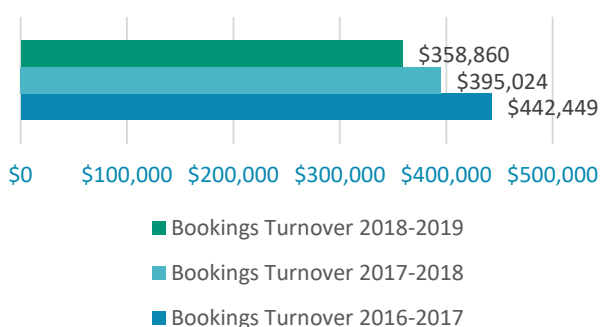
### i-SITE Retail Sales



### Bookings

Bookings show a decrease of 9% year-on-year. A website is being designed which will mitigate the reduction in bookings carried out by i-SITE staff and enable an increase in commission. Further income is derived from commission on referral bookings.

### i-SITE Bookings Turnover



### Other information

The i-SITE Manager took a 50 percent secondment to Museum Services for seven months during the financial year. The role of Supervisor was filled by a current member of staff during this period. Three new staff were hired and trained.

AA services were withdrawn and licencing and other motor vehicle services are currently supplied directly by NZTA.

The i-SITE continues to carry out an important function both for local residents and tourists during CDEM situations.

### Land and Buildings

Replacement windows were installed in the Grey Power Building entranceway. This was a much needed replacement.

Broken and missing timber seating components in the Cass Square grandstand were replaced and new handrails installed.

A refurbishment of the Westland District Council offices has been progressing. This has required staff relocation throughout the building. The first floor renovation is almost complete and the project will now focus on the ground floor.

### Parks and Reserves

This year has progressed very much as expected. Rehabilitation of Cass Square playing surface post-Wildfoods and Children’s Day events caused unexpected costs of \$35k.

*“The parks are well looked after and maintained, a real asset.” (Informal Resident Satisfaction Survey)*

Works around structures in the Heritage area were undertaken, these included extensive platform and decking area improvements.

The Sunset Point project got underway in conjunction with rock and fill material placement to protect the closed Hokitika Dump /fill site.

### Cemeteries

The cemetery maintenance contract is improving in performance. Westroads have invested in plant and staff to drive ongoing service expectation.

Hokitika cemetery has had works completed on the RSA No1 site with concrete upgrades and general upgrades of the headstones and plaques. Funding was provided by Veterans Affairs. Additionally, construction was undertaken to supply more berms in cemetery area including some within the ashes area.

Kumara Cemetery sustained vandalism and damage to cemetery area. Damage relates to vehicle being bogged and removal mess within the cemetery. The sextons shed sustained storm damage and needed repair.

In Ross Cemetery only general maintenance on access road and mowing was undertaken in the 2018/19 year.

At the Historic Stafford cemetery, the local Lions Club are carrying out an upgrade and improvement plan.

Both Hokitika & Kumara have full capacity available for the next 12 months. Ross cemetery has only limited capacity, many plots have been pre-purchased.

## Public toilets

Public toilets are provided throughout the district and in the last year Council has added new facilities to the district. Two-pan facilities were installed in Bruce Bay utilising \$117,200 of Tourism Infrastructure Funding. Cleaning services have been sourced from within the local community.

*“Rural communities need more help with public toilets and maintenance to help cope with the increasing tourist load being placed on infrastructure.” (Informal Resident Satisfaction Survey)*

The Fox Glacier toilets continued to have occasional issues with blockages. During the winter season two pans are closed due to lack of use, however, there are four pans available allowing council to open an additional pan if required.

Based on feedback from the local communities the cost of cleaning is rising and council will need to reassess both the funding method and amount to ensure continuation.

## West Coast Wilderness Trail

This was a very busy year for trail operators with a noticeable increase in the number of riders and pedestrians using the trail.

Three new counters were installed in October and provide additional trail measures in select locations to the three original counters. There were a total of 124,568 users in

this period (noting there is only 9 months' data for three of those counters) of which 78,903 were cyclists and 45,665 pedestrians.

Another 1.2km of trail was taken off-road at Old Christchurch Road with MBIE funding support allowing riders the experience of a water race heritage ride and safer environment. Funding was also received for Lake Kaniere Stage 1 off-road but this project has been temporarily stalled.

The most used off-road experience was the recently completed Mahinapua trail with 15,815 patrons.

A severe weather event in March 2019 caused significant damage to the trail at Milltown, Kaniere and Mahinapua. The financial cost of this recovery was in the order of \$150,000. Minimal reputational damage occurred and a trail audit completed shortly after repairs commenced provided very positive trail evaluation feedback.

Shortly after the storm event a geotechnical / hazard engineer was escorted through select parts of the trail to complete the first basic risk review.

A new trail shelter was gifted to the trail by Quick Build Homes after the Kawhaka shelter was stolen which is greatly appreciated by riders in this remote sections of the trail.

## Westland District Library

The Westland District Library has benefitted from a complete staff team this year and has been able to concentrate on contributing to the wellbeing of Westland's communities by improving our service offer.

The development of the Digital Learning Centre was successfully completed in February and has provided the library with a fantastic, modern, fully equipped and flexible space. It is used regularly for library programmes such as Code Club and Stepping Up. These digital skills classes allow participants to upskill, to gain the skills necessary to access information on-line or to use digital communication and social media to reduce social isolation. The programmes contribute to both the social and economic wellbeing of participants. Increasingly, the Centre is hired by outside organisations and is providing a new source of revenue for the library.

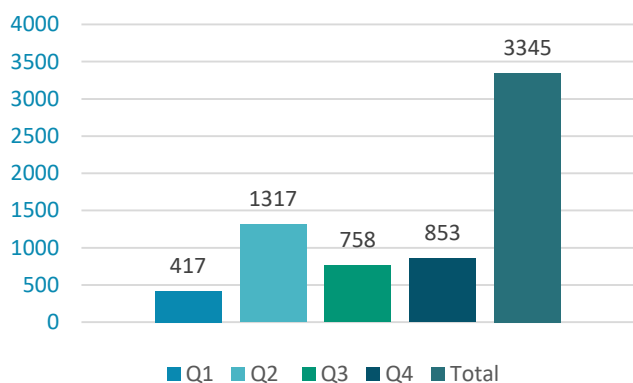
*“I love the fact our librarians are very knowledgeable on modern computer systems and are able to support local people with the Chromebooks for example.” (Informal Residents Survey Feedback)*

We have collaborated with local Community Organisations and businesses to be able to bring a more varied programme of community events to the library and to expand our library outreach programmes to new audiences, contributing to Westland’s social and cultural wellbeing. Our new Community events have allowed library staff and patrons to engage with each other in new ways, enabling personal connections to be forged, giving us a better understanding of our patrons needs and giving our patrons an improved awareness of our services. Our re-envisioned children’s activities, led by the Youth Librarian, have increased attendance three fold, bringing new children and their families into the library.

*“What an awesome hands-on creativity filled week you’ve put on, well done.” (Library Patron Feedback)*

*“Great staff and great facility. Wonderful to see kids’ events and adult talks such as ‘The Rubbish Trip’.” (Informal Residents Survey Feedback)*

Number of attendees at library events 2018/19



As part of a New Zealand wide public library computer refresh, the Aotearoa People's Network Kaharoa computers have been replaced with brand new Chrome-stations and Chromebooks, the new system ensures that the library can continue to offer suitable, free, internet facilities to meet our patrons’ needs and helps to address income inequality and access to opportunities in the community. The use of our digital services continues to grow and we have introduced a new Digital Only membership to help to improve access to the library services to our more geographically distant communities.

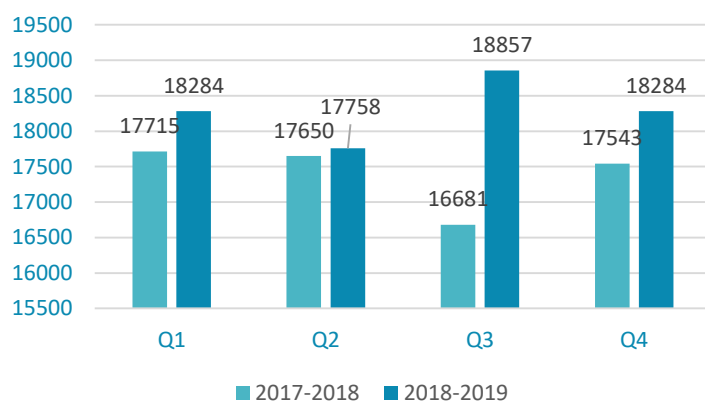
*“Excellent service. Keep it up. It is more important than ever that local people have access to quality information.” (Informal Residents Survey Feedback)*

Feedback from the community (Informal Residents Survey Jan-March 107 respondents to the library questions and an additional 677 respondents on the library satisfaction

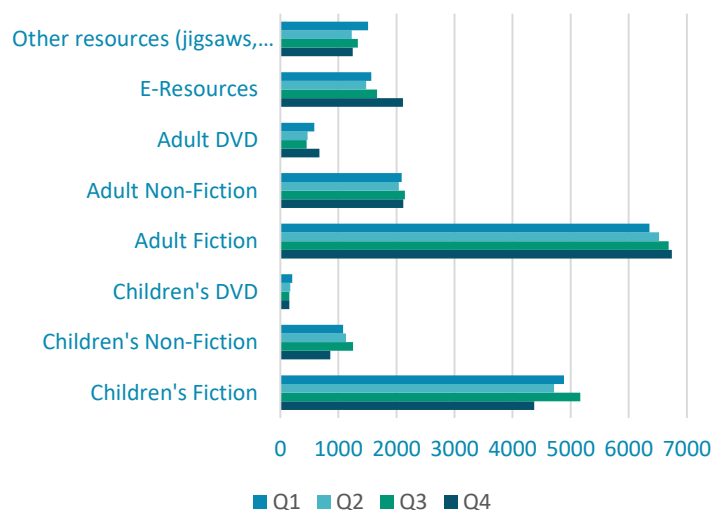
tablet between February and June) has been over 96% satisfied. Franz Joseph Community Library has been able to reopen in their new premises in the Community Centre and our volunteer community librarians continue to support our 8 Community Libraries. There are a further 8 volunteers who together contribute over 18 hours a week to the Westland District Library. Our work would not be possible without their contribution.

*“It is my favourite public space and I call in at least fortnightly to enjoy the camaraderie of the community, the staff....and of course, to take out some books.” (Informal Residents Survey Feedback)*

Loans by Quarter



2018/19 Loans by resource (excluding renewals)



## Funding Impact Statement (for the Leisure Services and Facilities group)

For the year ended 30 June 2019

| <b>Group Level Funding Impact Statement</b>                              |  |  |                                  |
|--|--|--|----------------------------------|
|  | <b>Long Term Plan<br/>2018<br/>\$000</b> | <b>Long Term Plan<br/>2019<br/>\$000</b> | <b>Actual<br/>2019<br/>\$000</b> |
| <b>Leisure services and facilities</b>                                   |  |  |                                  |
| <b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>                          |  |  |                                  |
| <b>Sources of Operating Funding</b>                                      |  |  |                                  |
| General rates, uniform annual general charges, rates penalties           | 1,428                                    | 1,484                                    | 1,484                            |
| Targeted Rates   | 806                                      | 973                                      | 973                              |
| Subsidies and grants for operating purposes                              | 12                                       | 6  | 365                              |
| Fees and charges   | 523                                      | 57                                       | 94                               |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 179                                      | 76                                       | 101                              |
| Internal charges and overheads recovered                                 | 223                                      | 183                                      | -                                |
| <b>Total Operating Funding (A)</b>                                       | <b>3,170</b>                             | <b>2,780</b>                             | <b>3,016</b>                     |
| <b>Applications of Operating Funding</b>                                 |  |  |                                  |
| Payments to staff and suppliers  | 2,450                                    | 2,082                                    | 2,599                            |
| Finance Costs  | -  | -  | -                                |
| Internal charges and overheads applied                                   | 426                                      | 325                                      | 309                              |
| Other operating funding applications                                     | -  | -  | -                                |
| <b>Total Applications of Operating Funding (B)</b>                       | <b>2,876</b>                             | <b>2,406</b>                             | <b>2,909</b>                     |
| <b>Surplus/(Deficit) of Operating Funding (A - B)</b>                    | <b>294</b>                               | <b>373</b>                               | <b>108</b>                       |
| <b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>                            |  |  |                                  |
| <b>Sources of Capital Funding</b>  |  |  |                                  |
| Subsidies and grants for capital expenditure                             | -  | -  | 1,079                            |
| Development and financial contributions                                  | -  | 93                                       | -                                |
| Increase (decrease) in debt  | -  | (42)                                     | (6)                              |
| Gross proceeds from sale of assets                                       | -  | -  | -                                |
| Lump sum contributions   | -  | -  | -                                |
| Other dedicated capital funding  | -  | -  | -                                |
| <b>Total Sources of Capital Funding (C)</b>                              | <b>-</b>                                 | <b>52</b>                                | <b>1,073</b>                     |
| <b>Application of Capital Funding</b>                                    |  |  |                                  |
| Capital Expenditure:   |  |  |                                  |
| - to meet additional demand  | 47                                       | 29                                       | 29                               |
| - to improve the level of service  | -  | 174                                      | 1,002                            |
| - to replace existing assets   | 176                                      | 150                                      | 158                              |
| Increase (decrease) in reserves  | 71                                       | 72                                       | (8)                              |
| Increase (decrease) of investments                                       | -  | -  | -                                |
| <b>Total Applications of Capital Funding (D)</b>                         | <b>294</b>                               | <b>425</b>                               | <b>1,181</b>                     |
| <b>Surplus/(Deficit) of Capital Funding (C - D)</b>                      | <b>(294)</b>                             | <b>(373)</b>                             | <b>(108)</b>                     |
| <b>Funding Balance ((A - B) + (C - D))</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                         |

## Elderly Housing

| Level of Service             | Measure / Target   | Progress   |
|------------------------------|--|--|
| A safe and efficient service | Occupancy is maximised to <b>100%</b>                                  | 2018/19: 99.6% occupancy. Four flats were completely refurbished during this year and were unoccupied during that time.<br><br>(2017/18: 100%) |
|                              | <b>&gt;95%</b> of tenants satisfied with the service.                  | 2018/19: 98% Annual Satisfaction Survey<br><br>(2017/18: 98% Annual Satisfaction Survey)   |
|                              | <b>100%</b> of units are safe to live in.                              | 2018/19: 100%<br><br>(2017/18: New measure LTP 2018-28)  |
|                              | <b>100%</b> responsiveness to complaints and requests for maintenance. | 2018/19: 100%<br><br>(2017/18: New measure LTP 2018-28)  |

## Hokitika Museum

| Level of Service            | Measure / Target  | Progress  |
|-----------------------------|---|---|
| A quality museum experience | Visitor numbers are showing an upward trend - <b>5% increase year on year</b> | 2018/19: Visitor numbers recorded 15,188. There is no data for year-on-year comparison.<br><br>(2017/18: Not measured due to reduced service for seismic strengthening)   |
|                             | <b>85%</b> of residents satisfied with their museum experience.               | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br>85% of visitors surveyed in the Museums Aotearoa survey ranked the museum 8 or 9 / 10.<br><br>(2017/18: Not measured due to reduced service for seismic strengthening) |

## Hokitika Wildfoods Festival

| Level of Service              | Measure / Target  | Progress  |
|-------------------------------|---|---|
| A quality attendee experience | <b>85%</b> of residents satisfied (post event satisfaction survey).                               | 2018/19: 87% surveyed were happy with the new format of the festival and satisfied with the festival.<br><br>(2017/18: Not measured due to ticket agency withholding ticket purchasers email addresses) |
|                               | <b>7000 (festival), 1500 (after party)</b> growth is experienced annually (to a limit of 10,000). | 2018/19: 7877 attended the festival. Due to a format change, there was no after party.<br><br>(2017/18: 8,221 Festival, 2,378 After party)  |

## i-SITE

| Level of Service   | Measure / Target   | Progress  |
|--|--|---|
| A quality customer experience  | i-SITE NZ and Qualmark standards are met. <b>Achieved</b>      | 2018/19: Qualmark achieved and endorsed.<br><br>i-SITE standards met<br><i>(2017/18: Achieved)</i>  |
| Increase resident population knowledge about what the i-SITE has to offer locals | <b>Maintain or increase</b> bookings made by local population. | 2018/19: Door Count decreased 1.4% (Kaikoura Road opening and weather events)<br><br>Bookings continue to decrease slightly in line with national trends, this will be mitigated by the launch of a new website which will be available to Wifi users<br><br><i>(2017/18: door count increased 13.1%, bookings decrease due to increase in wifi bookings)</i> |

## Parks and Reserves

| Level of Service                                 | Measure / Target   | Progress  |
|--|--|---|
| Reserves are pleasant, enjoyable and safe places | <b>90%</b> of residents satisfied with parks and reserves. | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: 94%, 2018 Residents' Satisfaction Survey)</i> |

## Cemeteries

| Level of Service                           | Measure / Target   | Progress  |
|--|--|---|
| Cemeteries have sufficient capacity        | Each cemetery has at least 12 months capacity ahead:<br><b>Target</b><br><b>Hokitika 100%</b><br><b>Kumara 100%</b><br><b>Ross 80%</b> | 2018/19: Hokitika 100%, Kumara 100%, Ross 80%.<br><br>Council is aware that the Ross cemetery is nearing capacity and is considering alternative sites.<br><br><i>(2017/18: Hokitika 100%, Kumara 100%, Ross 80%)</i> |
| Burials adhere to the relevant legislation | Standards for burial adhere to Cemeteries and Cremations Act 1964: <b>Target 100%</b>  | 2018/19: 100%<br><br><i>(2017/18: 100%)</i>   |

## Public Toilets

| Level of Service                               | Measure / Target  | Progress  |
|--|---|---|
| Provide public toilets throughout the district | <b>100%</b> of residents satisfied with the service.            | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: 80% 2018 Residents' Survey)</i> |
|  | <b>100%</b> of facilities are available for use during the day. | 2018/19: Facilities are available for use during the day on average 98% of the time. Closures are localised as described above.<br><br><i>(2017/18: 100%)</i>                                     |

## Swimming Pool

| Level of Service   | Measure / Target                                | Progress  |
|--|---|---|
| A quality swimming or exercise experience at the Hokitika Pool | <b>85%</b> of residents satisfied               | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: Not measured)</i> |
|  | Maintain PoolSafe Accreditation <b>Achieved</b> | 2018/19: Achieved<br><br><i>(2017/18: Achieved)</i>   |

## West Coast Wilderness Trail

| Level of Service             | Measure / Target  | Progress   |
|------------------------------|---|--|
| The cycle trail is well used | Numbers using the trail as measured by trail counters:<br><b>10,000 per annum</b> | 2018/19: The total number of users on the trail continues to increase and is now monitored accurately at six sites. Five of the six sites exceed the target on their own.<br><br>The new Mahinapua trail had a total of 12,647 cyclists and 3,168 pedestrians which is a true off-road single track statistic.<br><br>Total users on the trail was 124,568<br><br><i>(2017/18: Average monthly trail use: Hokitika-Kaniere 1,300 users; Taramakau and Kaniere Water Race 645 users).</i> |

## Westland District Library

| Level of Service                                 | Measure / Target  | Progress   |
|--|---|--|
| Provide quality library services in the District | <b>90%</b> of residents satisfied with library services | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: 99%, 2018 Residents' Survey)</i>               |
|  | <b>44%</b> of residents who are library members         | 31/12/18: 48% based on the number of residents as per the 2018 census.<br><br><i>(2017/18: 47%, based on the number of residents as per the 2013 census as information from the 2018 census is unavailable.)</i> |

## Transportation Group

Review of the West Coast Transportation Activity Management plan by the three Territorial Authorities, with the assistance of Rationale Ltd, began this financial year. The submitted approved plan holds a number of “improvement” activities that need to be carried out in the lead up to the next National Land Transport Programme (NLTP). Nationwide there is a significant amount of change in this sector to ensure evidence-based funding and all Road Controlling Authorities (RCA) are facing their own challenges as a result of these changes. The Roothing Efficiency Group (REG) is an independent body that has been set up to assist RCA’s with these industry changes. Council’s Transportation team have been attending regular REG workshops and the Transportation Manager was invited by the REG governance group to become a regional champion for the Marlborough, Nelson, Tasman, and West Coast Region. The REG Champion role is one of a support and development nature to assist RCA’s and REG in achieving their goals.

This year the Transportation team awarded the network resealing contract for a three-year term instead of the previously issued one-year contract. This provides better security in achieving council’s annual reseal programme by enabling the contractor to extend the sealing season and carry out more forward planning for years two and three of the contract. This has become a common approach to this type of contract as it provides more security for the contractors.

Whitcombe Valley Road and the Hokitika Gorge Carpark upgrades were successfully completed although weather events did cause some delays.

The effects of the March storm resulted in over \$2.4 million in damage to the roading network alone. Dorothy Falls Road sustained the most damage and took four months to reopen. There is still outstanding works to be carried out in a number of areas and these are being programmed as final solutions are developed.

The storm event has had an effect on the normal roading programme which has caused delays in a number of other activities (particularly footpath upgrades).

Early in 2019 a series of speed limit trials were carried out on a number of roads within the district. This is a lead in to further conversations with the public regarding speed limits in general. Nationwide this is a topic that is attracting a great deal of interest. The transportation group will be continuing this process later in 2019 as part of a district wide speed limit review.



## Funding Impact Statement (for the Transportation group)

For the year ended 30 June 2019

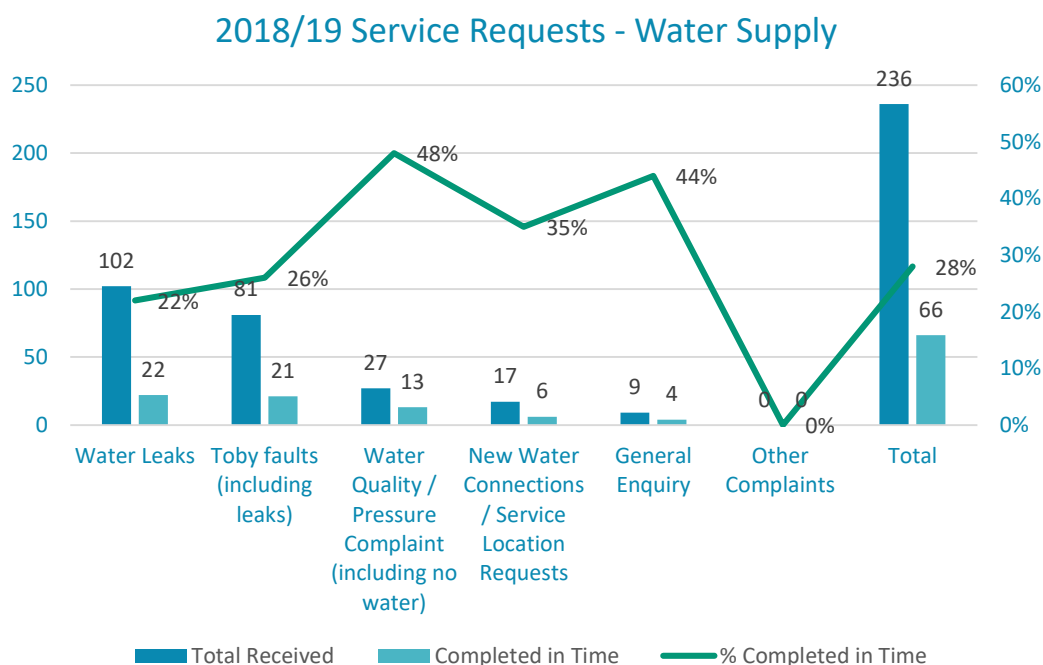
| <b>Group Level Funding Impact Statement</b>                              |  |  |                                  |
|--|--|--|----------------------------------|
|  | <b>Long Term Plan<br/>2018<br/>\$000</b> | <b>Long Term Plan<br/>2019<br/>\$000</b> | <b>Actual<br/>2019<br/>\$000</b> |
| <b>Transportation</b>  |  |  |                                  |
| <b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>                          |  |  |                                  |
| <b>Sources of Operating Funding</b>                                      |  |  |                                  |
| General rates, uniform annual general charges, rates penalties           | 2,602                                    | 2,082                                    | 2,082                            |
| Targeted Rates   | -  | -  | -                                |
| Subsidies and grants for operating purposes                              | 1,591                                    | 1,891                                    | 2,256                            |
| Fees and charges   | -  | -  | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 124                                      | 130                                      | 8                                |
| Internal charges and overheads recovered                                 | -  | -  | -                                |
| <b>Total Operating Funding (A)</b>                                       | <b>4,317</b>                             | <b>4,104</b>                             | <b>4,346</b>                     |
| <b>Applications of Operating Funding</b>                                 |  |  |                                  |
| Payments to staff and suppliers  | 2,579                                    | 2,555                                    | 3,454                            |
| Finance Costs  | 46                                       | 21                                       | 19                               |
| Internal charges and overheads applied                                   | 472                                      | 488                                      | 469                              |
| Other operating funding applications                                     | -  | -  | -                                |
| <b>Total Applications of Operating Funding (B)</b>                       | <b>3,097</b>                             | <b>3,064</b>                             | <b>3,943</b>                     |
| <b>Surplus/(Deficit) of Operating Funding (A - B)</b>                    | <b>1,220</b>                             | <b>1,040</b>                             | <b>403</b>                       |
| <b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>                            |  |  |                                  |
| <b>Sources of Capital Funding</b>  |  |  |                                  |
| Subsidies and grants for capital expenditure                             | 2,523                                    | 1,769                                    | 2,302                            |
| Development and financial contributions                                  | -  | -  | -                                |
| Increase (decrease) in debt  | 1,505                                    | (27)                                     | 233                              |
| Gross proceeds from sale of assets                                       | -  | -  | -                                |
| Lump sum contributions   | -  | -  | -                                |
| Other dedicated capital funding  | -  | -  | -                                |
| <b>Total Sources of Capital Funding (C)</b>                              | <b>4,028</b>                             | <b>1,742</b>                             | <b>2,535</b>                     |
| <b>Application of Capital Funding</b>                                    |  |  |                                  |
| Capital Expenditure:   |  |  |                                  |
| - to meet additional demand  | -  | -  | -                                |
| - to improve the level of service  | -  | -  | 598                              |
| - to replace existing assets   | 3,942                                    | 2,764                                    | 2,846                            |
| Increase (decrease) in reserves  | 1,306                                    | 19                                       | (506)                            |
| Increase (decrease) of investments                                       | -  | -  | -                                |
| <b>Total Applications of Capital Funding (D)</b>                         | <b>5,248</b>                             | <b>2,782</b>                             | <b>2,938</b>                     |
| <b>Surplus/(Deficit) of Capital Funding (C - D)</b>                      | <b>(1,220)</b>                           | <b>(1,040)</b>                           | <b>(403)</b>                     |
| <b>Funding Balance ((A - B) + (C - D))</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                         |

| Level of Service  | Measure / Targets   | Progress  |
|---|---|---|
| The transportation network is safe for all users in Westland District       | Road safety:<br><br>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 is <b>less than the previous year</b>   | 2018/19: 0<br><br>There were no fatal or serious injury crashes on the WDC network for this period as shown in the RAMM data with latest CAS update.<br><br><i>(2017/18: -2, there were no serious injuries or fatalities in this period)</i>   |
| The surface condition of roads in Westland is of good quality               | Road condition:<br><br>The average quality of ride on a sealed local road network, measured by smooth travel exposure is <b>&gt; 90%</b>  | 2018/19: Year to date data from NAASRA index shows STE of 96%. No change from the previous year.<br><br><i>(2017/18: 96%)</i>   |
|   | <b>50%</b> of residents are satisfied with the standard and safety of Council's unsealed roads  | 2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.<br><br><i>(2017/18: 74%, 2018 Residents' Survey)</i>  |
| The surface condition of roads in Westland is maintained to a high standard | Road maintenance:<br><br>The percentage of the sealed local road network that is resurfaced <b>&gt;7%</b>   | 2018/19: 7%, 25.9km of the sealed road network was resurfaced.<br><br><i>(2017/18: 7.3%, 27.5km of 375km))</i>  |
| Footpaths are maintained in good condition and are fit for purpose          | Footpaths:<br><br><b>90%</b> 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). | 2018/19: This data metric is still being developed to be able to measure performance<br><br><i>(2017/18: Unable to report accurately on this.)</i>  |
| Response to service requests are dealt with promptly                        | Customer service requests:<br><br><b>100%</b> of customer service requests relating to roads and footpaths responded to within the time frame specified in the Long Term Plan.  | 2018/19: 53% of Transportation related service requests were responded to within 2 working days. More revision is needed on this metric to ensure achievability.<br><br><i>(2017/18: Unable to report accurately on this.</i><br><br><i>The process of service requests is currently being reviewed by staff and contractors to look for ways to make improvements in reporting.)</i> |

## Water Supply

Council supplies reticulated water to 2640 connections in the district.

Council's customer service request system records show 236 water related service requests logged between 1 July 2018 and 30 June 2019. 66 were completed in the required timeframe. A breakdown of service requests is shown below:



Due to unexpected delays, the new Whataroa Water Treatment Plant has not entered the commissioning phase to date. Whataroa had a boil water notice issued in March 2019 due to a transgression at the plant. Subsequent test results were clear and the notice was lifted.

The contract for the Fox Glacier Design and Build Water Treatment Plant is currently under review with a contract award potentially in September 2019.

With the major March flood event and the destruction of the Waiho River Bridge, sampling of the Fox Glacier and Haast water supplies was disrupted. Council's Utilities Maintenance Contractors were on site to operate both treatment plants whilst the road was closed and took samples when operators swapped over. This initiative resulted in only minor breaches for sampling with the Drinking Water Standards 2005 (Revised 2018). Leniency has been requested from the Drinking Water Assessor for these breaches.

Council staff are aware that improvements to the fault reporting times are necessary and will be implementing a new reporting procedure with the awarding of the new Utilities Maintenance Contract next year.

## Funding Impact Statement (for the Water Supply group)

For the year ended 30 June 2019

| <b>Group Level Funding Impact Statement</b>                              |  |  |                                  |
|--|--|--|----------------------------------|
|  | <b>Long Term Plan<br/>2018<br/>\$000</b> | <b>Long Term Plan<br/>2019<br/>\$000</b> | <b>Actual<br/>2019<br/>\$000</b> |
| <b>Water Supply</b>  |  |  |                                  |
| <b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>                          |  |  |                                  |
| <b>Sources of Operating Funding</b>                                      |  |  |                                  |
| General rates, uniform annual general charges, rates penalties           | 63                                       | 63                                       | 58                               |
| Targeted Rates   | 4,283                                    | 4,118                                    | 4,154                            |
| Subsidies and grants for operating purposes                              | -  | -  | -                                |
| Fees and charges   | -  | -  | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 1  | 3  | 32                               |
| Internal charges and overheads recovered                                 | -  | -  | -                                |
| <b>Total Operating Funding (A)</b>                                       | <b>4,347</b>                             | <b>4,183</b>                             | <b>4,244</b>                     |
| <b>Applications of Operating Funding</b>                                 |  |  |                                  |
| Payments to staff and suppliers  | 1,056                                    | 1,081                                    | 1,038                            |
| Finance Costs  | 280                                      | 196                                      | 127                              |
| Internal charges and overheads applied                                   | 853                                      | 898                                      | 863                              |
| Other operating funding applications                                     | -  | -  | -                                |
| <b>Total Applications of Operating Funding (B)</b>                       | <b>2,189</b>                             | <b>2,175</b>                             | <b>2,028</b>                     |
| <b>Surplus/(Deficit) of Operating Funding (A - B)</b>                    | <b>2,158</b>                             | <b>2,008</b>                             | <b>2,216</b>                     |
| <b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>                            |  |  |                                  |
| <b>Sources of Capital Funding</b>  |  |  |                                  |
| Subsidies and grants for capital expenditure                             | -  | -  | -                                |
| Development and financial contributions                                  | -  | -  | -                                |
| Increase (decrease) in debt  | (262)                                    | (107)                                    | (632)                            |
| Gross proceeds from sale of assets                                       | -  | -  | -                                |
| Lump sum contributions   | -  | -  | -                                |
| Other dedicated capital funding  | -  | -  | -                                |
| <b>Total Sources of Capital Funding (C)</b>                              | <b>(262)</b>                             | <b>(107)</b>                             | <b>(632)</b>                     |
| <b>Application of Capital Funding</b>                                    |  |  |                                  |
| Capital Expenditure:   |  |  |                                  |
| - to meet additional demand  | -  | -  | 259                              |
| - to improve the level of service  | 549                                      | 1,120                                    | 307                              |
| - to replace existing assets   | 597                                      | 787                                      | 1,088                            |
| Increase (decrease) in reserves  | 750                                      | (6)                                      | (70)                             |
| Increase (decrease) of investments                                       | -  | -  | -                                |
| <b>Total Applications of Capital Funding (D)</b>                         | <b>1,896</b>                             | <b>1,901</b>                             | <b>1,584</b>                     |
| <b>Surplus/(Deficit) of Capital Funding (C - D)</b>                      | <b>(2,158)</b>                           | <b>(2,008)</b>                           | <b>(2,216)</b>                   |
| <b>Funding Balance ((A - B) + (C - D))</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                         |

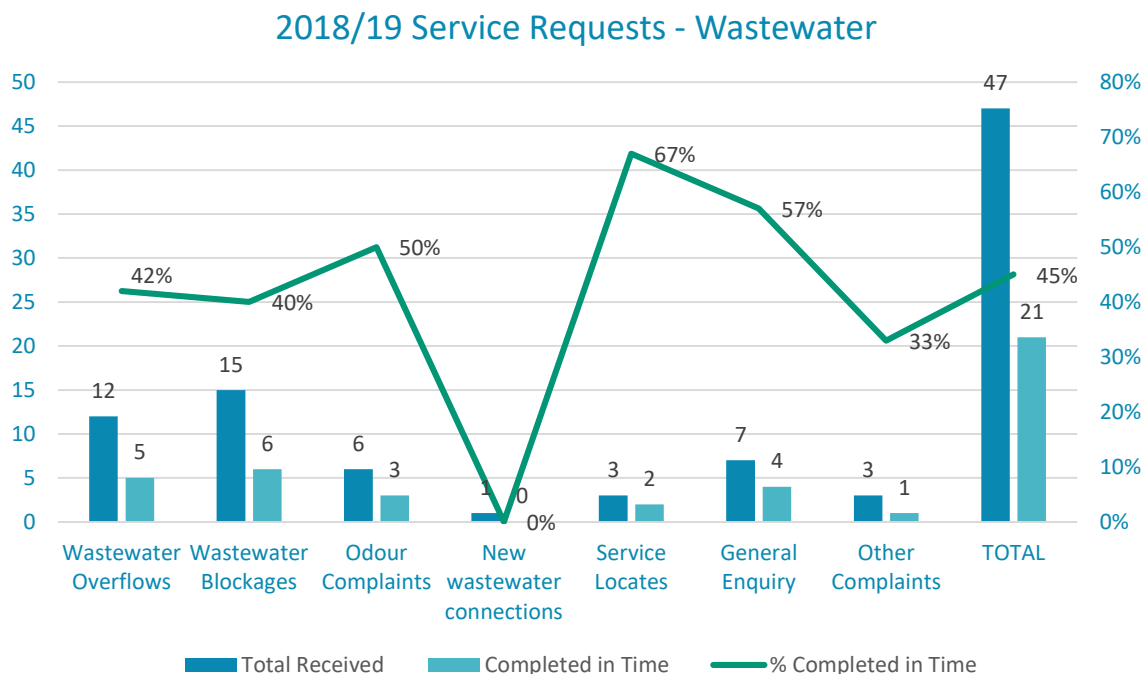
| Level of Service                                | Measure / Target   | Progress  |
|---|--|---|
| Council supplied potable water is safe to drink | <p>Safety of drinking water:</p> <p>The extent to which the local authority's drinking water supply complies with both:</p> <p>(a) part 4 of the drinking-water standards (bacteria compliance criteria), and</p> <p>(b) part 5 of the drinking-water standards (protozoal compliance criteria),</p> <p><b>These drinking water schemes will comply with parts (a) and (b) of the key performance measure:</b></p> <p><b>Years 1-3</b></p> <p><b>Hokitika, Ross, Harihari, Franz Josef, Haast</b></p> <p><b>Year 2</b></p> <p><b>Fox, the Arahura scheme if it is continued as a Council service</b></p> <p><b>Years 2-3</b></p> <p><b>Kumara, Whataroa</b></p>  | <p>2018/19</p> <p>(a) To date 5 out of the 9 supplies are fully compliant with bacterial compliance criteria at both the water treatment plant and in the distribution zone.</p> <p>Fox Glacier, Haast, Harihari, Kumara and Ross supplies were fully compliant.</p> <p>Hokitika zone had a sample missed which resulted in non-compliance with time between samples.</p> <p>Franz Josef had a transgression at the plant, which has resulted in non-compliance.</p> <p>Whataroa had a boil water notice issued due to a transgression at the plant.</p> <p>While Arahura is compliant in the distribution zone, samples cannot be taken at the plant because there is no treatment plant.</p> <p>(b) 0 out of the 9 supplies compliant with protozoal compliance criteria.</p> <p>Hokitika, Kumara, Ross, Harihari, Franz Josef and Haast had new reporting tools implemented for compliance with the Protozoal criteria. As the compliance period is for 12 months, these supplies will not comply for the 2018/19 year.</p> <p>The Whataroa Water Treatment Plant has not been completed.</p> <p>The contract has not yet been awarded for the upgrade of the Fox Glacier Water Treatment Plant.</p> <p>Arahura is currently under early stage investigation.</p> <p><i>(2017/18:</i></p> <p><i>(a) To date 3 out of the 9 supplies are fully compliant with bacterial compliance criteria at both the water treatment plant and in the distribution zone.</i></p> <p><i>(b) 0 out of the 9 supplies compliant with protozoal compliance criteria</i></p> <p><i>The Hokitika water supply does not full comply with bacterial compliance as a sample was missed which resulted in a too longer time frame between samples.</i></p> <p><i>Kumara and Whataroa water treatment plant upgrades are expected to be commissioned and running by December 2018.)</i></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 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 (2 hours), <b>100%</b>, and</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) <b>100%</b>, and</p> <p>(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the</p> | <p>2018/19:</p> <p>(a) No data for attendance times</p> <p>(b) 24%</p> <p>(c) No data for attendance times</p> <p>(d) 26%</p> <p>Council staff are working alongside contractors to review the Service Request process and system to ensure it is fit for purpose.</p> <p><i>(2017/18:</i></p> <p><i>(a) No data for attendance times</i></p> <p><i>(b) 60%</i></p> <p><i>(c) No data for attendance times</i></p> <p><i>(d) 65%</i></p>  |

| Level of Service   | Measure / Target  | Progress   |
|--|---|--|
|  | <p>time that service personnel reach the site (24 hours) <b>100%</b>, and</p> <p>(d) resolution of non-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 (72 hours)<b>100%</b>.</p>   | <p><i>Council staff are working alongside contractors to review the Service Request process and system to ensure it is fit for purpose.)</i></p>   |
| <p>Council supplied water is reliable</p>                                | <p>Maintenance of the reticulation network:</p> <p>The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).</p> <p><b>Not currently measured, monitored in a number of ways including; Telemetry, water meters, repair program, mains replacements and pressure management. This is in context with the Benchloss NZ Manual.</b></p>   | <p>2018/19: Not measured</p> <p><i>(2017/18: Not measured)</i></p>   |
|  | <p>Demand management:</p> <p>The average consumption of drinking water per day per resident within the territorial authority district <b>is &lt; 500l/day</b></p>   | <p>2018/19: Not measured. Analysed on a three yearly basis.</p> <p><i>(2017/18: Not measured, analysed on a three yearly basis; 2016/17 Winter 253l per head, Summer 480l per head)</i></p>  |
| <p>Customers are generally satisfied with the Council supplied water</p> | <p>Customer satisfaction:</p> <p>The total number of complaints received by the local authority about any of the following:</p> <p>(a) drinking water clarity<br/> (b) drinking water taste<br/> (c) drinking water odour<br/> (d) drinking water pressure or flow<br/> (e) continuity of supply, and<br/> (f) the local authority's response to any of these issues</p> <p>Expressed per 1000 connections to the local authority's networked reticulation system <b>25 per 1000 connections (2640 connections)</b></p> | <p>2018/19:</p> <p>(a) 9<br/> (b) 2<br/> (c) 0<br/> (d) 4<br/> (e) 26<br/> (f) 0</p> <p>Total number of complaints = 41<br/> Complaints per 1000 connections = 16</p> <p><i>(2017/18:</i></p> <p><i>(a) No data</i><br/> <i>(b) 48 (clarity and taste)</i><br/> <i>(c) 10</i><br/> <i>(d) 5</i><br/> <i>(e) 57</i><br/> <i>(f) Continual improvement implemented</i></p> <p><i>Total number of complaints = 120</i><br/> <i>Complaints per 1000 connections= 45.4)</i></p> |

## Wastewater Group

Council supplies reticulated wastewater to 2065 connections in the district.

Council’s customer service request system records show 47 wastewater related service requests logged between 1 July 2018 and 30 June 2019. 21 were completed in the required timeframe. A breakdown of service requests is shown below:



The Hokitika wastewater ponds have been performing well during 2018/19. An odour survey carried out by Opus shows a significant improvement in customer satisfaction. Two new aerators are in operation which have positively impacted effluent quality and odour reduction.

The Franz Josef Wastewater Treatment Plant upgrade is progressing well. The two new ponds are now lined and most of the associated pipework is installed. West Coast Regional Council recently granted a consent variation to allow for the construction of an alternative treated effluent disposal field design.

Due to recent storm events, construction drawings delivery and delay in obtaining resource consent variation approval, the completion timeframe of the upgrade will be extended to 30 September 2019.

Sludge surveys have been carried out for Haast, Hokitika and Fox ponds.

Council staff are aware that improvements to the fault reporting times are necessary and will be implementing a new reporting procedure with the awarding of the new Utilities Maintenance Contract next year.

## Funding Impact Statement (for the Wastewater group)

For the year ended 30 June 2019

| <b>Group Level Funding Impact Statement</b>                              |  |  |                                  |
|--|--|--|----------------------------------|
|  | <b>Long Term Plan<br/>2018<br/>\$000</b> | <b>Long Term Plan<br/>2019<br/>\$000</b> | <b>Actual<br/>2019<br/>\$000</b> |
| <b>Wastewater</b>  |  |  |                                  |
| <b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>                          |  |  |                                  |
| <b>Sources of Operating Funding</b>                                      |  |  |                                  |
| General rates, uniform annual general charges, rates penalties           | 28                                       | 30                                       | 19                               |
| Targeted Rates   | 1,206                                    | 1,491                                    | 1,491                            |
| Subsidies and grants for operating purposes                              | -  | -  | -                                |
| Fees and charges   | 48                                       | 63                                       | 48                               |
| Local authorities fuel tax, fines, infringement fees, and other receipts | -  | 9  | 62                               |
| Internal charges and overheads recovered                                 | -  | -  | -                                |
| <b>Total Operating Funding (A)</b>                                       | <b>1,282</b>                             | <b>1,592</b>                             | <b>1,620</b>                     |
| <b>Applications of Operating Funding</b>                                 |  |  |                                  |
| Payments to staff and suppliers  | 418                                      | 458                                      | 675                              |
| Finance Costs  | 83                                       | -  | 42                               |
| Internal charges and overheads applied                                   | 195                                      | 212                                      | 204                              |
| Other operating funding applications                                     | -  | -  | -                                |
| <b>Total Applications of Operating Funding (B)</b>                       | <b>695</b>                               | <b>670</b>                               | <b>921</b>                       |
| <b>Surplus/(Deficit) of Operating Funding (A - B)</b>                    | <b>586</b>                               | <b>922</b>                               | <b>699</b>                       |
| <b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>                            |  |  |                                  |
| <b>Sources of Capital Funding</b>  |  |  |                                  |
| Subsidies and grants for capital expenditure                             | 1,052                                    | 1,985                                    | 945                              |
| Development and financial contributions                                  | -  | -  | -                                |
| Increase (decrease) in debt  | 2,120                                    | 609                                      | 976                              |
| Gross proceeds from sale of assets                                       | -  | -  | -                                |
| Lump sum contributions   | -  | -  | -                                |
| Other dedicated capital funding  | -  | -  | -                                |
| <b>Total Sources of Capital Funding (C)</b>                              | <b>3,172</b>                             | <b>2,594</b>                             | <b>1,921</b>                     |
| <b>Application of Capital Funding</b>                                    |  |  |                                  |
| Capital Expenditure:   |  |  |                                  |
| - to meet additional demand  | -  | 10                                       | 11                               |
| - to improve the level of service  | 3,264                                    | 2,675                                    | 2,337                            |
| - to replace existing assets   | -  | 242                                      | 144                              |
| Increase (decrease) in reserves  | 494                                      | 589                                      | 129                              |
| Increase (decrease) of investments                                       | -  | -  | -                                |
| <b>Total Applications of Capital Funding (D)</b>                         | <b>3,758</b>                             | <b>3,516</b>                             | <b>2,621</b>                     |
| <b>Surplus/(Deficit) of Capital Funding (C - D)</b>                      | <b>(586)</b>                             | <b>(922)</b>                             | <b>(699)</b>                     |
| <b>Funding Balance ((A - B) + (C - D))</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                         |



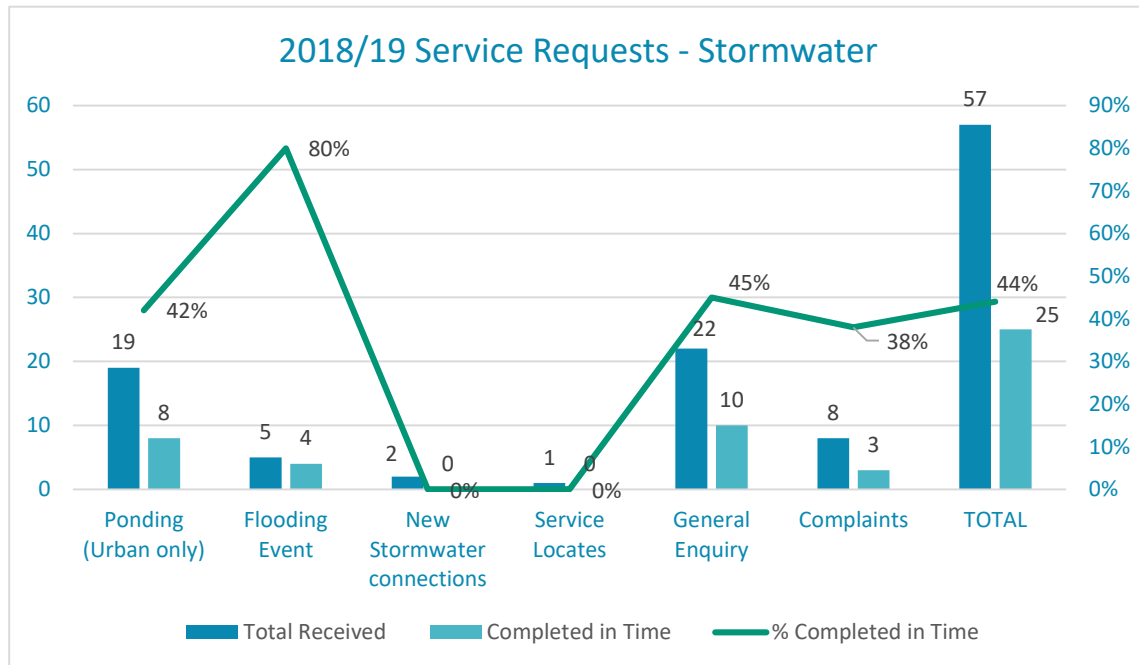
| Level of Service  | Measure / Target  | Progress  |
|---|---|---|
| Council wastewater systems are managed without risk to public health  | <p>System and adequacy:</p> <p>The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. <b>10 per 1000 connections (2065 connections)</b></p>  | <p>2018/19:</p> <p>12 sewerage overflows reported.</p> <p>Reported overflows includes all overflows during dry and wet weather. This is because due to the variation in weather across the district on any given day, an overflow event is considered to be in fine weather unless specifically noted. It is considered good practice to record all wastewater overflow to indicate if there are ongoing issues with a particular line or if there is excessive stormwater infiltration in a particular part of the wastewater reticulation.</p> <p>Complaints per 1000 connections = 5.8</p> <p>(2017/18:</p> <p>10 sewerage overflows.</p> <p>Complaints per 1000 connections = 4.7 [2121 connections])</p> |
| Council wastewater systems are safe and compliant                     | <p>Discharge compliance:</p> <p><b>100%</b> Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <p>(a) abatement notices<br/>(b) infringement notices<br/>(c) enforcement orders, and<br/>(d) convictions.</p>  | <p>2018/19:</p> <p>(a) 0<br/>(b) 1<br/>(c) 1<br/>(d) 0</p> <p>In August 2018 the Haast WWTP breached consent conditions for discharging wastewater to the river bed. The issued was fixed once Council was aware of the situation.</p> <p>The enforcement order for Franz Josef Wastewater Treatment Plant was carried forward from the 2017/18 year.</p> <p>(2017/18:</p> <p>(a) 1<br/>(b) 0<br/>(c) 1<br/>(d) 0</p>   |
| 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 (2 hours), <b>100%</b> and<br/>(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) <b>100%</b>.</p> <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<br/>(b) sewerage system faults<br/>(c) sewerage system blockages, and<br/>(d) the territorial authority's response to issues with its sewerage system,</p> | <p>2018/19:</p> <p>(a) No reliable data available<br/>(b) 42% resolved within the required timeframe (5/12)</p> <p>Council staff are working alongside contractors to review the Service Request process and system to ensure it is fit for purpose.</p> <p>(2017/18:</p> <p>(a) No reliable data available<br/>(b) 40% resolved within the timeframe – 4 / 10 notifications)</p> <p>2018/19:</p> <p>(a) 6<br/>(b) 12<br/>(c) 15<br/>(d) 0</p> <p>Total number of complaints = 33</p> <p>Complaints per 1000 connections = 16</p> <p>(2017/18:</p> <p>(a) 21</p>  |

| Level of Service | Measure / Target   | Progress   |
|------------------|--|--|
|                  | Expressed per 1000 connections to the territorial authority's sewerage system. <b>25 per 1000 connections (2065 connections)</b> | <p>(b) 11<br/> (c) 14<br/> (d) 1</p> <p>Total number of complaints = 47</p> <p>Complaints per 1000 connections= 22.2 [2121 connections])</p> |

## Stormwater Group

Council supplies reticulated wastewater to 434 connections in the Hokitika area.

Council's customer service request system records show that there were 57 stormwater related service requests logged between 1 July 2018 and 30 June 2019. Twenty-five were completed in the required timeframe. A breakdown of service requests is shown below:



Throughout the year various pipe lines have been investigated with CCTV and hydro blasted (cleaned). The information gained from the CCTV work not only informs us where defects and blockages are but assist with updating Council GIS and asset management system.

Various other projects have been investigated by consultants, Stantec, outlining improvements and recommendations. These include upsizing existing some key stormwater mains and pumps and installing new pipework and linkages to relieve hydraulic overloading in identified areas.

## Funding Impact Statement (for the Stormwater group)

For the year ended 30 June 2019

| <b>Group Level Funding Impact Statement</b>                              |  |  |                                  |
|--|--|--|----------------------------------|
|  | <b>Long Term Plan<br/>2018<br/>\$000</b> | <b>Long Term Plan<br/>2019<br/>\$000</b> | <b>Actual<br/>2019<br/>\$000</b> |
| <b>Stormwater</b>  |  |  |                                  |
| <b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>                          |  |  |                                  |
| <b>Sources of Operating Funding</b>                                      |  |  |                                  |
| General rates, uniform annual general charges, rates penalties           | 33                                       | -  | -                                |
| Targeted Rates   | 501                                      | 576                                      | 576                              |
| Subsidies and grants for operating purposes                              | -  | -  | -                                |
| Fees and charges   | -  | -  | -                                |
| Local authorities fuel tax, fines, infringement fees, and other receipts | -  | -  | -                                |
| Internal charges and overheads recovered                                 | -  | -  | -                                |
| <b>Total Operating Funding (A)</b>                                       | <b>534</b>                               | <b>576</b>                               | <b>576</b>                       |
| <b>Applications of Operating Funding</b>                                 |  |  |                                  |
| Payments to staff and suppliers  | 100                                      | 110                                      | 238                              |
| Finance Costs  | 15                                       | 27                                       | 19                               |
| Internal charges and overheads applied                                   | 144                                      | 152                                      | 146                              |
| Other operating funding applications                                     | -  | -  | -                                |
| <b>Total Applications of Operating Funding (B)</b>                       | <b>259</b>                               | <b>288</b>                               | <b>403</b>                       |
| <b>Surplus/(Deficit) of Operating Funding (A - B)</b>                    | <b>275</b>                               | <b>287</b>                               | <b>173</b>                       |
| <b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>                            |  |  |                                  |
| <b>Sources of Capital Funding</b>  |  |  |                                  |
| Subsidies and grants for capital expenditure                             | -  | -  | -                                |
| Development and financial contributions                                  | -  | -  | -                                |
| Increase (decrease) in debt  | 92                                       | 763                                      | 70                               |
| Gross proceeds from sale of assets                                       | -  | -  | -                                |
| Lump sum contributions   | -  | -  | -                                |
| Other dedicated capital funding  | -  | -  | -                                |
| <b>Total Sources of Capital Funding (C)</b>                              | <b>92</b>                                | <b>763</b>                               | <b>70</b>                        |
| <b>Application of Capital Funding</b>                                    |  |  |                                  |
| Capital Expenditure:   |  |  |                                  |
| - to meet additional demand  | -  | -  | -                                |
| - to improve the level of service  | -  | 800                                      | 107                              |
| - to replace existing assets   | 110                                      | 25                                       | 38                               |
| Increase (decrease) in reserves  | 258                                      | 225                                      | 97                               |
| Increase (decrease) of investments                                       | -  | -  | -                                |
| <b>Total Applications of Capital Funding (D)</b>                         | <b>368</b>                               | <b>1,050</b>                             | <b>243</b>                       |
| <b>Surplus/(Deficit) of Capital Funding (C - D)</b>                      | <b>(275)</b>                             | <b>(287)</b>                             | <b>(173)</b>                     |
| <b>Funding Balance ((A - B) + (C - D))</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                         |

| Level of Service   | Measure / Target  | Progress  |
|--|---|---|
| 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 <b>2 events</b></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. <b>10 per 1000 connections (434 connections)</b></p> | <p>2018/19:</p> <p>(a) 1 – 26 March storm event</p> <p>(b) Total habitable floors = 3<br/>Per 1000 connections = 6.9</p> <p>Three habitable floors reported flooding within the Hokitika stormwater reticulated system.</p> <p>(2017/18:</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) <b>100%</b></p>  | <p>2018/19: No data available for specific response time (1 hour)</p> <p>During the March storm event, 5 service requests were received with 4 being completed within required time frame given = 80%.</p> <p>(2017/18: No reported flooding events in this period)</p> |
|  | <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. <b>10 per 1000 connections (434 connections)</b></p>  | <p>2018/19:</p> <p>Total number of complaints = 32<br/>Complaints per 1000 = 73.7</p> <p>(2017/18:</p> <p>Total number of complaints = 11<br/>Complaints per 1000 connections = 26.6)</p>   |
| Council storm water systems protect the natural environment                              | <p>Discharge compliance:</p> <p><b>100%</b> Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>(a) abatement notices</p> <p>(b) infringement notices</p> <p>(c) enforcement orders, and</p> <p>(d) convictions</p>   | <p>2018/19:</p> <p>(a) 0</p> <p>(b) 0</p> <p>(c) 0</p> <p>(d) 0</p> <p>(2017/18:</p> <p>(a) 0</p> <p>(b) 0</p> <p>(c) 0</p> <p>(d) 0)</p>   |

## Solid Waste Management Group

During the 2018/2019 financial year EnviroSchools received \$15,000 (excluding GST) and the Paper4trees programme received \$1,440 (excluding GST) for the continued education of Waste Recycling and Environmental initiatives within schools in the Westland area.

These programmes have been well received and going forward the aim is to increase funding to be able to engage more schools to come on board. One additional EnviroSchool is scheduled to join the programme in the next financial year.

Council's Operations Manager has been actively involved in the "Green Team" community initiative to allow community feedback direct to council.

## Landfills and transfer stations

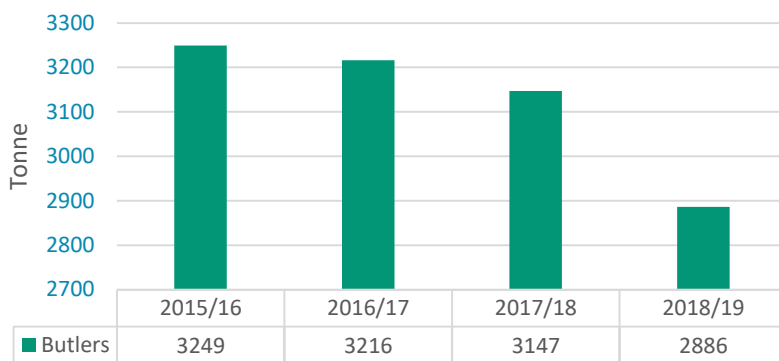
*"Great staff. Clean and tidy. Green waste is very reasonable. Good service." (Informal Resident Satisfaction Survey)*

| Landfill                 | Status                           | Comment  | Expected Capacity   |
|--------------------------|----------------------------------|--|---|
| <b>Butlers Landfill</b>  | Open                             | Open for authorised deliveries on a weekly basis.<br>Monitoring is carried out in accordance with the resource consent.          | A review of the volume remaining in the cells has revealed a life expectancy of 6.5 to 7.5 years depending on waste to site yearly volumes. |
| <b>Haast Landfill</b>    | Open                             | Open twice weekly for limited hours.<br>Monitoring requirements have been updated and need to plan for the end of landfill life. | There is an estimated 1.5 - 2 years life remaining as per AMP information.  |
| <b>Kumara</b>            | Closed                           | Monitoring requirements only   |   |
| <b>Franz Josef</b>       | Closed                           | Monitoring requirements only   |   |
| <b>Hannah's Clearing</b> | Closed                           | Monitoring requirements only   |   |
| <b>Hokitika</b>          | Closed                           | Monitoring requirements only   |   |
| <b>Cron Road</b>         | Closed                           | Monitoring requirements only   |   |
| <b>Transfer stations</b> |                                  |  |   |
| <b>Hokitika</b>          | Open Daily                       | Contracted to Envirowaste  |   |
| <b>Kumara</b>            | Open limited hours, twice weekly | Contracted to Envirowaste  |   |
| <b>Fox Glacier</b>       | Closed                           | Pending relocation   |   |
| <b>Whataroa</b>          | Open limited hours, twice weekly | Contracted to South Westland Rubbish Removal   |   |
| <b>Hari Hari</b>         | Open limited hours, twice weekly | Contracted to Envirowaste  |   |
| <b>Ross</b>              | Open limited hours, twice weekly | Contracted to Envirowaste  |   |
| <b>Franz Josef</b>       | Open limited hours, twice weekly | Contracted to South Westland Rubbish Removal   |   |

## Volumes of waste

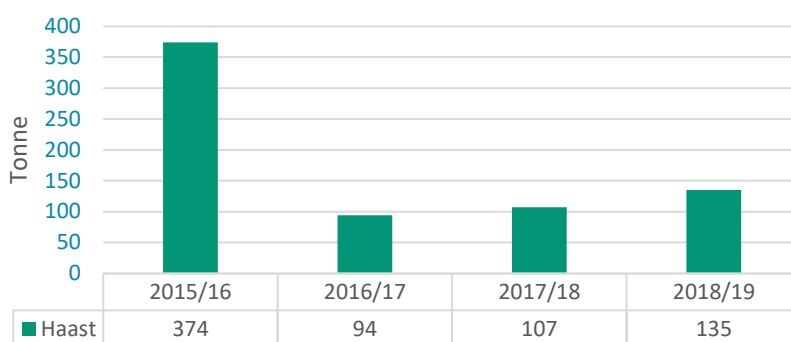
The amount of solid waste going to Butler's landfill has decreased from the previous year. This is due to more accurate reporting and a focus on capturing recycling material & information.

### Amount of waste sent to Butlers Landfill



The amount of solid waste going to the Haast landfill has slightly increased from the previous year. This is due to the storm event in March where the landfill assisted with longer opening and acceptance hours.

### Amount of waste sent to Haast Refuse Station



## Funding Impact Statement (for the Solid Waste Management group)

For the year ended 30 June 2019

| <b>Group Level Funding Impact Statement</b>                              |  |  |                                  |
|--|--|--|----------------------------------|
|  | <b>Long Term Plan<br/>2018<br/>\$000</b> | <b>Long Term Plan<br/>2019<br/>\$000</b> | <b>Actual<br/>2019<br/>\$000</b> |
| <b>Solid Waste</b>   |  |  |                                  |
| <b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>                          |  |  |                                  |
| <b>Sources of Operating Funding</b>                                      |  |  |                                  |
| General rates, uniform annual general charges, rates penalties           | 1,013                                    | 764                                      | 762                              |
| Targeted Rates   | 755                                      | 733                                      | 733                              |
| Subsidies and grants for operating purposes                              | -  | -  | -                                |
| Fees and charges   | 691                                      | 822                                      | 900                              |
| Local authorities fuel tax, fines, infringement fees, and other receipts | -  | -  | 9                                |
| Internal charges and overheads recovered                                 | -  | -  | -                                |
| <b>Total Operating Funding (A)</b>                                       | <b>2,458</b>                             | <b>2,319</b>                             | <b>2,403</b>                     |
| <b>Applications of Operating Funding</b>                                 |  |  |                                  |
| Payments to staff and suppliers  | 1,813                                    | 1,710                                    | 2,002                            |
| Finance Costs  | 134                                      | 88                                       | 117                              |
| Internal charges and overheads applied                                   | 341                                      | 362                                      | 348                              |
| Other operating funding applications                                     | -  | -  | -                                |
| <b>Total Applications of Operating Funding (B)</b>                       | <b>2,288</b>                             | <b>2,159</b>                             | <b>2,467</b>                     |
| <b>Surplus/(Deficit) of Operating Funding (A - B)</b>                    | <b>169</b>                               | <b>160</b>                               | <b>(64)</b>                      |
| <b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>                            |  |  |                                  |
| <b>Sources of Capital Funding</b>  |  |  |                                  |
| Subsidies and grants for capital expenditure                             | -  | -  | -                                |
| Development and financial contributions                                  | -  | -  | -                                |
| Increase (decrease) in debt  | (117)                                    | (135)                                    | (114)                            |
| Gross proceeds from sale of assets                                       | -  | -  | -                                |
| Lump sum contributions   | -  | -  | -                                |
| Other dedicated capital funding  | -  | -  | -                                |
| <b>Total Sources of Capital Funding (C)</b>                              | <b>(117)</b>                             | <b>(135)</b>                             | <b>(114)</b>                     |
| <b>Application of Capital Funding</b>                                    |  |  |                                  |
| Capital Expenditure:   |  |  |                                  |
| - to meet additional demand  | -  | -  | -                                |
| - to improve the level of service  | -  | 15                                       | -                                |
| - to replace existing assets   | 53                                       | 10                                       | 370                              |
| Increase (decrease) in reserves  | -  | -  | (549)                            |
| Increase (decrease) of investments                                       | -  | -  | -                                |
| <b>Total Applications of Capital Funding (D)</b>                         | <b>53</b>                                | <b>25</b>                                | <b>(179)</b>                     |
| <b>Surplus/(Deficit) of Capital Funding (C - D)</b>                      | <b>(169)</b>                             | <b>(160)</b>                             | <b>64</b>                        |
| <b>Funding Balance ((A - B) + (C - D))</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                         |



| Level of Service  | Measure / Target   | Progress   |
|---|--|--|
| Solid waste is managed appropriately                            | All necessary consents for solid waste activities and capital projects are applied for, held and monitored accordingly <b>100%</b>                 | <p>2018/19: 100% consents in place, all testing requirements for 12 months followed and results provided to West Coast Regional Council. Increased focus has been applied in this area.</p> <p><i>(2017/18: 100% consents in place, all testing requirements for 12 months followed and results provided to West Coast Regional Council)</i></p>   |
| Education about waste minimisation is provided to the community | <p>Number of visits to schools and community groups:</p> <p><b>3 schools, 3 groups per annum.</b></p> <p><b>3 x community groups per annum</b></p> | <p>2018/19: 5 x school inclusion; 1 x community group visits. EnviroSchools and Paper4waste manage internal school educational programmes for WDC. Increase in school participation is prepared for the coming year.</p> <p>Involvement in the “Green Team” group to provide an outlet for community integration has been instigated this year.</p> <p><i>(2017/18: 5 x school visits; 0 x community group visits. EnviroSchools manage internal school educational programmes.)</i></p> |

## Independent Auditor's Report

### To the readers of Westland District Council's annual report for the year ended 30 June 2019

The Auditor-General is the auditor of Westland District Council (the District Council) and its subsidiaries (the Group). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2019. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 20 to 26 and 28 to 74:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2019;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 27, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- the statement of service provision on pages 78 to 127:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 83 to 126, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 83 to 126, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

## **Report on the disclosure requirements**

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 16 to 18, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

## **Basis for our opinion on the audited information**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

## **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

## **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Other information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 15 and 75 to 77, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independence**

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of

Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed an assurance engagement related to the District Council's debenture trust deed, which is compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries.

A handwritten signature in black ink, appearing to read 'S. Tobin', with a long horizontal line extending from the top of the 'S'.

Scott Tobin

Audit New Zealand

On behalf of the Auditor-General

Christchurch, New Zealand

## OTHER INFORMATION

### COUNCIL COMMITTEES AND APPOINTMENTS

|   |   |
|---|---|
| <b>Finance, Audit and Risk Committee</b>                                      | Deputy Mayor Latham Martin (Chair), His Worship the Mayor, all other elected members, Chair of Te Rūnanga o Ngāti Waewae (or their representative), Chair of Te Rūnanga o Makaawhio (or their representative) |
| <b>Dog Control Hearing Committee</b>  | Cr Carruthers (Chair). Cr Olson (Deputy Chair), His Worship the Mayor   |
| <b>Tenders Committee</b>  | His Worship the Mayor (Chair), Deputy Mayor Martin, Cr Olson, Cr Carruthers   |
| <b>Hokitika CBD Masterplan Working Group</b>                                  | His Worship the Mayor, Deputy Mayor Martin, Cr Neale  |
| <b>West Coast Civil Defence Emergency Management Joint Standing Committee</b> | His Worship the Mayor (Westland's representative), Chief Executive Simon Bastion  |
| <b>Future Franz</b>   | His Worship the Mayor,  |

### Elected Member Liaison Roles with Community Associations

| <b>ORGANISATION</b>                                | <b>APPOINTMENT</b>  |
|--|---|
| <b>Destination Hokitika</b>                        | Deputy Mayor Martin and Cr Eatwell to have a liaison role with Destination Hokitika |
| <b>Fox Glacier Community Association</b>           | Deputy Mayor Lash to have a liaison role with the Fox Glacier Community Association |
| <b>Franz Inc.</b>                                  | Cr Eatwell to have a liaison role with Franz Inc                                    |
| <b>Franz Josef/ Waiau Community Forum</b>          | Deputy Mayor Lash to have a liaison role with Franz Josef / Waiau Community Forum   |
| <b>Glacier Country Tourism Group</b>               | Cr Eatwell to have a liaison role with the Glacier Country Tourism Group            |
| <b>Haast Promotions Group</b>                      | Deputy Mayor Lash to have a liaison role with the Haast Promotions Group            |
| <b>Harihari Community Association</b>              | Cr Eatwell to have a liaison role with the Harihari Community Association           |
| <b>Heritage Hokitika</b>                           | Cr Carruthers to have a liaison role with Heritage Hokitika                         |
| <b>Heritage West Coast</b>                         | Cr Carruthers to have a liaison role with Heritage West Coast                       |
| <b>Kokatahi/Kowhitirangi Community Association</b> | Cr Olson to have liaison role with the Kokatahi/ Kowhitirangi Community Association |
| <b>Kumara Residents Association</b>                | Cr Havill to have a liaison role with the Kumara Residents Association              |
| <b>Ōkārīto Community Association</b>               | Deputy Mayor Lash to have a liaison role with the Ōkārīto Community Association     |
| <b>Ross Community Society</b>                      | Cr Olson and Cr Neale to have liaison role with the Ross Community Society          |
| <b>Safe Community Coalition</b>                    | Cr Neale to have a liaison role with the Safe Community Coalition                   |

|                                       |  |
|---------------------------------------|--|
| <b>Whataroa Community Association</b> | Deputy Mayor Lash and Cr Eatwell to have a liaison role with the Whataroa Community Association. |
|---------------------------------------|--|

## Other Appointments

|   |   |
|---|---|
| <b>Creative Communities Local Assessment Committee</b>          | Deputy Mayor Lash, Deputy Mayor Martin, Sally Richardson, Sue Asplin, Michelle Bunt, Reilly Burden, Ian Boswell   |
| <b>Development West Coast – Appointment Panel</b>               | His Worship The Mayor   |
| <b>District Licencing Committee Appointment Of Deputy Chair</b> | Cr Olson  |
| <b>Hokitika Joint Seawall Committee</b>                         | Cr Carruthers, Cr Routhan, Cr Neale, Cr Eatwell   |
| <b>Hokitika Reserves &amp; Environs Group</b>                   | Rob Daniel (Chair), Sarah Brown (CDA, Secretary), Russell Gugich, Sue Asplin, Barry Pearson, Bruce And Barbara Erickson, Helen Love, Ian Gilbertson, Sue Tuffnell |
| <b>Accredited Resource Management Hearing Advisors</b>          | Deputy Mayor Martin, Deputy Mayor Lash, Cr Neale  |
| <b>Sport NZ Rural Travel Fund – Allocation Committee</b>        | Cr Neale, Pavel Bares   |
| <b>Trustpower Community Awards – Judging Panel</b>              | His Worship The Mayor, Deputy Mayor Martin, Cr Eatwell  |
| <b>West Coast Civil Defence Emergency Management Group</b>      | His Worship The Mayor, Chief Executive Simon Bastion  |
| <b>West Coast Regional Transport Committee</b>                  | Cr Havill   |

## Other Council Organisations

|   |                             |
|---|-----------------------------|
| <b>Westland Wilderness Trust</b><br><i>(This is a Council Organisation and is the governance body for the West Coast Wilderness Trail. As required in the constitution two Council representatives are required).</i> | Deputy Mayor Lash, Cr Neale |
| <b>Tourism West Coast</b>   | Cr Eatwell                  |



## COUNCIL CONTROLLED ORGANISATIONS



|                                  |  |
|----------------------------------|--|
| <b>Westland Holdings Limited</b> | Albert Brantley (Chair, retired 30 June 2019), Joanne Conroy (Chair), Chris Gourley, Chris Rea                                       |
| <b>Destination Westland</b>      | Ian Hustwick (Chair), Deputy Mayor Latham Martin, Richard Benton, Pauline Cox (retired 30 April 2019), Chris Rea (from 27 June 2019) |
| <b>Westroads Limited</b>         | Peter Cuff (Chair), Ross Pickworth, Bryce Thomson, Cr Durham Havill (retired 31 May 2019)  |

# GLOSSARY OF TERMS

## **Activity**

Services provided by, or on behalf of, Council, for example the library.

## **Activity / Asset Management Plan**

A plan for managing an activity ensuring that it has capacity to maintain service, there is a future strategy and work and future costs are planned for.

## **Activity Group**

Several activities grouped together. There are nine activity groups at Westland District Council.

## **Annual Plan**

The Annual Plan is produced in years 2 and 3 of the Long Term Plan. It includes the work programme for the year and financial statements and identify any amendments to the Long Term Plan for that year.

## **Annual Report**

An audited end of financial year report on the performance of Council against the objectives, policies, activities, performance measures, indicative costs, and sources of funds outlined in the Annual Plan and Long Term Plan. Any variances are explained.

## **Asset**

Something that the Council owns on behalf of the community, generally infrastructure.

## **Assumptions**

These are the underlying ideas made by Council that affects financial planning for Council activities.

## **Borrowing**

Raising of loans for capital items, such as water treatment.

## **Capital Expenditure**

Expenditure that will increase the value of Council's assets. Generally replacing an existing asset or building a new one.

## **Capital Value**

Value of land including any improvements.

## **Community**

Everyone who lives and works in Westland District.

## **Consultation**

The dialogue held before decision-making. An exchange of information, points of view and options for decisions between affected people and decision makers.

## **Consultation Document**

A document used to consult on issues. It may contain options and preferred options.

## **Cost of Services**

Relate to a specific activity. This includes the direct and indirect costs that have been allocated to the activity. Indirect costs include interest on public debt, cost of support services and depreciation allowances.

## **Council Controlled Organisation (CCO)**

Defined by s 6 of the Local Government Act. An organisation in which one or more local authorities:

- 50 percent or more shareholding
- 50 percent or more voting rights; or
- Right to appoint 50 percent or more of the directors.

## **Depreciation**

The wearing out, consumption or loss of value of an asset over time.

## **Financial Strategy**

Required under s 101A of the Local Government Act. Council's financial direction, including information around revenue, expenditure, rating, debt and investments.

## **Financial Year**

Runs from 1 July to 30 June of the following year.

## **General Rate**

A rate levied across all properties in a district for activities that benefit the whole district.

## **Income**

Includes fees and licences charged for Council services and contributions by outside parties.

## **Infrastructure**

The assets that provide essential services.

## **Infrastructure Strategy**

Under s 101B of the Local Government Act. A 30 year strategy that at minimum covers roading and footpaths, sewer, stormwater, flood control and water supply.

## **Land Value**

Value of land, excluding any improvements.

## **Levels of Service**

The standard to which Council commits to provide services.

## **Local Government Act 2002**

The legislations that defines the powers and responsibilities of local authorities.

## **Long Term Plan (LTP)**

The ten year plan setting out Council's strategic framework, work programme, performance framework, funding approach and budgets for the next ten years.

## **Operating Expenditure**

Day-to-day spending on expenses such as salaries, utilities and rentals.

## **Operating Revenue**

Money received by way of grants or assistance for provision of particular services, and income generated through activities such as permits and fees.

## **Operating Surplus/(Deficit)**

Accounting terms meaning greater income than expenditure, and greater expenditure than income respectively. This is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.

## **Performance Measures**

Measures used to assessed if the Council is achieving objectives set in the Long Term Plan.

## **Rates**

Funds collected from levies on property. Based on the land value of the property. Can include Uniform Annual General Charges and Targeted Rates.

## **Revenue and Financing Policy**

Describes how the Council's work will be paid for and how funds will be gathered.

## **Significance**

The degree of importance of an issue, proposal, decision or matter, as assessed by the local authority.

**Significance and Engagement Policy**

A policy adopted by Council that enables Council and communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. Describes how and when communities can expect to be engaged in decisions that Council is making.

**Solid Waste**

Waste products that are not liquid or gas, for example, general household rubbish.

**Statement of Cash Flows**

The cash effect of transactions. Broken down into operating, investing and financial activities.

**Statement of Comprehensive Revenue and Expense**

Also known as the Profit and Loss Statement, Income Statement or Operating Statement. Shows the financial results of Council activities at the end of each period, either as surplus or deficit. Does not include asset purchases or disposals.

**Statement of Financial Position**

Also known as the Balance Sheet. The financial state of affairs at a particular time.

**Stormwater**

Water that is discharged during rain and run-off from hard surfaces.

**Subsidies**

Amounts received from other agencies for the provision of services.

**Targeted Rates**

A rate that is for users of a specific service, rather than a general rate. For example, water use.

**Transfer to/from Reserves**

Transfer of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.

**Uniform Annual General Charge (UAGC)**

A portion of the general rate collected for each property. All properties receive equal benefit for services regardless of the rateable value. For example, libraries.

**User Charges**

Charges levied for the use of Council services, for example Building Consent fees.

**Wastewater**

Waste products from homes and businesses.

**Working Capital**

Net current assets held in cash or readily converted to cash, less liabilities due for payment within a year. This is indicative of Council's abilities to meet its obligations as they become due.