

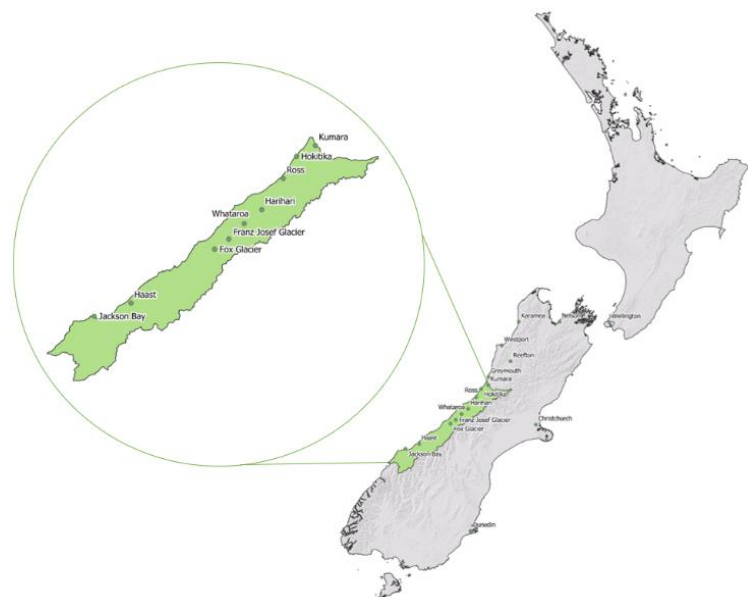


# Draft Annual Report 2020/2021

Te Kahui o Poutini Westland District Council

# District Profile

<b>District Office</b>	36 Weld Street, Hokitika
<b>Postal Address</b>	Private Bag 704, Hokitika
<b>Communications</b>	Phone: (03) 756 9010 Fax: (03) 756 9045 Email: council@westlanddc.govt.nz Website: www.westland.govt.nz
<b>Date of Constitution of District</b>	1 November 1989
<b>Population – Census Night (2018)</b>	11,301
<b>Resident in District (Census 2018)</b>	8,640
<b>Total Area</b>	1,186,272 ha
<b>Rateable Area</b>	141,522 ha
<b>No. of Rateable Assessments</b>	6573
<b>No. of Non-rateable Assessments</b>	772
<b>Rateable Capital Value as at 30 June 2020</b>	\$2,472,434,950
<b>Non-rateable Capital Value as at 30 June 2020</b>	\$611,289,700
<b>Rateable Land Value as at 30 June 2020</b>	\$1,292,793,250
<b>Non-rateable Land Value as at 30 June 2020</b>	\$545,379,000
<b>Date of Last Valuation (by Quotable Valuation Limited)</b>	1 September 2020
<b>Date of Next Valuation (by Quotable Valuation Limited)</b>	1 September 2023
<b>Auditor</b>	Audit New Zealand, on behalf of the Auditor-General
<b>Bankers</b>	Westpac Bank
<b>Insurance Brokers</b>	Aon New Zealand
Cover Photo – Aoraki Mount Cook from Hokitika – Tony Maitland	
Vision statement photo –Kotuku, credit Anonymous	





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

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## 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.*

When reflecting on the 2020/2021 year our thoughts first turn to the external influences that have impacted on our Council operations and capital programmes. The most significant impact being Covid-19 and the Government's response to this.

Our communities have seen first-hand that parts of the Westland economy have suffered badly with the loss of tourism, which is the primary basis for many businesses, particularly in Glacier Country. Through adversity, there have been opportunities offered and Council has seized on these to support the district's wellbeing. These opportunities have materialised in the form of government funding for organisations and local bodies to stimulate economic recovery and asset improvements. Westland District Council successfully applied for funding of \$16.2 million under these funding streams, which has gone towards the following projects although much of this will be received and expensed in the next year:

- Hokitika Swimming Pool – funding of \$3 million to complete structural improvements and equipment modernisation.
- Old Christchurch Rd – funding of \$3.2 million to seal up to 23km of the road, improving road safety and reducing dust pollution to surrounding properties.
- Jackson Bay Wharf - funding of \$1 million to upgrade the wharf and secure its use for at least another 30 years.
- Franz Josef - funding of \$1.5 million to extend sealing and the footpath on Cron St.
- Fox Glacier Landfill remediation – funding of \$3.3 million to complete the removal of rubbish and cap the closed Fox Glacier Landfill site. Part of the funding was used to remove waste from the Fox River bed.
- Butlers Landfill – funding of \$3.3 million to open a new cell at the landfill, extending capacity for approximately 20 years.
- Community Halls and War Memorials – funding of \$900K to upgrade and refurbish community halls and war memorials around the district, such as the Hari Hari War Memorial Gate, Haast Community Hall and Bruce Bay Community Hall.

It has been great to see so many projects get off the ground and support the cultural and economic wellbeing of the district. Westland is made up of strong communities who will pull together and support each other when times are tough, and Council wants to make sure that they have the facilities and resources to do this.

While there has been generous support from the Government for sustaining our communities, Council has also had to continue to undertake significant work around Government reforms, such as new National Policy Statements on Fresh Water and Biodiversity; planning work for significant natural hazards, climate change and the Resource Management Act reform; and the proposed three waters reform. Working with local communities to engage with and understand these reforms involves significant amounts of work. The scale and scope of these aspirational reforms is unprecedented. There is an expectation that local government can keep up with the passage of the



changes but Councils are really stretched to fulfil this expectation and it is unlikely the pace of change can keep up the current momentum.

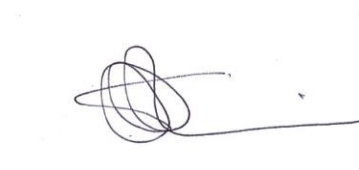
In the early stages of the three waters reform, as part of the engagement process, Council received \$6.9 million towards future three waters asset works. This has allowed Council to upgrade and improve three waters infrastructure for the community – in some cases earlier than we had previously planned. Whilst we acknowledge and appreciate the funding it has come at the cost of councils own ambitious capital works programme as set out in the Long Term Plan, therefore many projects have been carried over to the new financial year.

A highlight for Council was the adoption of the Long Term Plan for 2021 – 2031. A Long Term Plan is 18 months in the making and every department of Council contributes to the final plan. This plan is Council's blueprint for the next three years and lets the community know what services we will provide, what capital work we plan to do, and how we will fund everything. There was strong engagement from the community and this allowed Council understand what is important to the community and to make the right decisions.

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



**Bruce Smith**  
Mayor 2020/2021



**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 2020/2021 as outlined in the Long Term Plan 2018 – 28 (LTP) for year 3, 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 2020/2021 have been complied with.

Council adopted this Annual Report on **xxxxxx**.

**Bruce Smith**  
**Mayor 2020/2021**

**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 Committees and are able to participate in Council Meetings.

On the 22 November 2018, Council approved the Manatu Whakaetanga Partnership Agreement with Te Rūnanga O Ngāti Waewae and Te Rūnanga O Makaawhio. The agreement was signed by Mayor Bruce Smith on behalf of Council and Francois Tumahai on 22 August 2019 and by Paul Madgwick on behalf of Te Rūnanga o Makaawhio on 28 May 2020.

## COUNCILLORS



Photo Credit: Katrina Thornley Photography

*Inset – Kw Paul Madgwick; Back Row – KW Francois Tumahai, Cr Jenny Keogan, Cr Ryan Kennedy, Cr Ian Hartshorne, Cr Paul Davidson; Front Row – Cr Anna Hart, Cr Latham Martin, Mayor Bruce Smith, Deputy Mayor David Carruthers, Cr Jane Neale.*

<b>Mayor</b>	Mayor Bruce Smith	<a href="mailto:mayor.smith@westlanddc.govt.nz">mayor.smith@westlanddc.govt.nz</a>
<b>Hokitika Ward</b>	Deputy Mayor David Carruthers	<a href="mailto:cr.carruthers@westlanddc.govt.nz">cr.carruthers@westlanddc.govt.nz</a>
	Cr Paul Davidson	<a href="mailto:cr.davidson@westlanddc.govt.nz">cr.davidson@westlanddc.govt.nz</a>
	Cr Latham Martin	<a href="mailto:cr.martin@westlanddc.govt.nz">cr.martin@westlanddc.govt.nz</a>
<b>Northern Ward</b>	Cr Anna Hart	<a href="mailto:cr.hart@westlanddc.govt.nz">cr.hart@westlanddc.govt.nz</a>
	Cr Jenny Keogan	<a href="mailto:cr.keogan@westlanddc.govt.nz">cr.keogan@westlanddc.govt.nz</a>
	Cr Jane Neale	<a href="mailto:cr.neale@westlanddc.govt.nz">cr.neale@westlanddc.govt.nz</a>
<b>Southern Ward</b>	Cr Ian Hartshorne	<a href="mailto:cr.hartshorne@westlanddc.govt.nz">cr.hartshorne@westlanddc.govt.nz</a>
	Cr Ryan Kennedy	<a href="mailto:cr.kennedy@westlanddc.govt.nz">cr.kennedy@westlanddc.govt.nz</a>

## RŪNANGA REPRESENTATIVES

Francois Tumahai - Chair Te Rūnanga o Ngāti Waewae

Paul Madgwick – Chair Te Rūnanga o Makaawhio

## EXECUTIVE TEAM



*Photo Credit: Tony Maitland.*

### **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.

**Scott Baxendale**

Group Manager: District Assets

Telephone: 03 756 9034

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

As Group Manager: District Assets, Scott's primary responsibility is to oversee the operation, maintenance and improvement of Council's infrastructural assets. These include roading, 3 water services, recreational assets, cemeteries, land and buildings, and solid waste disposal. Scott is also responsible for the development of Asset Management / Activity Management Plans and long-term infrastructure strategies.

**Fiona Scadden**

Planning 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.

**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. Lesley'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.

**Te Aroha Cook**

Group Manager: Regulatory and Community Services

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 and community services functions of Council. This includes Building Control, Animal Control, Environmental Health, Liquor Licencing, Compliance, and associated Bylaws, the Museum and Library. 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.

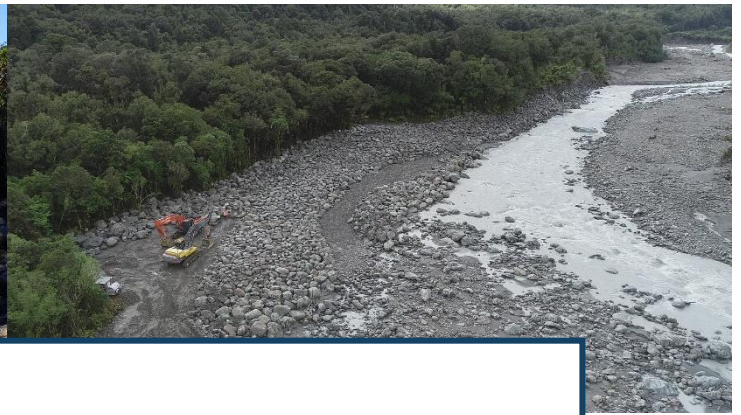
**Diane Maitland**

Executive Assistant

Telephone: 03 756 9038

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

As Executive Assistant, 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.



**Fox Glacier Landfill restitution**

Council received funding through the Covid-19 Shovel Ready Funding to complete the removal of waste from the closed Fox Glacier Landfill and to cap the site. This work involved taking 16,000 tonnes of cleared waste from Fox Glacier landfill to Butlers landfill near Hokitika by truck. The landfill was capped and 1100 m3 of rock was used to repair the riverbank.

**Long Term Plan**

The Long Term Plan 2021 – 2031 was adopted on 30 June 2021. Council were grateful to be gifted the name 'Te Kahui o Poutini' by Poutini Ngāi Tahu.

**Westland District Council  
Te Kahui o Poutini**

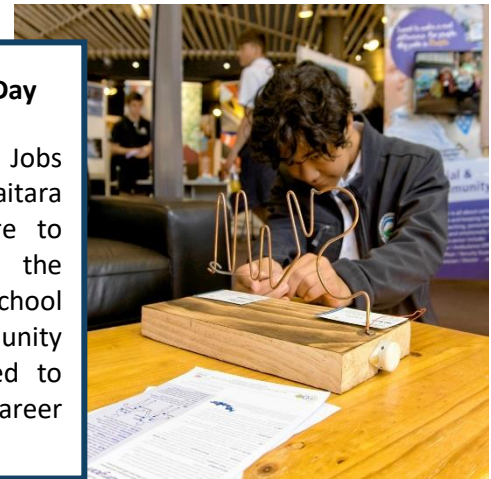


**Long Term Plan 2021-2031**



**Inspire to Aspire Careers Day**

The Mayors Taskforce for Jobs took over the Pakiwaitara building to bring 'Inspire to Aspire' careers day to the Westland District. School students and community members were connected to local businesses and career options.



**Emergency Generator for Fox Glacier**

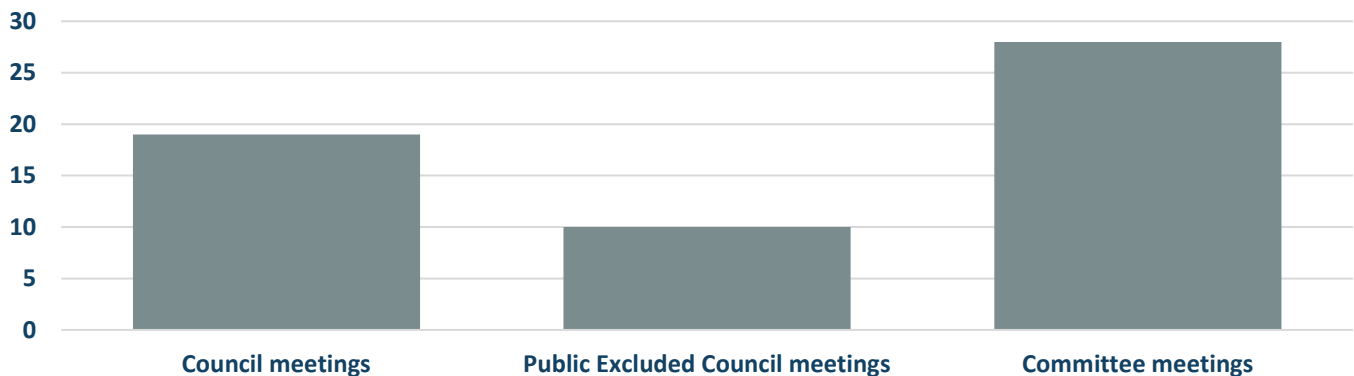
The Fox Community Recovery Group were able to fund the installation of a generator to support the Fox Glacier Community Centre provide welfare support in an emergency after successful funding applications to the Lotteries Community Grant and the Community Capability Resilience Fund.



## PERFORMANCE AT A GLANCE

**19 Council meetings; 28 Committee meetings; LGOIMA requests decreased 16%; 2586 Facebook followers; ~600 subscribers to Westland Matters**

2020/2021 Council & Committee meetings



**92 Resource consents issued**

**97.73% of building consents issued within 20 days**

**11 new liquor licences issued**

**2033 dogs registered**

**229 dog control complaints**

**11 groups received Sport NZ Rural Travel Funds**

**Mayors Taskforce for Jobs 92.8% success rate**

- **40% increase in Swim School participants;**
- **Up to 46,355 users on the West Coast Wilderness Trail;**
- **3872 people attended events at the library;**
- **Elderly housing occupied 99% of the time;**
- **Over 9,000 people attended Hokitika Wildfoods festival**

**4.9% of the road network resurfaced**

**100% compliance with stormwater discharge**

**New cell opened at Butlers landfill**

**New water treatment plant at Arahura**





# FINANCIAL PERFORMANCE

## FINANCIAL STATISTICS

	2020/2021	2019/2020	2018/19	2017/18	2016/17
Proportion of general rates to total income	22%	27%	25%	29%	33%
Average general rates per rateable property	1,200	1,169	1,028	1,019	1,073
Public debt (as a percentage of property, plant & equipment)	5%	5%	5%	4%	4%
Public debt (per rateable property)	3,317	2,994	2,832	2,698	2,514

## FINANCIAL PERFORMANCE SUMMARY

	2020/2021 \$000	2019/2020 \$000	2018/19 \$000	2017/18 \$000	2016/17 \$000
Rates - general	7,891	7,658	6,761	6,808	7,166
Net surplus/(deficit)	7,640	3,428	1,084	238	(1,325)
Working capital	1,652	2,037	3,634	1,181	3,993
Public debt	21,818	19,618	18,618	18,018	16,790
Total assets	444,525	427,085	422,163	449,340	447,632

# DISCLOSURE STATEMENT

The following information is the annual report disclosure statement for year ending 30 June 2021.

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

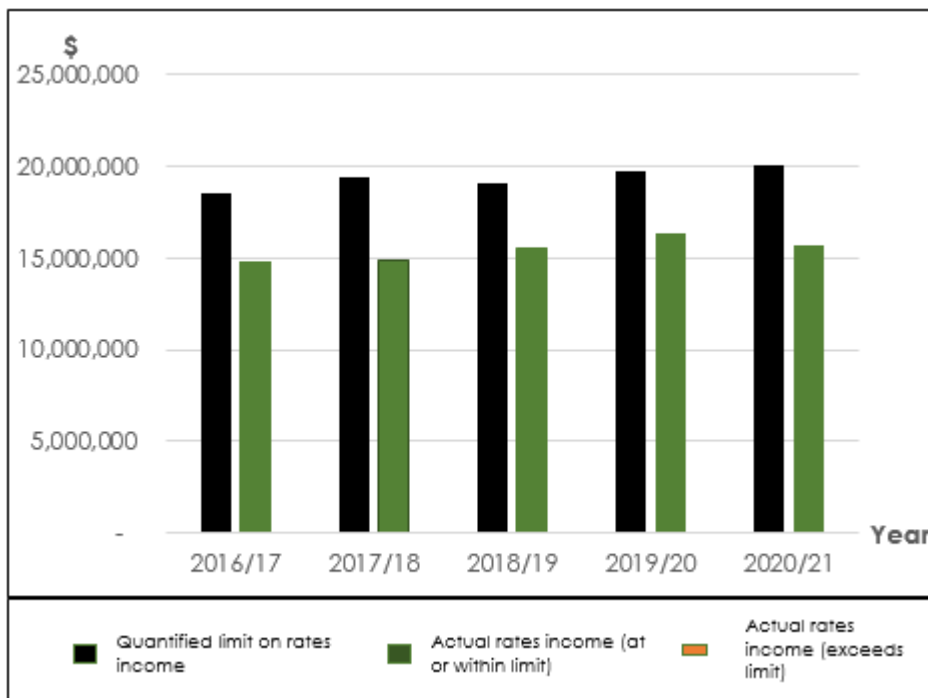
Council meets the rates affordability benchmark if -

- 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 \$20,048,000.

Council has met this measure in the 2020/2021 financial year: rates do not exceed the rates (income) affordability benchmark.

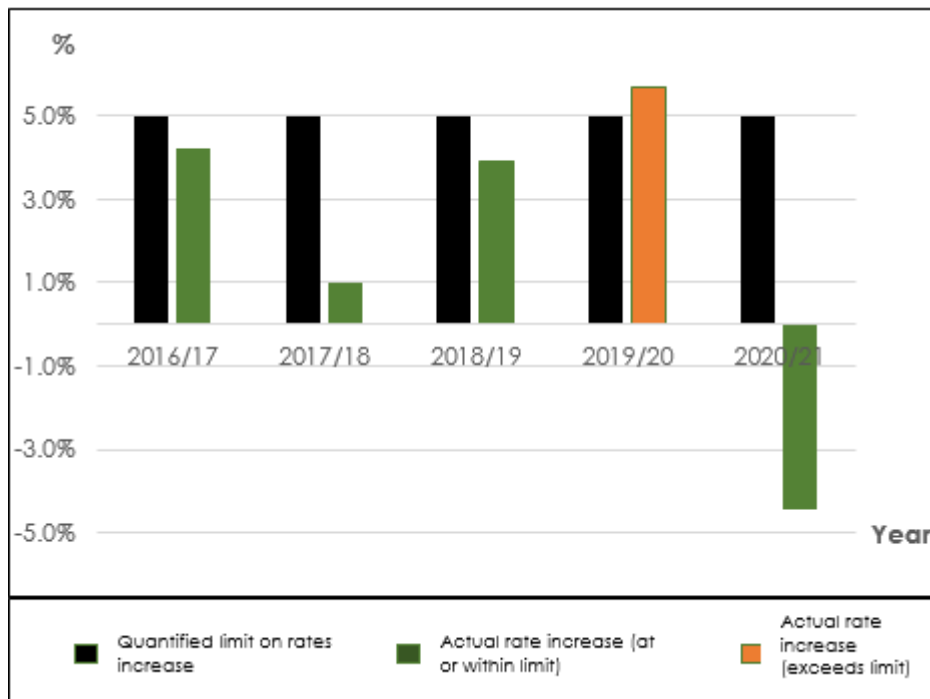
### Rates (income) affordability



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 2020/2021 financial year: rates did not exceed the rates (increases) affordability benchmark.

## Rates (increases) affordability

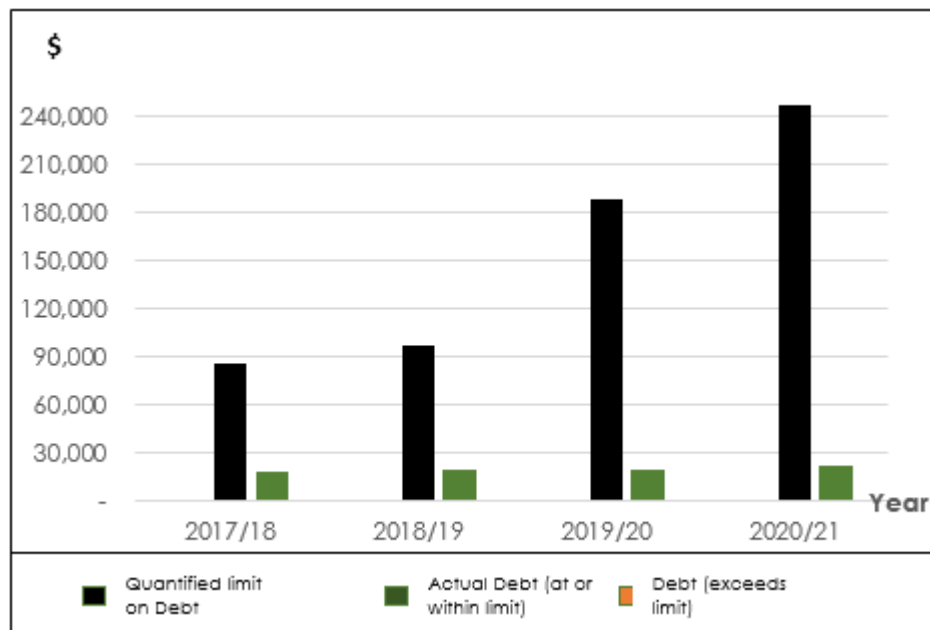


## 2. Debt affordability benchmark

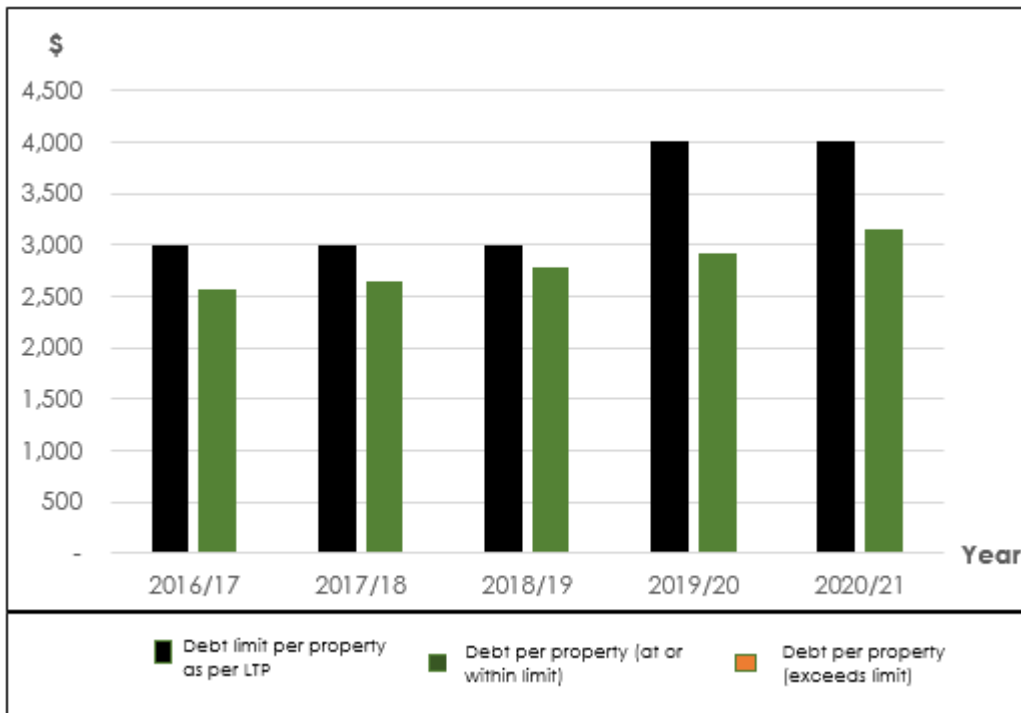
Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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 2020/2021 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 \$3,150 therefore this measure has been met. (The limit was increased from \$3,000 to \$4,000 by Council during the Long Term Plan process).

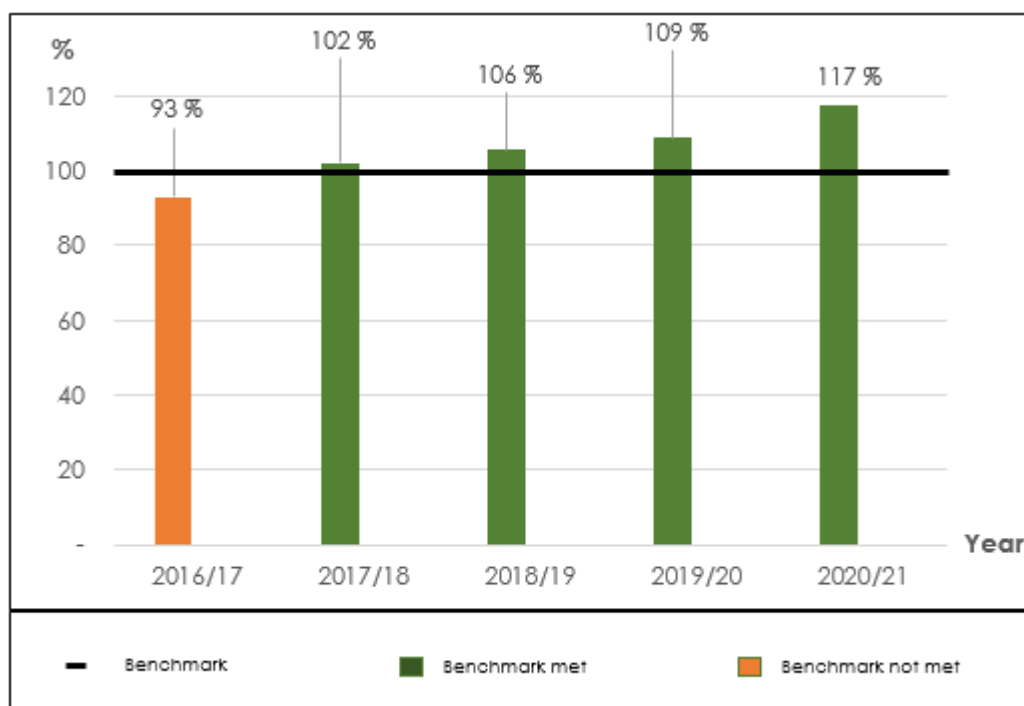


### 3. Balanced budget benchmark

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 2020/2021 financial year.

### Revenue / Expenditure (%)

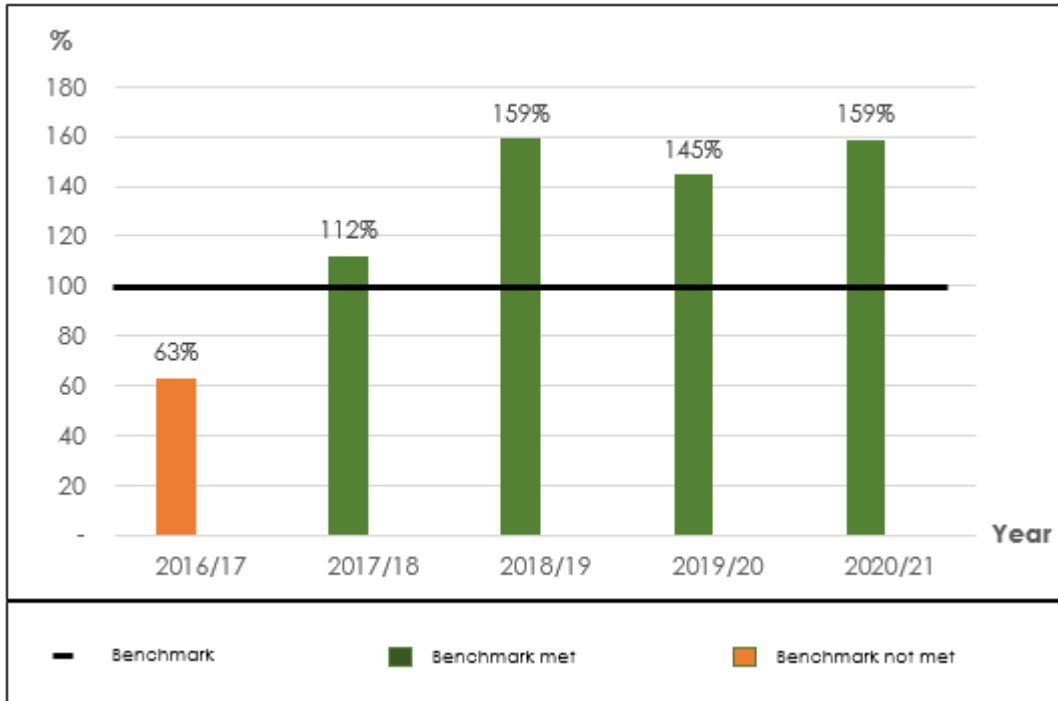


#### 4. Essential services benchmark

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 2020/2021 financial year.

#### Capital expenditure / Depreciation (%)



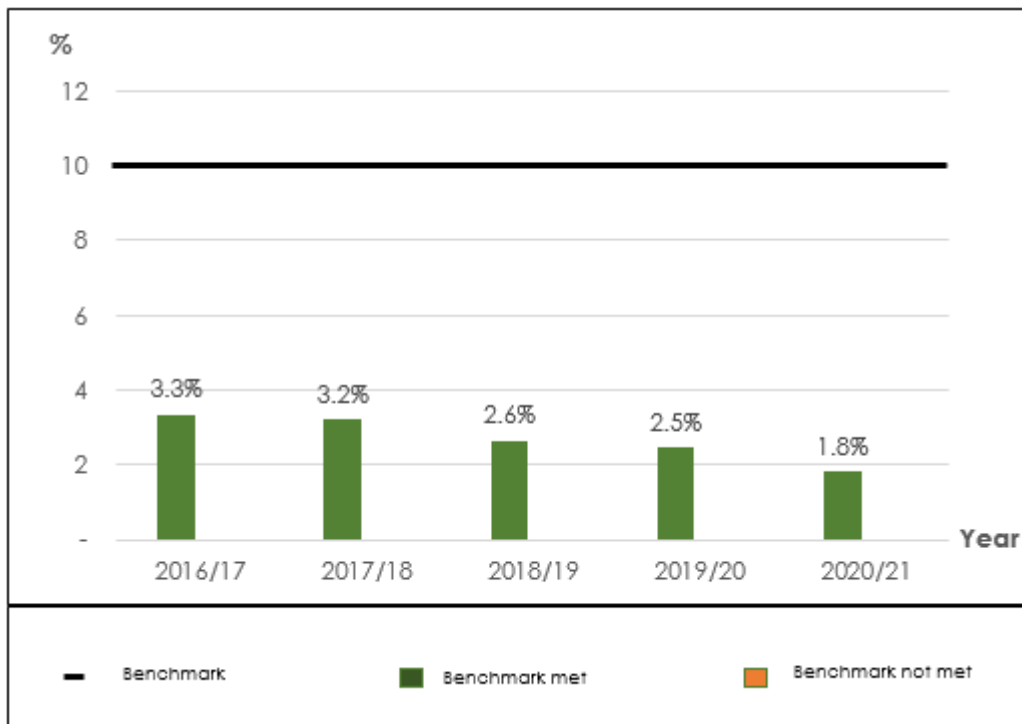
#### 5. Debt servicing benchmark

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 2020/2021 financial year.

### Borrowing costs/Revenue (%)

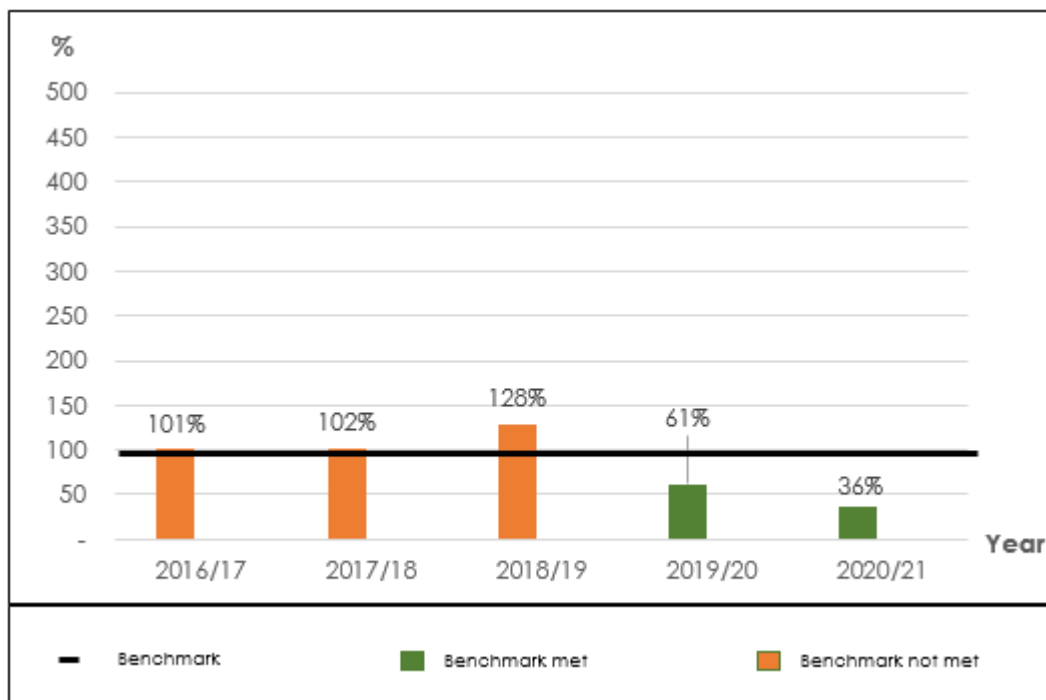


### 6. Debt control benchmark

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 been met in the 2020/2021 financial year.

### Actual / Budgeted net debt (%)



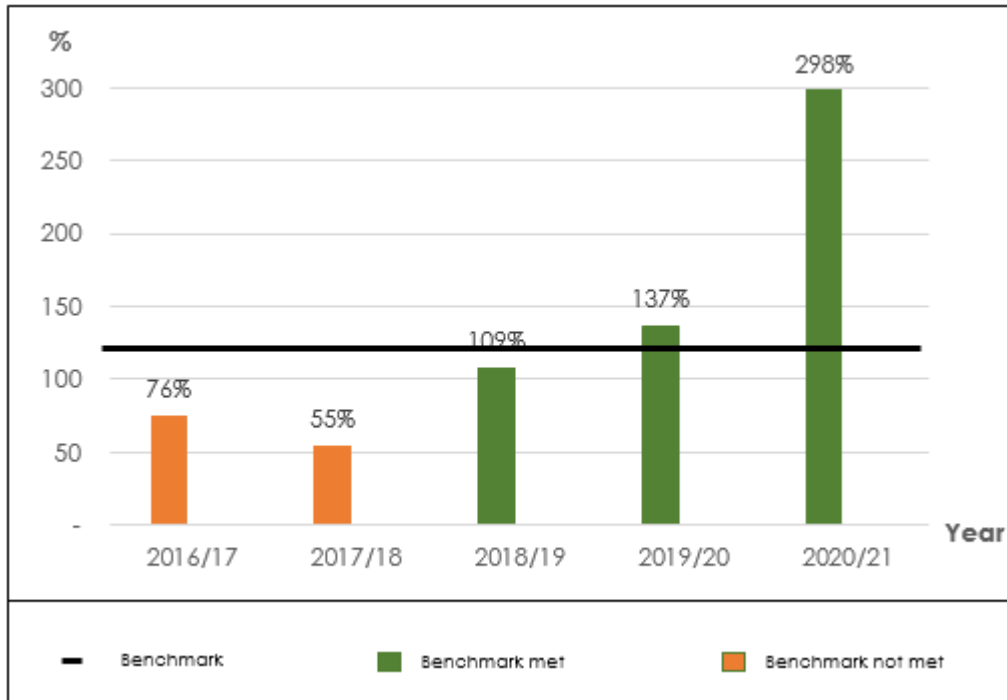
### 7. Operations control benchmark

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 2020/2021 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 2021

Statement of Comprehensive Revenue and Expense						
	Council Actual 30 June 2021 \$000	Council Budget 30 June 2021 \$000	Council Actual 30 June 2020 \$000	Group Actual 30 June 2021 \$000	Group Actual 30 June 2020 \$000	Notes
<b>Revenue</b>						
Rates	15,670	15,907	16,396	15,548	16,396	3
Grants and subsidies	13,538	5,593	7,396	14,552	8,744	3
Interest revenue	51	43	42	53	42	3
Fees and charges	2,050	1,947	1,663	2,050	1,663	3
Other revenue	3,976	1,209	3,318	30,560	30,928	3
<b>Total operating revenue</b>	<b>35,285</b>	<b>24,700</b>	<b>28,815</b>	<b>62,764</b>	<b>57,773</b>	
<b>Expenditure</b>						
Employee benefit expenses	4,731	4,236	4,036	17,146	17,538	4
Finance costs	606	867	702	970	1,130	5
Depreciation and amortisation	7,555	7,141	7,131	10,125	9,619	13 & 14
Other expenses	14,803	12,373	13,518	27,148	24,412	6
<b>Total operating expenditure</b>	<b>27,695</b>	<b>24,616</b>	<b>25,387</b>	<b>55,389</b>	<b>52,699</b>	
<b>Income tax expenses/(benefit)</b>						
Income tax expenses/(benefit)	(50)	-	-	49	478	7
<b>Income tax expenses/(benefit)</b>	<b>(50)</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>478</b>	
<b>Operating Surplus/(Deficit)</b>	<b>7,640</b>	<b>84</b>	<b>3,428</b>	<b>7,325</b>	<b>4,597</b>	
<b>Other comprehensive revenue and expense</b>						
Gain on revaluation of assets	1,877	473	-	2,353	-	13
Tax benefit/(expense) on revaluation deficit/(surplus)	23	-	-	23	-	7
Revaluation losses on disposal of assets	(294)	-	-	(294)	-	13
<b>Other Comprehensive Revenue and Expenses Subtotal</b>	<b>1,605</b>	<b>473</b>	<b>-</b>	<b>2,081</b>	<b>-</b>	
<b>Total comprehensive revenue and expense/(deficit) for the year attributable to Council</b>	<b>9,245</b>	<b>556</b>	<b>3,428</b>	<b>9,406</b>	<b>4,597</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 2021

Statement of Changes in Equity					
	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
Balance at 1 July	399,911	394,619	396,484	405,736	401,139
Total comprehensive income	9,245	556	3,428	9,406	4,597
Prior year lease restatement	-	-	-	(5)	-
<b>Balance at 30 June</b>	<b>409,156</b>	<b>395,175</b>	<b>399,912</b>	<b>415,138</b>	<b>405,736</b>

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

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

# Statement of Financial Position

For the year ended 30 June 2021

Statement of Financial Position						
	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000	Notes
<b>Assets</b>						
<b>Current assets</b>						
Cash & cash equivalents	11,411	3,689	5,123	12,647	5,983	8
Debtors & other receivables	4,361	5,251	4,211	8,075	8,462	9
Inventory	-	-	-	727	666	10
Tax Refundable	1	-	-	1	-	7
Work in progress	-	-	-	20	222	13
Other financial assets	48	-	48	48	48	12
<b>Total Current Assets</b>	<b>15,821</b>	<b>8,941</b>	<b>9,382</b>	<b>21,517</b>	<b>15,381</b>	
<b>Non-current assets</b>						
Council Controlled Organisation	8,695	8,695	8,695	-	-	12
Intangible assets	65	329	75	65	74	14
Assets Under Construction	10,088	1,474	2,955	10,897	3,021	13
Derivative financial instruments	94	-	-	94	-	11
Other Financial Assets	394	366	314	394	314	12
Deferred tax	37	-	-	-	-	7
Investment property	-	-	-	1,010	1,010	13A
Property, Plant and Equipment	409,369	407,540	405,665	427,911	423,819	13
Term Inventory	-	-	-	327	299	10
<b>Total Non-current assets</b>	<b>428,742</b>	<b>418,405</b>	<b>417,703</b>	<b>440,699</b>	<b>428,537</b>	
<b>Total Assets</b>	<b>444,563</b>	<b>427,346</b>	<b>427,085</b>	<b>462,215</b>	<b>443,919</b>	
<b>Liabilities</b>						
<b>Current liabilities</b>						
Creditors & other payables	4,082	2,807	3,407	6,283	5,863	15
Employee benefit liabilities	436	374	476	1,929	1,898	17
Tax payable	-	3	3	-	565	7
Borrowings	3,000	-	3,000	4,430	3,891	18
Derivative financial instruments	94	-	34	94	34	11
Other	6,554	395	425	6,685	450	18
<b>Total Current Liabilities</b>	<b>14,166</b>	<b>3,579</b>	<b>7,345</b>	<b>19,420</b>	<b>12,701</b>	
<b>Non-current liabilities</b>						
Deferred Tax	-	32	32	232	202	7
Employee benefit liabilities	41	38	42	182	148	17
Provisions	1,846	2,222	2,040	1,846	2,040	16
Borrowings	18,818	25,626	16,618	24,861	21,995	18
Derivative financial instruments	536	673	1,097	536	1,097	11
<b>Total Non-Current Liabilities</b>	<b>21,241</b>	<b>28,591</b>	<b>19,829</b>	<b>27,657</b>	<b>25,482</b>	
<b>Total Liabilities</b>	<b>35,407</b>	<b>32,170</b>	<b>27,174</b>	<b>47,077</b>	<b>38,183</b>	
<b>Net Assets</b>	<b>409,156</b>	<b>395,175</b>	<b>399,911</b>	<b>415,138</b>	<b>405,736</b>	

	<b>Council Actual \$ 30 June 2021 \$000</b>	<b>Council Budget \$ 30 June 2021 \$000</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2021 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Notes</b>
<b>Equity</b>						
Retained earnings	158,744	142,381	151,089	164,250	156,913	19
Restricted Reserves	10,538	10,774	9,038	10,538	9,038	19
Revaluation reserves	239,788	241,956	239,721	240,264	239,721	19
Other comprehensive revenue and expense reserve	87	64	64	87	64	19
<b>Equity</b>	<b>409,156</b>	<b>395,175</b>	<b>399,912</b>	<b>415,138</b>	<b>405,736</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 2021

Cash Flow Statement						
	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000	Notes
<b>Net Cashflow Operating Activities</b>						
Cash was provided from:						
Rates Revenue	16,579	15,775	16,589	16,457	16,375	
Fees, charges, and other receipts (including donations)	1,759	1,947	1,409	1,759	1,409	
Interest Received	48	43	32	48	32	
Dividends received	220	250	200	-	-	
Grants and Subsidies	17,330	4,759	7,941	18,344	9,288	
Other Revenue	1,617	1,209	1,200	30,677	27,802	
<b>Cash was provided from:</b>	<b>37,553</b>	<b>23,983</b>	<b>27,371</b>	<b>67,285</b>	<b>54,907</b>	
Cash was applied to:						
Payment Staff & Suppliers	17,659	16,644	16,279	43,757	38,897	
Interest Paid	579	867	733	983	1,161	
Income tax paid	1	-	-	563	230	
<b>Cash was applied to:</b>	<b>18,240</b>	<b>17,511</b>	<b>17,012</b>	<b>45,303</b>	<b>40,288</b>	
<b>Net Cashflow Operating Activities</b>	<b>19,313</b>	<b>6,472</b>	<b>10,359</b>	<b>21,982</b>	<b>14,619</b>	
<b>Net Cashflow Investment Activities</b>						
Cash was provided from:						
Proceeds from Investments realised	-	-	-	46	-	
Proceeds sale of property, plant and equipment	2	-	-	242	690	
Movement in Westpac bonds	-	-	-	-	-	
<b>Cash was provided from:</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>288</b>	<b>690</b>	
Cash was applied to:						
Purchase of property, plant and equipment	15,113	10,907	8,739	18,924	12,575	
Purchase of investment property	-	90	-	-	1	
Purchase of intangibles	117	-	74	117	74	
Purchase of Investments	-	-	16	-	16	
<b>Cash was applied to:</b>	<b>15,230</b>	<b>10,997</b>	<b>8,829</b>	<b>19,041</b>	<b>12,666</b>	
<b>Net Cashflow Investment Activities</b>	<b>(15,228)</b>	<b>(10,997)</b>	<b>(8,829)</b>	<b>(18,753)</b>	<b>(11,976)</b>	
<b>Net Cashflow Finance Activities</b>						
Cash was provided from:						
Proceeds from borrowings	2,200	5,383	1,000	6,309	1,826	
Capital works loan repayments	3	-	3	3	3	
<b>Cash was provided from:</b>	<b>2,203</b>	<b>5,383</b>	<b>1,003</b>	<b>6,312</b>	<b>1,829</b>	
Cash was applied to:						
Repayment of borrowings	-	-	-	3,356	1,505	
<b>Cash was applied to:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,356</b>	<b>1,505</b>	
<b>Net Cashflow Finance Activities</b>	<b>2,203</b>	<b>5,383</b>	<b>1,003</b>	<b>2,956</b>	<b>324</b>	

<b>Cash Balance</b>						
Cash Balance						
Net increase/(decrease) in cash held	6,288	858	2,534	6,185	2,967	
Total cash resources at start of the year	5,123	2,831	2,589	5,979	3,012	
<b>Cash Balance</b>	<b>11,411</b>	<b>3,689</b>	<b>5,123</b>	<b>12,164</b>	<b>5,979</b>	
Cash & cash equivalents	11,411	3,689	5,123	12,647	5,983	8
Bank overdraft	-	-	-	(483)	(4)	
<b>Cash Balance</b>	<b>11,411</b>	<b>3,689</b>	<b>5,123</b>	<b>12,164</b>	<b>5,979</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

For the year ended 30 June 2021

<b>Reconciliation of net surplus/(deficit) after tax to net cash flow from Operating Activities</b>				
	<b>Council Actual \$ 30 June 2021 \$000</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2021 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>
<b>Surplus/(deficit) after tax</b>	<b>7,640</b>	<b>3,428</b>	<b>7,325</b>	<b>4,597</b>
<b>Add/(Less) non-cash items</b>				
Depreciation and amortisation	7,555	7,131	10,125	9,774
Increase/(decrease) in provision for doubtful debts	51	(14)	52	(5)
Increase/(decrease) in employee entitlements	(1)	75	34	88
Increase/(decrease) in deferred tax	(69)	-	30	(84)
(Gain)/loss on fair value of investment property	-	-	(50)	25
Unrealised landfill after care costs	(79)	(385)	(79)	(255)
Vested asset	(2,181)	(1,500)	(2,181)	(1,500)
Impairment of goodwill	-	-	-	-
Assets written off	391	-	393	
(Gain)/loss in interest rate swap		249		249
	<b>5,667</b>	<b>5,556</b>	<b>8,324</b>	<b>8,292</b>
<b>Add/(less) items classified as investing or financing activities</b>				
(Gains)/losses on sale of assets	(2)	239	(32)	32
(Gains)/losses on disposal of intangibles	104	-	104	-
Dividends to equity holders	-	-	-	-
Net loss/(gain) on sale of investment property	-	-	4	-
LGFA Floating Rate Securities	(82)	-	(82)	-
Change in fair value of interest swap	(596)	-	(596)	-
(Gain)/Loss on assets supplied by subsidiary	-	-	344	-
Capital creditors	-	(54)	-	(21)
<b>Total current portion</b>	<b>(576)</b>	<b>185</b>	<b>(257)</b>	<b>11</b>
<b>Add/(less) movements in working capital</b>				
Debtors and other receivables	(201)	476	1,972	(66)
Inventories	-	-	(90)	493
Work in progress	-	-	(3)	-
Creditors and other payables	1,394	606	(292)	347
Deferred income	5,410	-	5,516	5
Employee entitlements	(41)	108	30	608
Taxation provision	18	-	(544)	333
	<b>6,581</b>	<b>1,190</b>	<b>6,590</b>	<b>1,720</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>19,313</b>	<b>10,359</b>	<b>21,982</b>	<b>14,619</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 2021

<b>Funding Impact Statement for Whole of Council</b>				
	<b>Annual Plan 2020 \$000</b>	<b>Annual Report 2020 \$000</b>	<b>Annual Plan 2021 \$000</b>	<b>Actual 2021 \$000</b>
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>				
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	9,803	7,487	7,723	7,603
Targeted Rates	6,669	8,909	8,184	8,068
Subsidies and grants for operating purposes	2,078	3,193	2,896	3,751
Fees and charges	2,171	1,663	1,947	2,050
Interest and dividends from investments	602	242	293	271
Local authorities fuel tax, fines, infringement fees, and other receipts	502	3,118	959	1,573
<b>Total Operating Funding (A)</b>	<b>21,825</b>	<b>24,612</b>	<b>22,002</b>	<b>23,316</b>
Applications of Operating Funding				
Payments to staff and suppliers	15,961	17,392	16,609	19,143
Finance Costs	740	702	867	606
Other operating funding applications	-	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>16,701</b>	<b>18,094</b>	<b>17,475</b>	<b>19,749</b>
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>5,124</b>	<b>6,518</b>	<b>4,527</b>	<b>3,567</b>
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	2,259	4,202	2,697	9,787
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	3,893	1,000	5,383	2,200
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>6,152</b>	<b>5,202</b>	<b>8,081</b>	<b>11,987</b>
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	41	29	31	3,032
- to improve the level of service	6,414	8,430	6,000	6,986
- to replace existing assets	4,702	4,812	5,102	5,212
Increase (decrease) in reserves	119	(1,551)	1,475	324
Increase (decrease) of investments	-	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>11,276</b>	<b>11,720</b>	<b>12,608</b>	<b>15,553</b>
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(5,124)</b>	<b>(6,518)</b>	<b>(4,527)</b>	<b>(3,567)</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 2021.

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.

### *Service Performance Reporting*

In November 2017, the XRB issued PBE FRS 48 Service Performance Reporting. This replaces the service performance reporting requirements of PBE IPSAS 1 and establishes requirements for the reporting of service performance information in order to better meet the needs of users of general purpose financial reports of public benefit entities. PBE FRS 48 is effective for annual periods beginning on or after 1 January 2022 due to amendments issued in August 2020, with early application permitted. The Council has not yet assessed the effects of the new standard.

### *Statement of Cash Flows*

In September 2014, the XRB issued PBE IPSAS 2 Statement of Cash Flows. This requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The council and group do not intend to early adopt the amendment.

## **CHANGES IN ACCOUNTING POLICIES**

There have been no changes to accounting policy during the financial year.

## **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.

The Council and group has adopted the new group standards, PBE IPSAS 34, 35 and 38, in preparing these financial statements. In adopting these new standards, the Council and group has updated its accounting policies for its investments in subsidiaries. Disclosures have also been updated for the new disclosure requirements of PBE IPSAS 38.

## **SUBSIDIARIES**

Subsidiaries are those entities in which Council has control. Westland Holdings Ltd is Council's direct reporting subsidiary. As of 30 June 2021, this company controls two Council Controlled Organisations which are reporting entities under the Local Government Act 2002. As at 30 June 2021 the Group consists of Destination Westland Ltd and Westroads Ltd. Investments in subsidiaries are recorded at cost in the Council's parent financial statements. 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 2020/2021 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

## **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing the financial forecasts and statements the Council has 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 \$ 30 June 2021 \$000</b>	<b>Council Budget \$ 30 June 2021 \$000</b>	<b>Council Actual \$ 30 June 2020 \$000</b>
<b>Revenue</b>			
Community Services	1,694	847	1,027
Leadership	9,314	872	7,852
Leisure services and facilities	3,381	8,340	3,488
Planning & Regulatory	1,623	1,521	1,661
Solid Waste	3,194	1,668	1,529
Stormwater	592	584	564
Transportation	7,827	4,173	3,226
Wastewater	1,677	1,401	2,534
Water Supply	4,126	4,037	4,599
less internal overhead recoveries	(6,178)	(6,684)	(5,423)
General Rates	8,035	7,941	7,758
<b>Total operating revenue</b>	<b>35,285</b>	<b>24,700</b>	<b>28,815</b>
-			
<b>Expenditure</b>			
Community Services	2,292	1,562	1,559
Leadership	8,266	8,966	8,179
Leisure services and facilities	4,302	3,609	3,852
Planning & Regulatory	3,189	3,171	3,011
Solid Waste	2,314	2,410	2,018
Stormwater	913	760	662
Transportation	7,443	6,231	7,020
Wastewater	1,578	1,305	1,297
Water Supply	3,576	3,286	3,212
less internal overhead expenses	(6,178)	(6,684)	(5,423)
<b>Total operating expenditure</b>	<b>27,695</b>	<b>24,616</b>	<b>25,387</b>
<b>Operating Surplus/(Deficit)</b>	<b>7,591</b>	<b>84</b>	<b>3,428</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.

Amendments to the Local Government (Rating) Act 2002 introduced a new power to local authority Chief Executives to write off rates. The Chief Executive has not written off any rates during the 2020/2021 year.

RATES REVENUE					
	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
<b>Gross rates</b>					
<b>General rates</b>					
General rates	7,891	7,778	7,658	7,774	7,658
Penalties	145	163	100	145	100
<b>Total general-purpose rates</b>	<b>8,036</b>	<b>7,941</b>	<b>7,758</b>	<b>7,919</b>	<b>7,758</b>
<b>Targeted rates</b>					
Community rates	2,055	2,055	2,013	2,055	2,013
Sewerage rates	1,278	1,278	1,274	1,278	1,274
Tourism rates	475	475	475	475	475
Enterprise Hokitika rates (DH)	37	37	39	37	39
Waste management	765	765	762	765	762
<b>Total targeted rates excluding water rates</b>	<b>4,610</b>	<b>4,611</b>	<b>4,562</b>	<b>4,610</b>	<b>4,562</b>
<b>Water rates</b>					
Metered water supply	394	511	495	388	495
Westland Milk Products water rate	2,096	2,096	2,894	2,096	2,894
Other water rates	967	967	957	967	957
<b>Total targeted water rates</b>	<b>3,457</b>	<b>3,574</b>	<b>4,347</b>	<b>3,451</b>	<b>4,347</b>
<b>Total rates revenue (gross of remissions)</b>	<b>16,103</b>	<b>16,125</b>	<b>16,667</b>	<b>15,980</b>	<b>16,667</b>
<b>Net rates</b>					
<b>Rates remissions</b>					
Remissions and write offs	389	173	235	389	235
Rates discounts	44	45	36	44	36
<b>Total rates remissions</b>	<b>433</b>	<b>218</b>	<b>271</b>	<b>433</b>	<b>271</b>
<b>Total remissions</b>	<b>433</b>	<b>218</b>	<b>271</b>	<b>433</b>	<b>271</b>
<b>Total rates revenue net of remissions</b>	<b>15,670</b>	<b>15,907</b>	<b>16,396</b>	<b>15,547</b>	<b>16,396</b>

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$253,672 (2020: \$206,261). For the Group, rates of \$253,672 (2020: \$328,695) 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

FINANCE REVENUE AND OTHER REVENUE					
	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
<b>Finance revenue</b>					
Call and current account interest	2	35	3	4	3
Term deposit interest	38	-	25	38	25
Interest on bonds		-	-	-	-
Other interest	7	8	9	7	9
Borrower notes	3	-	5	3	5
<b>Total finance revenue</b>	<b>51</b>	<b>43</b>	<b>42</b>	<b>53</b>	<b>42</b>
<b>Subsidies and grants</b>					
NZTA Government grants	3,991	4,083	3,227	3,991	3,227
Tourism Infrastructure grants	179	870	3,285	179	3,285
West Coast Wilderness Trail grants	390	-	409	390	409
Provincial Growth Funding: 3 Waters	956	-	-	956	-
Provincial Development Unit: Infrastructure grants	6,357	-	-	6,357	-
Provincial Development Unit: Halls and War Memorials renovations grant	274	-	-	274	-
Regional Culture and Heritage: Cranegie building strengthening grant	208	-	-	208	-
Mayors Task Force for Jobs grant	642	-	-	642	-
Other	541	641	475	1,555	1,823
<b>Total subsidies and grants</b>	<b>13,538</b>	<b>5,593</b>	<b>7,396</b>	<b>14,552</b>	<b>8,744</b>
<b>Fees and charges</b>					
Landfill fees	861	897	737	861	737
Building and resource consent fees	171	140	159	171	159
Regulatory fees	589	528	572	589	572
Other fees and charges	430	382	195	430	195
<b>Total fees and charges</b>	<b>2,050</b>	<b>1,947</b>	<b>1,663</b>	<b>2,050</b>	<b>1,663</b>
<b>Other revenue</b>					
Dividend revenue	220	250	200	-	-
Donations	17	3	1	17	1
Gain on interest rate swaps	677	202	332	677	332
Infringements and fines	4	15	20	4	20
Petrol tax	136	126	130	136	130
Property, plant and equipment: gain on disposal	2	-	-	77	360
Regulatory revenue	134	135	160	134	160
Subvention receipts	-	240	200	-	-
Other revenue	2,786	238	2,275	29,515	29,925
<b>Total other revenue</b>	<b>3,976</b>	<b>1,209</b>	<b>3,318</b>	<b>30,560</b>	<b>30,928</b>
<b>Total Finance Revenue and Other Revenue</b>	<b>19,615</b>	<b>8,792</b>	<b>12,419</b>	<b>47,215</b>	<b>41,377</b>

\*Other income includes vested income of \$2.181m arising from the fair value gain on initial recognition of Westland Sports Hub structures transferred to Westland District Council and a new shed, at Heritage Park, funded by Lotto NZ.

There are some unfulfilled conditions or contingencies attached to the subsidies and grants recognised and the value of the unspent portion (\$5.951m) is treated as income received in advance. All conditions are expected to be fulfilled in the subsequent financial year.

#### *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 local roads 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 but where conditions have not been fulfilled in the current year, the value of unfulfilled expenditure is transferred from revenue to Grants Received in Advance

#### (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 future 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 \$ 30 June 2021 \$000</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2021 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>
Not later than one year	-	-	86	127
Later than one year and not later than five years	-	-	119	156
Later than five years	-	-	115	141
<b>Total non-cancellable operating leases</b>	<b>-</b>	<b>-</b>	<b>320</b>	<b>424</b>

No contiguous 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

	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
Salaries and wages	4,522	4,112	3,842	16,333	16,338
Employer contributions to superannuation schemes and benefits	139	124	119	637	611
Increase/(decrease) in employee entitlements	70	-	75	176	589
<b>Total employee benefit expenses</b>	<b>4,731</b>	<b>4,236</b>	<b>4,036</b>	<b>17,146</b>	<b>17,538</b>

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

## PERSONNEL COSTS

	Council Actual \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000
<b>Chief Executive</b>		
Salary	239,706	239,700
Superannuation contribution	7,191	7,191
<b>Total Chief Executive's remuneration</b>	<b>246,897</b>	<b>246,891</b>

### Elected representatives received the following remuneration:

B. Smith	Mayor	87,866	86,325
D. Carruthers	Councillor/ Deputy Mayor	47,913	43,021
H. Lash	Councillor/Deputy Mayor - last date 16/10/2019		7,915
L. Martin	Councillor/Committee Chair	37,255	35,489
J. Neale	Councillor	22,527	22,584
P. Davidson	Councillor	22,527	15,918
A. Hart	Councillor	22,527	15,918
I. Hartshorne	Councillor	22,527	15,918
R. Kennedy	Councillor	22,527	15,918
J. Keogan	Councillor	22,527	15,918
G. Eatwell	Councillor		6,666
D. Havill	Councillor		6,666
G. Olson	Councillor		6,666
D. Routhan	Councillor		6,666
<b>Total elected representatives' remuneration</b>		<b>308,198</b>	<b>301,588</b>

There were no directors' fees paid by Westland Holdings Ltd in this financial year (2020: Nil) to councillors.

There were no directors' fees paid by Destination Westland Ltd in this financial year (2020: \$26.250) to councillors.

There were no directors' fees paid by Westroads Ltd in this financial year (2020: Nil) 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	2021	2020
Annual remuneration by band for employees as at 30 June:		
<\$60,000	26	17
\$60,000 - \$79,999	18	17
\$80,000 - \$99,999	14	9
\$100,000 - \$119,999	7	4
\$120,000 - \$259,999	5	5
<b>Total employees</b>	<b>70</b>	<b>52</b>

Council employee staffing levels	2021	2020
Number of Full-time Staff	54.00	41.00
Number of Part-time FTE's	8.86	5.50
<b>Total FTE's</b>	<b>62.86</b>	<b>46.50</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 2020 --2021 financial year (2020: 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 \$ 30 June 2021 \$000	Council Budget \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
Interest on other	20	-	39	61	39
Interest on secured loans	292	224	428	656	856
Interest rate swaps	294	643	235	294	235
<b>Total finance costs</b>	<b>606</b>	<b>867</b>	<b>702</b>	<b>1,011</b>	<b>1,130</b>

## NOTE 6: OTHER EXPENSES

<b>OTHER EXPENSES</b>					
	<b>Council Actual \$ 30 June 2021 \$000</b>	<b>Council Budget \$ 30 June 2021 \$000</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2021 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>
<b>Fees to principal auditor</b>					
Audit Fees for financial statement audit	149	271	142	275	265
Audit fees for other services	-	-	4	-	4
Audit fees for Long Term Plan Audit	102	-	-	102	-
<b>Total fees to principal auditor</b>	<b>251</b>	<b>271</b>	<b>146</b>	<b>377</b>	<b>269</b>
<b>Other operating expenses (excl Fees to principal auditor)</b>					
Consultants and legal fees	528	271	280	528	280
Contractors	1,511	1,409	1,591	1,511	1,591
Donations and grants	1,124	631	927	1,138	954
Fair value (gains)/losses on valuation of investment property	-	-	-	(50)	25
Impairment of receivables	46	-	(12)	46	(2)
Insurance premiums	378	353	327	378	327
Loss on held for trading interest rate swaps	80	-	582	80	582
Minimum lease payments under operating leases	53	54	49	53	50
Investment property loss on sale	-	-	-	4	-
Property, plant and equipment: loss on disposal	391	-	161	436	314
Other operating expenses	10,441	9,385	9,467	22,648	20,022
<b>Total other operating expenses (excl Fees to principal auditor)</b>	<b>14,552</b>	<b>12,102</b>	<b>13,372</b>	<b>26,772</b>	<b>24,143</b>
<b>Total other operating Expenses</b>	<b>14,803</b>	<b>12,373</b>	<b>13,518</b>	<b>27,148</b>	<b>24,412</b>

Material variances are explained in Note 24.

### 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 LESSEE				
	Council Actual \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
Not later than one year	138	123	291	318
Later than one year and not later than five years	5	9	463	492
Later than five years	-	-	324	417
<b>Total non-cancellable operating leases</b>	<b>143</b>	<b>132</b>	<b>1,078</b>	<b>1,227</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. Council does not have the option of 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 2021 \$000	Council Actual 2020 \$000	Group Actual 2021 \$000	Group Actual 2020 \$000
<b>Components of tax expense</b>				
Current tax expense	-	-	(150)	562
Adjustments to current tax in prior years	(20)	-	(20)	-
Deferred tax expense	(47)	-	51	(84)
<b>Tax expense</b>	<b>(67)</b>	<b>-</b>	<b>(119)</b>	<b>478</b>

Relationship between tax expense and accounting profit				
	Council Actual 2021 \$000	Council Actual 2020 \$000	Group Actual 2021 \$000	Group Actual 2020 \$000
<b>Net surplus before tax</b>	7,591	3,428	7,374	4,597
<b>Tax at 28%</b>	2,125	960	2,065	1,287
Plus (less) tax effect of:				
Permanent differences	(2,200)	(1,016)	(2,021)	(809)
Tax loss not previously recognised	-	-	-	-
Tax loss not recognised	-	-	-	-
Prior year adjustment	(20)	-	(20)	-
Group loss offset [subvention payments]	-	56	-	-
Deferred tax adjustment	28	-	28	-
<b>Tax expense</b>	<b>(67)</b>	<b>-</b>	<b>52</b>	<b>478</b>

Deferred tax asset (liability) Council				
	Property, plant and equipment	Other	Tax losses	Total
Balance at 30 June 2019	(43)	-	11	(32)
Charged to surplus or deficit	-	-	-	-
Charged to other comprehensive income	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>(43)</b>	<b>-</b>	<b>11</b>	<b>(32)</b>
Charged to surplus or deficit	12	-	34	47
Charged to other comprehensive income	22	-	-	22
<b>Balance at 30 June 2021</b>	<b>(8)</b>	<b>-</b>	<b>45</b>	<b>37</b>

Deferred tax asset (liability) Group				
	Property, plant and equipment	Other	Tax losses	Total
Balance at 30 June 2019	(413)	99	28	(286)
Charged to surplus or deficit	108	(18)	(6)	84
Charged to other comprehensive income	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>(305)</b>	<b>81</b>	<b>22</b>	<b>(202)</b>
Charged to surplus or deficit	(126)	9	64	(52)
Charged to other comprehensive income	22	-	-	22
<b>Balance at 30 June 2021</b>	<b>(408)</b>	<b>9</b>	<b>86</b>	<b>(232)</b>

Council has tax losses of \$161,782 available to carry forward into the 2021 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.

CASH AND CASH EQUIVALENTS					
	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
Cash at bank and in hand	4,411	3,689	2,623	5,647	3,483
Term deposits with maturities less than three months at acquisition	7,000	-	2,500	7,000	2,500
Bank overdrafts	-	-	-	(483)	-
<b>Total cash and cash equivalents for the purpose of the statement of cash flows</b>	<b>11,411</b>	<b>3,689</b>	<b>5,123</b>	<b>12,164</b>	<b>5,983</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.

RECEIVABLES					
	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
<b>Gross debtors and other receivables</b>					
Rates receivables	565	1,319	1,288	565	1,289
Related party receivables	166	-	60	-	-
NZ Transport Agency receivables	108	2,720	680	108	680
Subvention receivable	-	240	200	-	-
Other receivables	3,630	1,045	2,040	7,527	6,566
<b>Total gross debtors and other receivables</b>	<b>4,469</b>	<b>5,323</b>	<b>4,268</b>	<b>8,200</b>	<b>8,535</b>
Less provision for impairment of receivables	(108)	(71)	(57)	(125)	(73)
<b>Total debtors and other receivables</b>	<b>4,361</b>	<b>5,251</b>	<b>4,211</b>	<b>8,075</b>	<b>8,462</b>

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

	Council Actual \$ 30 June 2021 \$000	Council Budget \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
<b>Opening Balance</b>	<b>57</b>	<b>-</b>	<b>71</b>	<b>73</b>	<b>78</b>
Additional provisions made during this year	56	-	-	65	9
provisions reversed during the year	-	-	(14)	-	(14)
Receivables written-off during the period	(5)	-	-	(13)	-
<b>Closing Balance</b>	<b>108</b>	<b>-</b>	<b>57</b>	<b>125</b>	<b>73</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.

	2021 Gross \$000	2021 Impairment \$000	2021 Net \$000	2020 Gross \$000	2020 Impairment \$000	2020 Net \$000
<b>Council</b>						
0 to 3 months	4,041	-	4,041	3,786	-	3,786
4 to 6 months	105	-	105	197	-	197
7 to 9 months	70	-	70	112	-	112
10 to 12 months	39	-	39	37	-	37
>12 months	214	(108)	106	136	(57)	79
<b>Total</b>	<b>4,469</b>	<b>(108)</b>	<b>4,361</b>	<b>4,268</b>	<b>(57)</b>	<b>4,211</b>
<b>Group</b>						
0 to 3 months	7,713	(2)	7,711	8,044	(3)	8,041
4 to 6 months	82	(3)	79	159	-	159
7 to 9 months	70	-	70	114	-	114
10 to 12 months	115	(9)	106	69	(11)	58
>12 months	220	(111)	109	149	(59)	90
<b>Total</b>	<b>8,200</b>	<b>(125)</b>	<b>8,075</b>	<b>8,535</b>	<b>(73)</b>	<b>8,462</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>				
	Council Actual 30 June 2021 \$000	Council Actual 30 June 2020 \$000	Group Actual 30 June 2021 \$000	Group Actual 30 June 2020 \$000
Metal stocks	-	-	647	591
Other supplies	-	-	80	75
<b>Total inventory</b>	<b>-</b>	<b>-</b>	<b>727</b>	<b>666</b>
Development land	-	-	327	299
<b>Total term inventory</b>	<b>-</b>	<b>-</b>	<b>327</b>	<b>299</b>

## 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 30 June 2021 \$000	Council Actual 30 June 2020 \$000	Group Actual 30 June 2021 \$000	Group Actual 30 June 2020 \$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	-	-	-	-
Total non-current asset portion	94	-	94	-
<b>Total derivative financial instrument assets</b>	<b>94</b>	<b>-</b>	<b>94</b>	<b>-</b>
<b>Current liability portion</b>				
Interest rate swaps - cash flow hedges	94	34	94	34
Total current liability portion	94	34	94	34
<b>Non-current liability portion</b>				
Interest rate swaps - cash flow hedges	536	1,097	536	1,097
Total non-current liability portion	536	1,097	536	1,097
<b>Total derivative financial instrument liabilities</b>	<b>630</b>	<b>1,131</b>	<b>630</b>	<b>1,131</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 2021	Amount 2020
17/10/2012	17/11/2020	3.55%		2,500,000
18/19/2017	20/09/2021	3.01%	2,500,000	2,500,000
3/08/2015	1/10/2021	4.10%	5,000,000	5,000,000
17/09/2019	17/03/2023	2.98%	2,500,000	2,500,000
17/11/2020	17/11/2026	0.67%	2,500,000	2,500,000
1/10/2021	2/10/2023	3.34%	5,000,000	5,000,000
2/10/2023	2/10/2025	3.67%	5,000,000	5,000,000
15/03/2023	15/03/2027	1.87%	3,000,000	
			25,500,000	25,000,000

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 \$ 30 June 2021 \$000</b>	<b>Council Budget \$ 30 June 2021 \$000</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2021 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>
<b>Current portion</b>					
<b>Loans and receivables:</b>					
LGFA	48	-	48	48	48
<b>Total loans and receivables</b>	<b>48</b>	<b>-</b>	<b>48</b>	<b>48</b>	<b>48</b>
<b>Total current portion</b>	<b>48</b>	<b>-</b>	<b>48</b>	<b>48</b>	<b>48</b>
<b>Non-current portion</b>					
<b>Investment in CCO's</b>					
Westland Holdings Limited	8,695	8,695	8,695	-	-
<b>Total investment in CCO's 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	27	46	26	27	26
Community loan	20	23	22	20	22
LGFA	348	298	266	348	266
<b>Total other</b>	<b>394</b>	<b>366</b>	<b>314</b>	<b>394</b>	<b>314</b>
<b>Total non-current portion</b>	<b>9,089</b>	<b>9,061</b>	<b>9,009</b>	<b>394</b>	<b>314</b>
<b>Total other financial assets</b>	<b>9,137</b>	<b>9,061</b>	<b>9,057</b>	<b>441</b>	<b>362</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>2021</b>	<b>2020</b>
Westland Holdings Limited	8,695	8,695

## **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 and buildings, and Jackson Bay Wharf are measured at fair value and are revalued where there is an active market, 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 and buildings are revalued to the extent that there are comparable market prices but 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
<b>Sewerage</b>				
Line	1%	2%	50	100
Plant	1%	10%	10	88
Point	1%	2%	50	80
<b>Storm water</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

	Minimum	Maximum	Minimum	Maximum
<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.

#### DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY

	Council Actual \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000
<b>Directly attributable depreciation and amortisation expense by group of activity</b>		
Facilities and Leisure Services	1,030	980
Community Services	342	245
Planning and Regulatory Services	50	48
Transportation	3,478	3,280
Water Supply	1,242	1,226
Wastewater	736	555
Stormwater	336	457
Solid Waste	113	109
Leadership	227	231
<b>Total depreciation and amortisation expense</b>	<b>7,555</b>	<b>7,131</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 2021. The fair value was tested as at 30 June 2010 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. The fair value was tested as at 30 June 2021 and fair value does not differ materially to carrying values.

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.

#### *Land and Buildings*

The most recent valuation of land and buildings was performed by an independent registered valuer, Coastal Valuations Ltd, this year. The valuation is effective from 30 June 2021.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Where there is a designation against the land or the use of the land is restricted because of reserve endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which is based on the valuer's judgement.

Restrictions on the Council's ability to sell land would not normally impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive full benefits of outright ownership.

#### *Buildings (operational and restricted)*

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions, including:

- Replacement costs.
- Remaining useful life, which is estimated after considering such factors as the condition of the asset, future maintenance and replacement plans, and experiences with similar buildings.
- Straight-line depreciation is applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential and office buildings) are valued at fair value using market-based evidence.

#### **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 storm water, 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 1 July 2020 \$000	Accumulated depreciation & impairment charges 1 July 2020 \$000	Carrying amount 1 July 2020 \$000	Additions \$000	Disposals \$000	Impairment charges \$000	Depreciation \$000	Disposals depreciation \$000	Reclassification cost \$000	Revaluation surplus/ cost/ revaluation surplus/ (deficit) \$000	Accumulated depreciation & impairment charges 30 June 2021 \$000	Carrying amount 30 June 2021 \$000
<b>COUNCIL 2021</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)	7,592	-	7,592	-	(9)	-	-	-	-	780	8,370	8,370
Buildings	8,474	(536)	7,938	1,263	-	-	(336)	-	-	(138)	8,773	8,727
Furniture & fittings	1,650	(1,079)	571	332	(1)	-	(62)	1	(34)	-	1,944	807
Library books	707	(445)	262	64	(54)	-	(52)	54	-	-	717	274
Museum artefacts	165	-	165	-	-	-	-	-	-	-	165	165
Computer equipment	659	(481)	178	142	(28)	-	(94)	26	-	-	772	224
Office equipment	520	(480)	40	36	-	-	(4)	-	-	-	556	73
Motor Vehicles	422	(320)	102	40	-	-	(40)	-	-	-	462	102
Operational Plant and Equipment	387	(82)	305	34	-	-	(44)	-	12	-	433	306
Jackson's Bay wharf	160	(64)	96	-	-	-	(32)	-	-	6	70	70
<b>Total operational assets</b>	<b>29,337</b>	<b>(3,487)</b>	<b>25,850</b>	<b>1,909</b>	<b>(93)</b>	<b>-</b>	<b>(663)</b>	<b>82</b>	<b>(22)</b>	<b>648</b>	<b>30,863</b>	<b>27,719</b>
<b>Infrastructural assets</b>												
Land	2,249	-	2,249	-	-	-	-	-	-	(255)	1,994	1,994
Buildings	940	(160)	780	-	-	-	(35)	-	-	201	1,112	947
Roading network	182,119	(2,357)	179,762	2,460	-	-	(2,447)	-	-	-	184,578	179,775
Land under roads	55,365	-	55,365	-	-	-	-	-	-	-	55,365	55,365
Bridges	42,070	(922)	41,148	-	-	-	(922)	-	-	-	42,070	40,227
Water supply reticulation	21,132	(440)	20,692	215	(71)	0	(451)	10	-	-	21,277	20,396
Water supply treatment	12,320	(786)	11,534	415	(307)	-	(817)	51	-	-	12,428	10,876
Drainage/stormwater	16,838	(457)	16,381	59	(226)	-	(457)	23	-	-	16,672	15,780
Refuse sites (ex Butlers)	2,298	(202)	2,096	392	-	-	(50)	-	-	-	2,690	2,437
Butlers refuse site	2,828	(153)	2,675	-	-	-	(39)	-	-	(116)	2,662	2,521
Sewerage system reticulation	10,159	(345)	9,815	457	(5)	0	(352)	1	(208)	-	10,577	9,882
Sewerage system treatment	9,231	(195)	9,036	258	(124)	-	(374)	17	208	-	9,399	8,847
<b>Total infrastructural assets</b>	<b>357,550</b>	<b>(6,017)</b>	<b>351,533</b>	<b>4,257</b>	<b>(733)</b>	<b>0</b>	<b>(5,943)</b>	<b>101</b>	<b>-</b>	<b>(169)</b>	<b>360,826</b>	<b>349,047</b>
<b>Restricted assets</b>												
Land	1,192	-	1,192	-	-	-	-	-	-	50	1,242	1,242
Public buildings	4,907	(222)	4,685	265	-	-	(142)	-	-	332	5,155	5,141
Cemetery buildings	56	(19)	37	-	-	-	(4)	-	-	8	59	41
Cemetery land	1,088	-	1,088	-	-	-	-	-	-	-	1,088	1,088
Reserve/recreation land	7,003	-	7,003	225	-	-	-	-	-	120	7,348	7,348
Reserve/recreation buildings	2,115	(198)	1,917	2,181	-	-	(196)	-	-	631	4,551	4,533
Reserve/Improvements	10,700	(537)	10,163	1,201	-	-	(534)	-	-	-	11,901	10,830
Swimming pools	2,486	(287)	2,198	-	-	0	(102)	-	22	141	2,394	2,259
<b>Total restricted assets</b>	<b>29,547</b>	<b>(1,263)</b>	<b>28,283</b>	<b>3,873</b>	<b>-</b>	<b>0</b>	<b>(978)</b>	<b>-</b>	<b>22</b>	<b>1,282</b>	<b>33,738</b>	<b>32,482</b>
<b>Total Council</b>	<b>416,434</b>	<b>(10,767)</b>	<b>405,666</b>	<b>10,039</b>	<b>(825)</b>	<b>0</b>	<b>(7,584)</b>	<b>182</b>	<b>-</b>	<b>1,761</b>	<b>425,427</b>	<b>409,247</b>
<b>Subsidiaries property, plant and equipment</b>												
Land & Buildings	5,261	(1,254)	4,007	221	-	(30)	(179)	-	-	476	5,958	4,495
Plant and machinery	25,451	(13,315)	12,136	2,529	(1,005)	-	(2,295)	795	-	-	26,975	12,160
Office equipment	618	(518)	100	95	-	-	(56)	-	-	-	713	139
Hokitika Airport	2,509	(599)	1,910	-	-	-	(40)	-	-	-	2,509	1,870
<b>Total subsidiaries</b>	<b>33,839</b>	<b>(15,686)</b>	<b>18,153</b>	<b>2,845</b>	<b>(1,005)</b>	<b>(30)</b>	<b>(2,570)</b>	<b>795</b>	<b>-</b>	<b>476</b>	<b>36,155</b>	<b>18,664</b>
<b>Total Group assets</b>	<b>450,273</b>	<b>(26,454)</b>	<b>423,819</b>	<b>12,884</b>	<b>(1,830)</b>	<b>(30)</b>	<b>(10,154)</b>	<b>977</b>	<b>-</b>	<b>2,237</b>	<b>461,582</b>	<b>427,911</b>



	Cost/ valuation 1 July 2019 \$'000	Accumulated & depreciation & impairment charges 1 July 2019 \$'000	Carrying amount 1 July 2019 \$'000	Additions \$'000	Disposals \$'000	Impairment charges \$'000	Depreciation \$'000	Disposals depreciation \$'000	Reclassification cost \$'000	Revaluation surplus/ (deficit) \$'000	Cost/revaluation 30 June 2020 \$'000	Accumulated depreciation & impairment charges 30 June 2020 \$'000	Carrying amount 30 June 2020 \$'000
<b>COUNCIL 2020</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)	6,392	-	6,392	1,200	-	-	-	-	-	-	7,592	-	7,592
Buildings	8,126	(254)	7,872	383	(35)	-	(287)	5	-	-	8,474	(536)	7,938
Furniture & fittings	1,600	(1,014)	586	50	-	-	(65)	-	-	-	1,650	(1,079)	571
Library books	698	(437)	261	57	(48)	-	(56)	48	-	-	707	(445)	262
Museum artefacts	165	-	165	-	-	-	-	-	-	-	165	-	165
Computer equipment	579	(392)	187	79	-	-	(89)	-	-	-	659	(481)	178
Office equipment	516	(471)	45	4	-	-	(9)	-	-	-	520	(480)	40
Motor Vehicles	422	(281)	141	-	-	-	(39)	-	-	-	422	(320)	102
Operational Plant and Equipment	162	(44)	118	225	-	-	(38)	-	-	-	387	(82)	305
Jackson's Bay wharf	160	(32)	128	-	-	-	(32)	-	-	-	160	(64)	96
<b>Total operational assets</b>	<b>27,421</b>	<b>(2,925)</b>	<b>24,496</b>	<b>1,998</b>	<b>(83)</b>	<b>-</b>	<b>(615)</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>29,337</b>	<b>(3,487)</b>	<b>25,850</b>
<b>Infrastructural assets</b>													
Land	2,249	-	2,249	-	-	-	-	-	-	-	2,249	-	2,249
Buildings	940	(125)	815	-	-	-	(35)	-	-	-	940	(160)	780
Roading network	180,302	-	180,302	1,846	(29)	-	(2,357)	-	-	-	182,119	(2,357)	179,762
Land under roads	55,365	-	55,365	-	-	-	-	-	-	-	55,365	-	55,365
Bridges	42,070	-	42,070	-	-	-	(922)	-	-	-	42,070	(922)	41,148
Water supply reticulation	20,340	-	20,340	792	-	-	(440)	-	-	-	21,132	(440)	20,692
Water supply treatment	11,049	-	11,049	1,271	-	-	(786)	-	-	-	12,320	(786)	11,534
Drainage/stormwater	16,827	-	16,827	11	-	-	(457)	-	-	-	16,838	(457)	16,381
Refuse sites (ex Butlers)	2,298	(152)	2,146	-	-	-	(50)	-	-	-	2,298	(202)	2,096
Butlers refuse site	2,862	(114)	2,748	21	(55)	-	(39)	-	-	-	2,828	(153)	2,675
Sewerage system reticulation	10,125	-	10,125	34	-	-	(345)	-	-	-	10,159	(345)	9,815
Sewerage system treatment	5,233	-	5,233	3,998	-	-	(195)	-	-	-	9,231	(195)	9,036
<b>Total infrastructural assets</b>	<b>349,660</b>	<b>(391)</b>	<b>349,269</b>	<b>7,973</b>	<b>(84)</b>	<b>-</b>	<b>(5,626)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>357,549</b>	<b>(6,017)</b>	<b>351,533</b>
<b>Restricted assets</b>													
Land	1,192	-	1,192	-	-	-	-	-	-	-	1,192	-	1,192
Public buildings	3,350	(107)	3,244	1,687	(130)	-	(119)	4	-	-	4,907	(222)	4,685
Cemetery buildings	56	(15)	42	-	-	-	(4)	-	-	-	56	(19)	37
Cemetery land	1,088	-	1,088	-	-	-	-	-	-	-	1,088	-	1,088
Reserve/recreation land	7,003	-	7,003	-	-	-	-	-	-	-	7,003	-	7,003
Reserve/recreation buildings	2,115	(103)	2,011	-	-	-	(95)	-	-	-	2,115	(198)	1,917
Reserve/improvements	10,683	-	10,682	22	(5)	-	(537)	0	-	-	10,700	(537)	10,163
Swimming pools	2,424	(190)	2,234	61	-	-	(97)	-	-	-	2,486	(287)	2,198
<b>Total restricted assets</b>	<b>27,911</b>	<b>(415)</b>	<b>27,496</b>	<b>1,770</b>	<b>(135)</b>	<b>-</b>	<b>(852)</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>29,547</b>	<b>(1,263)</b>	<b>28,283</b>
<b>Total Council</b>	<b>404,992</b>	<b>(3,732)</b>	<b>401,260</b>	<b>11,740</b>	<b>(302)</b>	<b>-</b>	<b>(7,093)</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>416,433</b>	<b>(10,767)</b>	<b>405,665</b>
<b>Subsidiaries property, plant and equipment</b>													
Land & Buildings	5,122	(950)	4,172	139	-	(130)	(174)	-	-	-	5,261	(1,254)	4,007
Plant and machinery	23,952	(12,632)	11,320	3,538	(2,039)	-	(2,233)	1,550	-	-	25,451	(13,315)	12,136
Office equipment	577	(491)	86	48	(7)	-	(40)	13	-	-	618	(518)	100
Hokitika Airport	2,437	(559)	1,878	72	-	-	(40)	-	-	-	2,509	(599)	1,910
<b>Total subsidiaries</b>	<b>32,088</b>	<b>(14,631)</b>	<b>17,457</b>	<b>3,797</b>	<b>(2,046)</b>	<b>(130)</b>	<b>(2,487)</b>	<b>1,563</b>	<b>-</b>	<b>-</b>	<b>33,899</b>	<b>(15,686)</b>	<b>18,153</b>
<b>Total Group assets</b>	<b>437,080</b>	<b>(18,363)</b>	<b>418,717</b>	<b>15,537</b>	<b>(2,348)</b>	<b>(130)</b>	<b>(9,580)</b>	<b>1,620</b>	<b>-</b>	<b>-</b>	<b>450,272</b>	<b>(26,453)</b>	<b>423,818</b>

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

	Closing book value \$000	Additions constructed by Council \$000	Additions transferred to Council \$000	Most recent replacement estimate for revalued assets \$000
<b>COUNCIL 2021</b>				
<b>Water Supply</b>				
- reticulation and other	20,396	215	-	31,880
- treatment plants and facilities	10,876	415	-	22,810
	<b>31,272</b>	<b>631</b>	<b>-</b>	<b>54,691</b>
<b>Sewerage</b>				
- other assets (such as reticulation systems)	9,882	457	-	23,929
- treatment plants and facilities	8,847	258	-	11,711
	<b>18,729</b>	<b>715</b>	<b>-</b>	<b>35,640</b>
<b>Stormwater drainage</b>	<b>15,780</b>	<b>59</b>	<b>-</b>	<b>34,205</b>
<b>Roads and Footpaths</b>	<b>220,001</b>	<b>2,460</b>	<b>-</b>	<b>324,034</b>
	<b>285,782</b>	<b>3,866</b>	<b>-</b>	<b>448,570</b>
<b>COUNCIL 2020</b>				
<b>Water Supply</b>				
- reticulation and other	20,692	792	-	31,665
- treatment plants and facilities	11,534	1,271	-	22,395
	<b>32,225</b>	<b>2,063</b>	<b>-</b>	<b>54,060</b>
<b>Sewerage</b>				
- other assets (such as reticulation systems)	9,814	34	-	23,472
- treatment plants and facilities	9,814	3,998	-	11,453
	<b>19,628</b>	<b>4,032</b>	<b>-</b>	<b>34,925</b>
<b>Stormwater drainage</b>	<b>16,381</b>	<b>11</b>	<b>-</b>	<b>34,146</b>
<b>Roads and Footpaths</b>	<b>220,910</b>	<b>1,846</b>	<b>-</b>	<b>321,574</b>
	<b>289,144</b>	<b>7,952</b>	<b>-</b>	<b>444,705</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. Valuations were undertaken of land and buildings 30 June 2021. Included under the asset revaluation gain is a reduction of \$115,614 in the value of the Butlers Landfill Site Provision asset, which has resulted in an increase of the Landfill Closure and Monitoring Provision.

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

The total value of assets covered by commercial insurance contracts was \$59,429,785, with \$51,914,767 insured at replacement value and the \$7,485,018 at indemnity value, and \$30,000 stock. 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 South Island Insurance Collective, which provides cover to \$300 million (including \$60 million from central government). This means that all of Council underground infrastructural assets (\$65.8 million) are fully covered at replacement cost. Council's excess is \$250,000. With a total asset base of \$409,369,000 as at 30 June 2021, the above arrangements leave \$343,588,000 self-insured by Council.

Of this \$263,905,000 relate to land and roads. Roads are covered by subsidies that are available from NZTA and the government. This leaves an exposure of \$79,683,000. As at 30 June 2021 asset renewal funds total \$9,059,970.

## Assets under construction

ASSETS UNDER CONSTRUCTION				
	Council Actual 30 June 2021 \$000	Council Actual 30 June 2020 \$000	Group Actual 30 June 2021 \$000	Group Actual 30 June 2020 \$000
<b>Capital projects</b>				
Buildings	46	222	46	222
Water	1,437	510	1,214	510
Wastewater	922	564	922	564
West Coast Wilderness Trail	50	263	50	263
Stormwater	410	252	410	252
Museum Development	389	181	389	181
Information Management	48	-	48	-
Hokitika Waterfront Development	143	139	143	139
Sunset Point	-	357	-	357
Solid Waste	1,594	-	1,594	-
Jacksons Bay Wharf	833	-	833	-
Roading & Footpaths	3,820	-	3,820	-
Swimming Pool - Hokitika	195	-	195	-
Other	202	467	1,234	533
<b>Balance as at 30 June</b>	<b>10,088</b>	<b>2,955</b>	<b>10,897</b>	<b>3,021</b>

Included in the Water, Wastewater and Storm water assets under construction is \$4.825m for infrastructure work programmes funded through the 3 Waters stimulus package and expected to be completed by March 2022.

Also included in Storm water are pump upgrades at Tancred and Livingstone Streets; and the Jollie St extension (\$0.183m).

Waste water works in progress includes Hokitika mains replacements, outfall structure, and treatment plant works, including telemetry (\$0.560m). General treatment plant components and Fox Glacier treatment plant upgrades make up the balance.

Other Water Service assets under constructions include: Arahura treatment plant upgrade (\$0.434m), Fox Glacier treatment plant upgrade (\$0.123m), SCADA /telemetry at all treatment plants.

The Museum Development is the work being undertaken to earthquake strengthen the Carnegie building.

The Solid Waste includes \$1,509m for the new cell development at Butlers, with the balance relating to landfill capping at Butlers, Franz Josef and Haast.

The \$3.82m Roothing and Footpaths relates to the funded sealing works on Old Christchurch Road; and the extensions of Cron Street and footpaths.

The West Coast Wilderness Trail assets in under construction relates to planning and development of a new North Bank route. This is another fully funded project.

### Capital commitments

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

There are capital commitments for the Council of \$5,559,648 (2020: \$1,803,434) and Group of \$4,724,433 as at 30 June 2021 (2020: \$1,522,400).

## CAPITAL COMMITMENTS

	Council Actual \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
Capital commitments approved and contracted transfers from general funds	5,560	1,803	4,724	1,552
<b>Total capital commitments</b>	<b>5,560</b>	<b>1,803</b>	<b>4,724</b>	<b>1,552</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 30 June 2021 \$000	Council Actual 30 June 2020 \$000	Group Actual 30 June 2021 \$000	Group Actual 30 June 2020 \$000
Balance at 1 July	-	-	1,010	1,035
Transferred from PPE	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	(46)	-
Gain/(loss) on disposal	-	-	(4)	-
Fair value gains/(losses) on valuation	-	-	50	(25)
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>	<b>1,010</b>	<b>1,010</b>

Investment properties are valued annually effective at 30 June 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.

INTANGIBLE ASSETS						
	Carbon Credits \$000	Computer Software \$000	Council Total \$000	Goodwill \$000	Mining licences \$000	Group \$000 Total
<b>Cost</b>						
Balance at 1 July 2020	27	233	260	151	-	411
Additions	117	-	117	-	-	117
Disposals	(104)	-	(104)	-	-	(104)
<b>Balance at 30 June 2021</b>	<b>40</b>	<b>233</b>	<b>273</b>	<b>151</b>	<b>-</b>	<b>424</b>
Balance at 1 July 2019	31	233	264	151	-	415
Additions	74	-	74	-	-	74
Disposals	(78)	-	(78)	-	-	(78)
<b>Balance at 30 June 2020</b>	<b>27</b>	<b>233</b>	<b>260</b>	<b>151</b>	<b>-</b>	<b>411</b>
<b>Accumulated amortisation and impairment</b>						
Balance at 1 July 2020	-	185	185	151	-	337
Amortisation charges	-	23	23	-	-	23
Impairment loss	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>208</b>	<b>209</b>	<b>151</b>	<b>-</b>	<b>360</b>
Balance at 1 July 2019	-	147	147	151	-	298
Amortisation charges	-	39	39	-	-	39
Impairment loss	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>185</b>	<b>185</b>	<b>151</b>	<b>-</b>	<b>337</b>
<b>Carrying amounts</b>						
Balance at 1 July 2020	27	48	75	-	-	75
Movement in intangible assets during year	12	(23)	(11)	-	-	(11)
<b>Balance at 30 June 2021</b>	<b>40</b>	<b>25</b>	<b>64</b>	<b>-</b>	<b>-</b>	<b>64</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, was an impairment loss in the 2018-2019 financial year.

### 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.

<b>PAYABLES</b>					
	<b>Council Actual \$ 30 June 2021 \$000</b>	<b>Council Budget \$ 30 June 2021 \$000</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2021 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>
Trade payables	1,890	941	844	5,117	4,470
Amounts due to related parties	1,257	-	1,171	-	-
Accrued expenses	645	1,506	358	876	358
Other payables	289	360	1,034	289	1,035
<b>Total payables</b>	<b>4,082</b>	<b>2,807</b>	<b>3,407</b>	<b>6,283</b>	<b>5,863</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.

<b>PROVISIONS</b>				
	<b>Council Actual \$ 30 June 2021 \$000</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2021 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>
<b>Non-current</b>				
Landfill closure and monitoring	1,846	2,040	1,846	2,040
<b>Total provisions</b>	<b>1,846</b>	<b>2,040</b>	<b>1,846</b>	<b>2,040</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 1.74% and 2.25% based on Treasury Risk-free discount rates, and inflation rates using Treasury CPI forecasts. As at 30 June 2021 this was 1.88%.

The gross provision before discounting is \$2,378,135 (2020: \$2,331,722).

## Reconciliation of movement in landfill provision

	Council Actual 2021 \$000	Council Actual 2020 \$000
<b>Opening Balance</b>	<b>2,040</b>	<b>2,480</b>
Additional provisions made during this year	(156)	(382)
Amount Used	(58)	(96)
provisions reversed during the year	-	-
Discount unwind	20	38
<b>Closing Balance</b>	<b>1,846</b>	<b>2,040</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.

<b>EMPLOYMENT BENEFIT LIABILITIES</b>					
	<b>Council Actual \$ 30 June 2021 \$000</b>	<b>Council Budget \$ 30 June 2021 \$000</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2021 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>
<b>Employee benefit liabilities current</b>					
Accrued pay	78	151	190	697	696
Annual leave	358	223	286	1,278	1,147
Retirement and long service	-	-	-	25	55
<b>Total employee benefit liabilities current</b>	<b>436</b>	<b>374</b>	<b>476</b>	<b>2,000</b>	<b>1,898</b>
<b>Employee benefit liabilities non-current</b>					
Retirement and long service	41	35	42	182	148
<b>Total employee benefit liabilities non-current</b>	<b>41</b>	<b>35</b>	<b>42</b>	<b>182</b>	<b>148</b>
<b>Total employee benefit liabilities</b>	<b>477</b>	<b>409</b>	<b>518</b>	<b>2,182</b>	<b>2,046</b>

## Critical accounting estimates and assumptions

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

A discount rate of 0.3%, 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 30 of June 2021 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 Actual \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
<b>Current portion</b>				
Bank overdraft	-	-	483	4
Term debts	3,000	3,000	3,933	3,839
Finance leases	-	-	14	48
<b>Total current portion</b>	<b>3,000</b>	<b>3,000</b>	<b>4,430</b>	<b>3,891</b>
<b>Non-current portion</b>				
Secured loans				
Term debts	18,818	16,618	24,815	21,934
Finance leases	-	-	46	61
<b>Total non-current portion</b>	<b>18,818</b>	<b>16,618</b>	<b>24,861</b>	<b>21,995</b>
<b>Total borrowings</b>	<b>21,818</b>	<b>19,618</b>	<b>29,291</b>	<b>25,886</b>

The Council's secured debt of \$21,818,352 (2020: \$19,618,352) 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 (2020: \$4,000,000), and loan facility through the LGFA of \$21,800,000 as borrower only. A full draw down on these facilities would be within the Council's liability management policy debt threshold of \$4,000 per rateable unit. Of the current loan, \$249,498 is for the Hokitika water treatment plant upgrade and river intake, which is recoverable via a specific rate adopted by Council on 30 June 2015.

The table below shows what Council borrowings relate to. The table included internal transactions. Only \$2.2 million was borrowed externally.

Loan	Balance			Balance
	30 June 2020	New Loans Raised	Principal Repaid	30 June 2021
	\$	\$	\$	\$
Waste Management Projects	2,382,107	193,180	188,435	2,386,852
Hokitika Water Upgrade	491,600	-	242,102	249,498
Wastewater Projects	3,265,475	251,612	212,866	3,304,221
Water Supply Projects	2,462,955	836,122	198,729	3,100,348
Westland Holding Limited	7,845,000	-	-	7,845,000
Other loans	1,398,849	357,624	61,340	1,695,133
Storm Water Projects	892,771	220,071	42,369	1,070,473
Roading	879,053	-	39,576	839,477
Building		1,327,352	-	1,327,352
<b>Total Council Debt</b>	<b>19,617,810</b>	<b>3,185,961</b>	<b>985,417</b>	<b>21,818,352</b>
<b>Available facility</b>	<b>4,382,190</b>			<b>3,981,648</b>
<b>Total Facility</b>	<b>24,000,000</b>			<b>25,800,000</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 2020/2021.

## 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>Note 18: OTHER LIABILITIES</b>				
	<b>Council Actual \$ 30 June 2021 \$000</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2021 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>
<b>Current</b>				
Rates and other revenue received in advance	6,554	425	6,685	450
<b>Total other liabilities</b>	<b>6,554</b>	<b>425</b>	<b>6,685</b>	<b>450</b>

*There are no non-current other liabilities*

## **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.

## EQUITY

	Council Actual \$ 30 June 2021 \$000	Council Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2020 \$000
<b>Retained earnings</b>				
Balance at 1 July	151,088	147,535	156,913	152,190
Transfers to restricted reserves	(4,077)	(5,154)	(4,077)	(5,154)
Transfers from restricted reserves	2,576	5,280	2,577	5,280
Transfer from 'Revaluation reserve	1,515	-	1,515	-
Prior year lease restatement	-	-	(5)	-
Surplus/(deficit) for the year	7,640	3,428	7,325	4,597
<b>Balance at 30 June</b>	<b>158,742</b>	<b>151,089</b>	<b>164,250</b>	<b>156,913</b>
<b>Restricted reserves</b>				
Balance at 1 July	9,038	9,164	9,038	9,164
Transfers to retained earnings	(2,576)	(5,280)	(2,576)	(5,280)
Transfers from retained earnings	4,077	5,154	4,077	5,154
<b>Balance at 30 June</b>	<b>10,538</b>	<b>9,038</b>	<b>10,538</b>	<b>9,038</b>
<b>Assets revaluation reserve</b>				
Balance at 1 July	239,721	239,721	239,720	239,721
Revaluation gains of property, plant and equipment	1,877	-	2,353	-
Revaluation losses on disposal	(294)	-	(294)	-
Transfer to retained earning	(1,515)	-	(1,515)	-
<b>Balance at 30 June</b>	<b>239,789</b>	<b>239,721</b>	<b>240,263</b>	<b>239,720</b>
<b>Fair value through other comprehensive revenue and expense reserve</b>				
Balance 1 July	64	64	64	64
Tax on revaluations	23	-	23	-
<b>Balance at 30 June</b>	<b>87</b>	<b>64</b>	<b>87</b>	<b>64</b>
<b>Total equity</b>	<b>409,156</b>	<b>399,913</b>	<b>415,138</b>	<b>405,734</b>

## NOTE 20: RELATED PARTY TRANSACTIONS

There were no transactions with Westland Wilderness Trust, which is being wound up.

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 30 June 2021 \$000</b>	<b>Council Actual 30 June 2020 \$000</b>
<b>Westroads Limited</b>		
Revenue earned	54	31
Expenditure charged	9,849	8,454
Accounts payable by the Council	1,245	1,169
Accounts receivable to the Council	1	3
Group tax loss offset	-	-
Subvention payment	-	200
<b>Destination Westland</b>		
Revenue earned	303	244
Expenditure charged	1,020	1,215
Purchase of Land	-	-
Accounts payable by the Council	12	2
Accounts receivable to the Council	165	57
<b>Westland Holdings Limited</b>		
Revenue earned	-	-
Expenditure charged	4	4
Accounts payable by the Council	-	-
Accounts receivable to the Council	-	-
Dividends received	220	200

### 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 30 June 2021 \$000</b>	<b>Council Actual 30 June 2020 \$000</b>
<i>Councillors:</i>		
Remuneration	308	302
<i>Senior Management team including Chief Executive:</i>		
Remuneration	783	770
<b>Total key management personnel compensation</b>	<b>1,091</b>	<b>1,072</b>
<b>Total full-time equivalent personnel</b>	<b>14</b>	<b>14</b>

## 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 30 June 2021 \$000	Council Actual 30 June 2020 \$000	Group Actual 30 June 2021 \$000	Group Actual 30 June 2020 \$000
Contract Costs incurred	-	-	8,825	11,936
Recognised in profits/losses	-	-	1,129	2,821
	-	-	9,955	14,757
Progress billings	-	-	9,756	14,620
Gross amounts receivable from Customers	-	-	199	137
Retentions receivable in respect of construction contracts	-	-	768	781

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 30 June 2021 \$000	Council Actual 30 June 2020 \$000	Group Actual 30 June 2021 \$000	Group Actual 30 June 2020 \$000
Performance bonds	-	-	2,110	1,471
Mining bonds	-	-	17	17
Total contingent liabilities	-	-	2,127	1,488

### Council

At balance sheet date Council is subject of a claim for >\$30,000,000 by the Scenic Circle Hotel Group Ltd. Westland District Council is second plaintiff in these proceedings with West Coast Regional Council (WCRC) being the first plaintiff. This means that if the proceedings against WCRC do not succeed, then the claim may be laid on Council.

The claim is denied and will be defended by Council with the backing of its public liability insurer.

At balance sheet date Council is subject to a claim of threatened legal proceedings relating to a residential property in Hokitika. The homeowner has issued letters of claim to the engineers, and to the Council. The primary responsibility lays with the engineer who designed and supervised the construction of the house (2020: Scenic Circle [ongoing] and CCH).

*Group*

At balance sheet date the Group is not involved in any litigation (2020: employment dispute).

**Contingent Assets:**

*Council*

Council has no contingent assets at 30 June 2021 (2020: Nil).

*Group*

The Group has no contingent assets at 30 June 2021 (2020: 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 2021, the Scheme had a past service surplus of \$1.3 million (2020: \$2.8 million deficit) and 2.2% (2020: 4.1%) 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 30 June 2021 \$000</b>	<b>Council Actual 30 June 2020 \$000</b>	<b>Group Actual 30 June 2021 \$000</b>	<b>Group Actual 30 June 2020 \$000</b>
<b>Financial Assets</b>				
<b>Fair value through surplus or deficit</b>				
Interest rate swaps - cash flow hedges	94	-	94	-
	<b>94</b>	<b>-</b>	<b>94</b>	<b>-</b>
<b>Loans and Receivables</b>				
Cash and cash equivalents	11,411	5,123	12,647	5,983
Receivables	3,887	3,700	7,248	7,915
<b>Other financial assets:</b>				
Civic Assurance	27	26	27	26
Floating Rate Securities	396	314	396	314
Community loan	20	22	20	22
<b>Total loans and receivables and other financial assets</b>	<b>15,741</b>	<b>9,185</b>	<b>20,338</b>	<b>14,260</b>
<b>Financial Liabilities</b>				
<b>Fair value through surplus or deficit</b>				
Interest rate swaps - cash flow hedges	630	1,131	630	1,131
	<b>630</b>	<b>1,131</b>	<b>630</b>	<b>1,131</b>
<b>Financial liabilities at amortised cost</b>				
Payables	4,082	3,407	6,283	5,862
<b>Borrowings:</b>				
Bank overdraft	-	-	483	4
Term debts	21,818	19,618	29,683	25,882
<b>Total financial liabilities at amortised cost</b>	<b>25,900</b>	<b>23,025</b>	<b>36,448</b>	<b>31,748</b>
<b>FAIR VALUE HIERACHY DISCLOSURES</b>				
	<b>Total \$000</b>	<b>Quoted Market Price \$000</b>	<b>Observable inputs \$000</b>	
<b>Fair Value Hierachy Disclosures</b>				
<b>30 June 2021 - Council and Group</b>				
<b>Financial liabilities</b>				
Derivatives	536	-	536	
<b>30 June 2020 - Council and Group</b>				
<b>Financial liabilities</b>				
Derivatives	1,131	-	1,131	

## 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.

FINANCIAL INSTRUMENT RISKS				
Credit Risk	Council Actual	Council Actual	Group Actual	Group Actual
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$000	\$000	\$000	\$000
Bonds	-	-	-	-
Cash at bank and term deposits	11,411	5,123	12,647	5,983
Trade and other receivables	3,887	3,700	7,248	7,915
<b>Maximum Exposure</b>	<b>15,298</b>	<b>8,823</b>	<b>19,895</b>	<b>13,898</b>
Credit Quality	Council Actual	Council Actual	Group Actual	Group Actual
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$000	\$000	\$000	\$000
Cash at bank and term deposits				
AA-	11,411	5,123	12,647	5,983

### 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 2021</b>					
Trade and other payables	4,082	4,082	4,082	-	-
Term debt	21,818	21,818	3,000	13,518	5,300
<b>Total</b>	<b>25,900</b>	<b>25,900</b>	<b>7,082</b>	<b>13,518</b>	<b>5,300</b>
<b>Group 2021</b>					
Trade and other payables	6,283	6,283	6,283	-	-
Term debt	24,891	24,891	3,947	15,644	5,300
Bank overdraft	483	483	483	-	-
<b>Total</b>	<b>31,656</b>	<b>31,656</b>	<b>10,713</b>	<b>15,644</b>	<b>5,300</b>
<b>Council 2020</b>					
Trade and other payables	3,407	3,407	3,407	-	-
Term debt	19,618	19,618	3,000	11,318	5,300
<b>Total</b>	<b>23,025</b>	<b>23,025</b>	<b>6,407</b>	<b>11,318</b>	<b>5,300</b>
<b>Group 2020</b>					
Trade and other payables	5,862	5,862	5,862	-	-
Term debt	25,882	25,882	3,887	14,043	7,952
Bank overdraft	4	4	4	-	-
<b>Total</b>	<b>31,748</b>	<b>31,748</b>	<b>9,753</b>	<b>14,043</b>	<b>7,952</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	Contractual cash flows		
			Less than 1 year	1-5 years	More than 5 years
<b>Council 2021</b>					
Cash and cash equivalents	11,411	11,411	11,411	-	-
Trade and other receivables	3,887	3,887	3,887	-	-
Westpac Bonds	-	-	-	-	-
Civic Assurance	27	-	-	-	-
<b>Total</b>	<b>15,324</b>	<b>15,298</b>	<b>15,298</b>	<b>-</b>	<b>-</b>
<b>Group 2021</b>					
Cash and cash equivalents	12,647	12,647	12,647	-	-
Trade and other receivables	7,248	7,248	7,248	-	-
Westpac Bonds	-	-	-	-	-
Civic Assurance	27	-	-	-	-
<b>Total</b>	<b>19,922</b>	<b>19,896</b>	<b>19,896</b>	<b>-</b>	<b>-</b>
<b>Council 2020</b>					
Cash and cash equivalents	5,123	5,123	5,123	-	-
Trade and other receivables	3,700	3,700	3,700	-	-
Westpac Bonds	-	-	-	-	-
Civic Assurance	26	-	-	-	-
<b>Total</b>	<b>8,849</b>	<b>8,823</b>	<b>8,823</b>	<b>-</b>	<b>-</b>
<b>Group 2020</b>					
Cash and cash equivalents	5,983	5,983	5,983	-	-
Trade and other receivables	7,915	7,915	7,915	-	-
Westpac Bonds	-	-	-	-	-
Civic Assurance	26	-	-	-	-
<b>Total</b>	<b>13,924</b>	<b>13,898</b>	<b>13,898</b>	<b>-</b>	<b>-</b>

## Sensitivity Analysis

### Interest Rate Risk – Council

As at 30 June 2021 it is estimated that a two percent increase/decrease in market interest rates would decrease/increase the Council's equity by the amounts stated in the table below. 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 2021 it is estimated that a two percentage point increase/decrease in market interest rates would decrease/increase the Council and Group's equity by the amounts stated in the table below. 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% 2021 \$000	+2% 2021 \$000	-2% 2020 \$000	+2% 2020 \$000
<b>Council</b>				
<b>Financial liabilities</b>				
Term debt	376	(376)	392	(392)
Interest rate swaps - held for trading	1,039	(921)	1,074	(948)
<b>Total</b>	<b>1,415</b>	<b>(1,297)</b>	<b>1,466</b>	<b>(1,341)</b>
<b>Group</b>				
<b>Financial liabilities</b>				
Term debt	515	(515)	515	(515)
Interest rate swaps - held for trading	1,039	(921)	1,074	(948)
<b>Total</b>	<b>1,554</b>	<b>(1,436)</b>	<b>1,589</b>	<b>(1,464)</b>
<b>Total sensitivity</b>	<b>1,554</b>	<b>(1,436)</b>	<b>1,589</b>	<b>(1,464)</b>

### NOTE 24: EXPLANATION OF VARIANCES

#### EXPLANATIONS FOR MAJOR VARIATIONS FROM THE COUNCIL'S BUDGET FIGURES IN THE ANNUAL PLAN FOR 2020/2021 ARE AS FOLLOWS:

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

#### 1 Rates

Actual rates income was lower than budgeted due to Rates remissions. Mainly non-contiguous remissions, 50% community remissions and seven year aged write-offs.

#### 2 Grants and subsidies

Grants and subsidies were \$7.6m higher than budgeted mainly due to unbudgeted grants received during the year for the following projects:

- \$3.8 m for the Old Christchurch Road/Cron St road and pavement works
- \$1.5m for Fox Landfill relocation to Butler's Landfill.
- \$0.9m for three waters projects.
- \$0.6m for the Mayor's Task Force for Jobs.
- \$0.5m for Jackson's Bay wharf.
- \$0.3m for War Memorials and Halls renovation.

Grant actuals have been adjusted for the unspent grants portion posted to Revenue Received in Advance.

#### 3 Interest revenue

Improved cash flow allowed for higher than budgeted term deposits, compensating for lower interest rates, and resulting in interest received being \$8k over budget.

#### **4 Fees and charges**

The higher fees and charges revenue is mainly due to increased activity in the building sector, with overall fees in Building Control \$0.1m higher than budgeted.

#### **5 Other revenue**

Other revenue was \$2.8m higher than the budget mainly due to below factors:

- Vested assets income was \$2.2m higher than budgeted due to the Westland Sports Hub and Heritage Shed transferred to Council.
- A \$474k gain in financial hedging instruments.
- Recoverable income was \$210k higher than the budget due to response, recovery and welfare claims received from the National Emergency Management Agency for the March and December 2019 flood events.

#### **6 Employee benefit expenses**

Employee costs were \$495k higher than budget mainly due to the management of the Hokitika Museum reverting to Council, Human resources brought in-house from a shared service and new roles in the library funded by NZ Libraries grant funding.

#### **7 Finance costs**

Finance costs were \$261k lower than the budget due to lowered interest rates in response to the Covid-19 pandemic and efficient liquidity management.

#### **8 Depreciation and amortisation**

Depreciation and amortisation cost was \$414k higher than the budget as current year actual depreciation was calculated using last year's revalued assets, which were not available when depreciation budgets were set up for 2020/2021 Annual plan.

#### **9 Other expenses**

Other expenses were higher than budgeted mainly due to following reasons:

- Roading repair was higher than planned by \$630k due to drainage and structure repair work, partly because of the 2019 floods.
- Unbudgeted costs for Emergency reinstatement from storm damage costs of \$388k.
- \$80k unbudgeted loss on swaps due to market factors, which is more than offset by an unbudgeted gain on swaps (included in other income).
- Unbudgeted \$912k expenditure offsetting the grants received for the Mayor's Task Force for Jobs; and the War Memorials and Halls renovation work.
- \$391k loss on disposal of infrastructure assets that were replaced during the year - the balance is mainly attributable.

#### **Current Assets**

- Cash & cash equivalents is higher than the budget by \$7.7m mainly due unbudgeted grants received.
- Debtors and Other receivables are \$0.9m lower than planned mainly due to timing differences with claiming for subsidised expenditure.

## **Non-Current Assets**

Non current assets are \$10.3m higher than the budget mainly due to an \$8.6m increase in assets under construction as a result of unbudgeted grant funding received.

Acquisition of the Pakiwaitara building and other vested assets, offset by disposal of three waters assets have resulted in a net increase of property, plant and equipment of \$1.8m.

## **Current Liabilities**

Creditors and other payables are higher than the budget by \$1.3m primarily due to a higher level of capital expenditure undertaken as a consequence of unbudgeted grant funding.

Other current liabilities are \$9.3m higher than budget as a result of unspent capital funding received of \$5.9m carried forward into the 2021-22 financial year, and an increase in rates received in advance of \$0.2m compared to the prior year. In addition, there is an unbudgeted derivative financial instrument asset.

## **Non-Current Liabilities**

Non current liabilities are lower than the budget by \$7.4m mainly due to lower than planned debt. Total debt is collectively lower than the budget by \$3.8m for both current and non current liabilities. This is due to loan funded capital expenditure being either deferred or re-scoped following the reprioritisation of grant funded unbudgeted capital works.

## **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: POST BALANCE DATE EVENT DISCLOSURE**

### **Pensioner Housing**

The pensioner housing properties in Hokitika and Ross are to be transferred to Destination Westland Limited at valuation.

## **IMPACT OF COVID-19**

New Zealand continues to be affected by the Covid-19 pandemic, with the entire country returning to Alert Level 4 on 17 August 2021 following an outbreak of the 'Delta' variant of the disease in the community.

Overall, the Council assessed that COVID-19 has had minimal impact on the financial and operational results for the year ended 30 June 2021.

Lock down slowed down the Capital project delivery programme with delays in materials arriving and work ceasing for two weeks during the August 2021 lockdown:

- Renovation works on the Hokitika Swimming Pool were delayed, with the handover running six to eight weeks behind schedule.
- Delays on work to the Carnegie Building have put the work 30 days behind schedule. Work is expected to be completed in March 2022.
- Work on the Cron Street Extension in Franz Josef is now expected to finish in December 2021.

The four-week alert levels 3 & 4 lockdown also affected provision of services:

- As in 2020, Westland District Library was closed under Alert Levels 4 and 3, and re-opened with strict hygiene measures, social distancing and contact tracing at Alert Level 2. However staff continued to provide and promote digital services. Programmes of activities have been adapted to online provision and a register and collect service for children's school holiday activities.
- Parks and playgrounds were closed during Alert Levels 4 and 3, in accordance with the Government's Alert levels. These facilities reopened under Alert level 2.
- The i-SITE was closed during Alert Levels 4 and 3. Visitor numbers have dropped significantly with the loss of international tourists and the loss of travellers from Auckland and the upper North Island as their lockdowns have been extended.

Council activities in 3 waters, roading, solid waste and public toilets are essential services and remained in operation during lockdown with strict health and safety protocols following the guidance provided by Central Government's Covid-19 Taskforce.

Communications remains focussed on providing accurate and factual information to the community, particularly promoting vaccination centres and testing centres through Council's communication channels.

*For full details of impact on activity performance and the work Council refer to the statement of service provision on pages 79 – 138.*

While the lockdown and potential future impacts of Covid-19 may negatively impact residents' ability to pay rates in the future, as at 30 June 2021 this does not appear to be the case. This was evidenced by the Council's rates receivable balance as at 30 June 2021, which was only 1.4% higher than the previous year.

### ***Destination Westland***

During Alert Levels 4 (August 2021), staff worked remotely where they could, and services were limited to essential services. The impact on the Company's tourism-based activities continues to be significantly impacted and the extent and duration to which Covid-19 will continue to disrupt and depress economic activity remains to be seen. In 2020, the Company reviewed all its activities to ensure they were viable, reduced nonessential spending, been through a staffing restructure. In 2021, the Company constantly reviewed its performance to ensure continued viability.

### ***Wage Subsidy***

Destination Westland Limited received \$92,646.59 Wage Subsidy from the Ministry of Social Development during the year ended 30 June 2021 as the necessary criteria was met, being an expected 30% reduction revenue.

## ***Westroads***

The company's business activity during Alert Level 4 was restricted to providing essential services, (emergency road maintenance, water utilities maintenance, cemetery maintenance & landfill operations). Approximately 25% of staff continued working. During Alert Level 3, all business activity resumed with the required health and safety protocols in place.

While COVID-19 has had a significant economic impact globally throughout 2021, the impact on the company's operations and financial performance and position this time has been minimal, as the Alert Level 4 Lockdown only lasted 2 weeks and at Alert level 3 the entire company was able to return to work.

## ***Wage Subsidy***

Westroads received no Covid-19 wage subsidies in the 2021 year as it did not meet the required income reduction. However, Covid-19 did have an effect in that jobs were delayed contributing to losses in the first half of the year.

## **THREE WATERS REFORM**

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. Council will be part of Entity D, along with most other South Island districts. There are still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

# 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 2020/2021 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 2020/2021.
- Interest will be charged on any reserve in deficit at Council's weighted average cost of asset term debt.
- No funds shall be withdrawn from the Westpac Bonds or any reserve unless provided for in the Annual Plan or by Council resolution.

### **In the 2020/2021 Financial year**

All community township funding has been claimed during the 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.

Marks Road Reserve fund was created in the 2018/2019 year from 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. \$47,000 has been withdrawn from this fund

The reserve development fund has been used to fund development work on the Waterfront.

The Ross Endowment fund was utilised by the Ross Community Society to undertake repairs at the Ross Squash Courts and Gymnasium.



## Council Created Reserves

Council Created Reserve Funds					
Reserve	Purpose of each reserve fund	Balance	Transfers	Transfers	Balance
		1 July 2020	into fund	out of fund	30 June 2021
		\$000	\$000	\$000	\$000
Kumara Township fund	Township funding for the purpose of community related projects	-	14	(14)	-
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	2	35	(35)	2
Fox township	Township funding for the purpose of community related projects	1	35	(35)	1
Kokatahi community fund	Township funding for the purpose of community related projects	-	8	(8)	-
Foreshore	Foreshore Protection for groyne replacement on the foreshore.	20	-	(9)	11
Glacier country promotions	Targeted rates collected from Glacier Country to provide funding for marketing projects.	-	65	(65)	-
Prestons bush	Mr Preston donated the reserve to Council. This fund was for the community to beautify the bush with tracks and interpretation boards.	1	6	(7)	-
HariHari community complex	The Harihari Pony Club land was sold and the funding was to go towards a new community complex. (Another \$100,000 is allocated from the Reserve Development Fund.)	68	-	-	68
Westland Racing Club	Westland Racing Club transferred the racecourse and \$250k to WDC	250	1	(26)	225
Guy Menzies trust	Surplus from Guy Menzies Day Event.	1	-	-	1
Emergency contingency fund	Fund to support Westland in a Civil Defence emergency.	63	-	-	63
Marks Road reserve fund	Net Sale proceeds of section of Marks Road Reserve to be split between Haast Civil Defense and the Haast Community	168	-	(47)	121
Transport renewals	For funding the renewal of roads and bridges.	658	594	(1334)	(81)
Water renewal	For funding the renewal of water supplies networks	3,076	1,181	(65)	4,192
Waste water renewal	For funding the renewal of sewerage and sewage networks	1,828	575	(407)	1,996
Stormwater renewal	For funding the renewal of stormwater systems	771	353	(5)	1,119
Parks and Reserves renewals	For funding Parks, Reserves, Public Toilets, Ross Pool and Cemeteries Asset Renewal	(52)	452	(74)	326
Building renewals	For renewal of all Council operational buildings.	678	284	(98)	866
Administration renewals	For renewal of office equipment, furniture, technical equipment, vehicles and technology	367	218	(192)	394
Library renewals	To replace library books	211	117	(78)	249
<b>Total Council Created Reserves</b>		<b>8,114</b>	<b>3,995</b>	<b>(2554)</b>	<b>9,555</b>

## Restricted Reserve Funds

Restricted Reserve Funds					
Reserve	Purpose of each reserve fund	Balance	Transfers	Transfers	Balance
		1 July 2020	into fund	out of fund	30 June 2021
		\$000	\$000	\$000	\$000
Offstreet Parking	Collected from developments in town to pay for off-street parking. Imposed by RMA/District Plan	33	26	-	60
Reserve Development	Monies collected from developments. Imposed by RMA/District Plan	317	38	(4)	350
Museum Assistance Fund	Originally the Museum Bequest Fund	21	17	-	38
Kumara Endowment Fund	Proceeds from sale of Endowment land. Our brief research has not identified the specific terms of the endowment.	356	1	(1)	357
Euphemia Brown Bequest	Interest earned on funds administered by Public Trust Offices for the estates of Euphemia & William E. Brown.	24	-	-	24
Mayoral Relief Funds	Contributions from James & Margaret Isdell Trust and Coulston Herbert Trust	28	-	(1)	27
Three Mile Domain	To fund the Three Mile Domain costs.	74	-	-	75
Ross Endowment Land	Various endowment land parcels in Ross sold over time.	68	-	(16)	52
Graffiti	Grant funding received	4	-	-	4
Big Brothers Big Sisters	Grant funding received	(1)	-	-	(1)
Taxi Chits	Grant funding received	(3)	-	(1)	(4)
<b>Total Restricted Reserves</b>		<b>922</b>	<b>82</b>	<b>(22)</b>	<b>982</b>
<b>Total Reserves</b>		<b>9,036</b>	<b>4,077</b>	<b>(2576)</b>	<b>10,537</b>

# STATEMENTS OF SERVICE PROVISION

## COUNCIL'S PERFORMANCE IN EACH ACTIVITY

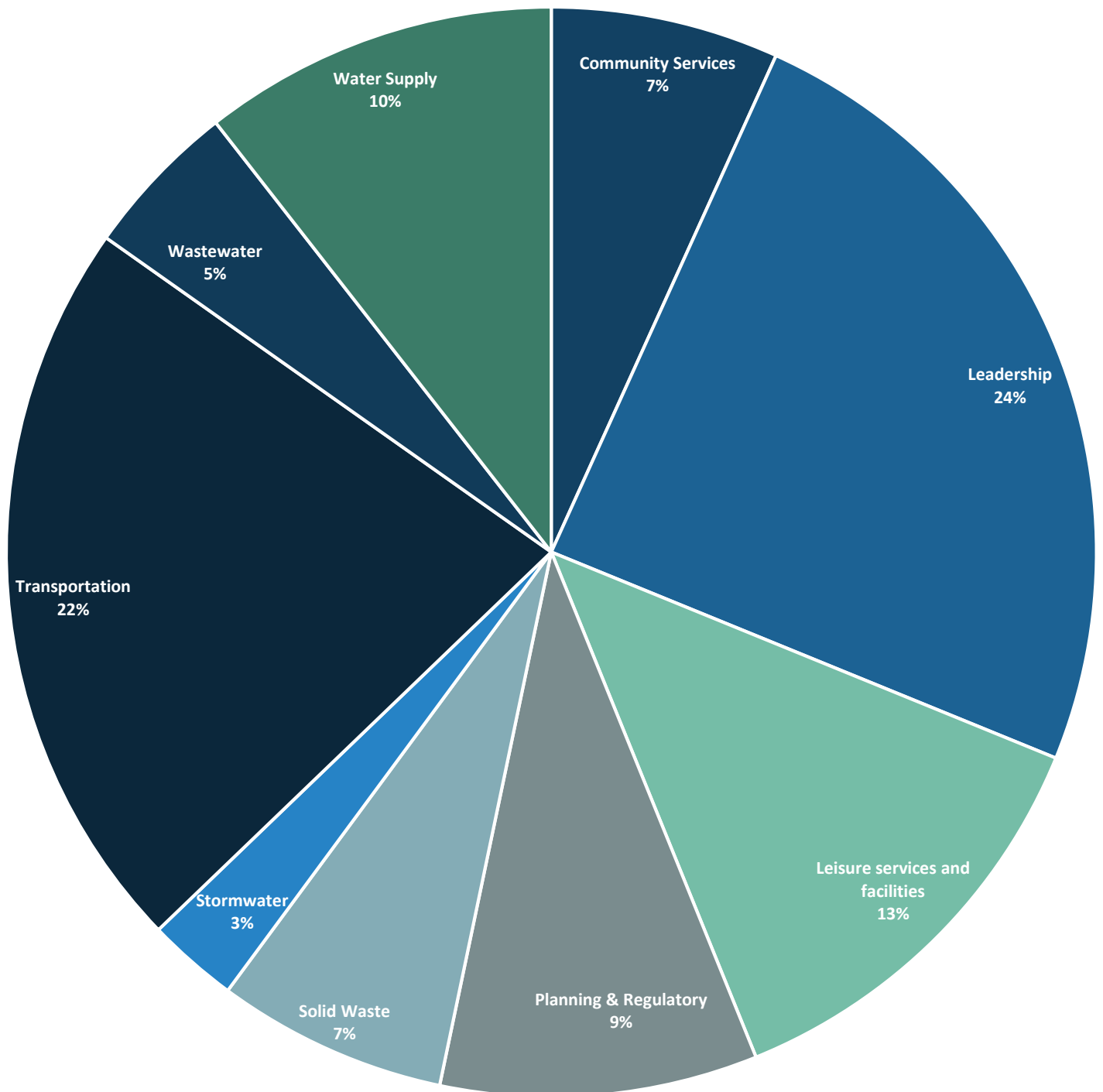
This section of the report identifies progress during 2020/2021 towards the achievement of the Council's vision and describes the work and performance of the Council's Groups of Activities, including:

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

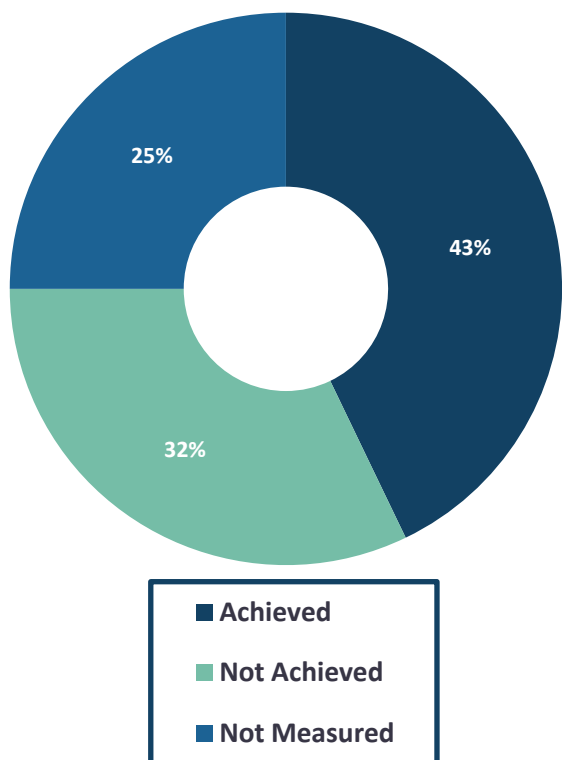
# HOW COUNCIL ACTIVITIES CONTRIBUTE TOWARDS MEETING ITS VISION

This graph represents the operational expenditure for each group.



# AN OVERVIEW OF COUNCIL PERFORMANCE

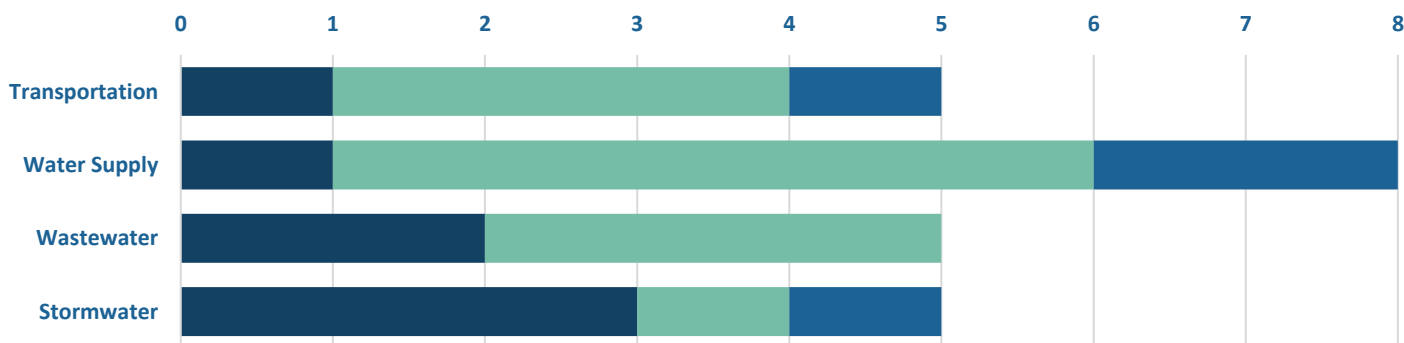
The following Statements of Service provision measure how Council has performed against the performance targets set in the 2018 – 28 Long Term Plan for each set of activities.



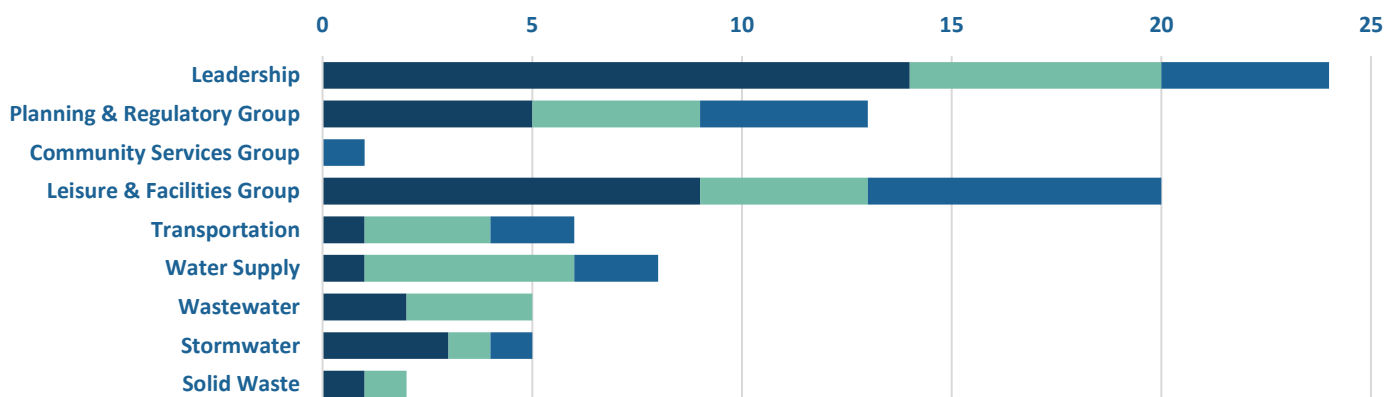
Council has 9 groups of activities. Performance is measured against a number of different indicators. Some of these are mandatory measures set by central government and others are measures that Council set itself. There are 84 measures in total.

- We achieved 43% of the measures (36 out of 84). This includes 30% of the mandatory measures (7 out of 23)
- We did not achieve 32% of the measures (27 out of 84). Two CCO measures were not achieved due to the requirement to be in a specified range. However, they exceeded the specified range so overachieved in real terms.
- In the 2020/2021 year Council did not conduct a Bi-Annual Resident Satisfaction survey of non-mandatory satisfaction measures. 89% of the satisfaction indicators were not measured (16 out of 18). As well, some activities do their own survey, or are reviewing how they measure satisfaction indicators.

## Mandatory Measures



## All Performance Measures



## Leadership Group

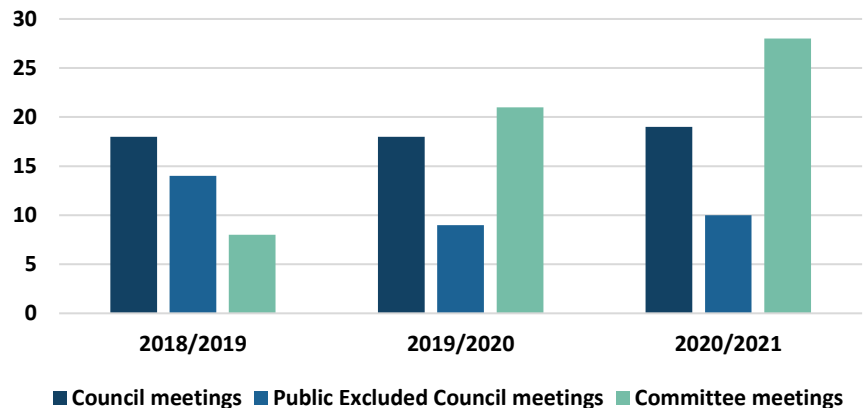
### Democracy

#### Council and Committee Meetings

Council and Committee meetings are publicly notified under 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.

All meetings are livestreamed using Zoom and saved to the Council's Youtube page for public viewing.

#### Council and Committee Meetings Held



On the 29 April 2021 the Council resolved to restructure the existing Standing Committees and Subcommittees as follows:

- Audit and Risk Committee (an independent chair was appointed in February 2020).
- Capital Projects and Tenders Committee.
- Community Development Committee.
- Planning Committee.
- Chief Executive's Review Committee.
- West Coast Wilderness Trail Subcommittee (further changes to the name and responsibilities of this committee were made in August 2021).
- Reserves Management Plan Working Group

On 27 May 2021, Council established a Hokitika Waste Water Treatment Plant Project Oversight Committee to oversee the Governance of the Hokitika Waste Water Treatment Plant Project. The terms of reference for the subcommittee were adopted by the Capital Projects and Tenders Committee on the 3 August 2021.

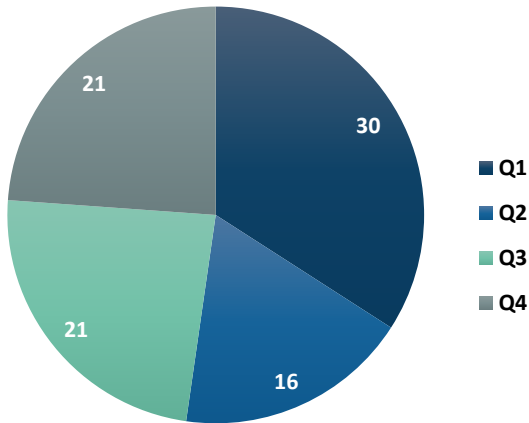
The Westland Wilderness Trust was wound up by the Trust on the 25 February 2021.

#### Local Government Official Information Act Requests

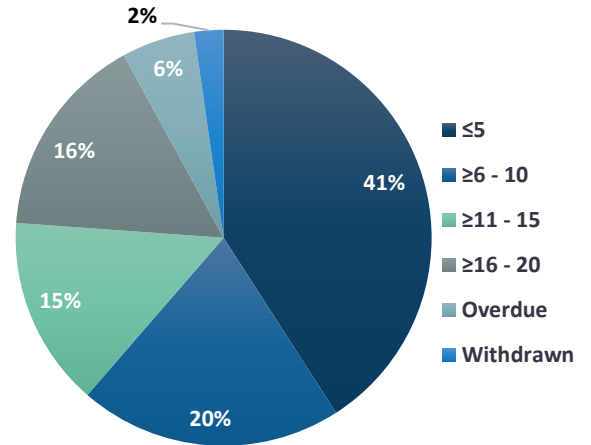
Information requests (LGOIMA's) in the 2020/2021 year decreased by 16 percent from the previous year to 88 (2020: 105). Requests were received for a variety of topics of public interest. The reduction in LGOIMAs could potentially be attributed to the proactive publication of responses on Council's website under our Proactive Release Policy.

The majority of LGOIMAs were completed within 10 working days and no requests were left pending at the end of the period.

### Number of requests by Quarter 2020/2021

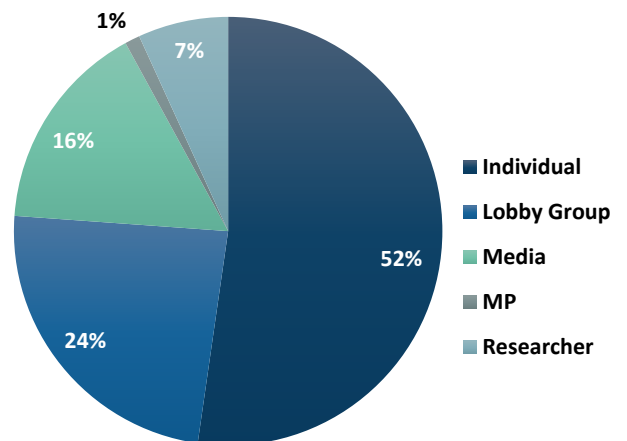


### Days taken to complete requests



Over half of the requests made in this financial year were from individuals (2020: 50%), with lobby groups and the media making up the majority of remaining requests.

### Requests by Type



### Mayoral Relief Fund

Payments made from the Mayoral Relief Fund are at the Mayor’s discretion. The original funding came from the following sources:

- Donations
- Proceeds from the James and Margaret Isdell Trust
- Proceeds from the Herbert Maxton Coulson Estate.

Funding now comes solely from donations.

In the 2020/2021 two payments were made from the Mayoral Relief Fund.

- Funding was provided to support the Student Volunteer Army members who came to Westland to undertake voluntary work in the district, such as assisting to clear the overgrown historic Stafford Cemetery.
- Funding was provided to a local community member for community assistance.

## Corporate Services

### Finance

The 2020/2021 financial year was very busy for the finance team. In addition to planned work on the Long Term Plan 2021 – 2031, the team was also involved in providing financial services for the Amendment to the Long Term Plan 2018 – 2028, an ongoing project to review our rating database, and providing financial information for the Three Waters Reform Review.

There were some staffing changes during the year, with a Management Accountant appointed in October and the departure and subsequent replacement of one of our long-serving Accounts Officers. Having a Management Accountant on the team proved invaluable for the Long Term Plan process as this allowed other team members to continue to focus on core day-to-day business.

With the IBIS Breeze accounting system embedded into the team's systems the production of the Amendment to the Long Term Plan 2018 – 28, the 2019/2020 Annual Report and the Long Term Plan 2021-2031 was much more efficient. All finance staff received training on the system during the year and the level of confidence has grown. All budget managers in all departments also use the system to produce their draft budgets, which improves the process of producing reports.

Rates staff have been undertaking a review of the Rating Database to identify any anomalies and inconsistencies. One result of this review is a rates remission policy for properties subject to adverse possession. This policy allows ratepayers to seek some rates relief for property for which they intend to seek adverse possession. The Council adopted this as part of the Long Term Plan 2021 – 2031.

Every council was asked to provide financial information as part of the work on the Three Waters Reform review and this work continues into the new financial year. This information will be used by the Council to analyse the effect the proposed reform will have on the district.

### Strategy and Communications

#### Strategy

During the 2020/2021 year the Strategy and Communications Advisor (SCA) worked closely with all other activity groups and the Executive team to produce the 2019/2020 Annual Report, Amendment to the Long Term Plan 2018 – 2028 and the Long Term Plan 2021 – 2031. Both the Annual Report and the Long Term Plan 2021 – 2031 were adopted within their legislative timeframes, which was a great achievement for Council. All documents were produced in-house, resulting in a cost-saving benefit to Council.

The SCA worked with the Executive Assistant to review Council's report template and report writing guidelines. This resulted in the creation of updated templates and training was provided to staff who write reports.

Support was also provided to the Transportation team for the review of the Speed Limits Bylaw and associated community engagement and communications.

#### Communications

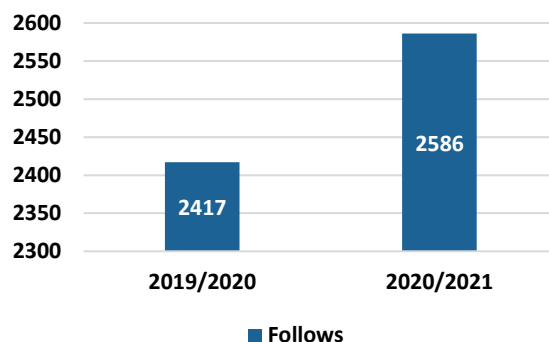
Communications provided an important function during the Consultation periods for both the Amendment to the Long Term Plan 2018 – 2028 and the Long Term Plan 2021 – 2031. Information was distributed through the Council's website, Facebook page and Westland Matters newsletter, and through the local newspapers The Hokitika Guardian and Grey Star. As Council's preference is to use communication technology to reduce costs, the feedback form for both consultations was hosted on the Council's website. Support for communications was also provided to the Transport Group for their Speed Limit Bylaw review, the Waste Management activity to educate residents about good waste and recycling practises and the Community Development Officer.

From October 2020 to July 2021 the SCA led a project to refresh Council's website; working with team members from Information Services, Information Technology, the Library and the Executive Team. Council contracted Pattern, an Auckland based company to redesign our website focussing on a user-friendly experience for both customers and staff. The new website is modern and easy to manage.

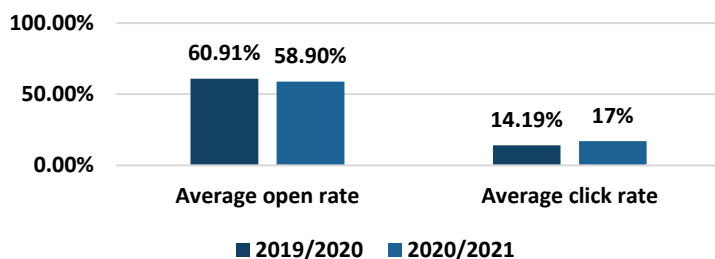
Growth in our communications channels is slow compared to the previous year. Facebook also changed their subscription settings for pages to have ‘followers’ only.

Subscriber rates to Westland Matters remain steady at just over 600 subscribers, around about 10% of the population, which is considered a good subscription rate. While the average open rate in 2020/2021 is slightly lower than the previous year, more people are following through to open the flipbook or viewing individual articles through the stand-alone website.

### Facebook Insights



### Westland Matters Insights



## Information Management

### Physical Files and Records.

The information management team continues to audit Council’s large collection of physical files, following and applying Retention and Disposal Schedule rules to ensure proper management of documents. Within the Secure File Room is a large collection of “Rolled Plans” linked to a large array of buildings across the district. Staff have undertaken a project to scan and store these plans electronically. In the future, these will be available alongside the physical “Property File”, making storage and retrieval far easier.

### Archived Records

Secure off-site document storage and retrieval of Council’s archived records is provided by Iron Mountain in Christchurch. As part of the archiving process, staff are analysing old administrative records and where appropriate sending for secure destruction. Following Archives NZ Retention and Disposal Schedules, the most recent work has been on historical council minutes, which Council must keep in perpetuity.

### Museum Data

Museum staff now have access to powerful electronic file search software. This allows Museum staff to quickly, and easily locate historical documents, scans and images, improving their ability to gather information for customers. This system utilises the Laserfiche document management system’s “Federated Search” facility. This very fast and powerful system is an appreciated improvement for museum staff.

### Digital Processes

Staff have been improving Council’s digital processes by utilizing the Laserfiche document management system’s workflow environment to make previously paper based forms and procedures digital. Building a “Digital First” approach has resulted in much increased efficiency, accountability and visibility of processes. Digital processes no longer have any element of paper input or output, with the exception of the generation of documents for customers (such as receipts). Just under 20 internal processes have been digitized, and to date there have been over 2500 instances initiated and completed. These figures are expected to increase dramatically as more processes are digitized and Council works to make them available to the public.



## Public Portal

Progress on making appropriate documents, such as Council Minutes, automatically available on our website, and the publication of online forms has been slow. The overriding reason for this delay is a deliberately cautious approach to network security. Recent high profile data loss and cyberattacks against DHB's and government departments has highlighted the need to approach the "Public Portal" solution with attention to security of customer information.

## Policies & Procedures

Changes in legislation (Privacy Act 2020) and a desire to improve Council's maturity in information management have brought an improvement in procedures for staff. Access to physical files and archives has been restricted to a small number of staff. All staff have been offered Local Government Official Information Act and Privacy Act training and Phishing training. Ensuring staff receive appropriate training in these areas is ongoing. Council has also instituted new procedures on how to deal with data loss, privacy and enquiries, and use of Council computer systems.

## Information Technology

The year has been busy with new staff starting and needing IT equipment and support. During 2020/2021, Council decided to upgrade all staff to laptops to enable working from home. It has been a long project and is not yet complete with about 90% of staff now on laptops. With the impediment of Covid-19 IT equipment continues to be difficult to get hold of internationally. The current delay on laptops is approximately two to three months.

Council now uses Zoom phones as our phone system. This means that staff no longer have desk phones and their computer and their mobile phones are their extensions, which enables all staff to work from anywhere. Working from home is now a lot simpler. We are also in the process of upgrading our Zoom conferencing facilities throughout the Council HQ with Zoom rooms to be setup on each floor.

The servers were upgraded this year with the addition of a new node. This was required as we were running out of server space.

## Council Controlled Organisations

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

# Funding Impact Statement (for the Leadership group)

For the year ended 30 June 2021

<b>Group Level Funding Impact Statement</b>			
	<b>Long Term Plan 2020 \$000</b>	<b>Long Term Plan 2021 \$000</b>	<b>Actual 2021 \$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	1,113	1,103	927
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	77	73	134
Interest and dividends from investments	-	-	264
Local authorities fuel tax, fines, infringement fees, and other receipts	669	682	986
Internal charges and overheads recovered	3,720	3,888	6,178
<b>Total Operating Funding (A)</b>	<b>5,578</b>	<b>5,746</b>	<b>8,490</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	3,150	3,116	5,356
Finance Costs	479	423	427
Internal charges and overheads applied	1,850	2,036	2,254
Other operating funding applications	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>5,479</b>	<b>5,576</b>	<b>8,037</b>
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>98</b>	<b>170</b>	<b>452</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	(17)	(17)	53
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>(17)</b>	<b>(17)</b>	<b>53</b>
<b>Application of Capital Funding</b>			
Capital Expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	51
- to replace existing assets	223	46	279
Increase (decrease) in reserves	(142)	107	175
Increase (decrease) of investments	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>81</b>	<b>153</b>	<b>505</b>
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(98)</b>	<b>(170)</b>	<b>(452)</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.	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year. <i>(2019/2020: 41% residents contacted in the Bi-annual resident survey were satisfied with Council's leadership.)</i>
The community understands what Council does	<b>50%</b> of residents understand how Council makes decisions.	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year. <i>(2019/2020: 77% of residents contacted in the Bi-annual resident survey understood in general how Council makes decisions.)</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> .	2020/2021: The Annual Report 2019/2020 was adopted by Council on 2 November 2020 and the Long Term Plan 2021 – 2031 was adopted on 30 June 2021. Both met the statutory deadline. <i>(2019/2020: The Annual Plan was adopted by Council on 30 June 2020. The Annual Report 2018/2019 was adopted on 31 October 2019. Both met the statutory deadline.)</i>
A comprehensive Customer Service Centre	<b>75%</b> of residents satisfied with the service they receive.	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year. <i>(2019/2020: 74% of residents contacted in the Bi-annual resident survey were satisfied with service received.)</i>
Effective engagement of the community during public decision-making opportunities	<b>55%</b> of residents that believe they have been consulted appropriately.	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year. <i>(2019/2020: 36% of residents contacted in the bi-annual resident survey are very satisfied / satisfied with the way Council engages the community in consultation.)</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

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.’

Level of Service	Measure / Target:	Progress
To comply with its Statement of Intent.	Targeted ratio of Shareholders funds to total assets shall <b>not be less than 50%</b> for the period covered by the Statement of Intent.	2020/2021: Achieved: 52.2% <i>(2019/2020: Achieved: 52.61%)</i>
	Subsidiary companies shall return a <b>minimum acceptable dividend.</b>	2020/2021: Achieved. A dividend of \$220,000 was paid to Westland District Council in the 2020/2021 year. <i>(2019/2020: Achieved: \$120,000 subvention from Westroads Ltd payable to WHL and \$200,000 subvention paid to Westland District Council in December 2019.)</i>
	Ensure that the financial targets and strategic direction of WHL are in line with the WDC requirements.	2020/2021: Achieved: Final Statement of Intent submitted to Council 14 June 2021. <i>(2019/2020: Achieved: Final Statement of Intent submitted to Council on 25 June 2020.)</i>

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

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

Joanne Conroy – Chair appointed 25 May 2020

Christopher Gourley – appointed 2 June 2020

Christopher Rea – appointed 22 May 2020

Level of Service	Measures / Target	Progress
	<b>Financial Measures</b>	
To comply with its Statement of Intent.	The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds within a range of <b>1% and 6%</b> for the year commencing 2018/2019	2020/2021: Not achieved: 24.4%  This measure is not achieved due to the specified range. However, the ratio of net profit is greater than the measure requires.  <i>(2019/2020: Not Achieved: -0.2%)</i>
	The ratio of net profit before taxation and revaluations to average total assets of <b>1%</b> .	2020/2021: Not achieved: 15.9%  This measure is not achieved due to the specified range. However, the ratio of net profit is greater than the measure requires.  <i>(2019/2020: Not Achieved: -0.1%)</i>
	Compliance with statutory and regulatory requirements enabling Destination Westland Ltd and the relevant Council's to comply with the Local Government Act 2002.	2020/2021: Achieved: The Annual Report was completed on 26 November 2021.  Council Controlled Organisations were required to adopt their Annual Report before 30 November 2021 under s 67(5)(a) of the Local Government Act., (amended 13 July 2021).  <i>(2019/2020: Achieved: The Annual Report was completed on 23 October 2020.</i>  <i>Council Controlled Organisations were required to adopt their Annual Report before 30 November 2020 under the COVID-19 Response (Further Management Measures) Legislation Act (No 2) 2020.)</i>
	<b>Non-Financial Measures</b>	
	Aged Care:	2020/2021: Achieved: 99%  <i>(2019/2020: Achieved: 99.58%.)</i>

	Annual percentage occupancy to be <b>no less than 95%.</b>	
	Swimming pool: Annual total admissions to be <b>within 5%</b> those of the previous year.	2020/2021: Achieved: 16,519 admissions Note: The pool was closed from 23 March – 30 June 202 due to Covid-19 restrictions. <i>(2019/2020: Not Achieved: 15,340 admissions.</i> <i>The swimming pool was closed from 23 March 2020– 30 June 2020 due to Covid-19 lockdown and annual maintenance.)</i>
	Baches on Road Reserve: Annual number of licenses to occupy to be <b>greater than 70.</b>	2020/2021: Achieved 85 Signed agreements to occupy <i>(2019/20: 85)</i> 11 Signed agreements – season sites <i>(2019/2020: 11)</i> 19 Signed agreements – other occupations <i>(2019/2020: 19)</i> 0 Applications in process <i>(2019/2020: 0)</i>
	Jacksons Bay Wharf: Annual percentage of commercial fishing vessels who use the wharf with licenses = <b>90%</b>	2020/2021: Achieved: 100% of the major fishing vessels - this excludes casual users <i>(2019/2020: 100% of the major fishing vessels - this excludes casual users)</i>
	Leasehold properties: Annual percentage of leasehold properties available for lease = <b>80%</b>	2020/2021: Achieved: 18 WDC properties are managed: 15 are leased - 83% <i>(2019/2020: Achieved: 18 WDC properties are managed: 15 are leased - 83%)</i>
	Tenant satisfaction Tenant satisfaction with the provision of the company's aged care rental housing <b>greater than or equal to 90%.</b>	2020/2021: Achieved: 98% - August 2020 <i>(2019/2020: Not Measured: Tenant satisfaction survey was conducted in August 2020, which is outside the period, as it was delayed by Covid-19.)</i>
	Time loss through injury Loss Time Injuries will be <b>0</b>	2020/2021: Achieved: Zero time lost. <i>(2019/2020: Achieved: 0)</i>
	Annual CAA audit findings <b>Nil</b> findings	2020/2021: Achieved: Nil <i>(2019/2020: Achieved: No findings reported.)</i>
	Aircraft Movement statistics <b>Within 5%</b> of previous year	2020/2021: Not Achieved: 3305 aircraft movements. Fewer flights due to Covid-19. <i>(2019/2020: Not Achieved: 3553 aircraft movements. Fewer movements in April, May and June due to Covid-19.)</i>

	Passenger numbers through terminal <b>Within 5%</b> of previous year	2020/2021: Not Achieved: 32,456 passengers through terminal. Fewer flights due to Covid-19. <i>(2019/2020: Achieved: 44,772 passengers through terminal.)</i>
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## Directors

Peter Cuff – Chair appointed 18 January 1995

Bryce Thomson – Deputy Chair appointed 26 November 1998

Ross Pickworth – Director appointed 1 November 2017

Mark Rogers – Director appointed 15 October 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:

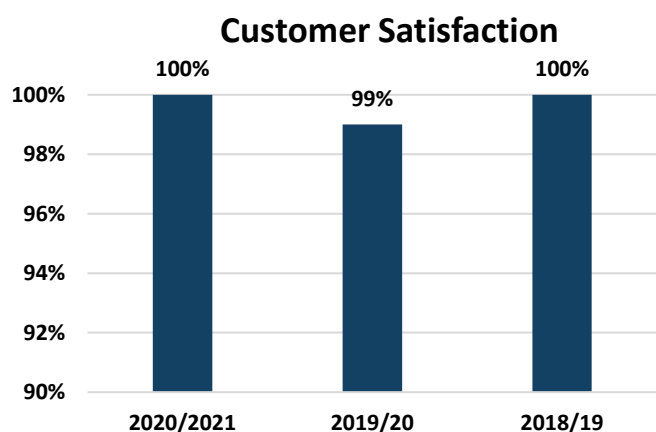
‘Operates a successful business by meeting market requirements in terms of quality, excellence in service and pricing on a commercially competitive basis and ensure a reasonable rate of return to the ratepayers of Westland in accordance with the Statement of Intent.’

Level of Service	Measure / Target	Progress
To comply with its Statement of Intent	The ratio of net profit before taxation and revaluations shall be <b>at least 10%</b> to average shareholder funds.	2020/2021: Not Achieved: -5.25% (2019/2020: Achieved: 20.6%)
	A return of an annual dividend to the shareholder within a range of between <b>40-70%</b> of the company’s net profit after tax.	2020/2021: Not Achieved: -44.5% (2019/2020: Achieved: 45.6%)
	<b>Compliance</b> with statutory and regulatory requirements enabling Westroads Ltd, and the relevant Council’s to comply with the Local Government Act 2002.	2020/2021: Achieved. The Annual Report was completed on 8 November 2021.  Council Controlled Organisations were required to adopt their Annual Report before 30 November 2021 under s 67(5)(a) of the Local Government Act., (amended 13 July 2021).  (2019/2020: Achieved: The Annual Report was completed on 29 October 2020.  Council Controlled Organisations were required to adopt their Annual Report before 30 November 2020 under the COVID-19 Response (Further Management Measures) Legislation Act (No 2) 2020.)



## Planning and Regulatory Group

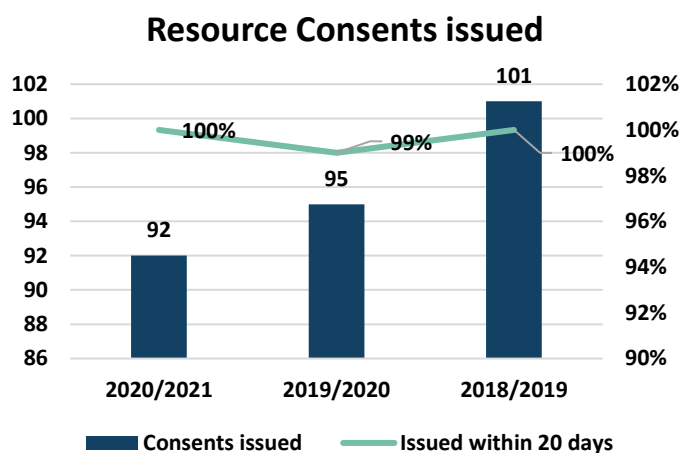
### Resource Management



Customer feedback for the department remains positive with an increase in satisfaction this year by 1% from last year's 99% satisfaction rating. 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.

### Resource Consents

Resource consents issued were down by three from the previous year. Such a small difference was unexpected as staff anticipated that there would be a much larger drop in resource consents being lodged due to the impacts of Covid-19. All consents were processed and issued within the 20 day legal timeframe.



### Appeals and Hearings

Westland District Council was not involved in any Environment Court appeals or Commissioner Hearings in this financial year.

### Planning

The Planning Manager is contributing to the Te Tai o Poutini Plan (TTPP) [combined Westland, Grey and Buller District Plan] Technical Advisory Team. The TTPP Committee voted to fast track the plan process, aiming to complete the Plan by December 2021 ahead of the Resource Management Act 1991 reform.

Contributions were made to submissions on the National Policy Statement for Freshwater Management, National Policy Statement on Urban Development, Proposed National Policy Statement for Indigenous Biodiversity and Proposed National Policy Statement for Highly Productive Land. The Planning Team filled the vacant Planner role and the Compliance and Enforcement Officer role, to ensure that all aspects of Ministry for Environment requirements are achieved.

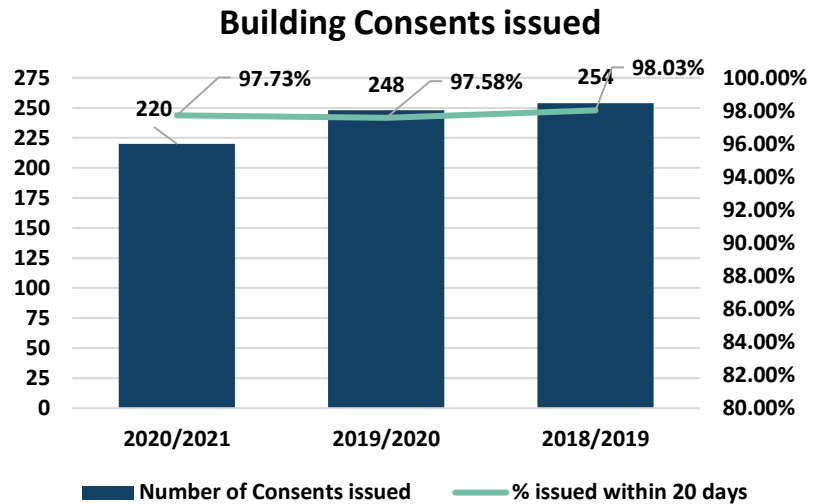
Work on the Franz Josef and Hokitika Town Centre Strategies continued throughout the year, with the Planning Manager initiating a trial of a one-way system on a portion of Revell Street in Hokitika. Through the Long Term Plan 2021 – 2031 process public submissions were gathered for creating the Racecourse Concept Plan and for finalising Cass Square developments.

# Inspections and Compliance

## Building

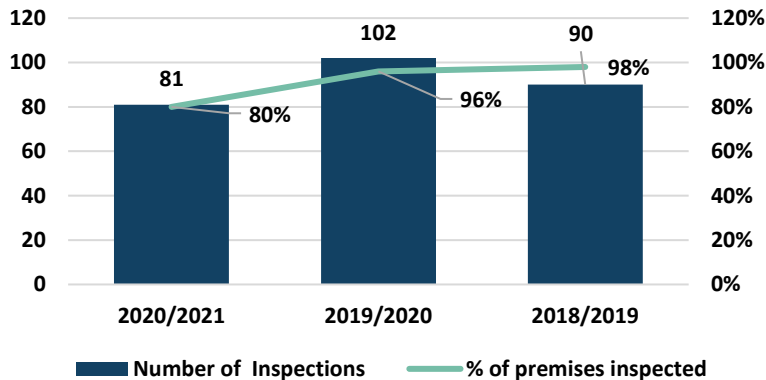
Consent numbers were low at the start of this financial year with Covid-19 effecting the industry, but consent numbers have picked up the last half of the year, especially this quarter. There has also been an increase in inspection numbers, meaning the inspectors are as busy as ever.

The last quarter of the year was busy for staff preparing to review Building Warrant of Fitness certificates for commercial buildings with certain safety features, with a 30 June deadline and preparing for the bi-annual accreditation audit.



## Food Premises

### Food Premises Inspections

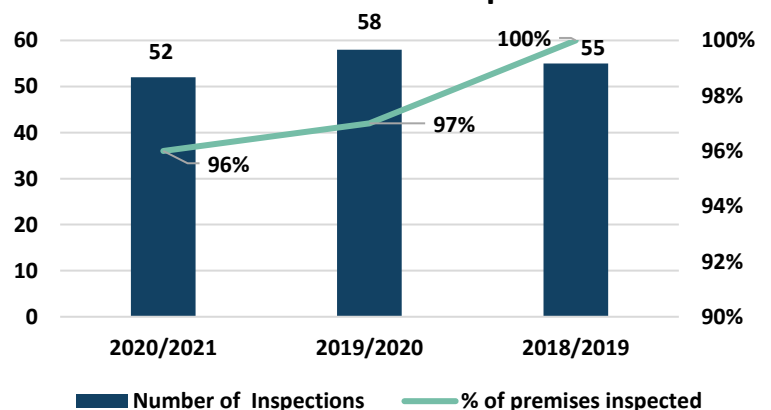


Many hospitality businesses in the Westland District are yet to recover from Covid-19. Staff were able to inspect the majority of premises in this financial year. However, out of 101 registered food premises: 16 closed, either permanently or temporarily for the year; two premises were sold and will be inspected in the 2021/2022 year; one premises moved to a custom food control plan, which is inspected by MPI; and one business was not inspected.

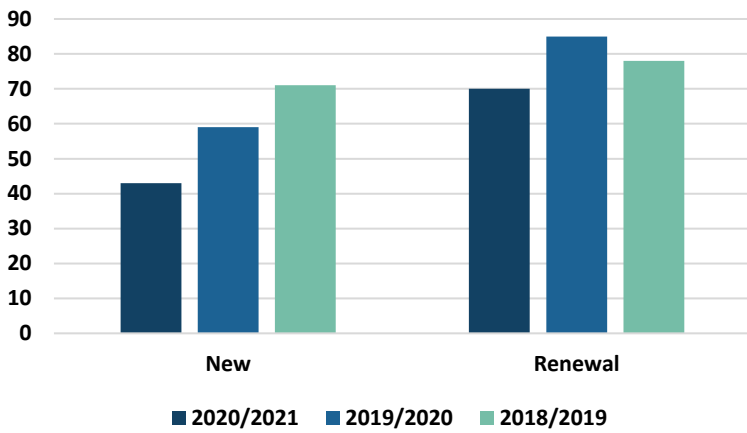
## Alcohol

As the hospitality industry is still recovering, staff were only able to inspect businesses that remain open. Businesses that are in hibernation were not inspected.

### Licenced Premises Inspections



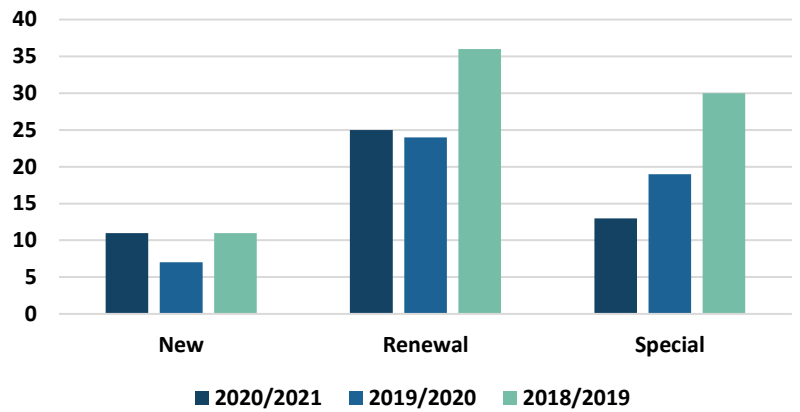
### Manager's Licences Issued



New applications for Manager’s Licences are lower than previous years, reflecting the downturn in business for licenced premises since the Covid-19 pandemic began.

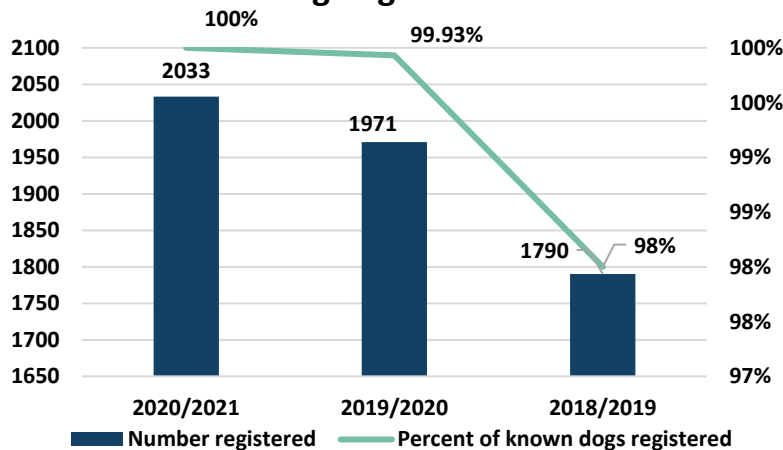
Seven of the new licences issued were for new businesses, or existing businesses that became licenced during the year. The majority of these businesses are in Hokitika. Other new licences were issued to new owners of existing businesses.

### Liquor Licences Issued



Animal Control  
Dog Registration

### Dog Registration

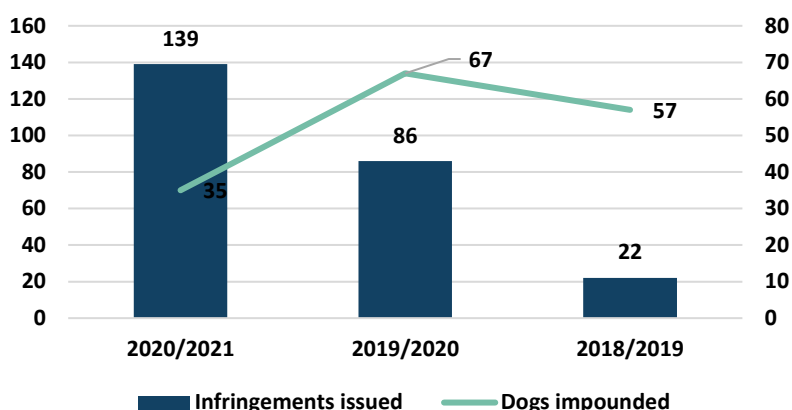


All known dogs were registered in the 2020/2021 year. This is an improvement from the previous two years.

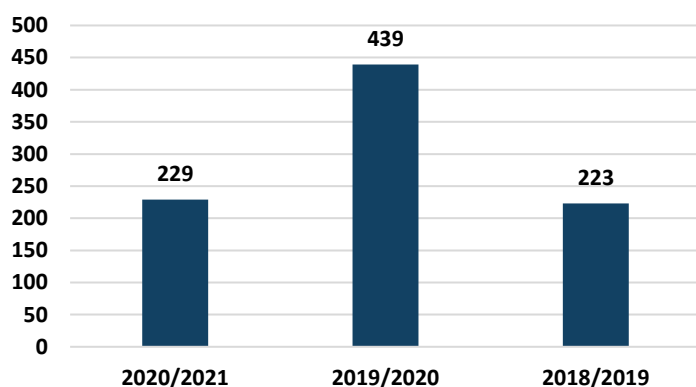
## Complaints and Infringements

The majority of infringements issued were for failure to register a known dog. Approximately 130 of these infringements were subsequently withdrawn as the dog was no longer owned or the owners had relocated from Westland. Staff are working on improving best practice and will sight the dog and educate owners before issuing infringement notices.

### Infringements and impounding



### Complaints Received



Of the 229 complaints received, approximately 180 were for roaming dogs, the rest involving attack / rushing complaints with very few welfare complaints. There were significantly fewer complaints compared to the 2019/2020 year, which is likely due to the return to more normal activities as the Covid-19 restrictions were lifted.

## Emergency Management/ Civil Defence (CD)

### Staff

The Westland Emergency Management Officer (EMO) is a 0.8 role and also carries out the Group Welfare Manager role for the West Coast. This position is supported by volunteers in the community, who also provide assistance at community learning events and training sessions.

### Training and capability building

Several training and capability opportunities have been held throughout the Westland District this year. Training sessions include:

- General Coordinated Incident Management Systems 4 (CIMS 4)
- Mines Rescue provided CIMS 4 in Hokitika for WDC & partner orgs (Destination Westland Ltd and Westroads Ltd) & Franz Josef for the Community Response Group (CRG).
- Multi Habitation Unit training.
- Community Learning in Hari Hari and Kokatahi.
- Welfare and Radio Training in Fox Glacier.
- Animal Welfare in Emergencies, which was led by Ministry for Primary Industries.

Fox Glacier, Bruce Bay and Kokatahi CRGs applied successfully for funding from the Lotteries Community Grant and the Community Capability Resilience Fund.

## Community Engagement/ Public Education

There are 12 active CRGs in Westland, with new groups forming in Otira and Kokatahi. A new group is in the process of forming at Lake Kaniere.

Many community members took the opportunity to learn more about the science of AF8, and about the possible impacts of an alpine fault event on their communities. Three Roadshow events were held in Haast, Whataroa and Kokatahi with over 200 people attending the events.

Yellow Emergency Boxes have been delivered to the Ross, Okarito and Kokatahi communities, and Haast received the first of five Community Emergency Containers.

*Haast Community Emergency Coordinators in the Emergency Container before fit-out.*



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

For the year ended 30 June 2021

<b>Group Level Funding Impact Statement</b>			
	<b>Long Term Plan 2020 \$000</b>	<b>Long Term Plan 2021 \$000</b>	<b>Actual 2021 \$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	1,310	1,545	1,615
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	-	-	367
Fees and charges	925	952	861
Local authorities fuel tax, fines, infringement fees, and other receipts	128	130	394
Internal charges and overheads recovered	124	272	-
<b>Total Operating Funding (A)</b>	<b>2,487</b>	<b>2,900</b>	<b>3,238</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,760	1,917	2,025
Finance Costs	-	10	-
Internal charges and overheads applied	697	733	1,114
Other operating funding applications	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>2,458</b>	<b>2,660</b>	<b>3,139</b>
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>29</b>	<b>240</b>	<b>100</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	200	(10)	156
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>200</b>	<b>(10)</b>	<b>156</b>
<b>Application of Capital Funding</b>			
Capital Expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	148
- to replace existing assets	-	-	8
Increase (decrease) in reserves	229	230	100
Increase (decrease) of investments	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>229</b>	<b>230</b>	<b>256</b>
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(29)</b>	<b>(240)</b>	<b>(100)</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:	2020/2021: 100% processed within statutory timeframes. 92 consents processed. <i>(2019/2020: 99% within statutory timeframes. One consent was over by one day.)</i>
Provide appropriate advice to customers	<b>85%</b> of users satisfied with the quality of the advice provided on resource management matters.	2020/2021: 100% satisfaction based on the Planning Department's customer feedback survey throughout the year. <i>(2019/2020: 99% satisfaction with the quality of advice provided by Planning Staff, based on customer feedback throughout the year. A formal satisfaction survey was not carried out due to time-constraints in the team following the Covid-19 lockdown period.)</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.	2020/2021: Consents issued = 220 97.73% issued within 20 day statutory timeframe. <i>(2019/2020: Consents issued = 248 97.58% 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.	<p><b>Building Consents</b></p> <p>2020/2021: A Building Consent Authority satisfaction survey was not conducted in the 2020/2021 year. Staff are reviewing the process for improvements in the 2021/2022 year. <i>(2019/2020: 80% 2019/2020 Building Consent Authority Satisfaction Survey.</i></p> <p><i>Respondents this year were less satisfied with the advice received around compliance than in the previous year.)</i></p> <p><b>Environmental Health</b></p> <p>2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year. <i>(2019/2020: 54% residents contacted in the bi-annual resident survey were satisfied with the quality of advice from Environmental Health.</i></p> <p><i>Note: a small base of 33 residents. )</i></p> <p><b>Liquor Licensing</b></p> <p>2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year.</p>

Level of Service	Measure / Target	Progress
		(2019/2020: 85% residents contacted in the bi-annual resident survey were satisfied with the quality of advice from Liquor Licencing.  Note: a very small base of 9 residents. )
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>  2020/2021: 80% inspected, 81/101 due to premises closing temporarily or permanently after the Covid-19 pandemic.  (2019/2020: 96% inspected, 102/106 due to premises closing during the Covid-19 pandemic.)  <b>Liquor Premises</b>  2020/2021: 96% inspected, 52/54, due to premises closing temporarily or permanently after the Covid-19 pandemic.  (2019/2020: 97% inspected, 58/60 due to premises closing during the Covid-19 pandemic.)

## 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.	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year.  (2019/2020: 64% residents contacted in the bi-annual resident survey were satisfied with the quality of protection from dogs and wandering stock.  Note: a small base of 33 residents.)
	<b>98%</b> of known dogs registered by 30 June each year.	2020/2021: 100%  (2019/2020: 99.93% of known dogs registered.  One dog remaining unregistered at end June 2020 was impounded and unclaimed by owner.)
	Response times to Priority 1 callouts is <b>30 minutes or less (excluding travel time)</b>	2020/2021: 100% of response times to Priority callouts in 30 minutes or less.  (2019/2020: 100% of response times to Priority callouts in 30 minutes or less.)

## Emergency Management

Level of Service	Measures / Targets	Progress
Effective natural hazard readiness	<b>100%</b> of suitable emergency response training has occurred  - Emergency Management personnel meet CIMs 4 and EOC standards - Volunteers are offered at least 2 training opportunities per annum	2020/2021: 100% emergency response training. Detailed above.  (2019/2020: While formal training of 100% was not achieved, personnel applied and improved their skills during emergency responses outlined in the commentary.



Level of Service	Measures / Targets	Progress
	<p>- Number of trained volunteers increases by <b>10%</b></p>	<p><i>14% Council staff completed emergency management training.</i></p> <p><i>8 staff completed course on Takatu.</i></p> <p><i>Volunteer Training occurred in:</i></p> <ul style="list-style-type: none"> <li>• <i>Franz Josef: CIMS foundation / refresher course, October 2019.</i></li> <li>• <i>Haast community response workshop, October 2019.</i></li> </ul> <p><i>Community training was not held due to Covid-19 from March 2020 – 30 June 2020.)</i></p>
<p>Suitable response systems are in place</p>	<p><b>90 – 100%</b> of community emergency response plans are in place for all Westland townships.</p>	<p>2020/2021:</p> <p>69 % of community response plans in place (complete / in place and operational drafts).</p> <p><b>Community Response Groups -.13</b></p> <p>Community Responses Plans (CRP):</p> <ul style="list-style-type: none"> <li>• Haast, Franz, Fox CRP complete</li> <li>• Kumara, Ross, Hari Hari, Whataroa, Okarito, Bruce Bay CRPs currently in draft but operational.</li> <li>• Otira, Kokatahi newly established groups and commencing CRP</li> <li>• Waitaha Valley &amp; Lake Kaniere still to be engaged</li> </ul> <p>(CRPs: 3 complete, 6 in draft, 2 newly established groups and 2 forming groups)</p> <p>Other Key Response Plans:</p> <ul style="list-style-type: none"> <li>• Hokitika River Trigger Response Action Plan (TARP) in draft.</li> <li>• Hokitika Airport Emergency Response Plan</li> <li>• Westland District Council Emergency Operation Centre Activation Plan</li> </ul> <p><i>(2019/2020: 69% of community response plans in place (complete / in place and operational drafts).</i></p> <p><i>Community Responses Plans (CRP):</i></p> <ul style="list-style-type: none"> <li>• <i>Haast, Franz CRP complete</i></li> <li>• <i>Kumara, Ross, Hari Hari, Whataroa, Fox CRPs currently in draft but operational.</i></li> <li>• <i>Engagement and planning required for Otira, Kokatahi, and Waitaha Valley.</i></li> </ul> <p><i>(CRPs: 2 complete, 5 in draft and 3 to be established)</i></p> <p><i>Other Key Response Plans:</i></p> <ul style="list-style-type: none"> <li>• <i>Hokitika Flood Response Plan in place.</i></li> <li>• <i>Waiho Flood Response Plan in draft.</i></li> <li>• <i>Mills Creek and Callery Landslide Dam Response Plans in draft)</i></li> </ul> <p><i>Community response plan engagements were not undertaken due to Covid -19 from March 2020 – 30 June 2020.)</i></p>



## Community Services Group

### Community Development and Assistance

#### Westland Communities Contact & Liaison

The 2020-2021 year saw further impact of the Covid-19 pandemic on our Westland Communities. With New Zealand borders closed the tourist dependent communities have experienced many challenges.

The Community Development Advisor (CDA) with council staff has attended community meetings from Haast to Kumara during the last year. Mahi Ngatahi – Working Together has been the focus of the CDA, to ensure the lines of communication move in both directions; communicating community concerns and issues to Council and returning responses to Community Groups.

Ensuring that Westland communities are aware of Community Funding Opportunities is a large part of community contact, along with ensuring applicants meet criteria and have assistance where necessary to complete applications. The CDA has provided advice to groups completing applications to Lotteries and Trusts, also those completing the formality of Major District Initiative and District Economic Stimulus Fund funding.

#### Township Development Funding

All funding recipients furnished a 2019-2020 Accountability report, signed 2020-2021 Funding Agreements and received funding. The Township Development funding continues to give small townships some autonomy in the development of their communities.

#### Events

The CDA was involved in the organisation of four events, working alongside local community groups to bring these events to our community:

Date	Event
6 February 2021	Waitangi Day Commemoration, Arahura Marae
25 February	'Clued Up Kids', Safer Westland
21 April	Memorial Service Public Screening – HRH Prince Philip
25 April	ANZAC Day Parade and Service, Hokitika Westland RSA

#### Funding

Westland District Council supports the wellbeing of Westland Communities by encouraging arts and culture through the Creative Communities funding scheme.

Westland District Council supports children and young people in Junior Teams to participate in sport and competition through the distribution of the Sport NZ Rural Travel Fund.

Funding from	Granted to
Creative Communities Round 1	Town Clock Art Design Guy Menzies Park
Creative Communities Round 1	Driftwood & Sand Beach Art Festival 2021 Guest Judge & Workshop
Creative Communities Round 1	Annual Children's Day Festival – Craft Tent
Creative Communities Round 1	Rarangi Workshop for Beginners

Creative Communities Round 1	Traditional Maori Hangi – craft, traditional knowledge and heritage shared through practical workshop
Creative Communities Round 1	Freedom Singing Workshop
Creative Communities Round 1	Art Workshop for Adults
Creative Communities Round 1	The Woven Women “Wahine – West Coast’
Creative Communities Round 1	Art4Me – Extending & supporting creative skills
Creative Communities Round 1	Hokitika Lanterns – workshop and mid-winter parade
Creative Communities Round 2	Piupiu Workshop explaining design, process, and finished product for kapa haka group
Creative Communities Round 2	JUNK2FUNK Wearable Art Fashion Show
Creative Communities Round 2	Rarangi and Kupenga Workshops
Creative Communities Round 2	Rocky Horror Screen Cast Evening
Ethnic Communities Development Fund 2019	Due to Covid-19 a small amount of funding from 2019-2020 was carried over to 2020-2021. The ‘West Coast Migration Stories’ project is led by New Coasters.
Ministry of Culture and Heritage - Commemorating Waitangi Day Fund	2020-2021 Westland District Council was granted funding towards the commemoration of Westland Waitangi Day 2021 in partnership with Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio.
Sport New Zealand Rural Travel Fund	South Westland Netball Association
Sport New Zealand Rural Travel Fund	Lake Mahinapua Aquatic Club
Sport New Zealand Rural Travel Fund	Kokatahi-Kowhitirangi Pony Club
Sport New Zealand Rural Travel Fund	Westland United Football Club
Sport New Zealand Rural Travel Fund	WESTs Sport Club
Sport New Zealand Rural Travel Fund	Hokitika Hockey Club
Sport New Zealand Rural Travel Fund	Westland High School
Sport New Zealand Rural Travel Fund	Hokitika Amateur Swimming Club
Sport New Zealand Rural Travel Fund	Hokitika Rugby League
Sport New Zealand Rural Travel Fund	South Westland Bowhunters
Sport New Zealand Rural Travel Fund	Hokitika Tennis Club

#### *Mayors Taskforce for Jobs*

The Westland Mayors Taskforce for Jobs (MTFJ) launched in September 2020 with \$500,000 funding from LGNZ. The primary framework for the programme was based on supporting 50 employment opportunities with a focus on:

- Local Youth Not in Employment, Education or Training (NEETS).
- Individuals who had lost employment as a direct result of Covid-19.
- Small to medium enterprises creating sustainable employment opportunities.
- Assistance towards apprenticeships.

Staff achieved the initial goal of 50 supported employment opportunities within 4 months of the programme launch. LGNZ granted a further \$200,000.00 to support the maintenance of the MTFJ programme. As at 30 June 2021 the MTFJ has supported 119 work opportunities and has a 92.8% success rate. All 28 apprentice placements continue successfully.

In addition to offering employment support, the MTFJ provided 79 local training opportunities not otherwise available in Westland, a Youth Employability Programme and created the community Inspire to Aspire Careers event, which gained national recognition.

The MTFJ has been successful in supporting local people in small business in the wake of Covid-19 and will continue in to the next financial year.

#### Safe Community Coalition – Safer Westland

The Safe Community Coalition (Safer Westland) meets every two months. The Coalition has strengthened and widened collaborative relationships and networks by reaching out to new groups and agencies. The Safer Westland coalition provides support and information for Westland residents.

Current Safer Westland projects and initiatives include:

- **Hokitika Community Patrol** – Currently there are 12 volunteers on a roster covering the town and surrounding areas on Friday and Saturday nights.
- **Hokitika Half Price Taxi Chits** - available to seniors who do not qualify for the West Coast Mobility Taxi Scheme, and who have voluntarily ceased driving or do not have an independent means of transport. Numbers have increased to 33 kaumatua/seniors using the Hokitika Half Price Taxi Chits.
- **Big Brothers Big Sisters** - the mentoring programme has 11 volunteers matched up with vulnerable children and young people in Westland and five boys on the waiting list.
- **Hokitika Community Champions** -the goal of Hokitika Community Champions is a violence-free community. Hokitika Community Champions also partner with West Coast Te Rito Violence Prevention Network.
- **Drive WEST – Learner Licence Programme** - During 2020-2021, the Learner Licencing Programme has achieved 87% success rate. This programme also identified some pastoral care issues with a small number of young people needing glasses and reader/writer assistance.
- **CACTUS – Youth Programme** - CACTUS sessions are physical and involve personal goals, teamwork and a particular task, often using the environment outside of school. Westland District Council works in partnership with WestREAP to provide funding for this initiative. CACTUS is now operating in both Westland high schools and in three local primary schools.
- **Clued Up Kids 2021** is a day of activities aimed at improving confidence and life skills in Westland children, to help them stay safe in a range of real-life scenarios. Supported by Westland District Council, Safer Westland partner agencies and organisations provided a programme teaching primary school-aged children in Years 5 & 6 from seven Westland schools, to instil confidence and life skills to help them stay safe in a range of real-life scenarios.
- **Mates & Dates** - The Mates and Dates programme is a preventative programme run in high schools to teach healthy and safe relationships in young people.

# Funding Impact Statement (for the Community Services group)

For the year ended 30 June 2021

<b>Group Level Funding Impact Statement</b>			
	<b>Long Term Plan 2020 \$000</b>	<b>Long Term Plan 2021 \$000</b>	<b>Actual 2021 \$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	327	336	453
Targeted Rates	795	823	801
Subsidies and grants for operating purposes	25	25	686
Fees and charges	-	-	-
Interest and dividends from investments	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	20	21	
Internal charges and overheads recovered	-	-	-
<b>Total Operating Funding (A)</b>	<b>1,167</b>	<b>1,205</b>	<b>1,940</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	809	834	1,651
Finance Costs	-	-	-
Internal charges and overheads applied	212	225	298
Other operating funding applications	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>1,021</b>	<b>1,059</b>	<b>1,949</b>
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>146</b>	<b>147</b>	<b>(10)</b>
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>			
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	-	-	207
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>207</b>
<b>Application of Capital Funding</b>			
Capital Expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	26	-
Increase (decrease) in reserves	146	121	198
Increase (decrease) of investments	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>146</b>	<b>147</b>	<b>198</b>
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(146)</b>	<b>(147)</b>	<b>10</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 community hall.	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year. <i>(2019/2020: 93% residents contacted in the Bi-annual resident survey were satisfied with the standard of their community hall.)</i>

## Leisure Services and Facilities Group

### Elderly Housing

*This information has been supplied by Destination Westland Ltd.*

On behalf of Westland District Council, Destination Westland Ltd manages 42 elderly housing units in Hokitika and four in Ross, as well as independently owning and managing nine units in Hokitika.

The annual elderly housing resident satisfaction survey was conducted in August 2020. More than twenty percent of residents have lived in their flat for over 10 years. During 2020/2021, six new residents moved into the units.

One unit was re-carpeted, and 10 heating components were installed. Prior to a new resident moving in, a unit is inspected to see if it requires maintenance, such as repainting, or any other additional work.

As part of the Long Term Plan 2021 – 2031, Council resolved to transfer ownership of their elderly housing land and building assets to Destination Westland Ltd during the 2021/2022 year.

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 Wildfoods Festival

*This information has been supplied by Destination Westland Ltd.*

The 2021 Wildfoods Festival was the third year that Destination Westland Ltd managed the event. The event returned to its traditional 2<sup>nd</sup> Saturday of March, running from 11am to 7.00pm with no breaks.

The Events Team was made up of Event Co-ordinator, Event Assistant, and the wider team at Destination Westland Ltd.



Organisers had to be ready to adapt to the changing Covid-19 alert levels, with uncertainty in the weeks leading up to the event as was NZ moving in and out of Level 2 during that time. Early Bird Tickets were offered along with the discounted Local Tickets. This year entry for all children under the age of 12 was free. More than 9,000 people attended the festival.

A strong line-up of kiwi bands were present on stage with Stellar, Elemeno-P and The Feelers, one of the positive with closed borders.



Social Media continued to be a strong marketing tool for promoting the festival. The Wildfoods Facebook page gained 1,143 followers between 1 July 2020 and 30 June 2021 and posts reaching around 30,000 people around the time of the festival.

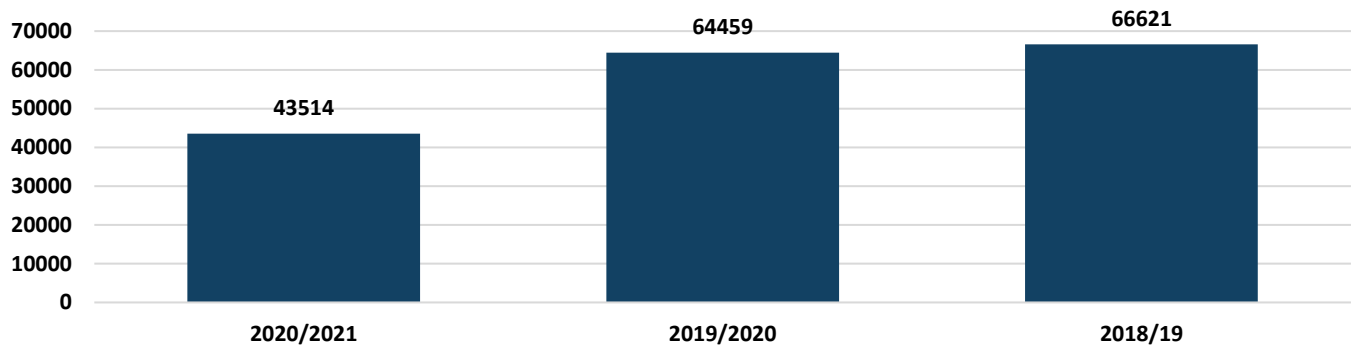


## i-SITE

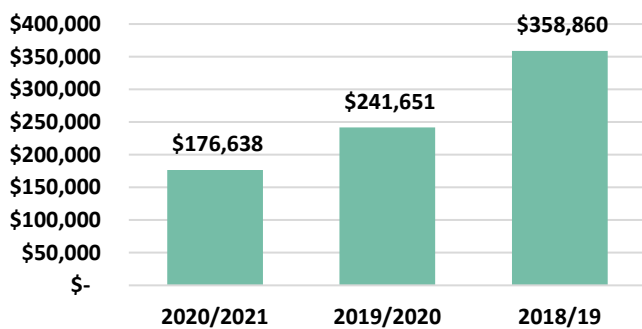
*This information has been supplied by Destination Westland Ltd.*

Due to the Covid-19 pandemic, New Zealand moving between levels and closed international borders, visitor numbers continued to decrease year-on-year. This decrease in total visitor numbers coupled with a change from predominantly international to domestic visitors impacted on retail sales.

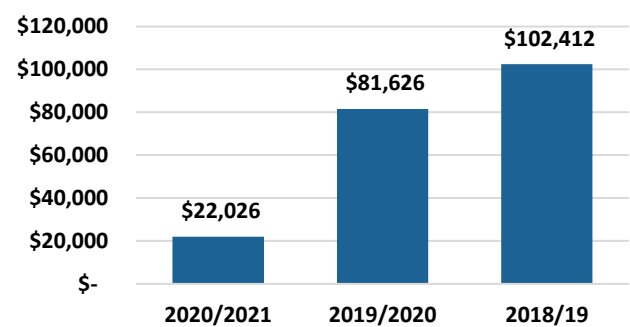
### i-SITE Door Count



### i-SITE Bookings turnover



### i-SITE Retail sales



## Hokitika Museum

Staff/General

Management of the Hokitika Museum returned to Council following the restructure of Destination Westland Ltd because of the Covid-19 pandemic.

A new Museum Director was appointed and started in her new role in April 2021. One staff member relocated out of the district and resigned their role.

Museum staff worked with the RSA and Kaniere Heritage Group to undertake a conservation assessment of the Kaniere Hall Window and find a more suitable site for display of the window.

Members of the Pacific Lodge met for the first time in 43 years in Hokitika, and spent a morning at the museum looking at the masonic collection, before holding a Lodge Meeting at the Old Lodge Theatre.

### *Relationship with Heritage Hokitika*

Museum staff have a collaborative relationship with Heritage Hokitika and are involved in ongoing projects together. These include producing and printing the annual Heritage News, the newsletter for Heritage Hokitika, the Heritage Industrial Park and Museum, supporting the Oral History project with recording equipment, technical support and training, and the Charlie Douglas project, with staff assisting to source original materials, administration and cataloguing of material.

## Research

Museum staff have dealt with 163 research enquiries. Cost of this service ranges from \$5 for basic in-house enquiries to \$30 - \$60 per hour for more detailed enquiries. Digital files and prints of photographs in the Museum's collection are available for purchase, and 333 images were supplied in total.

## Collections

A total of 371 items were catalogued into the collection database, Past Perfect. These items included some new acquisitions along with items already in the Museum's care. Many of the existing items included photographs from the large collection, which is awaiting cataloguing.

Some of the new acquisitions included items from the Seddon Estate (including: Writing Boule, shoes, books, archives), Dr Teichelmann's bowler hat, archives connected to Charlie Douglas, paintings of two local identities, newspapers (old), photographs and other objects.

The Museum also received a large donation from the Westland Genealogy Group, which has closed. This included: Births, Deaths, Obituaries, Marriage and Cemetery records, family histories, photographs and books.

A total of 995 records were updated on the Museum's Past Perfect database. A basic inventory is currently being undertaken to record the items held in the Museum and their current location. In addition, Museum staff have been working on identifying significant items in the collection.

	2020/2021	2019/2020	2018/19
Number of items catalogued	371	551	416
Updated records	995	3716	204

## Income

\$3,348.76 income from all sources (donations, retail, research and photography sales).

## Public programmes (exhibitions and events)

Month	Event
<b>April – November 2020, &amp; ongoing</b>	Te Tai o Poutini Art Awards – Museum assisted WAI to secure CNZ Covid-19 funding to initiate Art Awards to showcase West Coast Artists. Also provided admin assistance to run the awards.
<b>July 2020 - May 2021</b>	Hokitika Guardian Project: <ul style="list-style-type: none"> <li>• Tales &amp; Treasures: a series of historic articles supplied weekly and then monthly.</li> <li>• Photos from the Archives: Bi-weekly annotated photos.</li> </ul>
<b>August – December 2020</b>	Hosting exhibitions in Carnegie Gallery: <ul style="list-style-type: none"> <li>• Junk 2 Funk – August - September</li> <li>• Creative Fibre - October - November</li> </ul> Lions Club /All Saints Art Auction – November - December
<b>September - October 2020</b>	Luminaries Exhibition in Carnegie Gallery (Hokitika Pictorial)
<b>October 2020</b>	Old Government Building Project – supplied 63 photos and assisted with Heritage NZ researcher
<b>23 February 2021</b>	Presentation of photos and artefacts to pre-schoolers at the Children's House.
<b>25 April 2021</b>	ANZAC Day Slide Show , supplied power-point slide show to Regent Theatre for Anzac service
<b>June 2021 – July 2021</b>	Puanga-Matariki, - staff gave a public talk at the Library on Traditional Maori Food Preservation practices. , and set up a small exhibit at the Pakiwatara building.

## Land and Buildings

Council made successful funding application to the Provincial Growth Fund for renovations and improvements to Community halls and war memorials, in a bid to increase regional employment following the beginning of the Covid-19 pandemic. Construction works began on a number of upgrades to Community halls and monuments throughout the district including Kumara Community Hall, Greypower Building in Hokitika, Kokatahi Community Hall, Waitaha Community Hall, Hokitika Band Hall, Bruce Bay Community Hall, Okuru Community Hall and Haast Community Hall. Upgrades are varied and specific to each building but include re-piling, recladding and structural earthquake strengthening and egress. Completion of works is expected in the next financial year.

The Purchase of the Mountain Jade Building was completed in October 2020 and Council will be upgrading the facility to meet Earthquake standards as an operational building.

The long awaited earthquake strengthening works began on the Carnegie building and are expected to be completed before Christmas 2021.

## Parks and Reserves

Council made significant progress in tidying up Cass Square during the year. In the second quarter, Council staff instructed the maintenance contractors to remove significant undergrowth and random plantings around the perimeter of the park. The intent was to simplify the maintenance requirements; allowing maintenance staff to keep up with the existing maintenance work load. Planting, undergrowth and plant creep had over-run the plant beds, making it very hard for Maintenance staff to keep the planting areas maintained and up to the standard expected. The square is now looking clean and tidy. Resurfacing works on the playing fields were completed in April aerating and scarifying the football fields playing surface.

## Cemeteries

Work at Hokitika Cemetery was scheduled for replacing the concrete footpaths and beams around the Returned Servicemans' area. This work is funded by central government but due to staffing issues the renovation was delayed.

The contract to replace the existing implement and storage shed was let and works on the demolition and construction will start in the 2021-2022 financial year.

To improve visual amenity, a greenwaste storage area was created to remove the unsightly green waste dumps around the cemetery.

## Public toilets

No significant work was carried out on public toilets in the last year. Management continues and occasionally requires a facility to be shut as blockages or messes occur. These lock outs are kept to a minimum time the contractor requires to get the facility working or clean and tidy and ready for use.

## Swimming Pools

*This information has been supplied by Destination Westland Ltd.*

The successful "Chip, Dip and Flick from last year continued to be offered during school holidays and linked in with other local organisations.

The Swim School saw an increase of 40% with up to 1,836 participants attending lessons, and more still on the wait list. Aqua fitness classes continued to be popular with 2,214 attendances recorded.

Staff continue to maintain a Poolsafe Accreditation.

The pool closed for the season at Queen's Birthday weekend, to allow the start of the redevelopment project funded in part by the Shovel Ready Grant awarded last year.

## West Coast Wilderness Trail

Key figures from trail data for the year show that the trail is very well used. A variety of sites have data collection locations along the trail. The trail usage for cyclists varies between 26 and 127 daily cyclist users meaning the usage of the trail sites between 9,490 and 46,355 annual cycle users.

An extension to the trail was completed using Central government funding taking more of the trail off part of the road along Lake Kaniere road and increasing the ride amenity value.

## Westland District Library

This year has been all about adapting to change while continuing to provide an excellent library service that responds to our community during the period of recovery. The New Zealand Libraries Partnership Programme (NZLPP) has assisted the library to support community recovery by funding two additional staff, providing staff training opportunities, subsidising digital services and contributing to programme costs.

Volunteers continue to play a vital role in the library service, shelving, mending and preparing new books for loan in the main library, managing the seven Community Libraries, and supporting the new West Coast Taskforce digital project.

### Events

While the absence of overseas tourists has reduced footfall slightly compared to pre-Covid years, attendance at events and programmes has increased.

The library has collaborated with other organisations to deliver a variety of different events, including partnering with Connected New Zealand to host and support two successful Career Days,

assisting people into new careers and new jobs. The NZLPP staff have offered new programmes sharing Mātauranga Māori and Digital Skills and enabled the library to offer more outreach services, including delivery skills sessions at Fox Glacier's Digital hub – Te Wheke and supporting a new Community Library at the Arahura Marae.

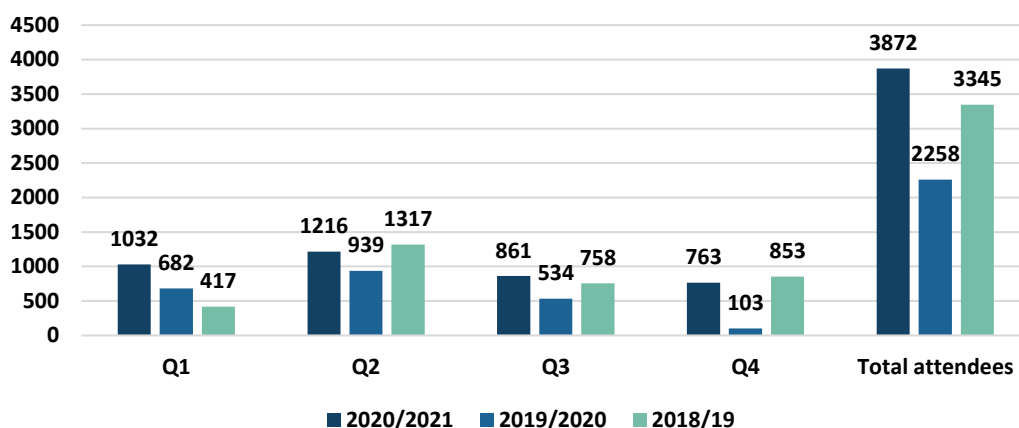
### Digital Resources

Library computers have logged 2372 hours of use over the year, making this a popular resource. At the same time, Wi-Fi use has declined, with only 18790 unique logins compared to 26326 the previous year. This may be due in part to the reduction in overseas tourists and an increase in the number of people with internet access at home. The library computers and internet access remain a vital wellbeing support for more isolated rural householders with no internet service available or when the cost is still a barrier to access at home.

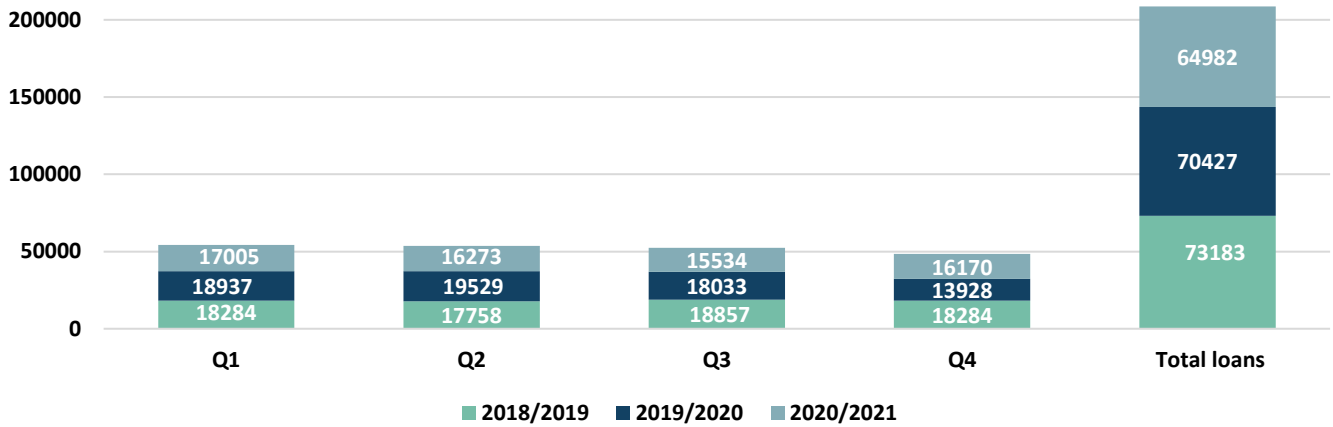
### Loans

The number of physical loans year-on-year has decreased. Anecdotally, a number of our regular borrowers and library users have chosen to avoid using the library while the pandemic still threatens and so have not been borrowing as they usually would. Use of our digital services remains strong and is potentially a growth area as more households access 24/7 digital library services from home.

**Event Attendees**

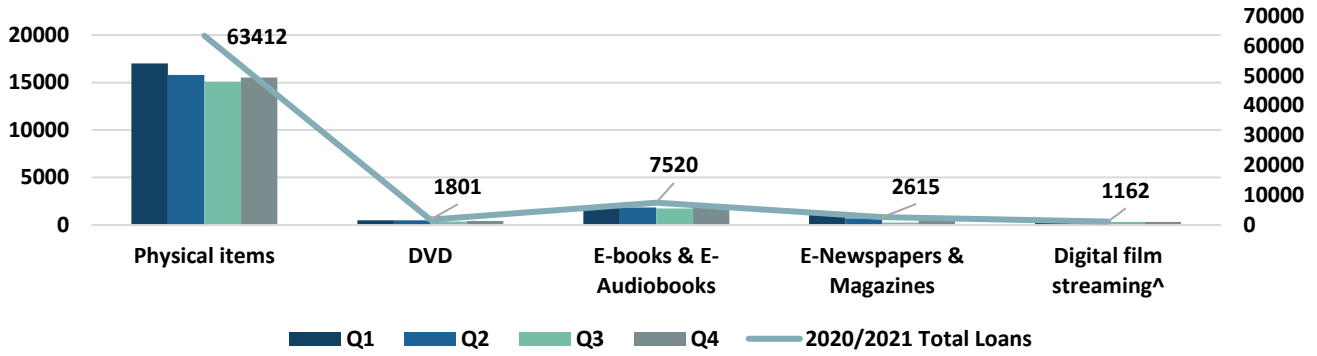


### Loans by Quarter\*



\*Excluding renewals and newer services, e-newspapers, e-magazines and film streaming.

### Loans by Resource^



^Excluding Renewals

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

For the year ended 30 June 2021

<b>Group Level Funding Impact Statement</b>			
	<b>Long Term Plan 2020 \$000</b>	<b>Long Term Plan 2021 \$000</b>	<b>Actual 2021 \$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	1,493	1,532	1,667
Targeted Rates	986	1,007	1,195
Subsidies and grants for operating purposes	6	6	541
Fees and charges	58	59	125
Local authorities fuel tax, fines, infringement fees, and other receipts	78	80	111
Internal charges and overheads recovered	184	185	-
<b>Total Operating Funding (A)</b>	<b>2,805</b>	<b>2,869</b>	<b>3,639</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,099	2,132	2,898
Finance Costs	-	-	12
Internal charges and overheads applied	332	354	362
Other operating funding applications	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>2,431</b>	<b>2,486</b>	<b>3,271</b>
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>374</b>	<b>383</b>	<b>368</b>
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>			
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	-	-	1,409
Development and financial contributions	95	97	-
Increase (decrease) in debt	14	(66)	1,415
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>109</b>	<b>30</b>	<b>2,824</b>
<b>Application of Capital Funding</b>			
Capital Expenditure:			
- to meet additional demand	20	-	275
- to improve the level of service	390	1	2,110
- to replace existing assets	241	233	1,463
Increase (decrease) in reserves	(168)	179	(656)
Increase (decrease) of investments	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>483</b>	<b>413</b>	<b>3,192</b>
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(374)</b>	<b>(383)</b>	<b>(368)</b>
<b>Funding Balance ((A - B) + (C - D))</b>			<b>-</b>

## Elderly Housing

Level of Service	Measure / Target	Progress
A safe and efficient service	Occupancy is maximised to <b>100%</b>	2020/2021: 99% due to timing between tenants moving out and moving in. <i>(2019/2020: 99.58 occupancy, due to renovations described in the commentary above.)</i>
	<b>&gt;95%</b> of tenants satisfied with the service.	2020/2021: August 2020 – 98% <i>(2019/2020: Annual Satisfaction Survey was not carried out in the 2019/2020 year. This was delayed by Covid-19 and will be carried out in August 2020.)</i>
	<b>100%</b> of units are safe to live in.	2020/2021: 100% <i>(2019/2020: 100%)</i>
	<b>100%</b> responsiveness to complaints and requests for maintenance.	2020/2021: 100% <i>(2019/2020: 100%)</i>

## 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>	2020/2021: The Museum was closed during this period, so visitor numbers did not increase. <i>(2019/2020: The Museum was closed most of the period, so visitor numbers did not increase.)</i>
	<b>85%</b> of residents satisfied with their museum experience.	2020/2021: A survey was not carried out as the Museum was closed during this period. <i>(2019/2020: A survey by Destination Westland Ltd was not carried out as the Museum was closed most of the period.)</i>

## Hokitika Wildfoods Festival

Level of Service	Measure / Target	Progress
A quality attendee experience	<b>85%</b> of residents satisfied (post event satisfaction survey).	2020/2021: Post Event Satisfaction Survey was not carried out. There was no bi-annual resident satisfaction survey. <i>(2019/2020: A satisfaction survey was not carried out following the event this year as the Covid-19 Level 4 lockdown began one week after the festival and the department were made redundant during the company restructure.)</i>
	<b>7000 (festival), 1500 (after party)</b> growth is experienced annually (to a limit of 10,000).	2020/2021: Over 9,000 attendees from 11am to 7pm. No after party held. <i>(2019/2020: 7965 attendees from 10.00am to 8.30pm. There is no longer a separate after party. This is an excellent result given the Covid-19 uncertainties at the time.)</i>

## i-SITE

Level of Service	Measure / Target	Progress
A quality customer experience	i-SITE NZ and Qualmark standards are met. <b>Achieved</b>	2020/2021: Achieved May 2021. I-SITE standards met.  <i>(2019/2020: Qualmark achieved and endorsed. i-SITE standards met)</i>
Increase resident population knowledge about what the i-SITE has to offer locals	<b>Maintain or increase</b> bookings made by local population.	2020/2021: Door count decreased by 30% due to closed New Zealand borders due to Covid-19 pandemic measures.  <i>(2019/2020: Door count decreased by 1.04% (Bookings 32% decrease largely impacted by Covid-19.)</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.	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year.  <i>(2019/2020: 90% residents contacted in the Bi-annual resident survey were satisfied with parks and reserves.)</i>

## Cemeteries

Level of Service	Measure / Target	Progress
Cemeteries have sufficient capacity	Each cemetery has at least 12 months capacity ahead: <b>Target</b> <b>Hokitika 100%</b> <b>Kumara 100%</b> <b>Ross 80%</b>	2020/2021: Hokitika 100%, Kumara 100%, Ross 80%.  Council is aware that the Ross cemetery is nearing capacity and continues to consider alternative sites.  <i>(2019/2020: Hokitika 100%, Kumara 100%, Ross 80%.  Council is aware that the Ross cemetery is nearing capacity and continues to consider alternative sites.)</i>
Burials adhere to the relevant legislation	Standards for burial adhere to Cemeteries and Cremations Act 1964: <b>Target 100%</b>	2020/2021: 100%  <i>(2019/2020: 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.	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year.  <i>(2019/2020: 80% residents contacted in the Bi-annual resident survey were satisfied with public toilets.)</i>



Level of Service	Measure / Target	Progress
	<b>100%</b> of facilities are available for use during the day.	2020/2021: Facilities were open in excess of 85% of the time. Facilities are only shut due to blockages and extreme damage. There were a small number of occasions some facilities need to be closed for a day due to requiring a plumber to fix an issue. Harihari and Fox toilets are the facilities that require this at least once a year.  <i>(2019/2020: Facilities were available 85% of the time during this period. The toilets at Kapitea were shut over Covid-19 Level 4 as they were not on a major route and not considered essential services.)</i>

## Swimming Pools

Level of Service	Measure / Target	Progress
A quality swimming or exercise experience at the Hokitika Pool	<b>85%</b> of pool users satisfied	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year.  <i>(2019/2020: The swimming pool was not included in the Bi-annual resident survey. A more regular method of measuring satisfaction is being considered.)</i>
	Maintain PoolSafe Accreditation <b>Achieved</b>	2020/2021: Achieved  <i>(2019/2020: 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: <b>10,000 per annum</b>	2020/2021: Counters along the trail record between 9,490 and 46,355 annual cycle users at various points.  <i>(2019/2020: Total users on the trail 137,652, an increase of 10.5%.)</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	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year.  <i>(2019/2020: 99% residents contacted in the Bi-annual resident survey were satisfied with library services.)</i>
	<b>44%</b> of residents who are library members	2020/2021: 28%  <i>(2019/20: 28%.  This is the average for libraries of a similar size and population in New Zealand. It is 22% lower than the June 2019 reported figure because the definition of a member has been changed,</i>

Level of Service	Measure / Target	Progress
		<p><i>adopting the definition of an 'active user' that the Public Libraries of New Zealand recommend. This enables comparison across NZ Public Libraries. (The increase in population between the 2013 and 2018 census data contributes a 3% decrease.)</i></p>

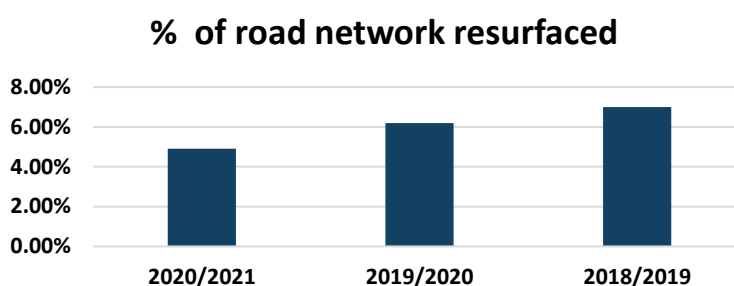
## Transportation Group

The combined West Coast Activity Management Plan and Programme Business Case was successfully completed and submitted for approval to Waka Kotahi NZTA in December 2020. This followed presentation to and endorsement from Council of a proposed scale increase in funding for the transportation activity.

Funding requested from the 2021-2024 National Land Transport Programme (NLTP) totalled \$17,614,869, which was an increase from the previous NLTP allocation of \$13,852,070. The reason for the proposed increase was to be able to carry out a greater level of network infrastructure renewals/improvements to ensure the overall network condition does not deteriorate beyond acceptable levels.

Due to national funding constraints the total indicative allocation for the NLTP is less than what was applied for at \$15,737,936. Whilst this is an increase on previous funding there will still need to be a level of scaling back on some areas of the works planned.

2021/2021 was the final season for the 3 year reseal contract with only 4.9% of the network resurfaced. This is lower than the targeted 7% annual reseal and a result of increasing bitumen prices. While an increased level of funding has been applied for with Waka Kotahi NZTA for 2021/2024 it is uncertain if this will be sufficient to reach the annual target of 7% over the next 3 years.



A total of six structures were replaced during 2020/21 with four older short length timber bridges being replaced with large culvert pipes. Four of these were on Bold Head Road and one on Allen Road. A timber bridge on Totara Valley Road was also replaced with a recycled steel and timber bridge. The steel beams had been in storage from a bridge that had been previously replaced with a concrete structure elsewhere on the network and the timber decking was largely recycled from the previous structure. This bridge was replaced due to serious deterioration of the timber beams discovered during a scheduled inspection.

With very few emergency events for the 2020/21 year contractors caught up on works that were delayed during the previous financial years Covid-19 shutdown.

# Funding Impact Statement (for the Transportation group)

For the year ended 30 June 2021

<b>Group Level Funding Impact Statement</b>			
	<b>Long Term Plan 2020 \$000</b>	<b>Long Term Plan 2021 \$000</b>	<b>Actual 2021 \$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	2,153	2,206	2,016
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	1,942	1,982	2,157
Fees and charges	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	133	136	3
Internal charges and overheads recovered	-	-	-
<b>Total Operating Funding (A)</b>	<b>4,228</b>	<b>4,324</b>	<b>4,176</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,611	2,669	3,491
Finance Costs	20	19	12
Internal charges and overheads applied	497	533	461
Other operating funding applications	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>3,128</b>	<b>3,220</b>	<b>3,964</b>
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>1,101</b>	<b>1,104</b>	<b>212</b>
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>			
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	1,798	1,841	5,667
Development and financial contributions	-	-	-
Increase (decrease) in debt	(27)	(27)	(40)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>1,772</b>	<b>1,814</b>	<b>5,628</b>
<b>Application of Capital Funding</b>			
Capital Expenditure:			
- to meet additional demand	-	-	719
- to improve the level of service	-	-	3,100
- to replace existing assets	2,757	2,780	2,587
Increase (decrease) in reserves	115	138	(568)
Increase (decrease) of investments	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>2,872</b>	<b>2,918</b>	<b>5,839</b>
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(1,101)</b>	<b>(1,104)</b>	<b>(212)</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: 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>	2020/2021: 2 2 recorded serious crashes so no actual change in total Fatal/Serious Crashes <i>(2019/2020: 2 There was 1 recorded fatal crash just prior to the end of the financial year. There was 1 recorded serious injury crash.)</i>
The surface condition of roads in Westland is of good quality	Road condition: The average quality of ride on a sealed local road network, measured by smooth travel exposure is <b>&gt; 90%</b>	2020/2021: 94% - No change from the previous year as roughness surveys are undertaken Bi-annually <i>(2019/2020: End of year data from recent roughness surveys carried out prior to Covid-19 lockdown shows STE of 94%. This variance is within the expected deviation range for this quality of ride surface roughness survey.)</i>
	<b>50%</b> of residents are satisfied with the standard and safety of Council's unsealed roads	2020/2021: The Bi-annual resident satisfaction survey was not conducted in the 2020/2021 year. <i>(2019/2020: 76% residents contacted in the bi-annual resident survey were satisfied with the standard and safety of Council's unsealed roads.)</i>
The surface condition of roads in Westland is maintained to a high standard	Road maintenance: The percentage of the sealed local road network that is resurfaced <b>&gt;7%</b>	2020/2021: 4.9%, as a result of increasing bitumen prices. Work was completed within the allocated budget. <i>(2019/2020: 6.2%, 22.9km, by length of the sealed network was resurfaced. This is lower than the targeted 7% due to the Covid-19 lockdown prior to the completion of the works.)</i>
Footpaths are maintained in good condition and are fit for purpose	Footpaths: <b>90%</b> of footpaths within a territorial authority district that fall within the level of 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).	2020/2021: All footpaths have now been condition rated on a 1-5 scale with 1 being Excellent and 5 being Very Poor (Fail). 92.4% of footpaths fall within the 1-4 rating. 71.4% within 1-3 and only 7.6% are rated 5 and in need of considerable renewal/upgrade works. There is still presently no agreed level of service standard set for footpaths. <i>(2019/2020: This data metric is still being developed to be able to measure performance.)</i>
Response to service requests are dealt with promptly	Customer service requests: <b>100%</b> of customer service requests relating to roads and footpaths responded to within the time frame specified in the Long Term Plan.	2020/2021: 50% of Transportation related service requests were responded to within 2 days (142/279). 65% of Transport related service requests resolved within the informal target timeframe (182/279). <i>(2019/2020: 54% of Transportation related service requests were responded to within 2 days. 66% of Transport related service requests resolved within the informal target timeframe.)</i>

## Water Supply

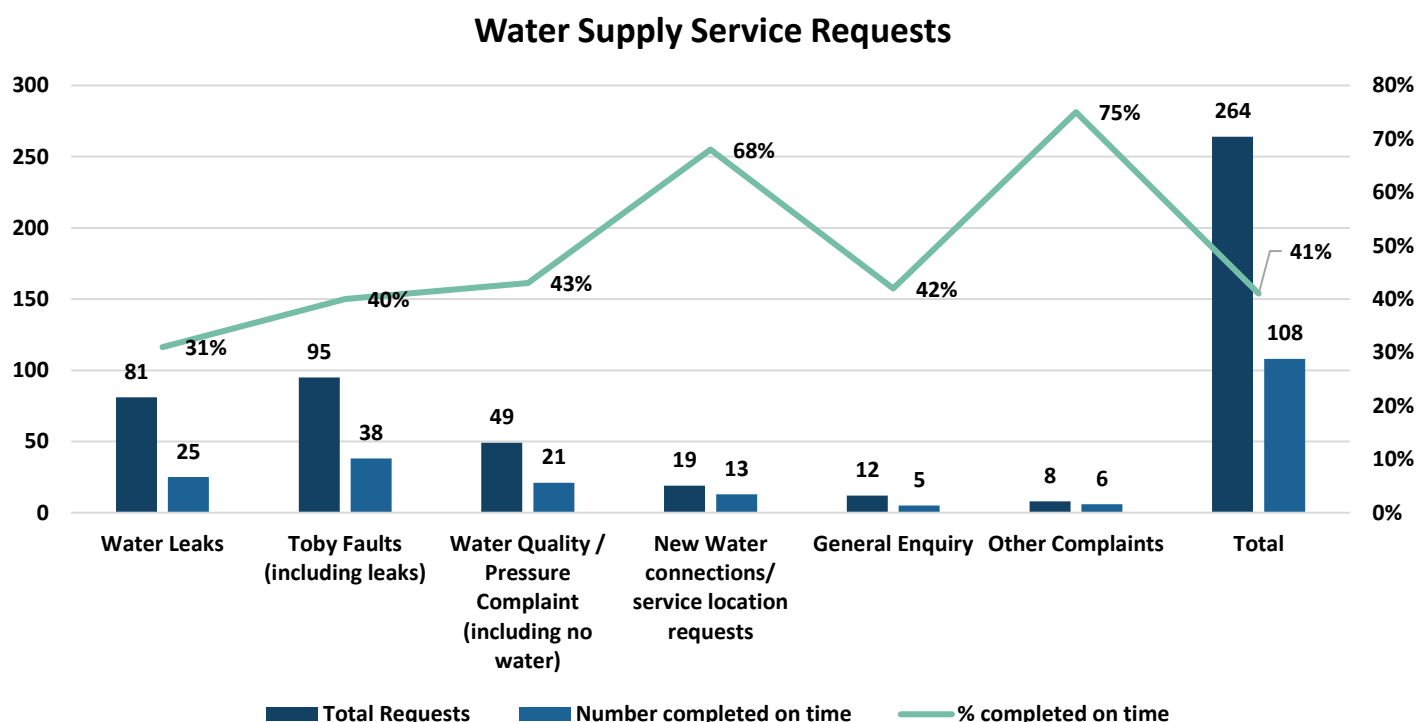
Council supplies reticulated water to 2737 connections (2020: 2755) in the district. Ongoing database updates have resulted in there being fewer connections than previously identified.

### Responsiveness to service requests

Council's customer service request system records show 264 water related service requests logged between 1 July 2020 and 30 June 2021 (2020:160). 108 were completed in the required timeframe (2019: 90).

The number of overall service requests has increased from the previous year as under the DIA guidelines, a service request is created for every call or enquiry received regardless if it is about the same issue or query.

A breakdown of service requests is shown below:



### Works throughout the year

The construction of the new Arahura water treatment plant is nearing completion with the building scheduled to be transported to the site before end of July 2021. Civil work has commenced on the site, which includes trenching for new delivery pipelines, forming the building foundation pad and upgrading the access track to the new plant. The plant will be commissioned in the next financial year.

Contracts for watermains replacements in Ross, Harihari, Franz Josef, Fox Glacier and Haast are underway and will be completed by January 2022.

Contracts have also been awarded for two new reservoirs in Hokitika and Harihari, and a new settling tank for Franz Josef. These are expected to be fully completed by March 2022.

Standby generators have been delivered for Ross, Whataroa, Franz Josef, and Haast Water Treatment Plants.

A new Membrane Filtration option is being designed for the Fox Glacier water treatment plant. Staff expect to receive a draft design for review during August 2021.

Some of the above projects are funded from the 3 Waters Reforms funding package.

# Funding Impact Statement (for the Water Supply group)

For the year ended 30 June 2021

<b>Group Level Funding Impact Statement</b>			
	<b>Long Term Plan 2020 \$000</b>	<b>Long Term Plan 2021 \$000</b>	<b>Actual 2021 \$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	65	66	67
Targeted Rates	4,229	3,770	3,457
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Interest and dividends from investments	-	-	1
Local authorities fuel tax, fines, infringement fees, and other receipts	3	3	30
Internal charges and overheads recovered	-	-	-
<b>Total Operating Funding (A)</b>	<b>4,296</b>	<b>3,839</b>	<b>3,555</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,063	1,077	1,294
Finance Costs	192	152	42
Internal charges and overheads applied	914	980	915
Other operating funding applications	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>2,169</b>	<b>2,209</b>	<b>2,251</b>
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>2,126</b>	<b>1,630</b>	<b>1,305</b>
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>			
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	-	-	638
Development and financial contributions	-	-	-
Increase (decrease) in debt	(1,026)	(492)	395
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>(1,026)</b>	<b>(492)</b>	<b>1,034</b>
<b>Application of Capital Funding</b>			
Capital Expenditure:			
- to meet additional demand	-	-	494
- to improve the level of service	215	241	612
- to replace existing assets	798	47	454
Increase (decrease) in reserves	87	850	778
Increase (decrease) of investments	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>1,100</b>	<b>1,138</b>	<b>2,338</b>
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(2,126)</b>	<b>(1,630)</b>	<b>(1,305)</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

Level of Service	Measure / Target	Progress
<p>Council supplied potable water is safe to drink</p>	<p>Safety of drinking water:</p> <p>The extent to which the local authority's drinking water supply complies with <b>both</b>:</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, Hari Hari, Franz Josef, Haast</b></p> <p><b>Year 2</b></p> <p><b>Fox Glacier, 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>2020/2021:</p> <p>(a) For the 2020/2021 year 3 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>Hokitika missed 1 sample at the After Plant, which has results in non-compliance.</p> <p>Fox Glacier missed a sample at the After Plant along with two boil water notices issued within the last quarter.</p> <p>Franz Josef missed an After Plant and zone sample, which has resulted in non-compliance.</p> <p>Currently samples are not taken at Arahura for After Plant, due to no plant. The new WTP build is currently underway.</p> <p>Kumara had a positive E-coli results in the zone and a boil water notice issued.</p> <p>(b) 0 out of the 9 supplies are compliant with protozoal compliance criteria (Requires DWA approval.)</p> <p>The Ross WTP had a data logging failure, which has resulted in non-compliance.</p> <p>Of the remaining 8 WTP's, Arahura and Fox Glacier treatment plants await their upgrades to comply. Kumara, Whataroa, Harihari, Franz Josef and Haast require UV Pro-forma's to be lodged with the Drinking Water Assessor before compliance can be obtained. Hokitika requires exception reporting to be installed.</p> <p>All plants require data logging reports to be submitted to obtain protozoal compliance.</p> <p>Council is implementing an external data logging and reporting system, which will provide exception reporting for protozoal compliance. It is expected that this will be in place in the majority of plants by December 2021.</p> <p>(2019/2020:</p> <p>(a) <i>To date 6 out of the 9 supplies are fully compliant with bacterial compliance criteria at both the water treatment plant and in the distribution zone (Hokitika, Franz Josef, Hari Hari, Kumara, Ross and Whataroa).</i></p> <p><i>8 out the 9 supplies comply with bacterial compliance in the distribution zone only.</i></p> <p><i>Fox Glacier was issued 4 boil water notices over the 2019-2020 year.</i></p> <p><i>Fox Glacier and Haast had E-coli detected in the After Plant (before consumers). E-Coli was not detected in the Haast distribution zone when the After Plant E-coli's were detected so there</i></p>



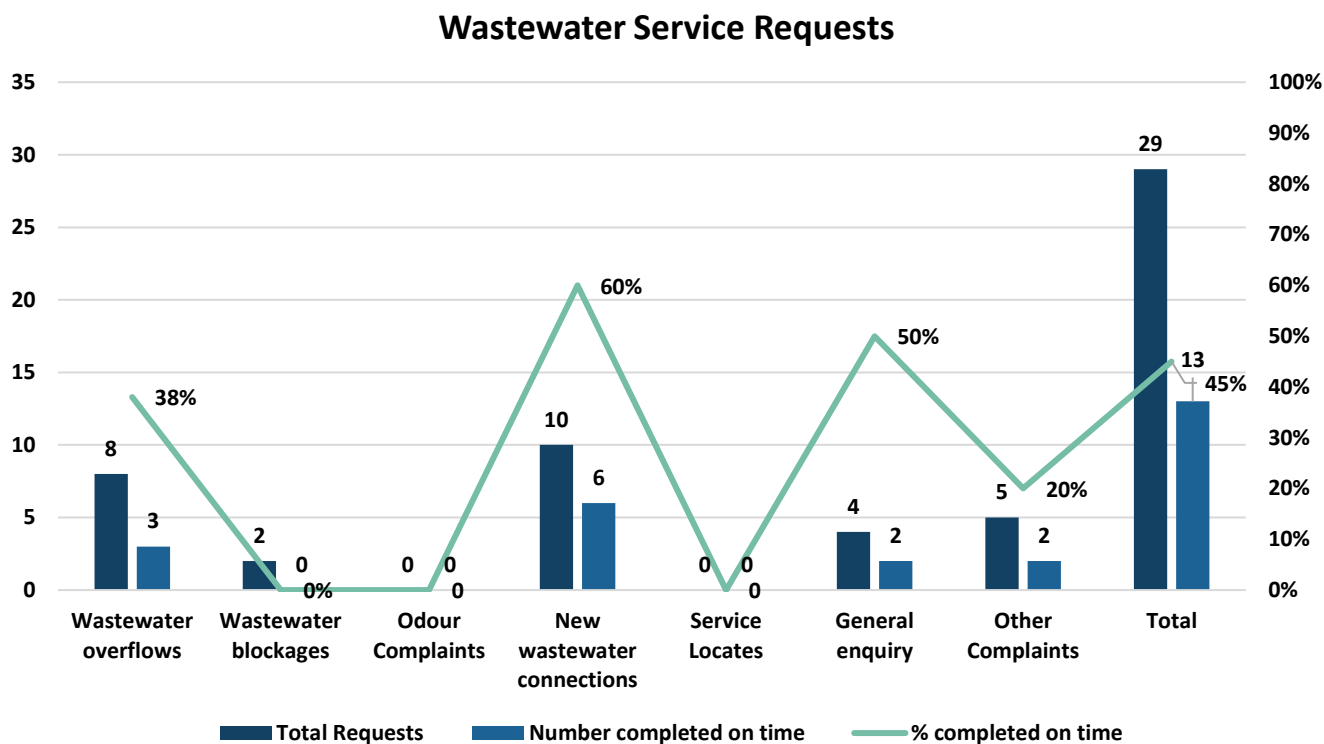
Level of Service	Measure / Target	Progress
		<p><i>was no need to issue a boil water notice in these instances.</i></p> <p><i>While Arahura is compliant in the distribution zone, samples cannot be taken at the plant because there is no treatment plant.</i></p> <p><i>(b) 0 out of the 9 supplies compliant with protozoal compliance criteria.</i></p> <p><i>The data set for the Blue Spur plant in Hokitika was incomplete due to an equipment malfunction. A complete set is required for compliance.</i></p> <p><i>Ross failed part of the protozoal criteria due to turbidity being out of range for an extended period of time.</i></p> <p><i>Out of the remaining seven, Arahura and Fox Glacier treatment plants await upgrades to comply. Kumara, Whataroa, Hari Hari, Franz Josef and Haast require UV Pro-forma's to be lodged with the Drinking Water Assessor before compliance can be obtained. UV Pro-forma's relate to disinfections equipment at the water treatment plants.</i></p> <p><i>Note: Kumara &amp; Whataroa still require the correct plant data to be recorded &amp; logged for compliance.)</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 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>2020/2021:</p> <p>(a) 91% (39/43)</p> <p>(b) 68% (121/179)</p> <p>(c) 42% (18/43)</p> <p>(d) 37% (66/179)</p> <p>(2019/2020:</p> <p>(a) No data for attendance times.</p> <p>(b) 76%</p> <p>(c) No data for attendance times.</p> <p>(d) 50%</p> <p><i>Council staff continue to work alongside contractors to review the Service Request process and system to ensure it is utilised correctly.)</i></p>

Level of Service	Measure / Target	Progress
Council supplied water is reliable	<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>2020/2021: Not measured.</p> <p><i>(2019/2020: 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>2020/2021: Not measured.</p> <p>Council does not have the equipment to measure average consumption.</p> <p><i>(2019/2020: Not measured.</i></p> <p><i>Council does not have the equipment to measure average consumption hence a new three yearly measurement was not performed in 2019/20.)</i></p>
Customers are generally satisfied with the Council supplied water	<p>Customer satisfaction:</p> <p>The total number of complaints received by the local authority about any of the following:</p> <ul style="list-style-type: none"> <li>(a) drinking water clarity</li> <li>(b) drinking water taste</li> <li>(c) drinking water odour</li> <li>(d) drinking water pressure or flow</li> <li>(e) continuity of supply, and</li> <li>(f) the local authority's response to any of these issues</li> </ul> <p>Expressed per 1000 connections to the local authority's networked reticulation system <b>25 per 1000 connections (2755 connections)</b></p>	<p>2020:/2021</p> <ul style="list-style-type: none"> <li>(a) 2</li> <li>(b) 3</li> <li>(c) 1</li> <li>(d) 7</li> <li>(e) 39</li> <li>(f) 8</li> </ul> <p>Total number of complaints = 60</p> <p>Complaints per 1000 connections = 22</p> <p><i>(2019/2020:</i></p> <ul style="list-style-type: none"> <li><i>(a) 5</i></li> <li><i>(b) 3</i></li> <li><i>(c) 0</i></li> <li><i>(d) 15</i></li> <li><i>(e) 15</i></li> <li><i>(f) 7</i></li> </ul> <p><i>Total number of complaints = 45</i></p> <p><i>Complaints per 1000 connections = 16</i></p> <p><i>The reason for the variation of (f) from previous years: following DIA guidance, each request is logged as a new complaint when the customer advises the original issue is unresolved. This is a process change from previous years.)</i></p>

## Wastewater Group

Council supplies reticulated wastewater to 2129 connections in the district (2020: 2197). Ongoing database updates have resulted in there being fewer connections than previously identified.

Council’s customer service request system records show 29 wastewater related service requests logged between 1 July 2020 and 30 June 2021 (2020: 38). 13 were completed in the required timeframe (2020: 23). A breakdown of service requests is shown below:



During April, the new Hokitika wastewater treatment plant project commenced with a Hui at the Arahura Marae. A governance group has been set up, which will hold quarterly meetings. A stakeholders group is being formed with an initial workshop pending. The project process has been developed including timeline. Equipment has been purchased to gather data required for design purposes.

New aerators have been purchased for the Haast and Fox Glacier ponds. New septage receivers have also been ordered for these pond systems.

Contracts for inflow and infiltration investigations in Franz Josef, Hokitika, Fox Glacier and Haast are underway with expected completion date of December 2021.

Contracts for wastewater mains upgrades in Haast, Franz Josef, and Fox Glacier are underway with completion dates of December / January.

Some of the above projects are part of the 3 Waters Reforms funding package.

# Funding Impact Statement (for the Wastewater group)

For the year ended 30 June 2021

<b>Group Level Funding Impact Statement</b>			
	<b>Long Term Plan 2020 \$000</b>	<b>Long Term Plan 2021 \$000</b>	<b>Actual 2021 \$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	30	31	40
Targeted Rates	1,577	1,672	1,278
Subsidies and grants for operating purposes	-	-	-
Fees and charges	72	72	69
Interest and dividends from investments	-	-	6
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	41
Internal charges and overheads recovered	-	-	-
<b>Total Operating Funding (A)</b>	<b>1,679</b>	<b>1,775</b>	<b>1,433</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	464	471	467
Finance Costs	27	41	46
Internal charges and overheads applied	216	231	216
Other operating funding applications	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>707</b>	<b>743</b>	<b>729</b>
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>972</b>	<b>1,032</b>	<b>704</b>
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>			
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	-	-	284
Development and financial contributions	-	-	-
Increase (decrease) in debt	289	1,174	39
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>289</b>	<b>1,174</b>	<b>323</b>
<b>Application of Capital Funding</b>			
Capital Expenditure:			
- to meet additional demand	10	10	29
- to improve the level of service	712	1,310	678
- to replace existing assets	106	117	270
Increase (decrease) in reserves	433	768	49
Increase (decrease) of investments	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>1,261</b>	<b>2,206</b>	<b>1,027</b>
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(972)</b>	<b>(1,032)</b>	<b>(704)</b>
<b>Funding Balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

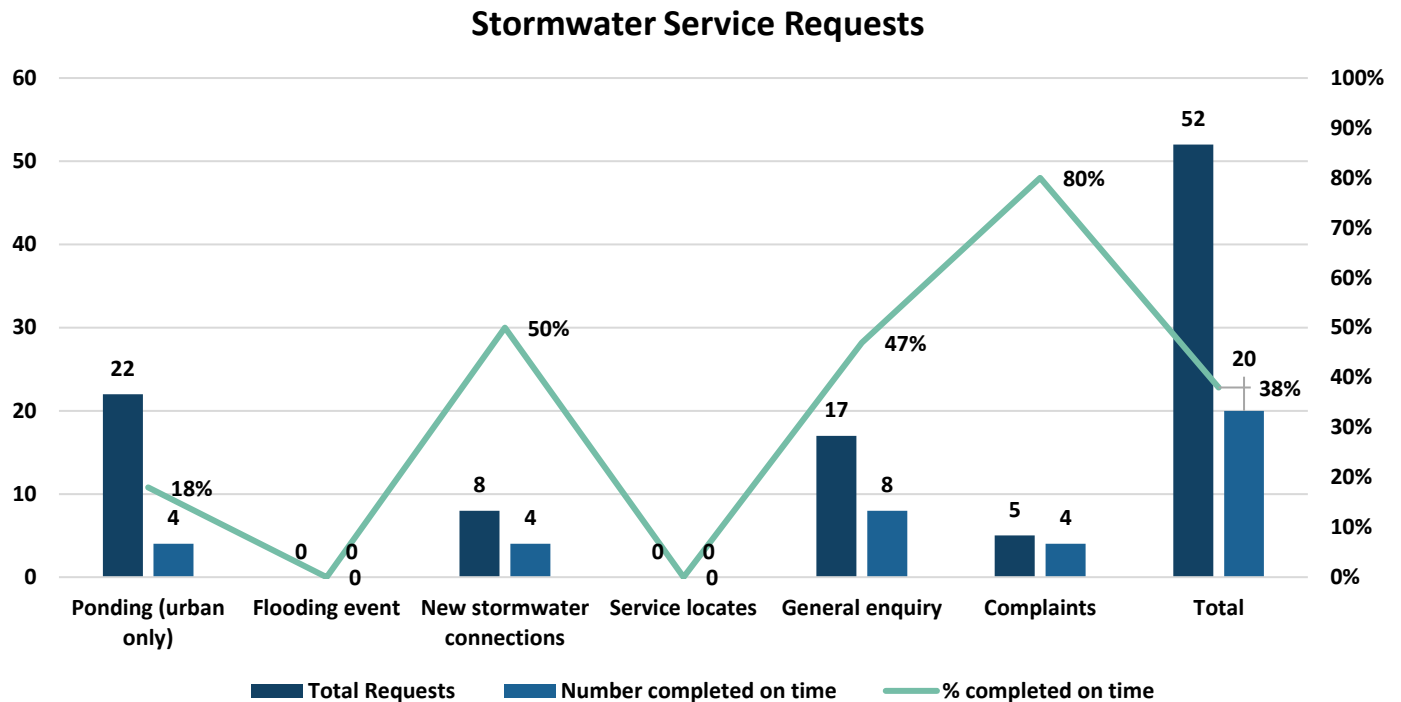
Level of Service	Measure / Target	Progress
Council wastewater systems are managed without risk to public health	<p>System and adequacy:</p> <p>The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. <b>10 per 1000 connections (2197 connections)</b></p>	<p>2020/2021:</p> <p>For the 2020/2021 year 7 dry weather overflows have been reported.</p> <p>Complaints per 1000 connections = 3.3</p> <p>(2019/2020:</p> <p>4 – 1 dry weather + 3 unknown rainfall sewerage overflows reported.</p> <p><i>Reported overflows includes all dry weather overflows as well as overflows where the amount of rainfall is unknown. An overflow is considered to be 'dry weather' in the absence of information to the contrary. 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.</i></p> <p>Complaints per 1000 connections = 1.8)</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</p> <p>(b) infringement notices</p> <p>(c) enforcement orders, and</p> <p>(d) convictions.</p>	<p>2020/2021:</p> <p>(a) 0</p> <p>(b) 1</p> <p>(c) 0</p> <p>(d) 0</p> <p>The infringement notice was issued for the Haast WWTP for breaching the discharge consent condition. This issue was rectified within an appropriate timeframe of being notified.</p> <p>(2019/2020:</p> <p>(a) 0</p> <p>(b) 0</p> <p>(c) 1</p> <p>(d) 0</p> <p><i>In March 2020 the Franz Josef WWTP met all the conditions outlined in the court enforcement order.)</i></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</p>	<p>2020/2021:</p> <p>(a) 50% (4/8)</p> <p>(b) 75% (6/8)</p> <p>(2019/2020:</p> <p>(a) No data for attendance times.</p> <p>(b) 17% resolved within the required timeframe (1/7)</p> <p><i>Council staff have reviewed the Service Request process and implemented a procedure where the request will require attendance times</i></p>

Level of Service	Measure / Target	Progress
	(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> .	<i>completed before the request be signed off as complete. This will be reported on in the 2020/2021 year.)</i>
	Customer satisfaction: The total number of complaints received by the territorial authority about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system,  Expressed per 1000 connections to the territorial authority's sewerage system. <b>25 per 1000 connections (2197 connections)</b>	2020/2021: (a) 0 (b) 8 (c) 2 (d) 5  Total number of complaints = 15 Complaints per 1000 connections = 7  (2019/2020: (a) 4 (b) 7 (c) 13 (d) 2  Total number of complaints = 26 Complaints per 1000 connections = 11.8)

## Stormwater Group

Council supplies reticulated wastewater to 508 connections in the Hokitika area (2020:495). The number customers connected for use of Council stormwater services has been determined based on the Council's asset management system.

Council's customer service request system records show that there were 52 stormwater related service requests logged between 1 July 2020 and 30 June 2021 (2020:91). 20 were completed in the required timeframe (2020: 48). A breakdown of service requests is shown below:



There were no flood events this year, however there were a number of heavy downpours, which resulted in surface flooding in certain areas. Due to improvements made over the year and previous year the number of overall complaints have reduced.

The Livingstone Street stormwater upgrade is progressing. A preferred design option has been agreed and contractors Stantec are currently working on this.

Council is working with WSP on options for stormwater improvements along Beach St. Options include a mixture of soakage and detention and a new pump station. The design is to be progressed.

A standby generator has been delivered for the Fitzherbert Street Sewer pump station.

# Funding Impact Statement (for the Stormwater group)

For the year ended 30 June 2021

<b>Group Level Funding Impact Statement</b>			
	<b>Long Term Plan 2020 \$000</b>	<b>Long Term Plan 2021 \$000</b>	<b>Actual 2021 \$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	-	-	-
Targeted Rates	693	813	571
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>693</b>	<b>813</b>	<b>571</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	112	115	182
Finance Costs	57	109	13
Internal charges and overheads applied	154	165	191
Other operating funding applications	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>324</b>	<b>390</b>	<b>385</b>
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>369</b>	<b>423</b>	<b>186</b>
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>			
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	-	-	20
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,338	822	178
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>1,338</b>	<b>822</b>	<b>198</b>
<b>Application of Capital Funding</b>			
Capital Expenditure:			
- to meet additional demand	-	-	4
- to improve the level of service	1,415	969	178
- to replace existing assets	26	26	15
Increase (decrease) in reserves	267	249	187
Increase (decrease) of investments	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>1,707</b>	<b>1,245</b>	<b>384</b>
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(369)</b>	<b>(423)</b>	<b>(186)</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 (495 connections)</b></p>	<p>2020/2021:</p> <p>(a) 0</p> <p>(b) Total habitable floors = 0 Per 1000 connections = 0</p> <p>(2019/2020:</p> <p>(a) 0 –No flooding events affecting habitable floors within the Council reticulated stormwater system.</p> <p>(b) Total habitable floors = 0 Per 1000 connections = 0</p> <p>No habitable floors were reported as flooded to Council. However, media reports for the flash flooding event in February 2020 note that two shops and a couple of sleep-outs may have had stormwater enter the properties.)</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>2020/2021: There were no reported flooding events to attend.</p> <p>(2019/2020: There were no reported flooding events to attend.)</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 (495 connections)</b></p>	<p>2020/2021:</p> <p>Total number of complaints = 27</p> <p>Complaints per 1000 = 53.1</p> <p>(2019/2020:</p> <p>Total number of complaints = 58</p> <p>Complaints per 1000 = 117.2</p> <p>The reason for the variation in number of complaints from previous years: following DIA guidance, each request is logged as a new complaint when the customer advises the original issue is unresolved. This is a process change from previous years.)</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>2020/2021</p> <p>(a) 0</p> <p>(b) 0</p> <p>(c) 0</p> <p>(d) 0</p> <p>(2019/2020</p> <p>(a) 0</p> <p>(b) 0</p> <p>(c) 0</p> <p>(d) 0</p>

## Solid Waste Management Group

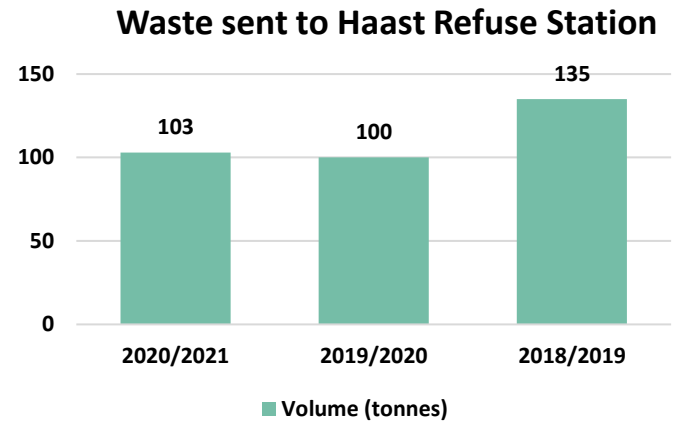
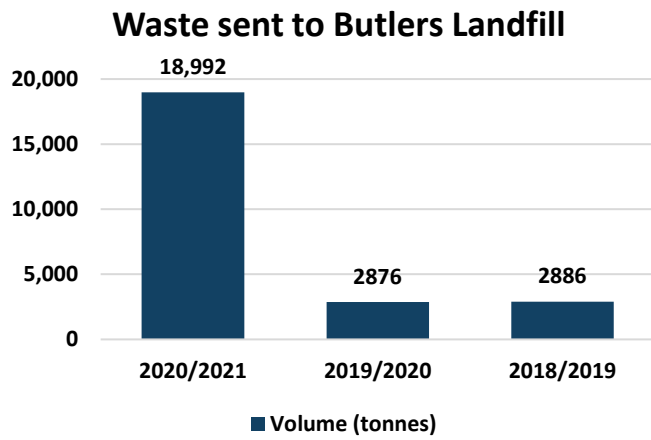
This year the team has expanded to include Business Support Officer / Waste Officer to provide development focus in improved waste services and increasing recycling opportunities.

### Landfills and transfer stations

Landfill	Status	Comment	Expected Capacity
<b>Butlers Landfill</b>	Open	Open for authorised deliveries on a weekly basis via authorised contractors. Site monitoring is carried out in accordance with the resource consent.	Although the existing cell will reach capacity in approximately 3 - 5 years, a new cell is under construction, which will extend capacity for approximately 20 years.
<b>Haast Landfill</b>	Open	Open twice weekly for limited hours with public access. Monitoring requirements have been updated and plan for the closure due to reaching final capacity is underway.	There is an estimated 1 – 1.5 years of life remaining as per AMP information. The landfill will be capped and a small transfer station service will be provided.
<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>	Open limited hours, twice weekly	Mobile operation contracted to South Westland Rubbish Removal	
<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

Although general standard quantities were lower in Haast due to a tourism downturn the relocation of material from the Fox River Landfill site to Butlers is clearly visible in the 2020 /2021 waste volume. Going forward increases in waste levy charges via Ministry for the Environment, will require a strong focus on reducing waste to landfill and improving recycling services.



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

For the year ended 30 June 2021

<b>Group Level Funding Impact Statement</b>			
	<b>Long Term Plan</b>	<b>Long Term</b>	<b>Actual</b>
	<b>2020</b>	<b>Plan</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$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	771	817	818
Targeted Rates	751	768	765
Subsidies and grants for operating purposes	-	-	-
Fees and charges	843	862	861
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	8
Internal charges and overheads recovered	-	-	-
<b>Total Operating Funding (A)</b>	<b>2,364</b>	<b>2,447</b>	<b>2,452</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,752	1,793	1,779
Finance Costs	83	86	53
Internal charges and overheads applied	368	395	369
Other operating funding applications	-	-	-
<b>Total Applications of Operating Funding (B)</b>	<b>2,203</b>	<b>2,274</b>	<b>2,202</b>
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>161</b>	<b>174</b>	<b>250</b>
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>			
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	-	-	1,560
Development and financial contributions	-	-	-
Increase (decrease) in debt	93	(121)	5
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total Sources of Capital Funding (C)</b>	<b>93</b>	<b>(121)</b>	<b>1,565</b>
<b>Application of Capital Funding</b>			
Capital Expenditure:			
- to meet additional demand	-	-	1,509
- to improve the level of service	-	-	108
- to replace existing assets	254	52	137
Increase (decrease) in reserves	-	-	61
Increase (decrease) of investments	-	-	-
<b>Total Applications of Capital Funding (D)</b>	<b>254</b>	<b>52</b>	<b>1,815</b>
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>(161)</b>	<b>(174)</b>	<b>(250)</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>2020/2021: 100% consents in place, all testing requirements for 12 months followed and results provided to West Coast Regional Council.</p> <p><i>(2019/2020: 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 x community groups per annum</b></p>	<p>2020/2021:</p> <p>1 additional school added to the Enviroschools education program in the last 12 months. Taking the total to 4 in the region. Assisting programme with additional funding where possible to increase resources.</p> <p>Community Visit (bus trip) undertaken to Butlers Landfill to improve community knowledge &amp; exposure to waste streams. Proved popular with over 30 participants.</p> <p>EnviroSchools and Paper4trees manage internal school educational programmes for WDC. Increase in school participation (if possible) is prepared for the coming year.</p> <p>Waste unit interaction with the “Green Team” group continues to provide information to the wider community.</p> <p><i>(2019/2020: 5 x school inclusion in Enviroschools education program explored. (resources limited within their organisation)</i></p> <p><i>School visit (Kaniere) undertaken to Transfer Station and Butlers Landfill to improve community knowledge &amp; exposure to waste streams.</i></p> <p><i>EnviroSchools and Paper4waste manage internal school educational programmes for WDC. Increase in school participation is prepared for the coming year.</i></p> <p><i>Staff inclusion continues in the “Green Team” group to provide an outlet for community interaction &amp; involvement.)</i></p>

## **Independent Auditor's Report**

### **To the readers of Westland District Council's annual report for the year ended 30 June 2021**

The Auditor-General is the auditor of Westland District Council (the District Council) and its subsidiaries (the Group). The Auditor-General has appointed me, Chantelle Gernetzky, 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 21 December 2021. This is the date at which we give our report.

### **Opinion on the audited information**

In our opinion:

- the financial statements on pages 22 to 28 and pages 30 to 76:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2021;
    - 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 29, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- the statement of service provision on pages 79 to 138:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, 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;
- the statement about capital expenditure for each group of activities on pages 87 to 137, presents fairly, in all material respects, the 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 87 to 137, 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 15 to 20, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

## **Emphasis of matter – The Government’s three waters reform programme announcement**

Without modifying our opinion, we draw attention to note 26 on page 76, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

## **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 Act 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 annual plan and 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 5 to 14 and 77 to 78, but does not include the audited information, 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: International 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 audited the District Council's 2021-2031 long-term plan, the 2018-2028 long-term plan amendment, and carried out a limited assurance engagements relating to the District Council's debenture trust deed. These engagements are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries.



Chantelle Gernetzky  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

## OTHER INFORMATION

### Council Committees and Subcommittees

<b>Audit and Risk Committee</b>	Rachael Dean (Independent Chair), His Worship the Mayor, Cr Anna Hart, Cr Jane Neale, Francois Tumahai (Chair of Te Rūnanga o Ngāti Waewae), Paul Madgwick (Chair of Te Rūnanga o Makaawhio)
<b>Capital Projects and Tenders Committee</b>	Deputy Mayor David Carruthers (Chair), His Worship the Mayor (Chair), Cr Paul Davidson, Cr Anna Hart, Cr Ian Hartshorne, Francois Tumahai (Chair of Te Rūnanga o Ngāti Waewae), Paul Madgwick (Chair of Te Rūnanga o Makaawhio)
<b>Community Development Committee</b>	Cr Latham Martin (Chair), His Worship the Mayor, Cr Paul Davidson, Cr Ryan Kennedy, Cr Jenny Keogan, Cr Jane Neale, Francois Tumahai (Chair of Te Rūnanga o Ngāti Waewae), Paul Madgwick (Chair of Te Rūnanga o Makaawhio)
<b>Planning Committee</b>	Cr Latham Martin (Chair), His Worship the Mayor, Cr Paul Davidson, Cr Ryan Kennedy, Cr Ian Hartshorne, Cr Jenny Keogan, Cr Jane Neale, Francois Tumahai (Chair of Te Rūnanga o Ngāti Waewae), Paul Madgwick (Chair of Te Rūnanga o Makaawhio)
<b>Chief Executive's Review Committee</b>	His Worship the Mayor (Chair), Deputy Mayor David Carruthers, Cr Jenny Keogan, Cr Latham Martin
<b>Cycling and Walking Subcommittee</b> [Previously the West Coast Wilderness Trail Subcommittee] <i>(Subcommittee of the Capital Projects and Tenders Committee)</i>	Cr Paul Davidson (Chair), His Worship the Mayor, Francois Tumahai (Chair of Te Rūnanga o Ngāti Waewae), Paul Madgwick (Chair of Te Rūnanga o Makaawhio), Tim Brownlee (Trustpower), John Wood (WCWT Chair), Jackie Gurden (WCWT), Cr Peter Haddock (Grey District Council), Owen Kilgour (Operations Manager, Department of Conservation), Inger Perkins (Walking Access NZ), Liam Anderson (Westland MTB Club).
<b>Hokitika Wastewater Treatment Plant Oversight Subcommittee</b> <i>(Subcommittee of the Capital Projects and Tenders Committee)</i>	Deputy Mayor David Carruthers (Chair), His Worship the Mayor (Chair), Cr Paul Davidson, Cr Latham Martin, Ema Weepu (Te Rūnanga o Ngāti Waewae), James Mason Russell (Te Rūnanga o Ngāti Waewae), Jackie Douglas (Te Rūnanga o Ngāti Maahaki), Barry Wilson (Te Rūnanga o Ngāti Maahaki)

## Other Council Organisations

<p><b>Hokitika Seawall Joint Committee</b></p> <p><i>(This is a Joint Committee with the West Coast Regional Council established to oversee the management of the Hokitika Seawall).</i></p>	<p><b>Deputy Mayor David Carruthers, Cr Paul Davidson, Cr Jane Neale, Cr Jenny Keogan</b></p>
<p><b>West Coast Regional Transport Committee</b></p> <p><i>(This Joint Committee is a Committee of Council that is required under section 105 of the Land Transport Management Act.</i></p> <p><i>Council is required to appoint one elected member as representative on this Committee.)</i></p>	<p>Cr Ian Hartshorne.</p>
<p><b>Membership of Civil Defence Emergency Management Groups -</b></p> <p><b>West Coast Emergency Management Group</b></p> <p><i>(Section 13 of the Civil Defence and Emergency Management Act 2002 states that “Each local authority that is a member of a Group with other local authorities must be represented on the Group by 1, and only 1, person, being the mayor or chairperson of that local authority or an elected person from that local authority who has delegated authority to act for the mayor or chairperson.”)</i></p>	<p>His Worship the Mayor</p>

## Elected Member Liaison Roles with Community Associations

Organisation	Appointment
Destination Hokitika	Cr Jenny Keogan, Cr Latham Martin
Fox Glacier Community Association	Cr Ian Hartshorne, Cr Ryan Kennedy
Franz Inc	Cr Ian Hartshorne, Cr Ryan Kennedy
Franz Josef / Waiiau Community Forum	Cr Ian Hartshorne, Cr Ryan Kennedy
Future Franz	His Worship the Mayor, Cr Hartshorne, Cr Kennedy
Glacier Country Tourism Group	Cr Ian Hartshorne, Cr Ryan Kennedy
Haast Promotions Group	Cr Ian Hartshorne, Cr Ryan Kennedy
Hari Hari Community Association	Cr Ian Hartshorne, Cr Ryan Kennedy

<b>Heritage Hokitika</b>	Deputy Mayor David Carruthers
<b>Heritage West Coast</b>	Deputy Mayor David Carruthers
<b>Kokatahi/Kowhitirangi Community Association</b>	Cr Anna Hart, Cr Jenny Keogan
<b>Kumara Residents Association</b>	Cr Anna Hart, Cr Jenny Keogan
<b>Ōkārito Community Association</b>	Cr Ian Hartshorne, Cr Ryan Kennedy
<b>Road Safety Committee</b>	Cr Jenny Keogan
<b>Ross Community Society</b>	Cr Jenny Keogan, Cr Jane Neale
<b>Safe Community Coalition</b>	Cr Ryan Kennedy, Cr Jane Neale, Cr Paul Davidson
<b>Whataroa Community Association</b>	Cr Ian Hartshorne, Cr Ryan Kennedy

#### Other Appointments

<b>Group</b>	<b>Appointment</b>
<b>Creative Communities Local Assessment Committee</b>	Cr Martin, Cr Neale
<b>Development West Coast – Appointment Panel</b>	His Worship the Mayor
<b>District Licensing Committee</b>	Deputy Mayor Carruthers
<b>Appointment of Deputy Chair</b>	
<b>Sport NZ Rural Travel Fund – Allocation Committee</b>	Cr Neale
<b>Future Franz</b> <i>(The purpose of the Working Group is to work in a collaborative manner to plan for the future of the Franz Josef/Waiiau area in regards to the challenges it faces.)</i>	His Worship the Mayor (Chair), Cr Ian Hartshorne, Cr Ryan Kennedy

## COUNCIL CONTROLLED ORGANISATIONS



<b>Westland Holdings Limited</b>	Joanne Conroy (Chair), Chris Gourley, Chris Rea
<b>Destination Westland Limited</b>	Joanne Conroy – Chair (appointed 25 May 2020), Christopher Gourley (appointed 2 June 2020), Christopher Rea (appointed 22 May 2020)
<b>Westroads Limited</b>	Peter Cuff (Chair), Ross Pickworth, Bryce Thomson, Mark Rogers

# 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.