



A G E N D A

Finance, Audit and Risk Committee

**Council Chambers
36 Weld Street
Hokitika**

**Tuesday 10 October 2017
Commencing at 2.30 pm**

Deputy Mayor L.J. Martin – Chairperson
His Worship the Mayor R.B. Smith
Deputy Mayor Cr H.M. Lash
Crs D.L. Carruthers, R.W.(G) Eatwell, D.M.J. Havill ONZM,
J.A. Neale, G.L. Olson, D.C. Routhan.



FINANCE, AUDIT AND RISK COMMITTEE

AGENDA FOR A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE OF WESTLAND DISTRICT COUNCIL, TO BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON TUESDAY 10 OCTOBER 2017 COMMENCING AT 2.30 PM

04 October 2017

COUNCIL VISION

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental, cultural and natural resource base to enhance lifestyle and opportunity for future generations.

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet 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.

1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Apologies & Leave of Absence

Cr Carruthers

1.2 Interest Register

2. CONFIRMATION OF MINUTES:

2.1 Finance, Audit and Risk Committee Meeting – 24 August 2017 (Pages 5-8)

3. ACTION LIST

The Action List is attached (Page 9)

4. REPORTS TO COUNCIL

4.1 Financial Performance: August 2017 (Pages 10-16)

4.2 Interim Audit Management Report Year Ended 30 June 2017 (Pages 17-31)

5. ITEMS FOR INFORMATION

5.1 Update on Draft Annual Report and Audit 2016-17 (Pages 32-169)

Bede Kearney, Audit Director from Audit New Zealand will be in attendance at the meeting to speak to the 2 Audit New Zealand Reports attached to the agenda.

6. ITEMS FOR DISCUSSION

6.1 Community Group Rates (Page 170)

7. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely

7.1 Confidential Minutes

7.2 Risk Register

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

| Item No. | Minutes/ Report of | General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under Section 48(1) for the passing of this resolution |
|-----------------|---------------------------|--|--|---|
| 7.1 | Minutes | Confidential Minutes – Finance, Audit and Risk Committee | Good reasons to withhold exist under Section 7 | Section 48(1(a) & (d) |
| 7.2 | Risk Register | Confidential Update | Good reasons to withhold exist under Section 7 | Section 48(1(a) & (d) |

Finance, Audit and Risk Committee Minutes

MINUTES OF A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE OF WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 24 AUGUST 2017 COMMENCING AT 9.00 AM

1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Members Present

Deputy Mayor L.J Martin (Chair),
His Worship the Mayor R.B Smith,
Deputy Mayor Cr H.M. Lash,
Crs D.L. Carruthers, R.W. Eatwell, D.M.J. Havill (ONZM), J.A. Neale, G.L. Olson, D.C Routhan

Apologies:

Nil

Staff in Attendance:

L.A. Crichton, Group Manager: Corporate Services; J.D. Ebenhoh, Group Manager: Planning, Community and Environment V.M. Watson, Business Support Officer/Committee Secretary.

1.2 Interest Register

Deputy Mayor L.J Martin circulated the Interest Register and no amendments were made.

2. CONFIRMATION OF MINUTES:

2.1 Finance, Audit and Risk Committee Meeting 27 July 2017

Moved His Worship the Mayor R.B Smith seconded Deputy Mayor Lash and **Resolved** that the Minutes of the Finance, Audit and Risk Committee Meeting held on the 27 July 2017, be confirmed as a true and correct record of the meeting.

3. **ACTION LIST**

Group Manager: Corporate Services took the committee through the action list. No amendments were made.

Moved Cr, Neale seconded Cr Eatwell and **Resolved** that the action list be accepted as a true and accurate record.

4. **REPORTS TO COUNCIL:**

4.1 **Financial Report June 2017**

Group Manager: Corporate Services introduced Finance Manager Dayle McMillan who spoke to this report. The purpose is to provide an indication of Council's financial performance for one month to 30 June 2017.

Question posed regarding debt total figure for carry over projects were noted for example project work that was not undertaken.

Moved Cr Havill, seconded Cr Routhan and **Resolved** that council receives the Financial Performance Report to 30 June 2017

4.2 **Financial Report July 2017**

The Finance Manager Dayle McMillan, spoke to this report, the purpose is to provide an indication of Council's financial performance for one month to 31 July 2017. Councillors requested additional explanation of the funding amounts within the budget identified from the funding structure totals on page 25 of the report attached to the agenda.

This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.

Moved Deputy Mayor Lash, seconded Cr Neale and **Resolved** that Council receives the Financial Performance Report to 31 July 2017

4.3 **Liability Management Policies**

The Group Manager: Corporate Services, spoke to this report, the purpose of this report is to adopt the updated Liability Management policies and Investment policies.

This issue arises due to the proposal to participate in the Local Government Funding Agency (LGFA).

The policies have been updated to allow Investment and Borrowing from the LGFA.

Key aspects were reducing interest costs and achieving a more effective margin. The transfer should be a minimal cost and the benefit is deemed to outweigh this initial cost.

The reports were well received and it is acknowledged the level of work of this that has been implemented to give the depth of report.

The following points were noted:

There is considerable shareholder backing.

Cross guarantee of liabilities was highlighted by Cr Carruthers.

The return interest rate is higher and the opportunity to balance costs are confirmed by the Group Manager: Corporate Services.

Moved Cr Carruthers, seconded Cr Neale and **Resolved** that Council adopt the the Liability Management Policy and the Investment Management Policy attached as attached to the August Agenda.

4.4 Participation in Local Government Funding Agency Statement of Proposal

The Group Manager: Corporate Services, spoke to this report, the purpose of this report is to present the Statement of Proposal to participate in the Local Government Funding Agency (LGFA) as a borrower, and not as a Principle Shareholding Authority or as a Guaranteeing Local Authority for adoption and public consultation.

This issue arises due to Local Authorities having to face a number of debt related issues.

This report concludes by recommending that Council adopt the statement of proposal for participation in the Local Government Funding Agency as a borrower.

Moved Deputy Mayor Lash seconded Cr Eatwell and **Resolved** that council adopt the statement of proposal to participate in the Local Government Funding Agency as attached to the August Agenda.

5. ITEMS FOR DECISION:

5.1 Audit New Zealand Fraud Risk Assessment

The Group Manage: Corporate Services spoke to this item; the questionnaire has four questions relevant to Councillors that require Council participation.

It is requested that at the close of the meeting day the completed question sheets be given to the Group Manager: Corporate Services.

6. ITEMS FOR DISCUSSION:

6.1 Reserves Contribution Fund

Deputy Mayor Martin proposed it be discussed as part of the LTP workshop planning discussion

7. **MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'**

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely

7.1 **Confidential Minutes**

7.2 **Risk Register**

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

| Item No. | Minutes/ Report of | General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under Section 48(1) for the passing of this resolution |
|----------|--------------------|--|---|--|
| 7.1 | Minutes | Confidential Minutes – Finance, Audit and Risk Committee | Good reasons to withhold exist under Section 7 | Section 48(1(a) & (d) |
| 7.2 | Risk Register | Confidential Update | Good reasons to withhold exist under Section 7 | Section 48(1(a) & (d) |

Moved Cr Havill, seconded Deputy Mayor Lash and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and accordingly the meeting went back to the open part of the meeting at 10.40 am

Action List

| Date of Meeting | Meeting | Item | Action | Who Responsible | Timeframe | Status |
|-----------------|-----------------------------------|--|---|------------------------------|---|--|
| 24.08.17 | Finance, Audit and Risk Committee | Statement of Proposal WDC Participation in NZLGFA Ltd. | SOPP Advertised and available for inspection as required by section 82A of the Local Government Act 2002 Call for submissions – Close of Submissions 29.09.17 5pm. Schedule hearing if required October | GMCS | 25.08.17 Advertisement I-Site and Website distribution | Submission Process Completed |
| 24.08.17 | Finance, Audit and Risk Committee | CCOs Financial Reporting | Write to the CCOs requesting the provision of earlier financial reporting and also agree on an appropriate timeframe going forward; and release of the Audit Management Report for the year ended 30 June 2016. | GMCS | | Correspondence completed In Progress. |
| 26.01.17 | Finance, Audit and Risk Committee | Committee Workplan | View the previous Executive Committee Workplan and circulate to the Finance, Audit and Risk Committee and also look at using the Audit Management Report to inform the workplan going forward | Deputy Mayor Martin and GMCS | | In Progress |

Report



DATE: 10 October 2017

TO: Mayor and Councillors

FROM: Finance Manager

FINANCIAL PERFORMANCE: AUGUST 2017

1 SUMMARY

- 1.1 The purpose of this report is to provide an indication of Council's financial performance for one month to 31 August 2017.
- 1.2 This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receive the financial performance report to 31 August 2017, attached as **Appendix 1**.

2 BACKGROUND

- 2.1 Council receives monthly financial reporting so that it has current knowledge of its financial performance and position against targets and objectives adopted in the Long Term Plan 2015-25.

3 CURRENT SITUATION

- 3.1 Council now receives a monthly financial summary report in a consistent format.

3.2 The Financial Performance Report to 31 August 2017, is attached as **Appendix 1** and contains the following elements:

3.2.1 Segmental graphs for net cost of services, operating revenue and expenditure with the addition of the actual amounts.

3.2.2 Update on Rates Debtors.

3.2.3 Whole of Council Cost of Service Statement.

3.2.4 Variance analysis

3.2.5 Debt report including budgeted debt, forecast debt and actual debt.

4 OPTIONS

4.1 Council can decide to receive or not receive the report.

5 SIGNIFICANCE AND CONSULTATION

5.1 This report is for information only and, while feedback is invited from Council in order for staff to continuously improve the quality of information provided, no assessment of significance or consultation and no options analysis is required.

6 RECOMMENDATION

A) **THAT** Council receives the Financial Performance Report to 31 August 2017

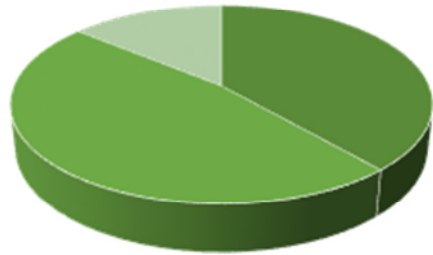
Dayle McMillan
Finance Manager

Appendix 1: Financial Performance August 2017



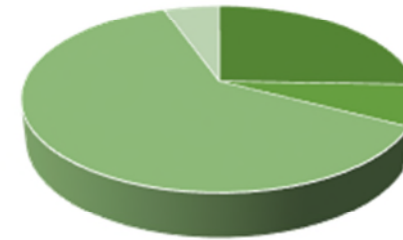
Financial Performance August 2017

**Operating revenue
Actual year to August**



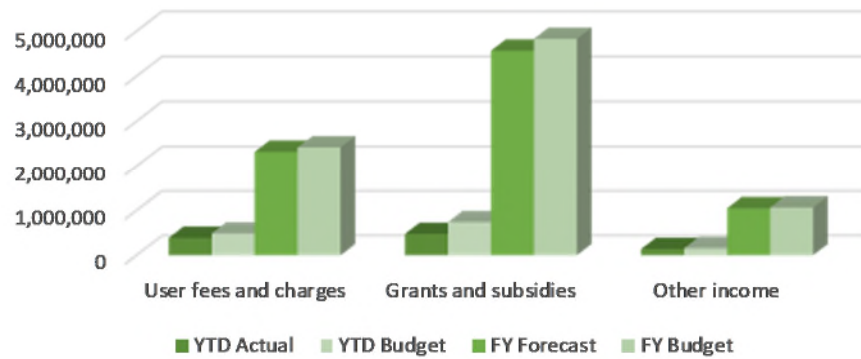
■ User fees and charges ■ Grants and subsidies ■ Other income

**Operating expenditure
Actual year to August**

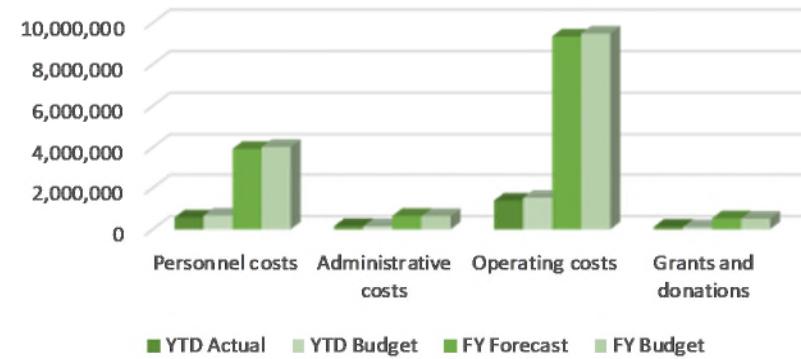


■ Personnel costs ■ Administrative costs ■ Operating costs ■ Grants and donations

Operating revenue



Operating expenditure



| Column 1 | User fees & Charges | Grants & Subsidies | Other Income |
|-------------|---------------------|--------------------|--------------|
| Actual YTD | 385,771 | 473,947 | 140,896 |
| Budget YTD | 482,506 | 736,513 | 155,831 |
| Variance | (96,735) | (262,566) | (14,935) |
| FY Forecast | 2,321,848 | 4,564,793 | 1,047,512 |
| FY Budget | 2,418,583 | 4,827,359 | 1,062,448 |

| Column 1 | Personnel | Administration | Operating | Grants & donations |
|-------------|-----------|----------------|-----------|--------------------|
| Actual YTD | 573,276 | 157,867 | 1,390,415 | 122,116 |
| Budget YTD | 662,352 | 143,387 | 1,526,885 | 108,081 |
| Variance | (89,076) | 14,480 | (136,469) | 14,034 |
| FY Forecast | 3,934,102 | 653,207 | 9,347,660 | 535,334 |
| FY Budget | 4,023,177 | 638,727 | 9,484,130 | 521,300 |

Rates Debtors

| | | |
|--|------------|------------------|
| Rates Debtors at 31 July 2017 | | 4,060,773 |
| Rates instalment | - | |
| Less payments received | -3,543,284 | |
| Paid in advance | 974,114 | |
| Write off's | -112,163 | |
| Penalties | - | |
| Court costs awarded | 3,255 | |
| | | -2,678,078 |
| Total Rates Debtors at 31 August 2017 | | 1,382,695 |
| Arrears included above at 31 August 2017 | 1,354,696 | |
| Arrears at 31 August 2016 | 1,754,055 | |
| Increase/(decrease) in arrears | | -399,359 |

Note: In the month with a rates instalment all current is arrears

Debt Management August 2017

Rates Debt - Aged at 31 August 2017

| Financial Year | Aug-17 | Aug-16 | Jul-17 |
|----------------|------------------|------------------|------------------|
| Pre 2013 | 77,030 | 145,437 | 83,609 |
| 2013-14 | 49,071 | 97,283 | 54,962 |
| 2014-15 | 67,332 | 190,066 | 73,281 |
| 2015-16 | 90,848 | 546,244 | 111,185 |
| 2016-2017 | 366,621 | 775,024 | 461,335 |
| Current | 703,793 | - | 3,276,402 |
| | 1,354,696 | 1,754,055 | 4,060,773 |

WESTLAND DISTRICT COUNCIL

Cost of service statement

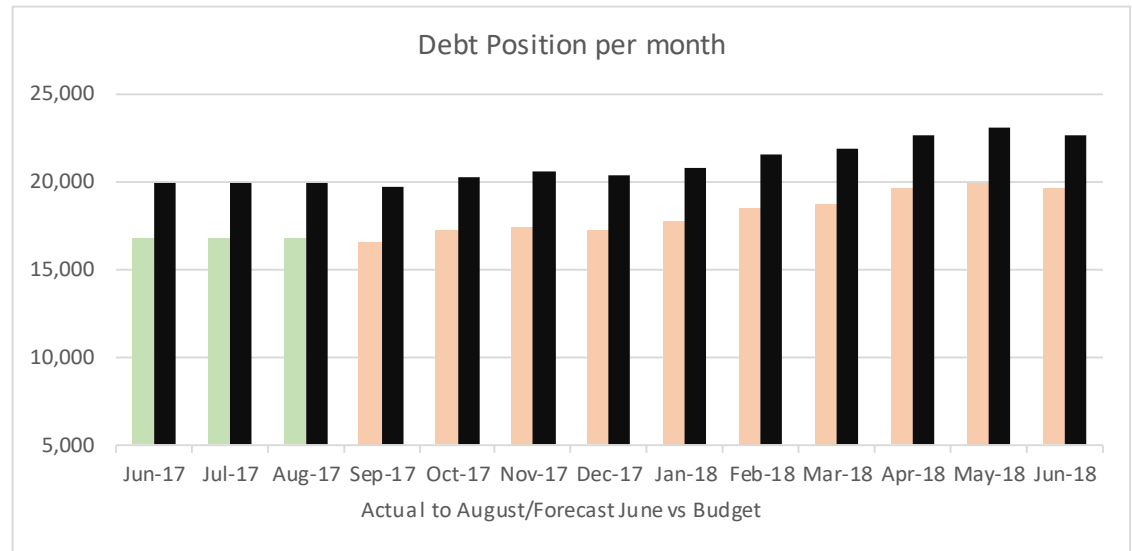
| WESTLAND DISTRICT COUNCIL | Year to August | | | Full year 2017-2018 | |
|---|------------------|------------------|------------------|---------------------|-------------------|
| | Actual | Budget | Variance | FY Forecast | Budget |
| Operating revenue | | | | | |
| Rates (includes targeted rates and metered water) | 3,071,415 | 3,119,394 | (47,979) | 15,156,718 | 15,204,697 |
| User fees and charges | 385,771 | 482,506 | (96,735) | 2,321,848 | 2,418,583 |
| Grants and Subsidies | 473,947 | 736,513 | (262,566) | 4,483,743 | 4,746,309 |
| Other income | 140,896 | 155,831 | (14,935) | 1,223,398 | 1,238,334 |
| Overhead recoveries | 938,967 | 1,228,655 | (289,687) | 6,886,646 | 7,176,333 |
| Total revenue (A) | 5,010,995 | 5,722,899 | (711,903) | 30,072,353 | 30,784,256 |
| Operating expenditure | | | | | |
| Personnel costs | 573,276 | 662,352 | (89,076) | 3,934,102 | 4,023,177 |
| Administrative costs | 157,867 | 143,387 | 14,480 | 653,207 | 638,727 |
| Operating costs | 1,390,415 | 1,526,885 | (136,469) | 9,347,660 | 9,484,130 |
| Grants and donations | 122,116 | 108,081 | 14,034 | 535,334 | 521,300 |
| Overheads | 931,383 | 1,195,391 | (264,008) | 6,908,285 | 7,172,293 |
| Total operating expenditure (B) | 3,175,057 | 3,636,096 | (461,038) | 21,378,588 | 21,839,627 |
| Net operating cost of services - surplus/(deficit) (A - B) | 1,835,938 | 2,086,803 | (250,865) | 8,693,764 | 8,944,629 |
| Other expenditure | | | | | |
| Interest and finance costs | 105,528 | 129,600 | (24,073) | 753,521 | 777,593 |
| Depreciation | 996,774 | 967,979 | 28,795 | 5,836,714 | 5,807,919 |
| (Gain)/loss on investments | 0 | 0 | 0 | 0 | 0 |
| (Gain)/Loss on swaps | 52,368 | (29,253) | 81,621 | (93,896) | (175,517) |
| (Gain)/Loss on disposals | 0 | 0 | 0 | 0 | 0 |
| Total other expenditure (C) | 1,154,669 | 1,068,326 | 86,343 | 6,496,338 | 6,409,995 |
| Total expenditure (D = B + C) | 4,329,726 | 4,704,422 | (374,695) | 27,874,927 | 28,249,622 |
| Net cost of services - surplus/(deficit) (A - D) | 681,269 | 1,018,477 | (337,208) | 2,197,426 | 2,534,634 |

Variance Analysis

| | |
|------------------------------|---|
| Operating Revenue | |
| Grants and Subsidies | NZTA subsidy lower than expected due to continued poor weather in July and August 2017. This reduction in operating revenue is largely offset by decreased operating costs. |
| Operating expenditure | |
| Personnel costs | Reduced expenditure primarily due to budgeted unfilled staff vacancies. |
| Operating costs | Lower than anticipated repairs and maintenance costs year to date due to timing differences. |
| Other expenditure | |
| (Gain)/Loss on Swaps | Swap values will alter due to prevailing market conditions at the time of financial account preparation. |

Forecast Debt Position per Annual Plan 2017-18

| Forecast as at | Jul-17 | Aug-17 |
|-----------------------------------|---------------|---------------|
| Opening Balance | 19,887 | 16,790 |
| Loan funded capex forecast | 4,552 | 4,552 |
| Forecast repayments 2017-18 | (1,792) | (1,792) |
| Forecast balance June 2018 | 22,647 | 19,550 |



| | Debt Position per month | | | | | | | | | | | | |
|---|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Jun-17 | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Jun-18 |
| Budget | 19,887 | 19,887 | 19,887 | 19,689 | 20,289 | 20,564 | 20,341 | 20,841 | 21,566 | 21,825 | 22,650 | 23,050 | 22,647 |
| Forecast at 1 July 2017 | 16,790 | 16,790 | 16,790 | 16,592 | 17,192 | 17,467 | 17,674 | 18,614 | 19,769 | 20,028 | 20,853 | 21,253 | 20,850 |
| Actual + Forecast | 16,790 | 16,790 | 16,790 | 16,592 | 17,192 | 17,467 | 17,244 | 17,744 | 18,469 | 18,728 | 19,553 | 19,953 | 19,550 |
| Waste Management loan | 2,401 | 2,401 | 2,401 | 2,351 | 2,351 | 2,351 | 2,301 | 2,301 | 2,301 | 2,283 | 2,283 | 2,283 | 2,233 |
| Water Supply loan | 2,205 | 2,205 | 2,205 | 2,161 | 2,161 | 2,211 | 2,217 | 2,267 | 2,317 | 2,323 | 2,623 | 2,898 | 2,899 |
| Wastewater loan | 0 | 0 | 0 | 250 | 850 | 1,025 | 1,050 | 1,050 | 1,325 | 1,600 | 1,875 | 1,900 | 1,900 |
| Structured Infrastructure loan for Council assets | 7,845 | 7,845 | 7,845 | 7,777 | 7,777 | 7,777 | 7,709 | 7,709 | 7,709 | 7,641 | 7,641 | 7,641 | 7,576 |
| Stormwater loan | 760 | 760 | 760 | 746 | 746 | 746 | 732 | 732 | 732 | 718 | 718 | 718 | 704 |
| Transportation | 100 | 100 | 100 | 83 | 83 | 133 | 266 | 716 | 1,116 | 1,399 | 1,599 | 1,649 | 1,632 |
| Vehicle loan | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| Cass Square rehabilitation loan | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |
| Other loan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50 | 100 | 150 | 147 |
| Hokitika Water supply upgrade | 3,307 | 3,307 | 3,307 | 3,052 | 3,052 | 3,052 | 2,797 | 2,797 | 2,797 | 2,542 | 2,542 | 2,542 | 2,287 |

Report

DATE: 10 October 2017

TO: Finance, Audit and Risk Committee

FROM: Group Manager: Corporate Services

INTERIM AUDIT MANAGEMENT REPORT YEAR ENDED 30 JUNE 2017

1 SUMMARY

- 1.1 The purpose of this report is to present the Interim Audit Management Report (attached as Appendix 1) for the year ended 30 June 2017.
- 1.2 The report is written by Bede Kearney, Audit Director for Audit New Zealand and has been reviewed by Council management. Observations and comments from both are contained within the report.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that the Committee receives the Interim Audit Management Report for the year ending 30 June 2017.

2 BACKGROUND

- 2.1 Interim and Final Audit Management Reports are provided annually to Council and provide commentary and recommendations on observations made by the audit team during the Annual Report audit process.
- 2.2 A draft report is delivered to the Chief Executive and Group Manager, Corporate Services in the first instance to enable the Executive Team to provide a response to the comments. This then enables elected members to receive a full report on the issue/recommendation and the action being taken by staff to address it.

3 CURRENT SITUATION

- 3.1 The Interim Audit Management Report for 30 June 2017 confirms that Council has made substantial progress in many areas despite changes in many key staff areas, but also reflects that continued improvements are required, especially in the area of the statement of service provisions.
- 3.2 There are two items described as 'Urgent' in the report which relate to the statement of service provisions, and several of the recommendations and observations are being addressed by enhancements that are currently in progress.
- 3.3 The recommendations contained in the report will be incorporated into the development of Council's internal controls framework and risk management framework.
- 3.4 The financial year ended 30 June 2017 will be the second year of reporting against the performance measures contained in the Long Term Plan 2015-25. Council has the opportunity to monitor progress in this area as it receives quarterly reports during the year.

4 RECOMMENDATION

- A) **THAT** the Committee receives the Interim Audit Management Report for the year ended 30 June 2017.

Lesley Crichton
Group Manager: Corporate Services

Appendix 1: Interim Audit Management Report 30 June 2017

28 August 2017

335 Lincoln Road, Addington
PO Box 2, Christchurch 8140

www.auditnz.govt.nz
Fax: 03 961 3059

Bruce Smith
Mayor
Westland District Council
Private Bag 704
Hokitika 7842

cc Robin Reeves, Acting Chief Executive
Lesley Crichton, GM Corporate Services

Dear Bruce

Interim report on the audit of Westland District Council for the year ended 30 June 2017

1 Introduction

We have completed our interim audit of Westland District Council (the District Council) for the year ended 30 June 2017.

The primary purpose of our audit was to update our understanding of the District Council's control environment and gain a better understanding of the issues facing the Council. The specific risk areas that audit focus for this year were outlined in our audit arrangements letter dated 23 June 2017. In this report we make comments on our work to date, we will comment on all other issues noted in our arrangements in full in the final report to the Council.

We will use the information gathered in this visit to plan our final audit.

2 Assessment of the control environment

We performed a high level assessment of the control environment. This assessment was performed for the purpose of planning the most effective and efficient audit approach, in order to enable us to express an audit opinion on the governing body's financial statements and the non-financial information. We considered the overall attitude, awareness, and actions of the Council and management in establishing and maintaining effective management procedures and internal controls.

We reviewed the internal controls in place for your key financial and non-financial information systems, as detailed below. In performing this assessment we consider both the "design effectiveness" and "operational effectiveness" of internal control. The explanation of these terms is outlined below. However, it is not the purpose of our assessment to provide you with assurance on internal control in its own right. As such we provide no assurance that our assessment will necessarily identify and detect all matters in relation to internal control.

Below we comment on aspects of control environment that we consider are operating well and aspects that could be improved. Our comments on the control environment are split into two broad grouping the “the higher level control environment” (2.1) and the “internal controls” (2.2).

2.1 The higher level environment

“The higher level control environment” comprises governance and management actions which set the policies and parameters within which the organisation operates and also the process through which compliance with these, along with organisational performance, are monitored.

The areas we considered during our high level assessment were:

2.1.1 Changes in Governance and Management

There were significant changes to the council at the October 2016 election. Only one councillor returned from the previous council. In addition, throughout the financial year three members of senior management resigned. (CEO, GM Corporate Services and the GM District Assets). There were time delays between these individuals resigning and substantive replacements being appointed. Acting staff were in place, but for a time, some of them, this was in addition to their own job responsibilities. This meant that staff in key roles were stretched over parts of this financial year. The disruption and the need to keep District Council’s services operating meant a heightened risk that some key aspects of the control environment did not operate effectively through the year.

As part of the interim audit we focussed determining whether the vacancies and the capacity issues impacted on the overall control environment. We also reviewed the operation of internal controls in key financial and non-financial systems.

Through discussion and our observation, we gained an understanding of how key aspects of the high level control environment were operating. Overall, we did not identify any significant new deficiencies that we need to bring to your at this stage. We also followed up on prior year issues and found there are some prior year issues still to be addressed. These are reported in Appendices 2 and 3.

2.1.2 Preparedness for year end

Due to on-going staff changes across the District Council over the past few years, and in Finance in particular, staff have been stretched in the past. This has impacted on the delivery of the annual report. It is positive to see all vacant roles in the Finance team have now been filled and that the Strategy and Communication Advisor position which was vacant from late April and has also been filled.

The filling of these vacancies is positive, however, there will likely be still be challenges as there has been a loss of corporate memory and the new appointees will naturally take some time to transition into their new roles. For the year end process to be successful the District Council will need to commit sufficient time and resources to the process, including meeting the agreed timetable as outlined in our arrangements letter dated the 23 June 2017.

Should any issues arise which put at risk the District Council's ability to meet its reporting deadlines, we ask that we are advised early so we can agree a joint approach forward.

2.1.3 Asset Management

We followed up on the District Council's progress in updating its asset management plans for the 2018-28 LTP. Management informed us a consultant had been engaged to help draft and update the asset management plans (AMP), however, the work was put on hold while the new council reviewed the arrangement in place. We understand that the hold has been lifted and work on the AMPs has recommenced.

We encourage the District Council to continue work on improving its assets' information to inform the LTP process. As the 2018-28 LTP approaches the asset condition and asset planning information should be used to inform the 30 year infrastructure strategy and as the basis for the financial forecasts across the District Council's asset based activities.

As part of the preparation of the 2016/17 annual report, the District Council should also consider whether there are any significant issues arising from the AMP review that should be reflected in the financial statements.

2.1.4 Fraud risk management

The District Council has a fraud policy in place. This was last reviewed in 2006. We note that in recent years there has been no formal review to identify areas susceptible to fraud.

From our meetings with management we understand that PricewaterhouseCoopers (PwC) has been engaged to carry out a review of the District Council's fraud mitigation practices. This review will look at updating both the framework and fraud risk areas. We acknowledge the positive steps the District Council is taking this area.

2.1.5 Risk Management

Risk management is an area where the District Council can make improvements. At present there is a policy and a framework in place (which includes a corporate risk register). The policy and framework were last updated in 2011.

The District Council has made some progress in 2016/17 the corporate risk register has been updated by the executive team, and is being presented and discussed at the monthly council and audit, finance and risk committee meetings.

We note that the GM District Assets was tasked with updating the risk management information into the Quantate risk management software. However, with his suspension and then departure, the transfer to Quantate was put on hold.

The GM District Assets and the GM Corporate Services are still new to their roles. We understand that it is intended that both GMs will receive relevant risk management training, including the use of Quantate.

We encourage the District Council continue to progress work in risk management. Ensuring the new risk management system Quantate is fully implemented to help better identify, evaluate, monitor and manage risk.

2.1.6 Legislative compliance

The District Council does not have a formal legislative compliance system. Approaches to ensuring compliance are ad-hoc. The responsibility sits with relevant manager or department and responses are based on their knowledge and experience. With the recent staff changes and the current vacancies there are likely gaps in knowledge, opening up District Council to a greater risk of non-compliance.

We recommend the District Council addresses our prior year recommendation and introduces a formal legislative compliance system. This should identify legislative risks and responses, as part of a broader risk management framework. Ideally this would be integrated within the District Council's risk management software system.

2.2 Internal controls in key systems

"The Internal controls" are the policies and processes that are designed to provide reasonable assurance as to reliability and accuracy of financial and non-financial reporting, as well as compliance with significant legislative requirements. These internal controls are designed, implemented and maintained by the council and management. Internal controls that are both "design effective" and "operationally effective" are important to minimising the risk of either fraud or misstatement occurring. The ultimate responsibility for the effective design, implementation and maintenance of internal control rests with the council as the governing body.

We identified some areas where the District Council should consider enhancing its internal controls. These areas are outlined below and relate to both financial and non-financial systems:

2.2.1 Financial reporting system

The key systems that we reviewed included:

- payroll;
- expenditure/accounts payable;
- revenue/accounts receivable; including rates; NZTA subsidies; and development contributions;
- treasury management systems, including investment and debt management
- general financial systems, including journals; and
- property, plant and equipment fixed assets including infrastructure operational assets and vested assets.

We did not identify any new significant issues to bring to your attention in relation to financial system internal controls. Our review concluded that District Council has appropriate systems of internal control over its key financial systems. The key controls within these systems that we tested were operating effectively. This allows us to place reliance upon them for the purposes of our audit. We consider this a positive result considering the number of staff changes across the District Council this year.

We have the following observations that may be beneficial to further enhance the internal controls.

- In the prior year the District Council implemented an online purchase order (PO) system and during the year it has made significant progress to ensure that most transactions are now going through this PO system. There are still some transactions that do not go through the system (less than 2% of the population). We understand the finance team are currently addressing this matter by implementing changes to current practices.

We encourage District Council to tidy up these transactions to make sure they go through the proper system.

- We noted that the approvals of payroll payments to be processed externally by Datacom are approved online by Finance before payment. However no evidence of these approvals is retained. We understand that subsequent to our interim visit, the District Council has asked Datacom to provide an annual download of the payroll approvals as evidence that the payroll payments have been appropriately approved online.
- At the start of the 2016 calendar year we noted some timeliness issues with the preparation and review of the creditor, bank and payroll reconciliations. This was due to staff vacancies within finance earlier in the year.

This issue has been addressed in the later part of the year, when the vacant roles were filled.

2.2.2 Non-financial performance reporting systems

We reviewed the District Council's systems and controls for reporting its service performance information. We particularly focused on understanding whether there were appropriate systems in place to accurately report against those measures that we considered are key to providing the community with an understanding the District Council's overall performance.

Service performance information is a vital medium through which the District Council can be transparent to the community about its performance. The service performance information shows how it is performing against the levels of services agreed in the LTP, for the range of services it provides to the community.

We reviewed the following areas of the District Council's performance framework. In these areas we focussed on the systems that support the service performance measures and targets.

The performance measures we reviewed include:

1. Road smoothness.
2. Compliance with drinking water standards (part 4 and 5).
3. Compliance with resource for discharge from the sewer system measured by issued: (abatement notices, infringement notices, enforcement orders, convictions).

4. Number of dry weather sewerage overflows.
5. The number of flooding events that occur in a TA district.
6. Fault response/ resolution times (water supply).
7. Overflow response/ resolution times (wastewater supply).

While the annual report is based on reporting against the performance measures and targets in the annual report, there may be other areas, which are likely to be significant to the community, even though the LTP had no relevant performance measures.

Examples where information could be disclosed in Statement of Service Performance at year end include:

1. Franz Josef wastewater: we expect the District Council to provide narrative on the progress with the upgrade for the sewer to meet resource consent.
2. Civil defence: We expect the District Council to report on any significant events that occurred during the year and how it responded to those events.
3. Maintaining building consent accreditation: the District Council could report its accreditation status as a way of reflecting the quality of the service it provides.
4. We will provide feedback to District Council staff on the draft Statement of Service performance during the audit in September/ October.

There were two key findings from our interim audit that are summarised below. District Council will need to address recommendations before our final audit in September/ October.

| Issue | Recommendation | Priority | Measures impacted |
|--|---|----------|-------------------|
| <p>Gaps in performance system knowledge</p> <p>A number of District Council staff resigned during the year and some of positions were still vacant at the time of our interim audit in June.</p> <p>From our discussion with staff and management we found there was not a good handover processes in some areas. This means for some of its key performance measures, no District Council staff member could provide us with an adequate description of the systems, processes and controls in place for tracking and reporting performance.</p> | <p>The District Council will need confirm whether there are appropriate information and systems to report on all service performance measures.</p> <p>It will also need to dedicate time and resources to investigate whether it can fill in the gaps where information or results of particular performance measures is not known at present.</p> <p>Management comment</p> | Urgent | 2,3,4,5,6,7 |

| Issue | Recommendation | Priority | Measures impacted |
|---|---|----------|-------------------|
| <p>Therefore, we could not make an assessment of these systems, nor could we conclude on the appropriateness of the controls within them.</p> <p>We note that this issue is unlikely to be limited to the performance measures we reviewed.</p> | <p><i>Agreed, WDC will be reviewing the systems in place.</i></p> | | |
| <p>Service request related measures</p> <p>A number of measures rely on information logged in the service request system. In the prior year we noted some deficiencies with the completeness and the accuracy of information recorded in the service request system. We made four main recommendations in our final management report. These are summarised in Appendix 2.</p> <p>At our interim audit we followed up on our prior year recommendations. From our meetings with District Council staff we understand that our recommendations are yet to be fully resolved. Management informed us that staff have been provided with training on how use the service request system and now all requests are being captured in the systems. However, management advised us that the response times and resolution times from the contractor may still not be captured accurately.</p> | <p>Before we commence our testing at the final audit, the District Council will need dedicate time and resources to investigate whether it has the appropriate information and systems to enable it report on all its service performance measures.</p> | Urgent | 4,5,6,7 |

3 Prior years' recommendations

Summary of action taken against previous years' recommendations:

| Number of recommendations from previous years' audits | Current status |
|---|--|
| 3 | Matters that have been resolved |
| 3 | Matters outstanding |
| 3 | Matters to confirm as part of year end audit |

This summary needs to be read in conjunction with the status of recommendations raised in previous years' management reports as detailed in Appendix 2 and 3.

4 Conclusion

Please extend our thanks to the management and staff who provided assistance to the audit team during our visit.

If there is any further information you require, please do not hesitate to contact me on 021 222 8464 or the Audit Manager, Karina Page 021 222 6221.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bede Kearney', with a stylized flourish at the end.

Bede Kearney
Director

Appendix 1: Explanation of priority rating system

Our recommendations for improvement and their priority are based on our assessment of how far short the District Council is from a standard that is appropriate for the size, nature, and complexity of its business.

We have developed the following priority ratings for our recommended improvements:

| | |
|--|--|
| <p>Urgent Major improvements required</p> | <p>Needs to be addressed urgently</p> <p>These recommendations relate to a significant deficiency that exposes the District Council to significant risk. Risks could include a material error in the financial statements and the non-financial information; a breach of significant legislation; or the risk of reputational harm.</p> |
| <p>Necessary Improvements are necessary</p> | <p>Address at the earliest reasonable opportunity, generally within 6 months</p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine the system of internal control or create operational inefficiency.</p> |
| <p>Beneficial Some improvement required</p> | <p>Address, generally within 6 to 12 months</p> <p>These recommendations relate to deficiencies that result in the District Council falling short of best practice. These include weaknesses that do not result in internal controls being undermined or create a risk to operational effectiveness. However, in our view it is beneficial for management to address these.</p> |

Appendix 2: Prior year service request recommendation

The following prior year recommendations could not be followed up during our interim audit visit due to new staff not being aware of the issue and therefore not knowing what had been done to address the issue. We will follow these recommendations up at the final audit.

Explore processes and controls that can be put into place to:

- Record the time of notification and ensure all customer services requests are recorded in a consistent manner (i.e. record all calls/complaints about sewerage or drinking water supply are in the customer service request system at the time those calls are fielded). This should include after hours calls that are currently fielded by the contractor directly. The contractor may need live access to the service request module to achieve this.
- Accurately record the time of attendance by the contractor - explore with the contractor options to record job data and auto-update the information in the service request system where they can record the time they attended a sewerage/drinking water supply call out. The District Council needs to consider what controls it can put in place to ensure that the attendance time recorded on the paper job card is transferred accurately into the service request system.
- Accurately record the resolution time by the contractor. The same considerations need to be given to this as above for attendance times.
- Provide comprehensive training and develop comprehensive guidance material for the customer service officers that are fielding the calls in the first instance so that the classification for such events is accurate.

Appendix 3: Status of recommendations

The recommendations raised in our previous management reports are still valid and are being progressed. Cleared issues and outstanding issues have been summarised below. Also there are 3 prior year matters to confirm as part of year end audit

Matters that have been resolved

| Issues | Outcome |
|--|---|
| Update Delegations Manual | |
| The manual is out of date and does not reflect actual practices. | The manual has now been updated as at 19 June 2017. We are satisfied that the policy has been updated to include all staff and also that job titles changes are up to date. |
| Rates process improvements | |
| There is no independent review of the reconciliation between the rates information database (RID) and the QV information. There is a lack of procedures in place to ensure that the provisions of the Rates Remissions Policy are followed. | These have been implemented as part of the 2017/18 rating process. |
| Sale of District Council assets to staff | |
| Establish a formal policy that clearly defines the process for the sale of District Council assets to staff. | The Asset Disposal policy was updated in June 2017 to include asset sales to staff. |

Matters still outstanding

| Recommendation | Priority | Management comment |
|--|------------------|---|
| Legislative compliance | | |
| <p>Introduce a formal legislative compliance system. This should identify legislative risks and responses, as part of a broader risk management framework. Ideally this would be integrated within the District Council's risk management software system.</p> | <p>Necessary</p> | <p><i>This is complies with and can be seen within all plans, reports, policies and decision making.</i></p> <p>Additional audit comment</p> <p>We acknowledge that these processes are a way of checking compliance with legislation as the District Council makes decisions. However a sound legal compliance system identifies potential risks and assesses the likelihood of those risks across all activities of the organisation.</p> <p>We have provided management with names of Council's who have formal legislative compliance systems in place and a brief description of their systems and processes.</p> |
| IT Disaster Recovery Plan (DRP) | | |
| <p>Update the DRP plan to reflect the current situation.</p> | <p>Necessary</p> | <p><i>To be reviewed 2017-18.</i></p> |
| Review areas susceptible to fraud | | |
| <p>Covered in section 2.1.3 of this report.</p> | <p>Necessary</p> | <p><i>Full review to be undertaken by external consultants October 2017.</i></p> |

Matters to confirm as part of the year end audit

| Recommendation | Priority |
|--|------------|
| Land fill provision calculation | |
| Provide information to support the landfill inputs included in the landfill calculation. | Necessary |
| Assets disposal | |
| <ul style="list-style-type: none"> • Introduce a formal process for disposed assets; and • Perform a physical stocktake. | Beneficial |
| Receipt of year end financial information from District Council's CCO | |
| Request draft financial information from the CCOs at an earlier date. | Beneficial |

Report



DATE: 10 October 2017

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

UPDATE ON DRAFT ANNUAL REPORT AND AUDIT 2016-17

1 SUMMARY

- 1.1 The purpose of this report is to present an update on the draft Annual Report and Audit 2016-17.
- 1.2 This issue arises from the requirements of the Local Government Act 2002.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receive the report on the update of the Annual Report and Audit 2016-17.

2 BACKGROUND

- 2.1 At the Finance, Audit and Risk Committee meeting 24 August 2017, the Committee was presented with an update of the 30 June 2017 financial report.
- 2.2 The basis of this report was to update the Committee with the expected financial result for the 30 June 2017 Annual report.
- 2.3 The financial result at that time did not include any provisions for the Landfill and doubtful debts.
- 2.4 Non-financial performance measures were not presented at this time.

3 CURRENT SITUATION

3.1 An update of the Draft Annual Report 2016-17 for Council is attached with the agenda as **Appendix 1**. At this time, the final audit is still in progress. The Group Accounts have yet to be finalised and have not been provided.

3.2 Council and the Group meet the criteria for Tier 1 reporting, therefore the Annual Report 2016-17 is being prepared in accordance with Tier 1 reporting requirements. Tier 1 comprises enhanced disclosures which have not been included in this report.

3.3 Summary:

3.3.1 Council reports a deficit of \$1,848,000, which is \$3.2 million unfavourable to budget. The variance includes the following items:

| Description | Amount (\$ 000) | Cash (\$ 000) | non-cash (\$ 000) |
|---|-----------------|---------------|-------------------|
| NZTA Subsidy | -743 | -743 | |
| Museum admission fees | -47 | -47 | |
| Unbudgeted operating costs | -575 | -575 | |
| Council approved unbudgeted costs | -290 | -290 | |
| Grants and Donations | -150 | -150 | |
| Depreciation | -523 | | -523 |
| Landfill provision | -568 | | -568 |
| All other revenue and expenditure variances | -293 | -293 | |
| Total Variance to budget | -3,189 | -2,098 | -1,091 |

Variance analysis is included in **Appendix 1**.

3.3.2 Debtors and other receivables, and creditors and other payables are not significantly different from budgeted, and are expected to be timing differences. This does not suggest that Council is not using working capital effectively.

3.3.3 Cash and Cash receivables are \$1.6m lower than budget, this is due to unbudgeted expenditure using up cash reserves. It is important that Council consider all unbudgeted expenditure carefully to ensure that cash reserves are not depleted further.

3.3.4 Debt at 30 June 2017 is \$1.9m lower than budget, this is due to loan funded capital expenditure not completed, and an extra payment off debt from maturing investments of \$200k

3.3.5 The Landfill provision is higher than budget by \$175k, this is due to further information on the requirements of aftercare on Landfills.

- 3.3.6 The Draft Annual Report document as attached as **Appendix 2** contains Statements of Service Performance (SSP) for each activity, with KPIs assessed against measures that were included in the Long Term Plan 2015-25.
- 3.3.7 The Interim audit also looked at these Statements of Service Performance (SSP). At the time of the Interim Audit and reflected in the Interim Audit Management Report, Audit NZ were concerned that with the staff changes, this left Council vulnerable having lost knowledge. However, in recent discussion, Audit NZ are feeling more comfortable that staff are in a better position to report against the KPI's.
- 3.3.8 There are improvements that can still be made in this area, and Council staff are preparing an improvement plan to ensure that information is gathered and staff are fully trained to collect the relevant information.

4 OPTIONS

4.1 The following options are available to Council:

4.1.1 Council can choose not to receive the report.

4.1.2 Receive the report on the update of the Annual Report and Audit 2016-17 as provided in **Appendix 1 and 2**.

5 SIGNIFICANCE AND ENGAGEMENT

5.1 The report on the update of draft Annual Report and Audit is administrative and of low significance.

5.2 No public consultation is required.

6 RECOMMENDATION

A) **THAT** Council receives the report on the update of the Annual Report 2016-17 as provided in **Appendix 1 and 2**.

Lesley Crichton
Group Manager: Corporate Services

Appendix 1: Draft financial Annual statements 2016-17

Appendix 2: Draft Annual Report document including the SSP as provided to Audit 2016-17

WESTLAND DISTRICT COUNCIL

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2017

| | Note | Council | | |
|--|-------|----------------|---------------|---------------|
| | | Actual | Budget | Actual |
| | | 2017 | 2017 | 2016 |
| | | \$000 | \$000 | \$000 |
| Revenue | | | | |
| Rates | 3 | 14,781 | 14,721 | 14,037 |
| Fees and Charges | 4 | 1,853 | 1,910 | 2,162 |
| Subsidies and grants | 5 | 3,190 | 3,937 | 5,103 |
| Interest revenue | 6 | 96 | 90 | 104 |
| Other revenue | 7 | 1,600 | 1,166 | 1,967 |
| <i>Total revenue</i> | | 21,519 | 21,824 | 23,373 |
| Expenses | | | | |
| Personnel costs | 8 | 3,823 | 3,693 | 3,267 |
| Depreciation and amortisation expense | 16-17 | 5,800 | 5,277 | 5,685 |
| Finance costs | 6 | 709 | 670 | 901 |
| Other expenses | 9 | 13,035 | 10,844 | 12,756 |
| <i>Total expenses</i> | | 23,367 | 20,483 | 22,609 |
| Surplus/(deficit) before tax | | (1,848) | 1,341 | 764 |
| Income tax expense/(benefit) | 10 | 0 | 0 | 0 |
| Surplus/(deficit) after tax | | (1,848) | 1,341 | 764 |
| Other comprehensive revenue and expense | | | | |
| Financial assets at fair value through other comprehensive revenue and expense | | 0 | 0 | 0 |
| Gain/(loss) on revaluation of assets | 24 | 0 | 0 | 29,814 |
| Tax on revaluations | | 0 | 0 | 0 |
| <i>Total other comprehensive revenue and expense</i> | | 0 | 0 | 29,814 |
| Total comprehensive revenue and expense | | (1,848) | 1,341 | 30,578 |

WESTLAND DISTRICT COUNCIL
Statement of Financial Position
As at 30 June 2017

| | Note | Council | | |
|---|------|----------------|----------------|----------------|
| | | Actual | Budget | Actual |
| | | 2017 | 2017 | 2016 |
| | | \$000 | \$000 | \$000 |
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 11 | 2,733 | 4,301 | 1,875 |
| Debtors and other receivables | 12 | 2,964 | 2,447 | 3,764 |
| Other financial assets | 14 | 813 | 0 | 1,000 |
| Inventory | 15 | 0 | 0 | 0 |
| Work in progress | 18 | 0 | 0 | 0 |
| Total current assets | | 6,510 | 6,748 | 6,639 |
| Non-current assets | | | | |
| Property, plant and equipment | 16 | 430,487 | 414,450 | 433,498 |
| Intangible assets | 17 | 81 | 71 | 74 |
| Derivative financial instruments | 13 | 0 | 0 | 0 |
| Council Controlled Organisations | 14 | 8,695 | 8,695 | 8,695 |
| Other Financial Assets | 14 | 34 | 1,133 | 40 |
| Investment property | 16A | 0 | 0 | 0 |
| Term inventory | 15 | 0 | 0 | 0 |
| Assets under construction | 18 | 1,309 | 0 | 651 |
| Total non-current assets | | 440,606 | 424,349 | 442,959 |
| Total assets | | 447,117 | 431,097 | 449,597 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Creditors and other payables | 19 | 1,953 | 2,318 | 2,112 |
| Derivative financial instruments | 13 | 1 | 0 | 29 |
| Borrowings | 23 | 0 | 3,750 | 0 |
| Employee entitlements | 22 | 182 | 296 | 240 |
| Provisions | 21 | 0 | 0 | 0 |
| Tax payable | | 3 | 3 | 3 |
| Other current liabilities | 20 | 376 | 193 | 280 |
| Total current liabilities | | 2,515 | 6,560 | 2,635 |
| Non-current liabilities | | | | |
| Derivative financial instruments | 13 | 508 | 160 | 771 |
| Borrowings | 23 | 16,790 | 14,987 | 17,600 |
| Employee entitlements | 22 | 20 | 29 | 28 |
| Provisions | 21 | 1,819 | 1,644 | 1,251 |
| Deferred Tax | 10 | 30 | 30 | 30 |
| Total non-current liabilities | | 19,167 | 16,850 | 19,680 |
| Total liabilities | | 21,681 | 23,410 | 22,314 |
| Net assets | | 425,436 | 407,687 | 427,282 |
| Equity | | | | |
| Retained earnings | 24 | 150,220 | 154,044 | 153,182 |
| Restricted reserves | 24 | 5,606 | 6,046 | 4,491 |
| Revaluation reserves | 24 | 269,545 | 247,597 | 269,545 |
| Other comprehensive revenue and expense reserve | 24 | 64 | 0 | 64 |
| Net assets | | 425,436 | 407,687 | 427,282 |

WESTLAND DISTRICT COUNCIL
Statement of Cash Flows
For the year ended 30 June 2017

| | Note | Council | | |
|--|------|----------------|----------------|----------------|
| | | Actual | Budget | Actual |
| | | 2017 | 2017 | 2016 |
| | | \$000 | \$000 | \$000 |
| Cash flows from operating activities | | | | |
| <i>Cash provided from</i> | | | | |
| Rates | | 15,129 | 14,721 | 14,210 |
| Fees and Charges | | 1,853 | 0 | 2,162 |
| Interest received | | 96 | 599 | 104 |
| Dividends received | | 0 | 0 | 170 |
| Subsidies and grants | | 3,190 | 3,937 | 5,103 |
| Receipts from other revenue | | 1,637 | 6,128 | 1,328 |
| <i>Cash paid to</i> | | | | |
| Payments to suppliers and employees | | (16,107) | (17,996) | (17,467) |
| Interest paid | | (709) | (670) | (901) |
| Income tax paid | | 0 | 0 | 0 |
| Net cash flow from operating activities | 25 | 5,087 | 6,720 | 4,709 |
| Cash flows from investing activities | | | | |
| <i>Cash provided from</i> | | | | |
| Receipts from sale of property, plant and equipment | | 0 | 0 | 9 |
| Receipts from sale of investments | | 0 | 0 | 0 |
| Movement in Westpac bonds | | 191 | 0 | 10 |
| <i>Cash paid to</i> | | | | |
| Purchase of intangible assets | | (21) | 0 | (24) |
| Purchase of property, plant and equipment | | (3,590) | (6,839) | (7,706) |
| Net cash flow from investing activities | | (3,420) | (6,839) | (7,711) |
| Cash flows from financing activities | | | | |
| <i>Cash provided from</i> | | | | |
| Loans raised | | 990 | 3,224 | 3,750 |
| <i>Cash paid to</i> | | | | |
| Loan repayments | | (1,800) | (1,611) | (2,810) |
| Net cash flow from financing activities | | (809) | 1,613 | 940 |
| Net (decrease)/increase in cash, cash equivalents, and bank overdrafts | | 858 | 1,495 | (2,062) |
| <i>Cash and cash equivalent 01 Jul 2016</i> | | 1,875 | 2,806 | 3,937 |
| Cash and cash equivalent 30 Jun 2017 | 11 | 2,733 | 4,301 | 1,875 |

WESTLAND DISTRICT COUNCIL
Statement of Changes in Equity
For the year ended 30 June 2017

| | Council | | |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
| | Actual 2017 \$000 | Budget 2017 \$000 | Actual 2016 \$000 |
| Balance at 1 July 2016 | 427,282 | 402,210 | 396,173 |
| Restatement of year ended 30 June | 0 | 0 | 0 |
| Found assets | 0 | 0 | 529 |
| Deferred tax on revaluations | 0 | 0 | 0 |
| Total comprehensive income | (1,848) | 5,477 | 30,578 |
| Balance at 30 June 2017 | 425,436 | 407,687 | 427,282 |

| Westland District Council 2016-2017 Financial Result Reconciliation | | | | | |
|---|-------------------|-------------------|---------------------|---|-----------------|
| Full Year 2016-2017 | Actual (\$ 000's) | Budget (\$ 000's) | Variance (\$ 000's) | | |
| Surplus/(Deficit) for 2016-2017 | (1,848) | 1,341 | (3,189) | | |
| Total | (1,848) | 1,341 | (3,189) | | |
| | | | | | Cash |
| | | | | | Non-Cash |
| Full Year 2016-2017 Key Variances | | | | | |
| Income | Actual (\$ 000's) | Budget (\$ 000's) | Variance (\$ 000's) | Commentary | |
| NZTA Subsidy | 3,161 | 3,904 | (743) | * NZTA subsidy \$744k lower than budget for 2016-2017. \$316k of NZTA funding to be carried over to 2017-2018. | (743) |
| User Fees & Charges - Museum | 14 | 61 | (47) | * \$47k Museum revenue lower than budget for 2016-2017 due to closure. | (47) |
| Expenditure | Actual (\$ 000's) | Budget (\$ 000's) | Variance (\$ 000's) | Commentary | |
| Operating Costs- Unbudgeted Spend | 575 | 0 | (575) | Unbudgeted spend included in Operating costs: * Damaged culvert pipes due to overweight vehicles - \$267k. * Franz Josef WWTP pond remedial works - \$123k. * Franz Alpine Retreat waste water proceedings - \$106k. * Repairs to Hokitika WWTP sewer outfall - \$43k. * Unforeseen breakdown of pump in Fitzherbert Street - \$25k * EQ Assessment Hokitika Swimming Pool - \$11k. | (575) |
| Operating Costs- Council Approved Unbudgeted Spend | 290 | 0 | (290) | Council Approved Unbudgeted Spend included in Operating costs: * Sunset Point erosion control - \$217k. * Blue Spur Water Treatment Plant pH correction - \$50k. * Management of the Carnegie Building - \$13k. * Remedial work Cass Square playing surface - \$10k. | (290) |
| Grants and Donations | 150 | 0 | (150) | * \$150k Kumara Endowment Reserve funding for memorial gardens. | (150) |
| Depreciation | 5,800 | 5,277 | (523) | * Assets were revalued at the end of the 2016 financial year and asset lives and depreciation rates were updated to reflect this new information. | (523) |
| Landfill Provisions | 568 | 0 | (568) | * Updated methodology and calculation of landfill provisions for Kumara, Franz Josef, Haast, Butlers and Hokitika | (568) |
| All Other Income & Expenditure Variances | | | (293) | | (293) |
| Total | | | (3,189) | | (2,098) |
| | | | | | (1,091) |

WESTLAND DISTRICT COUNCIL



ANNUAL REPORT 2016 / 2017

Westland District's Profile

*District Office
Postal Address
Communications*

36 Weld Street, Hokitika
Private Bag 704, Hokitika
Phone: (03) 756 9010
Fax: (03) 756 9045
Email: council@westlanddc.govt.nz
Website: www.westland.govt.nz

*Date of Constitution of District
Population – Census Night (2013)
Resident in District
Total Area
Rateable Area
No. of Rateable Assessments
No. of Non-rateable Assessments
Rateable Capital Value as at 30 June 2017
Non-rateable Capital Value as at 30 June 2017
Rateable Land Value as at 30 June 2017
Non-rateable Land Value as at 30 June 2017
Date of Last Valuation (by Quotable Valuation NZ)
Date of Next Valuation (by Quotable Valuation NZ)
Auditor
Bankers
Insurance Brokers*

1 November 1989
11,136
8,307
1,186,272 ha
127,933 ha
6678
742
\$2,432,936,200
\$593,396,500
\$1,373,013,400
\$540,571,600
31 August 2017
30 September 2017
Audit New Zealand, on behalf of the Auditor-General
Westpac Bank
Aon New Zealand



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INTRODUCTION

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Reporting guidelines

Statement of compliance

Council's vision

Elected members and Council committees

Executive Team

Māori Contribution to decision making

Mayor and Chief Executive's report

Financial statistics

Financial performance summary

Financial prudence

Reporting Guidelines

The Local Government Act 2002 (the LGA) requires all local authorities to develop a Long Term Plan (LTP) for their districts. These plans identify the direction and services chosen by the community and the role of Council in delivering these services. The Plan also details the cost of Council's activities over the next 10 years.

Council adopted a new LTP on 30 June 2015, so this Annual Report is based on the provisions and planning framework of the 2015 - 2025 Long Term Plan.

We prepare an Annual Report to communicate to the community how we performed financially and whether we delivered the services we had agreed with the community in the Long Term Plan. Comparing our actual performance with that planned in the Long Term Plan 2015/25 is how we show this. For service delivery this remains a legitimate comparison and any departures are explained in the statements of service performance.

This report is prepared in observance of new Local Government (Financial Reporting and Prudence) Regulations 2014 along with the Local Government Act 2002 Amendment Act provisions, which bring additional disclosure requirements.

In certain circumstances, particularly with financial prudence benchmarks and funding impact statements for groups of activities, the regulations require comparisons against LTP.

Statement of compliance



Elected members 2016/17



Back row (L-R): Cr Graeme Olson, Cr Desmond Routhan, Cr Durham Havill, Cr Gray Eatwell

Front row (L-R): Cr David Carruthers, Deputy Mayor Helen Lash, Mayor Bruce Smith, Deputy Mayor Latham Martin, Cr Jane Neale

Mayor

Mayor Bruce Smith mayor.smith@westlanddc.govt.nz

Hokitika Ward

Cr Desmond Routhan cr.routhan@westlanddc.govt.nz

Cr David Carruthers cr.carruthers@westlanddc.govt.nz

Deputy Mayor Latham Martin
cr.martin@westlanddc.govt.nz

Northern Ward

Cr Graeme Olson cr.olson@westlanddc.govt.nz

Cr Jane Neale cr.neale@westlanddc.govt.nz

Cr Durham Havill cr.havill@westlanddc.govt.nz

Southern Ward

Deputy Mayor Helen Lash cr.lash@westlandddc.govt.nz

Cr Gray Eatwell cr.eatwell@westlandddc.govt.nz

Council Committees

Executive Committee

The Executive Committee ceased to exist following the local body elections on the 8 October 2016.

Westland Wilderness Trust

Francois Tumahai, Te Rūnanga O Ngāti Waewae (Chairman), Deputy Mayor Helen Lash, Cr Jane Neale, Chris Auchinvole, Mark Davies (Department of Conservation), Cr Anton Becker (Grey District Council)

Creative Communities Local Assessment Committee

Deputy Mayor Latham Martin, Reilly Burden, Ian Boswell, Nick Meissel, Derek Blight

District Licensing Committee

Bryce Thomson (Chairperson), Cr Graeme Olson (Deputy Chairperson), Timothy Teen, Richard Gardiner

Hokitika Seawall Joint Committee

Cr David Carruthers, Cr Desmond Routhan, Cr Jane Neale, Cr Eatwell

West Coast Civil Defence Emergency Management Joint Standing Committee

Mayor Bruce Smith (Westland's representative)

West Coast Regional Transport Committee

Cr Durham Havill

Sport NZ Rural Travel Fund – Allocation Committee

Cr Jane Neale, Mark Dawson, Pavel Bares, Derek Blight

Hokitika Reserves and Environs Committee

Rob Daniel (Chair), Russell Gugich, Bruce and Barbara Erickson, Barry Pearson, Helen Love, Ian Gilbertson, Sue Asplin, Hilke Bruns, Derek Blight

Safe Community Coalition

Cr Jane Neale, Kees van Beek (Chair), Mark Boere, Penny Kirk, Prevention Sergeant Paul Watson, Cathy Blincoe, Claire Robertson, Corrina Gestro-Best, Ivan Wilson, Carl Hutchby, Derek Blight

Executive team

New photo of Executive Team and new caption (available 2 October)

Robin Reeves

Acting Chief Executive

Telephone: 03 756 9010

Email: ce@westlanddc.govt.nz

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

- Receives good policy advice
- Delivers all services to the desired standard
- Delivers the Annual and Long Term Plans
- Complies with the law

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

Lesley Crichton

Group Manager: Corporate Services

Telephone: 03 756 9030

Email: lesley.crichton@westlanddc.govt.nz

Lesley's primary responsibility is to provide effective financial management within the policies adopted by Council and to develop Council's financial strategy. Lesley's team deliver the Annual Report, Annual Plan /Long Term Plan and provide frontline communications and customer service for Council, and information to tourists via the i-SITE. Lesley's team also provides information management services including IT.

Jim Ebenhoh

Group Manager: Planning, Community & Environment

Telephone: 03 756 9035

Email: jim.ebenhoh@westlanddc.govt.nz

Jim is responsible for the department of Council which deals with resource and building consents, liquor licensing, environmental health, animal control and other registration and licensing. Jim is also responsible for the District Library, Museum, Events and Community Development and maintaining the District Plan.

David Inwood

Group Manager: District Assets

Telephone: 03 756 9034

Email: david.inwood@westlanddc.govt.nz

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

Diane Maitland

Executive Assistant

Telephone: 03 756 9038

Email: diane.maitland@westlanddc.govt.nz

Diane provides the Chief Executive, Mayor and Councillors with a comprehensive and efficient administrative and secretarial service. Diane facilitates and maintains a professional link between the Mayor, Councillors, Chief Executive and Executive Team.

Māori contribution to decision making

Section 81 of the Local Government Act 2002 sets out the obligations for Council 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 2015-2025 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.

As an example of a current method of providing an opportunity for Poutini Ngāi Tahu to contribute to the decision-making processes of Council, a quarterly meeting is held with representatives of Te Rūnanga o Makaawhio to discuss strategic matters largely in relation to the Resource Management Act 1991. This arrangement has proven to be a successful way of engaging on other topics such as the Annual Plan, and planning for major infrastructure projects.

Council also has other committees and working parties in place which either include a Makaawhio and/or Ngāti Waewae representative, or the minutes from the meetings are forwarded to the Runanga. This includes the Safer Community Council (which has changed into the 'Safer Community Coalition'), the Westland Wilderness Trust and the Franz Josef/Waiiau working group.

Mayor and Chief Executive's Report 2016/17

Photo of Robin and Bruce (coming 2 October)

Mayor and CE's report still coming

Add new signatures

Bruce Smith
MAYOR 2016/17

Robin Reeves
CHIEF EXECUTIVE

Financial Statistics

Financial Performance Summary

Annual report disclosure statement

The following information is the annual report disclosure statement for year ending 30 June 2017.

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks, to enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial activity.

We are required to include this statement in this annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). You can refer to these regulations on the Council website.

Rates affordability

Rates (income) affordability

Rates (increases) affordability

Debt affordability benchmark

Balanced budget benchmark

Revenue /expenditure (%)

Essential services benchmark

Capital expenditure / Depreciation (%)

Debt servicing benchmark

Borrowing costs/Revenue (%)

Debt control benchmark

Actual / Budgeted net debt (%)

Operations control benchmark

Actual / Budget net cash flow from operations (%)

Safe Community Coalition Accreditation

On 23 February 2017, Westland was accredited by the Safe Communities Foundation in Auckland as a Safe Community. Accreditation demonstrates to Westland that we have acquired the capacity to take strategic and effective actions to prevent injury and to promote a culture of safety for everyone who lives in Westland. The Safe Community Coalition (formerly Safe Community Council) continues to meet the last Friday of every second month at various venues to pursue its vision of having a safe, vibrant, resilient and connected District (photo attached).



New items donated to Hokitika Museum collection

Hokitika Museum Collections Curator, Helen Cook, works on cataloguing items in the climate controlled collections store. 694 items were donated to Hokitika Museum, about seventy per cent of which were photographs.



FINANCIAL STATEMENTS

This section contains the following information:

Statement of Comprehensive Revenue & 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 & expense

For the year ended 30 June 2017

The accompanying notes form part of the financial statements.

Statement of changes in equity

For the year ended 30 June 2017

The accompanying notes form part of the financial statements.

Statement of financial position

As at 30 June 2017

The accompanying notes form part of the financial statements.

Statement of cash flows

For the year ended 30 June 2017

The accompanying notes form part of the financial statements.

Whole of Council Funding Impact Statement

For the year ended 30 June 2017

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the financial statements for period ending 30 June 2017 – please note that the order of these notes has changed from last year to tie in more closely with 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, Hokitika Airport Limited and Westland District Property 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 2017. The financial statements were authorised for issue by Council on 26 October 2017.

BASIS OF PREPARATION

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

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 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 x, and the related party transaction disclosures in Note xx, 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 new 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 has not yet assessed the effects of the new standard.

SIGNIFICANT ACCOUNTING POLICIES –

Are included in the notes to which they relate.

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

Basis of consolidation:

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

SUBSIDIARIES

Subsidiaries are those entities in which Council has control. Westland Holdings Ltd is Council's direct reporting subsidiary. This company controls three Council Controlled Organisations which are reporting entities under the Financial Reporting Act 1993. The Group consists of Westland District Properties Ltd, Hokitika Airport Ltd and Westroads Ltd. Investments in subsidiaries are recorded at cost. Transactions with subsidiaries are at arm's length and under normal trading terms. Recharges are invoiced at cost.

GOODS AND SERVICES TAX (GST)

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Council in year one of its 2016/17 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 21.
- Estimating the fair value of land, buildings, and infrastructural assets – see Note 16.
- Estimating the retirement and long service leave obligation – see Note 22.

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.

NOTE 3: REVENUE

Accounting policy

Revenue is measured at the fair value of consideration received.

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.

Other revenue

Grants:

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

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, substantially the museum and Wildfoods Festival. 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.

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 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.

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.

NOTE 5: FINANCE COSTS

Accounting policy

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

NOTE 6: OTHER EXPENSES

Accounting policy

Grant expenditure

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

Non-discretionary grants are those grants where the Council has no obligation to award of 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.

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.

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.

NOTE 9: TRADE AND OTHER RECEIVABLES

Accounting policy

Receivables are recorded at their face value, less any provision for impairment.

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.

NOTE 10: INVENTORIES

Accounting policy

Inventories are measured at the lower of cost or 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 inventory, 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.

NOTE 11: ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Accounting policy

The Council 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.

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.

The four categories of financial assets are:

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit where hedge accounting is not applied. Financial assets in this category include derivative financial instruments.

Loans and receivables

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

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. The Council currently holds a portfolio of bonds that have been classified as held to maturity investments.

Fair value through comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are

included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council and group includes in this category:

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

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

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

Forestry Assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions. Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit. Forestry maintenance costs are recognised in the surplus or deficit when incurred.

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, improvements, museum artefacts, Jackson Bay Wharf, library books, plant and equipment, and motor vehicles.

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.

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. Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) 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 | Depreciable life (years) | Depreciation Rates |
|---|--------------------------|--------------------|
| OPERATIONAL | | |
| Buildings | 50 | 2% |
| Furniture and Fittings | 10 | 10% |
| Motor Vehicles | 5 | 20% |
| Plant & Equipment (including computers) | 3 to 10 | 10% - 33.3% |
| Library collection | 8 | 12.5% |
| Jackson Bay Wharf | 50 | 2% |
| RESTRICTED | | |
| Buildings | 5 to 50 | 2% - 20% |
| INFRASTRUCTURE | | |
| Waste Transfer Stations | 20 | 5% |
| Roads | | |
| Formation | N/A | 0% |
| Sub-Base | N/A | 0% |

| | | |
|-----------------------|-----------|---------------|
| Base Course | 20 to 75 | 1.33% - 5% |
| Surfacing (sealed) | 1 to 16 | 6.25% - 100% |
| Surfacing (unsealed) | 5 | 20% |
| Bridges | 60 to 150 | 0.67% - 1.67% |
| Box culverts/channels | 60 to 150 | 0.67% - 1.67% |
| Footpaths | 5 to 50 | 2% - 20% |
| Streetlights | 16 to 40 | 2.5% - 6.25% |
| Signs | 10 | 10% |
| Water | | |
| Pipeline | 60 to 80 | 1.25% - 1.67% |
| Connections | 60 | 1.67% |
| Reservoirs & Tanks | 20 to 50 | 2% - 5% |
| Pump Stations | 15 to 20 | 5% - 6.67% |
| Sewer | | |
| Pipeline | 60 to 80 | 1.25% - 1.67% |
| Manholes | 50 to 60 | 1.67% - 2% |
| Pump Stations | 15 to 20 | 5% - 6.67% |
| Oxidation Ponds | 60 to 100 | 1% - 1.67% |
| Stormwater | | |
| Open Drains | N/A | 0% |
| Pipeline | 60 to 80 | 1.25% - 1.67% |
| Bank protection | 50 to 100 | 1% - 2% |
| Manholes | 50 to 60 | 1.67% - 2% |
| Pump Stations | 15 to 20 | 5% - 6.67% |
| Runway | 67 | 1.5% |

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

Revaluation

All valuations are carried out on a three to five-yearly cycle by independent qualified valuers, 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) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Impairment of property, plant & equipment.

Assets that have a finite useful life are carried at cost and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

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

Critical accounting estimates and assumptions

Infrastructural assets

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

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes which are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be affected by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates. Experienced independent valuers perform Council's infrastructural asset revaluations.

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 as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

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.

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.

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: TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables are initially measured at face value, and subsequently measured at amortised cost using the effective interest method.

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.

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.

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.

Critical accounting estimates and assumptions

Estimating retirement and long service leave obligations

A discount rate of between 6.25% and 7.0%, and an inflation factor of 1.9% to 2.7% 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 rates employed are taken 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.

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)
- Council Created Reserves (Special Funds, Separate Funds)
- 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.

NOTE 20: 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.

Reserve funds

There are two major types of reserve funds that Council manages:

| | |
|--------------------------------------|--|
| Council Created Reserve Funds | Discretionary reserves to meet Council policy objectives. These reserves often include project funds, depreciation reserves, emergency or risk management funds, rates smoothing funds, provisions and carry forwards. |
| Restricted Reserve Funds | Reserves for which Council has a legal obligation on the use of the funds. |

Council Created Reserve Funds:

Township Funds

These receive an allocation each year for development projects within those localities.

Township Development Funds are held in a reserve fund for Westland townships. To uplift the funds, the local community group/association has to work through the following steps:

- a. Agree among members at a community association meeting by majority vote of members present what the funds will be spent on. The funds should enhance the well-being of the whole community in some way. Consideration is given to the number of people who will benefit, the degree to which people will benefit and the value to the wider community.
- b. Minute such decision(s) in meeting minutes and email a copy of these minutes to Council.
- c. Generate an invoice to Council for the costs of the projects agreed on accordingly and add GST to the amount if GST registered.
- d. Sign an accountability document before twelve months has expired from the time of receiving the grant.

Council has resolved to review the amounts allocated in the different rating districts within Westland during 2017/2018 in order to ensure equity for all ratepayers. Discussions have been held in 2016/2017 with the Kumara Junction Community Association, Okarito Community Association and the Bruce Bay Community Hall Board in order to achieve this in the future.

The communities that went through this process for this reporting period are:

| <i>Community Association/Trust</i> | What the funding was used for |
|--|--|
| Kumara Residents Trust \$14,000 | Annual gala day expenses, community swimming pool maintenance, planning for the Chinese Reserve, brochure about Kumara, street gardens, a community event, administration expenses for KRT |
| Kokatahi-Kowhitirangi Community Committee \$8,000 | Upgrading the administration block at the Kokatahi-Kowhitirangi School |
| Ross Community Society \$14,000 | One electronic speed sign, interpretation panels, chairs for the elderly for the hall with arms, a new community noticeboard |
| Hari Hari Community Association \$5,000 (\$9,000 held in reserve) | School and community swimming pool donation |

| | |
|--|---|
| Whataroa Community Association \$14,000 | Public Hall renovations |
| Franz Josef Community Council \$35,000 | Extension and refurbishment of the Community Centre and gym |
| Fox Glacier Community Development Society \$35,000 | Funding the new Fox Glacier Community Centre |
| Haast Promotions Group \$14,000 | Dennis Road Track |

Asset Renewals

- The main renewals from the water supply reserve were used for the Hokitika river intake and replacement of water meters
- Funds from the administrative renewals reserve were used for the museum's retail store development and to upgrade IT equipment and software to improve efficiency, service and data security.
- Funds from the wastewater reserve were used for Hokitika mains upgrade.
- Funds from the parks renewal were used for Sunset Point remediation work, Hokitika cemetery improvements and footpath work in Kumara.
- The transportation renewals fund expended \$1.8 million, with just over 50 per cent of that spent on road resurfacing. Other funds were used for drainage and structural component renewals, unsealed road metalling and pavement maintenance.

Council created reserves: (To be inserted once Audit NZ are satisfied with the financials)

Restricted reserve funds:

Restricted reserve funds are created via donations, contributions and endowments with an explicit purpose.

| | |
|----------------------------|---|
| <i>Mayors Trust fund</i> | Contributions of \$401.84 were made from James & Margaret Isdell Trust and Coulston Herbert Trust. Withdrawals from this fund to the amount of \$2500 were donations made to Left Coast Events for the Shining Light in the Dark Trust and to the Barlow Family who suffered a house fire. |
| <i>Three Mile Domain</i> | No deposits (excluding interest) or withdrawals for this period |
| <i>Ross Endowment Land</i> | \$26,280.78 was spent on upgrades to Ross Community Hall |
| <i>Reserve Development</i> | \$32,115.00 was spent on cycle and walkway track at Franz Josef. New deposits amounting to \$89,522.56 entered this reserve during this financial period. |

STATEMENTS OF SERVICE PROVISION

This section contains the following information:

How Council's activities contribute towards meeting its vision

Activity group statements



The new RSA building in Sewell Street was opened Saturday 25 February, 2017. In 2015, Council allocated \$400,000 of Major District Initiative (MDI) Funding to this project. This is a great place for community meetings in the middle of the Hokitika, and the venue has been well utilised since its opening.



The new Fox Glacier Community Centre was opened Saturday 22 April, 2017, after many years of local fundraising. In 2009, Council committed \$1,000,000 of Major Development Initiative (MDI) funding to the new community centre. The new venue is a great asset for the Fox Glacier community.

Council's performance in each activity

This section of the report identifies progress during 2015/16 towards the achievement of the Council's vision

Activity Groups

Activities within the group

Leisure and Cultural Assets

Library
 Museum
 Swimming Pools
 i-SITE
 Events
 Community halls and buildings
 Parks and reserves
 Cemeteries
 Elderly Housing
 West Coast Wilderness Trail

Community Services

Community development

Planning and regulatory services

Inspections and compliance
 Resource management
 Animal control
 Emergency management

Transportation

Water supply

Wastewater

Stormwater

Solid waste management

Other infrastructural assets and services

Community township development
 Land and buildings
 Public toilets

Democracy

Corporate services
 Governance

Council Controlled Organisations (CCOs)

How Council activities contribute towards meeting its vision

| | <i>Leadership</i> | <i>Planning and Regulatory</i> | <i>Community Services</i> | <i>Leisure Services and Facilities</i> | <i>Transportation</i> | <i>Water Supply</i> | <i>Wastewater</i> | <i>Stormwater</i> | <i>Solid Waste</i> |
|--|-------------------|--------------------------------|---------------------------|--|-----------------------|---------------------|-------------------|-------------------|--------------------|
| Develop communities | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Deliver sound infrastructure | | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Deliver sound policy | ✓ | ✓ | | | | | | | |
| Deliver sound regulation | ✓ | ✓ | | | | | | | |
| Involve the community and stakeholders | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Deliver core services that meet community expectations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Proudly promote, protect & leverage our historic, environmental, cultural & natural resources base to enhance lifestyle and opportunity for future generations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Activity group: Leadership

Democracy

Corporate services

Council Controlled Organisations

An overview of the 2016/17 year:

Democracy:

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

During this reporting year a total of \$2,500 was expended from the Mayoral Relief Fund.

Corporate services

In the last financial year, we moved into 'real time' financial reporting. This means that we are able to give Council and the public better and timelier information around our actual expenditure against our budgets. Council achieved all legal deadlines for our reporting and planning documentation.

After several years of understaffing in the finance area, Council now has filled all these vacancies. Once the new staff have settled into their positions, we are looking forward to becoming more proactive in adding value to this area and other areas of Council.

Staff are continuing to focus on collecting more from our debtors. This includes an intensive exercise in helping ratepayers to set up repayment plans. The resultant lessening debt shows how successful this has been. This process has also been assisted by the use of electronic invoicing, giving more customers the opportunity to receive invoices by email rather than through the postal system (which can result in payment delays).

We are continuing to look at our methods for communicating with our customers in an efficient manner; spending less by reducing print material while reaching out to more audiences: our use of radio advertising, our Westland Matters electronic newsletter, Facebook account and public meetings continue to be important tools. We also use our website to display all important documents and messages.

Our website revamp project started during the financial year, and is expected to be completed within the next few months. The revamp is intended to improve user-friendliness, search and navigation functions and compatibility with mobile devices. It will also contain links to other related websites.

The Information Systems area filled a long standing vacancy during the financial year. This has been a huge factor in providing a more efficient service for Council.

Westland District Council continues to work with the other West Coast councils on a collaborative approach to all new IT projects.

Wi-Fi has been established throughout all of Council's buildings and facilities. We have installed a public and a private Wi-Fi network.

The combined Customer Service Centre and Hokitika i-SITE has been active for two years now. The multi-tasking staff have been doing an excellent job in balancing the needs of the Council customers with the different needs of tourists. With tourism increasing, the i-SITE saw increased numbers of tourists through the doors with very diverse information requirements.

The i-SITE also provide a service on behalf of the Automobile Association, which is important as this is the only place in Hokitika where this service is offered.

Council Controlled Organisations:

Explanation of variances

Funding Impact Statement (for the Democracy & Corporate Service activities)

For the year ended 30 June 2017

The level of service achieved in relation to the performance targets

Democracy

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation about any variances |
|---|---|-----------------------------------|-------------------------------------|-------------------------|---|
| Responsible leadership | % of residents satisfied with Council's leadership | 31% | 65% | No data available | This is normally measured through the Residents Survey which is undertaken every two years. The last residents' survey was in the 2015-16 year. |
| The community understands what Council does | % of residents who understand how Council makes decisions | 69% | 50% | No data available | This is normally measured through the Residents Survey which is undertaken every two years. The last residents' survey was in the 2015-16 year. |

Corporate services

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|---|--|-----------------------------------|---|-------------------------|---|
| Provide accountability about Council activities | Legally compliant financial plans and reports adopted | 100% | Annual Plan and Annual Report adopted on time | 100% | |
| A comprehensive Customer Service Centre | % of residents satisfied with the service they receive | 94% | 75% | No data available | This is normally measured through the Residents Survey which is undertaken every two years. The last residents' survey was in the 2015-16 year. |
| Effective engagement of the community during public decision-making opportunities | % of residents that believe they have been consulted appropriately | 57% | 60% | No data available | This is normally measured through the Residents Survey which is undertaken every two years. The last residents' survey was in the 2015-16 year. |

Council Controlled Organisations



Westland Wilderness Trust:

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

Tourism West Coast and West Coast Rural Fire Authority:

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

Commercial reporting entities controlled by Westland District Council:

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|---|--|-----------------------------------|-------------------------------------|-------------------------|--|
| CCOs comply with their Statements of Intent | All performance measures in the CCO Statement of Intent are met, as reported in half yearly and annual reports | 76% | 100% | 70% (26 of 37) | <ul style="list-style-type: none"> - Westland Holdings achieved 12 out of 19 measures (including those that weren't applicable during this financial period) - Westland District Property achieved 7 out of 9 - Westroads achieved 3 of 4 - Hokitika Airport Limited achieved 4 of 5 |



Westland Holdings Limited

Directors from 01 July 2016 to 31 October 2016:

Quentin Hix (Chairman)
 Simon Bastion (Deputy Chair)
 Gabrielle Wall
 Kaye McNabb
 Graeme King

Directors from 01 November 2016 to 30 June 2017:

Graeme King (Chairman)
 Cr David Carruthers
 Cr Desmond Routhan

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 2015/25, along with each company's individual strategy. This report concentrates on the performance objectives contained in the Long Term Plan. The performance of the companies is extensively examined in their own Annual Reports.

Key Objective:

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

| Key Performance Measures: | Achieved? |
|---|--|
| A draft SI for WHL will be submitted for approval to WDC by 1 March each year. | Not achieved: No draft submitted |
| A completed SI will be submitted to WDC by 30 June each year. | Achieved: Final submitted 28 June 2017 |
| At least two progress reports be made to WDC in the financial year (in addition to reporting on specific issues), with at least one presentation made to Councillors. Reports will include financial and non-financial performance. | Not Achieved: Due to ongoing review of CCO's in progress and extensive change of Board in 2016/17 |
| Major matters of urgency are reported to the appropriate Council Committee or the CE of WDC within three days. | N/A: No matters of urgency |

| | |
|--|--|
| The Chair will initiate an independent formal evaluation of the WHL directorate bi-annually. | Not Achieved: Evaluation in progress at 30 June 2016 but not completed due to significant changes in the Board. To be completed by 30 June 2018 |
| The Company will review the training needs of individual WHL directors, and ensure training is provided where required. | Not Achieved: Due to extensive change of Board in 2016/17 |
| The process followed for each appointment to a subsidiary board is transparent, fully documented and reported to WDC. | Not Achieved: Appointments to subsidiaries made directly by WDC |
| WHL negotiates with WDC to pay an achievable distribution for the 2016/17 financial year prior to finalising WDC's budget | N/A: No negotiation |
| WHL meets its budgeted level of distribution income of \$360,000 for the 2015/16 financial year | Not Achieved: Subvention payments of \$240K to WDC |
| That the adopted Directors Policy be followed for any director appointments made. | N/A: WDC appointed directors to subsidiaries |
| Draft SI's are to be received by 14 February from the subsidiary companies. | Achieved: HAL & WDPL received 2 February 2017; Westroads 30 January |
| Comment on the draft SI's within the statutory timeframe of 30 April each year. | N/A |
| WHL will direct the subsidiary companies to produce commercially focused draft SI's that are cognizant of their responsibilities to the social and environmental needs of the communities of Westland. | Achieved: Not changed year ended 30 June 2017 |
| WHL will assess the alignment of the SI's with any specifically notified WDC strategic directive. | N/A: No directive notified |
| Subsidiary company SI's to incorporate specific reporting requirements in accordance with legislation and accepted practice. | Achieved |
| All activity reports and formal reporting will be done through the Chairman of WHL and the CE of WDC. | Not Achieved: Some reporting direct to WDC |
| Subsidiary company SI's to incorporate specific statements regarding the processes for the management of risk exposures, including reputational risk. | Achieved |
| Long term investment assessment is carried out for any new projects. These must be assessed and approved by Council prior to initiating significant projects. | N/A: No projects to be assessed this year |
| Ratio of Shareholders funds to total assets to be at least 50%. | Achieved: 57.99% |



Westland District Property Limited

Ian Hustwick - Joined the board as Chairperson on 31 December 2016

Richard Benton - Joined the board as Director on 31 December 2016

Pauline Cox - Joined the board as Director on 31 December 2016

Cr Latham Martin - Joined the board as Director on 12 March 2017

Graeme Purches – Former Chairperson – Resigned from role effective 31 December 2016

Les Singer – Former Director – Resigned from role effective 28 February 2017

Established May 2010.

Westland District Property Limited (WDPL) manages Council’s property portfolio; which has both commercial and public benefit elements. The former involves properties for sale, licenses to occupy and mining rights. The latter is the management of Pensioner Housing, Hokitika Swimming Pool and Jackson Bay Wharf.

Key Objective:

‘To manage the ownership and operation of the property portfolio in a commercial and strategic manner that will by year 2030 provide a return that contributes to the majority of the General Rate requirement of Council, and to become involved in strategic property development or investment, which will benefit the District and the Company, as opportunities arise.’

| Key Performance Measures: | Achieved? |
|--|--|
| Aged Care annual percentage occupancy to be no less than 95%. | Achieved – 100% |
| Swimming pool annual total admissions to be + 5% those of the previous year. | Not achieved 16,849 admissions 2016/2017 (-7.8%). This number excludes one week in February for which no accurate data is available, although management has estimated admissions for this week to be 450. |
| Baches on Road Reserve annual number of licenses to occupy to be greater than 70. | Achieved 76 signed agreements to occupy (2016: 60) 5 applications in process (2016: 18) 10 signed agreements – season sites (2016: 8) 9 signed agreements – other occupations (2016:7) |
| Jacksons Bay Wharf annual percentage of commercial fishing vessels who use the wharf with licenses = 90% | Achieved 100% of the major fishing vessels (2016:100%). This excludes casual users |

| | |
|--|--|
| Annual percentage of leasehold properties available for lease = 80% | Achieved 2017 (2016: not achieved) As at 30 June WDPL managers 18 WDC properties which includes: 15 properties (or 84% of available properties) are leased. |
| Tenant satisfaction with the provision of the company's aged care rental housing greater than or equal to 90%. | Achieved 100% satisfactory (July/August 2016 survey) (2016: achieved 100%) |
| Loss Time Injuries will be 0 | Achieved 0 time lost (2016: achieved) |
| The ratio of shareholder funds to total assets shall be greater than 60 percent. | Not achieved 57% (2016: not achieved 56%) |
| Compliance with statutory and regulatory requirements enabling Westland District Property Limited, Westland Holdings Limited and Westland District Council to comply with the Local Government Act 2002. | Achieved |



Westroads Limited

Peter Cuff – Chairman

Durham Havill – Director

Bryce Thomson – Director

Maurice Fahey – Director

Established January 1995.

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

Key Objective:

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

| Key Performance Measures: | Achieved? |
|---|---|
| The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds shall be at least 12% | Achieved (13.4%) |
| A return of an annual dividend to the shareholder within a range of 50-75% of the company’s net profit after tax, after adjusting for returns to shareholders via subvention payment. | Dividend still to be agreed by Directors - Subvention payment is \$390,000 (of which \$150,000 is to Westland Holdings Ltd and \$240,000 to Westland District Council). |
| Compliance with statutory and regulatory requirements enabling Westroads Ltd, Westland Holdings Ltd and Westland District Council to comply with the Local Government Act. | Achieved |
| The ratio of consolidated shareholder funds to total assets shall be greater than 50 per cent. | Achieved |



Hokitika Airport Limited

Ian Hustwick - Joined the board as Chairperson on 31 December 2016

Richard Benton - Joined the board as Director on 31 December 2016

Pauline Cox - Joined the board as Director on 31 December 2016

Cr Latham Martin - Joined the board as Director on 12 March 2017

Linda Robinson – Former Chairperson – Resigned from role effective 31 December 2016

Marcel Fekkes – Former Director – Resigned from role effective 31 December 2016

Les Singer – Former Director – Resigned from role effective 28 February 2017

Established December 2001.

The company's principal activity is the operation of Hokitika aerodrome, which is the main West Coast avionic connection to Christchurch with three or four flights per day. The aerodrome is also used for local private tourist flight experiences and accommodates the head office of Westland District Property Limited and Westland Industrial Heritage Park. Hokitika Airport derives further income from the operation of helipads at Franz Josef Glacier.

Key Objective:

'To operate the Hokitika Airport in a commercially successful manner in accordance with the Statement of Intent with the aim to extend and further develop the airport activities.'

| Key Performance Measures: | Achieved? |
|--|----------------------------|
| The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds within a range of 0.5% to 5% | Achieved: 0.8% |
| The ratio of net profit before taxation and revaluations to average total assets (including any revaluation) within the range of 0.5% to 5%. | Achieved: 0.7% |
| Compliance with statutory and regulatory requirements enabling Hokitika Airport Limited, Westland Holdings Limited and Westland District Council to comply with the Local Government Act 2002. | Achieved: |
| HAL will endeavour to achieve the highest storage occupancy as possible. | Not achieved: 95.3% |
| The ratio of shareholder funds to total assets shall be greater than 70%. | Achieved: 83% |

Activity group: Planning and Regulatory

Inspections and compliance

Resource management

Emergency management

Animal control

An overview of the 2016/17 year:

Inspections and compliance:

Building:

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

For this reporting period Council processed all new building consents via the AlphaOne system. Only amendments to existing paper-based consents (before the adoption of AlphaOne) were processed manually. 216 building consents were issued via AlphaOne, of which 214 met the required timeframe (a percentage of 99.07%). The average processing time for building consents lodged in AlphaOne is 10 days (9.977). There were 14 manual building consents issued, in an average time of nine days. Only one of the manual consents went over time, giving a percentage of manual building consents completed on time of 92.86% (this has been rounded to 93% in KPI table). This means that there has been a reduction of two days in the average processing time of manual building consents from the last financial year (and a minimal reduction in the average processing time of building consents through AlphaOne of about half a day – despite an increase of three times the volume of building consents lodged this way). So although there are still some technical issues with AlphaOne to work through (see below) this indicates that significant progress has been made during this period.

The Building Department had no staffing changes during this reporting period, although approval was gained to advertise for a Senior Building Control Officer. This vacancy has not yet been filled. The use of external contractors has increased again in proportion with the applications being lodged, in order to achieve its statutory timeframes for issuing consents.

It is noted that the AlphaOne processing system, which is well-regarded nationwide, is quite time-consuming, in part because the data streams between Alpha One (the nationwide processing tool) and NCS (our internal building control database) are disjointed. This still needs further development. In the interim, our Business Support Officer has had to manually re-enter and re-input information to improve accuracy of data and reporting, and remove variations and discrepancies.

The team has continued its collaborative relationship with the other West Coast Building Consent Authorities (BCAs), in order to share training opportunities and reduce overall costs for implementing and delivering shared services. Our building control team has been involved with carrying out inspections for Grey District Council. Buller District Council have assisted our team with processing. In addition, the team has been working on a reciprocal agreement (which is close to sign-off) with other AlphaOne system users nationwide to share building consent processes and auditing functions.

Council remains a part of the "Mainland Group" of BCAs / Territorial Authorities and participates in quarterly meetings.

Environmental Health:

The percentage of food premises that Council is required to audit has decreased in this financial year. This is due to premises under National Programmes now required to be inspected by an Independent Verifier and anyone on a Custom Plan being directly audited by the Ministry for Primary Industries. This has led to 12 less premises for the Council to audit, thus reducing the income from audit fees payable to Council.

Good progress has been made regarding visiting and educating food premises about new food control plans under the Food Act 2014 changes. Every single food premise in the District has had the changes explained to them in person and in writing. All on-licence and high-risk food premises, which were required by law to have their food control plans in place by March 2017, have done so. These businesses will receive their first audit within the next 12 months. The Council's Environmental Officer has started work during this financial year with a second group of lower risk food premises who are required to have their food plans in place by March 2018.

During the 2016-17 financial year, two Regional Liquor Licencing meetings were held, attended by Police, the Medical Officer of Health and Council Licencing Inspectors. In addition to the regional meetings, monthly local meetings for the Westland District were also held and attended by representatives from the same groups.

A Liquor Licensing Hearing was held in August 2016 for a new off licence premises in Hokitika. This application was successful and the business has commenced operations.

Resource management:

During this reporting year the Planning team was challenged again by not having a full complement of staff. The Planning Manager position was vacant for the majority of the financial year. Fiona Scadden, who was appointed to the position of Senior Planner which was being recruited for at the end of the last financial year, moved into the Planning Manager position to fill this gap. This meant that the Senior Planner position was once again vacant. There were several resource consents inherited from the previous financial year which had exceed statutory timeframes and were finalised this year, leading to figures being skewed. Despite this, the Resource management and planning team managed to achieve 77.06 % compliance with statutory timeframes.

Staff responded to one Environment Court appeal during this financial year. This appeal was related to land use consent for a campground in a residential area. This appeal is ongoing and will go to mediation in the next financial year.

The Plan Change 7 was withdrawn following the election of the new Council in late 2016.

Again, further work on the District Plan Review has not been undertaken due to insufficient staffing levels. No Development and Stakeholder meetings were held during this period, however, these are expected to resume in the new financial year.

An extensive review of the resource consents function and systems was undertaken and improvements have been implemented as a result of the review. These include creating new processes for handling public enquiries and for notification reports and vetting of incoming applications. The resource management and planning team have also allowed for greater flexibility in terms of responding to requests for information using electronic platforms. The new Duty Planner system was also introduced.

Collaboration continued with other West Coast Councils on potential joint policy review and has led to joint submissions with the West Coast Regional Council, Buller District Council and Grey District Council on national policy reforms. One of the main joint submissions the Council made in this period was regarding National Planning Standards. Council staff also attended workshops regarding the Regional Policy Statement.

Council's planning and regulatory fees (including building control and environmental health remain unchanged from those as at 30 June 2016.

Changes to the RMA came into effect from 19th April 2017, which (most relevant to Westland) require Councils to manage the risks of natural hazards as a matter of national importance and introduced new plan making options and requirements. Further changes will come into effect from 1st October 2017 which will shape the District Plan review in the new financial year.

Emergency management (Civil Defence and Rural fire):

A changing West Coast Civil Defence Group

In October 2016 a new full-time Emergency Management Officer (EMO) for Westland District Council was appointed. This was the first step in moving towards shared civil defence personnel roles between West Coast Regional Council and local District Councils. The Council's Emergency Management Officer also fulfils the Group Welfare Manager responsibilities for the region.

Training and capacity building

Sixteen council staff plus volunteers took part in Comprehensive First Aid training courses this year, delivered by Tai Poutini Polytechnic.

The Council provided Civil Defence Centre training in Franz Josef in December 2016, which was also attended by several residents from Fox Glacier. In April 2017, the Emergency Management Officer also ran a community Civil Defence training day and exercise in Franz Josef.

Two council staff, plus volunteers and representatives from other businesses (including Police, Department Of Conservation and Westland Milk Products) attended a three day Coordinated Incident Management System training (CIMS 4) delivered by Tai Poutini Polytechnic.

In addition one-on-one and small group information sessions have been provided for Council staff to revise their responsibilities and roles for responding to a Civil Defence emergency.

Kaikoura earthquake

In support of the Kaikoura Earthquake on 14 November 2016, Westland District Council deployed several staff to Kaikoura to assist with the response. These roles included a Public Information Advisor, Building Inspectors, and a Group Welfare Manager.

Adverse weather events

So far this year we have experienced a number of localised events, involving high rainfall and wind from weather bombs and cyclonic activity. Although none of these have required a formal civil defence response,

they did require us to have a team on stand-by, and connect with communities and groups who were, or could have been, affected.

These activities helped generate interest from local Hokitika businesses and residences to develop a Hokitika Flood Action plan. This action plan has been drafted and is expected to be distributed to relevant agencies and interested parties for input by the end of 2017.

Community engagement / Public education

There have been multiple opportunities taken to increase community education and engagement with Civil Defence. To this end Westland District Council's Emergency Management Officer delivered presentations to community and volunteer groups across the district including Westland Soroptimists, Early Childcare Centres and Probus.

An emphasis on working with youth has involved a range of activities including display and activities at Westland District Library, mini information sessions delivered through the Clued Up Kids Programme to children aged 10 – 12years. In addition, the YES Programme was delivered to familiarise youth aged 16-20 with the five main emergency services groups over a period of months, culminating in these youth volunteering their services for one of these groups for a two-month period.

Community planning and resilience activities

The Council also provided a number of community planning and resilience activities for the Hokitika, Franz Josef, Fox Glacier, Haast and Okarito townships.

Rural Fire

There was one Rural Fire Officer appointed within this district which proved to be effective. Support has been provided both within the region and outside of the region on request. Council prepared for the Rural Fire transition to Fire Emergency New Zealand (FENZ) which was to come into effect on 1 July 2017.

Animal control:

The Hokitika SPCA retained the Council's dog control contract.

The Council's new Dog Control Policy adopted on 30th June 2016 came into effect on 1 July 2016. This saw the addition of two new classes of dog ownership, these being Working Dogs and Selected Dog Owner. This change delayed the annual dog registration start period to 1st October (previously 1st August).

Animal control incidents were relatively low this year comparative to recent years.

A notable event was that Council obtained a \$13,000 subsidy from Department of Internal Affairs (DIA) to provide free neutering of residents' "menacing" dogs. We had a 40 per cent uptake of this offer (out of dogs deemed to be menacing according to DIA guidelines in our district). This offer was advertised on our website and we were one of 30 councils nationwide that obtained this subsidy.

Explanation of variances:

Funding Impact Statement (for the group)

For the year ended 30 June 2017

The level of service achieved in relation to the performance targets

Inspections and compliance

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|--|---|-----------------------------------|-------------------------------------|---|-------------|
| Timely processing of Building Consents | % of building consents processed within 20 working days as per the requirements of the Building Act | 98% | 100% | <p>New building consents lodged in Alpha One: 99% completed within 20 working days</p> <p>Amendments to existing building consents (processed manually): 93% completed within 20 working days</p> | |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|---|---|--|-------------------------------------|---|--|
| Provide appropriate advice to customers | % of users satisfied with the quality of the advice provided on building consent, environmental health and Liquor Licensing matters | <p>Result for Building Consents: 92% user satisfaction</p> <p>Result for Environmental Health: 92%</p> <p>Result for Liquor Licensing: 70%</p> | 85% | <p>Result for Building Consents: 79% user satisfaction</p> <p>Result for Environmental Health: 100%</p> <p>Result for Liquor Licensing: 88%</p> | Customer feedback for Building Control indicates that dissatisfaction is primarily around to the perceived lack of user-friendliness for the general public of the AlphaOne tool. Further development required for public access to AlphaOne systems. Solutions being discussed. |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|---|--|-----------------------------------|-------------------------------------|--|--|
| Encourage compliance with health standards by undertaking inspections so that all food, liquor and other licensed premises comply with the relevant legislation | All licensed and registered premises are inspected at least annually | 84.5% | 100% | 89% of Food premises inspected; and 100% of Liquor premises inspected | Council is pleased with the significant increase from the previous year. |

Resource management

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June, 2017 | Explanation |
|--|---|-----------------------------------|-------------------------------------|--------------------------|--|
| Resource consents processed in accordance with the Resource Management Act | % of resource consents processed within statutory timeframes | 91% | 100% | 77% | Target was not met due to ongoing staff vacancies throughout the entire financial year |
| Provide appropriate advice to customers | % of users satisfied with the quality of the advice provided on resource management matters | 82% | 85% | 72% | A customer satisfaction survey was conducted |

Emergency management Including Rural Fire

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June, 2017 | Explanation |
|--|--|-----------------------------------|-------------------------------------|--------------------------|---|
| Effective natural hazard readiness | <p>Suitable emergency response training has occurred</p> <ul style="list-style-type: none"> - Emergency Management personnel meet CIMs 4 and EOC standards - Volunteers are offered at least 2 training opportunities per annum - Number of trained volunteers increases by 10% | 100% | 100% | 100% | <p>20 people attended EOC intermediate training in May.</p> <p>2 attended EOC welfare training in June. The principle controller attended controller training in May.</p> <p>First Aid training delivered in Dec and April.</p> <p>Civil Defence Centre training delivered in December and April for volunteers in Franz Josef and Fox Glacier townships.</p> <p>Volunteer numbers have increased across several communities</p> |
| Suitable response systems are in place | <p>Community emergency response plans are in place for all Westland townships</p> | 80% | 90 - 100% | 55% | <p>Work has started on plans for Haast, Hokitika township, Kumara and Otira.</p> <p>Plans are in place for Fox Glacier, Franz Josef, Whataroa, HariHari and Ross. However, a review schedule is required to ensure each plan remains relevant and up-to-date.</p> <p>The Franz Josef Response plan was revised in March to take account of the increasing threat to assets on the north side of the river. The plan was revised</p> |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June, 2017 | Explanation |
|------------------|--------------------------|-----------------------------------|-------------------------------------|--------------------------|---|
| | | | | | <p>again in April following the March flood event and extension of the northern rock protected stop bank.</p> <p>The Hokitika Response plan is under review, taking into account recent flood events and Tsunami evacuation map issued by the Regional council.</p> |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June, 2017 | Explanation |
|---|--|-----------------------------------|---|--------------------------|--|
| Appropriate emergency response to rural fires | WDC Rural Fire provides support to partner agencies as requested | 100% | 100% | 100% | Support has been provided both within the region and outside of the region on request. Note the Rural Fire functions are transferring to Fire and Emergency New Zealand progressively over the next three years. |
| Provide fire permit service | Fire permit requirements are publically advertised | 100% | At beginning of fire season and prior to the at Christmas holiday break | 100% | Messages went out in June through Westland Matters and on the Council website to advise people of the changes to applying for Fire Permits. I-SITE staff were briefed on the changes so they could respond to any over the counter or phone enquiries. The Principal Rural Fire Officer also advertised fire permit requirements in the local newspapers. |

Animal control

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|--|---|-----------------------------------|-------------------------------------|-------------------------|---|
| Keep the public safe from dogs and wandering stock | % of residents satisfied with the protection provided | 72% | 90% | No data available | The Residents Survey is conducted every second year (the last was in March 2016). Thus there is no data available to measure this metric this year. |

Activity group: Community Services

Community development & assistance

Community halls

Townships (the development fund & improvement projects)

An overview of the 2016/17 year:

Community Development and Assistance:

Allocation and administration of Major District Initiative (MDI) Funding

Three community projects which have received Major District Initiative Funding were completed in 2016/2017:

Ross Centennial Hall Upgrade:

This project in Moorhouse Street, Ross, was upgraded with a modernised kitchen a new roof to replace the badly leaking 1960s roof. Costing a total of \$119,883, funding of \$90,000 came from MDI funds through Development West Coast. The remainder of funding was drawn from the Ross Endowment Funds.

Hokitika Westland RSA new building in Hokitika:

The previous building in Sewell Street, Hokitika, came in under the required standard for earthquake risk and had to be demolished. The new building was opened 25 February 2017 at a cost of \$825,372. Development West Coast provided \$400,000 of MDI funding, the RSA raised over \$300,000 and the remainder came from a Lotteries Community Facilities Fund.

Fox Glacier Community Centre:

This \$1.6 million project in Cook Flat Road, Fox Glacier was opened 22 April 2017. Development West Coast provided \$1,000,000 of MDI funding, Westland District Council added \$100,000 from Reserves contributions. Another grant was obtained via Lotteries Community Facilities Fund provided and over \$300,000 was received in local fundraising. The project was a great example of a small local community working well together to see their dream come true.

Other Funding

Council has also used \$19,439 of Creative Communities Funding to fund eleven local arts projects in 2016/2017. Sport New Zealand Rural Travel funding of \$10,508 assisted eight sports clubs in Westland to subsidise travel to sports games and competitions. Some community groups have also gained additional funding through the annual Trustpower Community Awards for volunteers.

Council also provided funding of \$52,000 for the two part-time Community Development Officers administration positions at Franz Josef Glacier and Fox Glacier, as well as \$13,000 for administration for Glacier Country Tourism Group.

Other grants were given to the Regent Theatre (\$30,000), Tourism West Coast (\$86,000) and Enterprise Hokitika (\$39,000).

Community Halls

There is still a desire to have well-maintained community halls within smaller townships. During this financial year, both the Bruce Bay and Okuru Halls were re-roofed and the Whataroa Hall has been repiled - all paid for by their local community associations/groups.

Township Development Funding

This is reported on in the Reserves section of this report.

District Economic Stimulus Fund (DESF)

Funding of \$1,000,000 was allocated by Development West Coast (DWC) to Westland District businesses and organisations in the first six months of 2017 through the District Economic Stimulus Fund (DESF). The fund was established to specifically help boost Westland District businesses' development and growth.

Six Westland organisations and businesses have received support of varying amounts in a combination of grants and loans. That includes the Hokitika Regent Theatre which will use its funds to update its digital cinema equipment and performance lighting system, creating a significantly different theatre experience. The update will enable better use of the facility, in particular, making the theatre's Reynolds Room more flexible in its use.

The stimulus funding was also accessed by the West Coast Wilderness Trail to help fund a Project Manager for the Trail over the next three years. This key role has been filled and will ensure the popular adventure trail has a dedicated manager, as well as the funding to extend its marketing and publicity which has the important spinoff of bringing more tourists to Westland to spend money in the hospitality and retail sectors.

The DESF is also being used to fund the Co-Starters Business Start-up and Development Programme in Westland to assist business owners who want to explore and develop businesses in their Westland community. It is aimed at empowering these entrepreneurs with the tools and skills they need to run a successful business.

The Regional Mid-sized Tourism Facilities Grant Fund Round 2

Council was successful with five of the six applications made to the Ministry of Business Innovation and Employment (MBIE) for much needed new toilet facilities at:

1. Dillmans (Kapitea) Dam (Kumara) - a two pan prefabricated concrete walled dry vault toilet block - estimated cost \$117,690
2. Okarito – a modular two pan prefabricated toilet block - estimated cost \$237,150
3. Franz Josef Glacier – a modular nine pan prefabricated toilet block located under a large overhanging roof structure with panelled walls that forms a shelter to the northern side for bus passengers – estimated cost \$551,520
4. Fox Glacier – a modular two pan prefabricated toilet block beside the existing two pan unit – estimated cost \$161,250
5. Bruce Bay – a two pan prefabricated dry vault toilet block – estimated cost \$140,240

These new toilets are required to enhance a high quality visitor experience by providing toilet facilities that meet visitor needs. The funding was available for Districts with low ratepayer bases and funding constraints that are experiencing high or increasing levels of visitor numbers.

These projects will be completed within the next financial year.

Youth Development

Council's Community Development Advisor and WestREAP's Schools Coordinator planned and developed a Youth Development Strategy in conjunction with young people in the District.

\$20,000 plus a grant of \$30,000 from the Ministry of Youth Development was spent on a Youth Connections and Mentoring programme January to June 2017. WestREAP in Hokitika facilitated this programme on behalf of Council at Westland High School.

The Westland Youth Mentoring and Connections Project built the capability and capacity of youth in Westland to embrace their identity, learn how to connect with others and contribute to their communities. It involved 110 young people; 27 of these young people said they had a concern about their family circumstances or lack of family/whanau support, 14 had a feeling of a lack of belonging, six felt they had a lack of financial resources and two said they had a lack of sufficient social or environmental resources.

The one-to-one social mentoring with Senior (years 10 to 13) High School students focused on helping these young people to decide what was important to them, set goals and making incremental plans to achieve them. The project mentored individuals and groups of young people identified as demonstrating leadership abilities. They were supported to effectively develop the initiatives they were passionate about in their schools and communities. Group workshops were held where young people learnt from inspirational people with West Coast backgrounds and heard they have gone on to do and how they got there. At these workshops young people shared their ideas and concepts for youth-led initiatives. Each idea or concept was then workshopped by the group. Following the incubation workshops, the mentors continued to support groups or individual young people to design, develop, plan and implement their initiatives.

Furthermore, the mentoring service also supported young people to transition from secondary school into further education, training or work ensuring that each young person with the support of a mentor via communication by phone and social media.

Explanation of variances:

Funding Impact Statement (for the group)

For the year ended 30 June 2017

The level of service achieved in relation to the performance targets

Community halls

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June, 2017 | Explanation |
|---|--|-----------------------------------|-------------------------------------|--------------------------|---|
| Provide safe and useful community halls | % of residents satisfied with the standard of their community hall | 67% | 80% | No data available | Residents' survey only completed every two years. |

Activity group: Leisure services & facilities

Cemeteries

Elderly Housing

Hokitika Museum

Hokitika Wildfoods Festival

i-SITE

Land & Buildings

Parks and Reserves

Public Toilets

Swimming Pools

West Coast Wilderness Trail

Westland District Library

An overview of the 2015/16 year:

Cemeteries:

Capital expenditure works at Hokitika cemetery continued during 2016/17 including erecting a boundary fence between Seaview and the cemetery to prevent stock getting through. More berms were also constructed.

Elderly housing:

On behalf of Westland District Council, Westland District Property Limited (WDPL) manages 42 elderly housing units in Hokitika and four in Ross. As well, WDPL independently owns and manages nine elderly housing units in Hokitika. Residents of both groups were surveyed in its annual Satisfaction Survey over a period of two weeks in July/August 2016. Interviews were conducted by an external contractor. 91% of all residents were surveyed.

Of those surveyed, 22% had lived in their pensioner flat for over 10 years and 8% had been in a flat for less than 12 months.

100% of residents interviewed were satisfied or very satisfied with living conditions and with the quality of their flats, however a number mentioned the state of the windows and asked if there was the possibility to double glaze. This is being addressed with Westland District Council through the Annual Plan process.

All residents surveyed knew who to contact for repairs, and for those who had requested repairs all were satisfied with promptness of response, timeliness of the response and quality of work. Although they knew who to contact, nine respondents noted they hadn't needed to ask for any help in terms of repairs or maintenance.

100% of residents were either very satisfied/satisfied with WDPL as their landlord; there were no negative comments. Many residents expressed appreciation for the help they had received.

Hokitika Museum:

The past year has been extremely disruptive for the Hokitika Museum due to unexpected closure, and the usual public expectations of a museum have not been met. However despite the circumstances, and the resignation of Museum director Julia Bradshaw in early March, staff have continued working on collection processing, research enquiries, public programmes and forward planning.

Museum Closure

The Carnegie Building was closed on 22 September 2016 due to a detailed seismic assessment result of 12% of the current New Building Standards (NBS). Anything under 34% NBS is considered earthquake-prone so the decision was made to close the building and erect a fence around the 10m exclusion zone. The adjacent Drummond Hall exhibition space and audio-visual theatre were closed to the public at the same time, due to being within 10 metres of the Carnegie Building.

In mid-November 2016, Museum staff working in the exclusion zone were relocated to leased premises at 47 Revell Street due to safety concerns. They have set up 'Hokitika Museum Services', offering research facilities and a small retail outlet, and continue to offer public programmes and work on the collection.

In late February 2017, after an engineering report that said the Carnegie Building could be assessed as high as 35% NBS, management of the Carnegie Building was transferred to WDPL and it was opened to the public as a visitor attraction. Museum staff have assisted in providing some material to display, but the building is not intended to run as a museum. Overall there seems to be widespread public support for seismic strengthening so the Museum can re-open in the Carnegie Building.

Visitor Experience

In the three months prior to closure, visitor numbers were up on previous years and a bumper tourism season was anticipated.

Over the year, 570 enquiries were fielded by staff in the Museum's research centre, with genealogy, subject specific research, enquiries about collection items and photographs accounting for most.

Revenue & Visitor Numbers

\$21,102 was received as revenue (exclusive of rates funding) for this period. The majority of this was made up of commission sales, research enquiries, retail sales, donations and entry fees. The decrease in revenue is a result of the museum closure noted above.

There were 449 visitors to the museum prior to its closure and relocation to Revell Street.

Public Programmes

At the time of closure, museum staff were working on an exhibition portraying the life of Richard Seddon. Although it was cancelled, the Seddon activities over Westland Anniversary weekend continued, which included a day-long seminar 'Surviving the Wilderness' held at the Regent Theatre, with 10 experts speaking on West Coast History and over 100 attendees. The day finished with a 'Meet the Authors' book launch event, followed by a dinner-concert 'Seddon & friends' at the Old Lodge Theatre as a fundraiser for the Museum.

The annual joint newsletter with *Heritage Hokitika* went out in November.

'The Great Bully Hayes Treasure Hunt' with the Red Moki from Hoki was held on New Year's Eve, celebrating 150 years since the pirate Bully Hayes visited Hokitika.

'Gold Rush Town' was featured at the annual Driftwood & Sand beach sculpture event.

Staff and volunteers ran a stall at the Hokitika Wildfoods Festival featuring the explorer Charlie Douglas and serving old fashioned fruitcake and billy tea.

Various talks to community groups took place including to the Harper Park Kindergarten.

Collection

This year around 694 items were donated to Hokitika Museum, about seventy per cent of which were photographs. Cataloguing is essential but time-consuming work and this year we are pleased to report that 62 per cent of new donations were catalogued, a big increase on the 19 per cent that were catalogued the previous year. A large donation from Dorothy Fletcher is yet to be accessioned, and includes photographs, slides, books, objects and documents.

The long-term aim is to have these records searchable on-line in order to improve public access to the collection.

The collection continues to be securely stored in the climate controlled storage area, accessible to staff only. When the museum was closed, most of the collection items on display were removed from the Carnegie Building and put into storage, although a few of the larger items of furniture still remain in the building.

Two regular volunteers come in to help with collection processing.

Forward Planning

A proposed work plan for the seismic strengthening of the Carnegie Building has been prepared by Les Singer and structural engineer Kevin Simcock. Their brief was to upgrade the building to 100% NBS at importance level 2 (IL2) and cost estimates came in at \$853,000 +GST.

The 1970s buildings that make up Drummond Hall and the Collection store are also in need of an upgrade.

The Council has resolved to prioritise structural work on the Carnegie Building while planning for future works to the wider museum complex is underway. The Council has provisionally allocated a portion of its MDI funding for this purpose, and further grants must now be sought.

A Museum working party of councillors and staff has been formed to plan the long-term future of the museum. A strategic vision for the Museum has been commissioned and is well underway, looking at future displays, visitor experience and museum functions, including options for the archives storage and the adjacent 1970s museum complex.

Hokitika Wildfoods Festival:

The iconic Hokitika Wildfoods Festival was held for the 28th consecutive year in March 2017, and returned its second surplus in eight years, bringing in a \$15,000 profit. Another pleasing trend was the high satisfaction levels recorded by the Attendee Post Event Survey (90% satisfaction) and constructive comments.

The portfolio of events offered in 2017 continued the growth of previous years; in addition to the three events delivered in 2016 “The One Month to go Beach Celebration”, “The Hokitika Wildfoods Festival” and the “Official Afterparty”, another new offering was added in “The Wild Warm-Up Comedy Show”.

Entertainment is a key part of the Hokitika Wildfoods Festival experience, and in 2017, Salmonella Dub headlined a local, national and international stage line-up. Other entertainment was offered in the forms of the Wild Wanderers, Hokitika Homegrown, Kids Korner and the Demo Zone. The number of stalls also increased; 2017 saw 52 stallholders on site at the Festival serving up all forms of wild culinary offerings from oysters to mountain oysters!

Price of attendance remained unchanged from previous four years.

Planning is already underway for the 2018 Festival, which will be held on Saturday 10th March 2018. The event philosophy of #BiggerBetterWilder remains but the event will be run by new hands, as Event Manager Ashley Cassin is moving on.

i-SITE:

The 2016-2017 year has seen an almost total change of staff in the Hokitika i-SITE and Council Customer Service Centre, however service levels have been maintained whilst training new staff.

2016-2017 has been a challenging year for the i-SITE, in dealing. Three major issues affected tourism numbers: the Kaikoura earthquake, Port Hills fires and poor weather in December and January. The latter has a major influence on domestic tourist numbers coming to the West Coast.

The i-SITE has had over 67,000 visitors in the year 2016/17. The Hokitika Gorge was the primary focus of enquiries followed by information requests on the availability of public toilets and weather updates.

Land and buildings:

The Carnegie Building, which had been used to house Hokitika Museum was closed in September 2016 because of earthquake safety risks. This was to protect public safety while a process and plan could be put in place for future Museum development plans that would encompass the structural strengthening work.

Small remedial work was also done to the Greypower building in Hokitika during this financial period.

Note: There are no non-financial performance measures for this activity. Instead this activity is subject to financial accountability reporting.

Parks and reserves:

The Cass Square playing surface received some complaints during the year as heavy rainfall put pressure on surface loading.

There is an erosion issue with Wadeston Island, which is under the management of Taipo Rugby League Club. This remains an act of nature that is difficult to counteract.

The Council carried out extensive remedial works to Sunset Point to arrest erosion from the sea, including patching the slump in the rock wall north of the Tambo replica by compact filling the area using a large volume of mine rejects.

A longer term Development Plan for Sunset Point is currently being developed by Council's Property and Projects Supervisor. This will be a multi-year project that will require setting up drainage systems, raising the ground level higher, increasing infrastructure and integrating Sunset Point into the wider seafront development of Hokitika Beach.

The Parks and Reserves contract which has been let until 2020 is working well.

Public toilets:

The district has had a notable increase in the numbers of tourists visiting and this has again put pressure on public facilities.

An increase in funding has allowed us to increase public toilet cleaning, especially in the Southern Ward. In the previous annual financial report we highlighted that this was an issue of concern to the Southern community.

Council also made use of the All of Government (AOG) supply contract, allowing purchasing cleaning products and consumables at the best price possible. This process is handled by our cleaning contractors directly and allows Council to better track supply use throughout the District.

The toilets in Fox glacier had a higher than normal amount of maintenance call outs due to blocked pipes. No specific reason was identified for this.

The timber work of Hokitika's beachfront toilets were restrained during this financial year and the Cass Square toilets and changing facility received an external coat of paint.

Swimming pools:

Hokitika's Centennial Swimming Pool, managed by Westland District Properties, undertook earthquake strengthening work in the changing sheds, roofing upgrades and a number of compliance issues were also corrected. The pool also features a new mural in its indoor entranceway.

A Pool User Survey undertaken in April 2017 revealed a 100% user satisfaction rating.

The pool is 100% compliant with PoolSafe and retains its Poolsafe Accreditation.

West Coast Wilderness Trail (WCWT):

There were intermittent faults with trail counters that continued to hamper West Coast Wilderness Trail data collection. The 2016-2017 trail count records show an average annual usage of 8,647 users across

accumulation of counts at four counter locations (excluding Grey District). This highlights that the counts are most likely being under-valued in terms of total counts as the assumption has been that all riders have ridden the entire trail, which is not an accurate representation.

More trail counters were purchased during this financial year to assist with better trail usage monitoring. This proved to be a valuable investment as we have managed a marginally better consistency with the data collected. The government is also sponsoring three new trail counters to be installed in late 2017 as part of the national data collection.

A rider survey was undertaken in summer 2016/17 that is proving to be very valuable in understanding the types of riders, demographics and average spend for tourism promotion.

The WCWT's 2016 accountability audit recommendation of the Council appointing a Project Manager came to fruition this financial year with the appointment of David Inwood on secondment to this position from November 2016 to May 2017.

More trail work continued this year to complete the outstanding projects for Nga Haerenga signoff. This requires five trail locations to be completed in conjunction with a revised Project Completion Plan agreement with the Ministry of Business, Innovation and Employment.

There was a cash shortfall identified in the Project Completion Plan and unfortunately the source of funding sought to complete the trail did not eventuate. There is therefore uncertainty about the completion date of the trail due to financial shortfalls.

Five trail shelters were also constructed and installed at regular intervals along the Wilderness trail to combine with the temporary toilets. Two 'Gangers Sheds' were installed on the Ross Rail Trail section at Papakamai and Camp Creek.

The WCW Trail Trust has progressed many action tasks and milestones this year to promote and advance the trail status.

Westland District Library:

This year 78,427 items were issued to the public. This is similar to last year. There were 69,197 visitors to Westland District Library this year, a decrease of 7% on last year. 22,888 wifi connections were made through the Library's wifi network, this is up 5% on last year.

A number of staffing changes occurred. Laura Fisher from Nelson Public Libraries was the Youth Librarian three months out of this period (from July - October 2016) until Krystal Woodcock joined the team on a permanent basis as the Youth Librarian in November 2016.

Sarah Thompson, Library Manager took extended leave from February to April 2017 and Shona Winter was acting Library Manager. Kay Davidson worked 20 hours per week on a fixed term during this period and also replaced Courtney Wright-Watson working 3 hours on Saturday.

Regional collaboration

The three West Coast Public Libraries (Grey, Buller and Westland) agreed to continue the Large Print joint purchasing plan, as well as the circulation of 50 Large Print books among the libraries on a biannual basis.

In addition, the three West Coast Libraries agreed to continue to be part of the OverDrive consortia for eBooks and eAudiobooks. A joint subscription to PressReader, an online newspaper and magazine database is being investigated.

Westland District and Grey District Library have continued their reciprocal borrowing agreement, allowing members of each District to have access to more than 60,000 items.

Staff Training

All library staff have completed a comprehensive Kotui Library Management System training course and two library staff attended a Kotui regional training day at Westport Library.

In addition, the Youth Librarian attended a Youth Mentoring workshop, while two library staff visited newly-built public libraries in Christchurch – Halswell Centre, Lincoln and Kaiapoi - and were able to look at the public and staffing areas.

Programmes and Events

An extensive range of programmes and events took place at the library throughout the year including:

Book Launches – Two local authors launched their books in the library during the year – Lynda Murphy launched a children’s picture book ‘Chips’ and Jack Marcotte launched ‘Jack and Charlie: Boys of the Bush’.

Stepping Up computer classes – Run in collaboration with 20/20 Communications Trust. One-on-one sessions on ‘How to use a tablet’ have been offered throughout the year to members of the community

Library Talks – This is a new programme for adults who are keen to share an exciting travel experience or interesting job or hobby with the community. The talks happen on a two-monthly basis.

A number of events tailored specifically for children were also held including:

Children’s Reading Challenges – 201 children aged 5-13 years successfully completed the 6 week Summer Reading Challenge. 58 children completed the July 2016 Winter Reading Challenge and 21 completed the April 2017 Reading Challenge.

Roald Dahl 100 celebrations – 13th September marked 100 years since the birth of the world’s greatest storyteller. The library held a birthday tea party, craft activities, story-time sessions and many Roald Dahl themed competitions.

New Zealand Book Awards for Children and Young Adults 2016 - ‘Stripes! No Spots!’ by Vasanti Unka was one of the Picture Book finalist titles that the library showcased for the festival week. Two staff dressed up as a tiger and a leopard to entertain six class visits. There were also craft activities, a scavenger hunt, colouring-in and word find puzzles.

Storyteller - Andy Wright, an international storyteller, held two ANZAC themed story-time sessions in the library during April for visiting school classes.

Matariki - In June, the History Room was transformed into the night sky to celebrate Matariki, the Māori New Year.

VR Technology sessions – In conjunction with Techspace, Greymouth sessions were held for adults and children to experience virtual reality by wearing a VR Headset.

Balloon twisting – Several balloon twisting events have been held during the school holidays.

Pre-school story-time – This runs on a weekly basis and is a combination of songs, stories, rhymes and poems for under 5 year olds.

Lego Club – Launched in May 2017, this club runs on 1st, 2nd and 3rd Monday of each month. Children are encouraged to let their imagination run wild and each masterpiece is photographed for display in the library.

Code Club - The Code Club runs weekly during the school term to introduce 8- 14 year olds to the basics of computer programming. This programme runs in collaboration with Westland High School.

Book Club – The monthly book club was re-launched in March 2017 for 8-12 year olds who love to talk about their favourite books, write reviews and play fun games.

Visit to South Westland Schools – In February, two library staff visited every Westland School to perform an interactive story-time and to present prizes for the Summer Reading Challenge.

Civil Defence display – In collaboration with the WDC Emergency Management Officer five Primary school classes visited the library to learn more about how to prepare for a natural disaster. The Ministry of Civil Defence kindly loaned Stan, the Dog costume which the children loved.

KOTUI Library Management System

Westland District Council is the 34th Council to join the KOTUI consortia group which is managed by the National Library of New Zealand.

Westland District Library migrated to the Kotui Library Management System on 7 July 2016. This significant Council investment guarantees the future provision of excellent library services for the District.

The new online catalogue has greatly improved the customers' library experience. More efficient processes and procedures ensure that books are shelf-ready within a week of delivery.

Volunteers

Six Friends of the Library volunteers have supported the library throughout the year by carrying out shelving, book selection for community libraries and other back room tasks. Their help makes a big difference and is much appreciated.

Explanation of variances:

Funding Impact Statement (for the group)

For the year ended 30 June 2017

The level of service achieved in relation to the performance targets

Cemeteries

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|--|--|---|--|--|---|
| Cemeteries have sufficient capacity | Each cemetery has at least 12 months capacity ahead | Hokitika 100% Kumara 100% Ross 100% | Hokitika 100% Kumara 100% Ross 50% | Hokitika 100% Kumara 100% Ross 80% | Council is aware that the Ross Cemetery is nearing capacity, and depending on deaths in the area this could be reached within the next 12 months. Council is aware of the need to investigate alternatives. |
| Burials adhere to relevant legislation | Standards for burial are adherence to Cemeteries & Cremations Act 1964 | 100% | 100% | 100% | |

Elderly housing

| Level of Service | Key Performance Measures | Last Year's performance (2015/2016) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|------------------|--------------------------------------|---|-------------------------------------|-------------------------|---|
| | Occupancy is maximised | 100% Occupancy | 100% | 100% | 100% occupancy rate continues to be achieved, with a waiting list of 41 individuals. |
| | % tenants satisfied with the service | >95% Satisfaction | >95% | 100% | This is measured through the Resident Satisfaction Survey around the cleanliness, comfortableness and overall perception of living conditions. |
| | Safety | Not previously reported on in Annual Financial Report | 100% | 100% | This is monitored against the Maintenance Programme to ensure that units are safe to live in with all identified maintenance issues completed within the annual financial period. |
| | Responsiveness | Not previously reported on in Annual Financial Report | 100% | 100% | This is measured through Service Request System and defined as the percentage of requests for maintenance or complaints which are actioned within 7 working days. |

Hokitika Museum

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|------------------|---|--------------------------------------|-------------------------------------|--|--|
| | Visitor numbers are showing an upward trend | Increase of 25.5% | An increase of 5% each year | Visitor numbers are very low (mainly researchers). | Hokitika Museum closed on 22 September 2016 at the start of a busy tourist season due to seismic concerns of the Carnegie Building. As a result a full "museum experience" has not been on offer since this time resulting in decreased visitor numbers. Staff have since relocated to nearby office premises where they run a research centre, a small shop, and continue with collection processing. |
| | % of residents satisfied with their museum experience | 99% | 85% | No data available | The Residents' Survey is undertaken every two years so no data is available for this measure this year. |

Hokitika Wildfoods Festival

| Level of Service | Key Performance Measures | Last Year's performance (2015/2016) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|------------------|---|--|--------------------------------------|------------------------------------|--|
| | % of attendees satisfied (post event satisfaction survey) | 90% | 85% | 90% | Feedback from the 2017 Festival Attendee survey was again above the benchmark of 85% satisfaction or higher, positive qualitative feedback and constructive input were also prominent. |
| | Growth is experienced annually (to a limit of 10,000) | 6,620 Festival 1,270 Afterparty | 8,500 Festival N/A for Afterparty | 5,888 Festival 1,176 Afterparty | Adverse 10 day forecast and adverse actual weather on the day limited the normal growth experienced in the final 10 days and caused a significant reduction in the usual gate sales. |

i-SITE

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June, 2017 | Explanation |
|--|--|---|-------------------------------------|--|--|
| A quality customer experience | i-SITE NZ and Qualmark standards are met | 83% | 80% | Pass | Hokitika i-SITE continued to meet the i-SITE NZ Standards, although no formal assessment was held in 2016-17. Qualmark have moved away from scoring i-SITEs on a percentage basis and are instead rating them as pass/fail. |
| Increase resident population knowledge about what the i-SITE has to offer locals | Bookings made by local population | i-SITE decrease of 5% AA NZ increase of 6% | Maintain or Increase | i-SITE bookings made by the local population have increased by 5% from last year; whereas AA NZ bookings have decreased by 5%. | |

Parks and reserves

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|--|--|-----------------------------------|-------------------------------------|-------------------------|---|
| Reserves are pleasant, enjoyable and safe places | % of residents satisfied with parks and reserves | 87% | 90% | No data available | The Residents' Survey is undertaken every two years so no data is available for this measure this year. |

Public toilets

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June, 2017 | Explanation |
|------------------|---|-----------------------------------|-------------------------------------|--------------------------|--|
| | % of residents satisfied with the service | 66% | 100% | No data available | Due to Residents survey not being undertaken during this period. |
| | Facilities are available for use during the day | 100% | 100% | 100% | |

Swimming pools

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June, 2017 | Explanation |
|------------------|----------------------------------|--------------------------------------|-------------------------------------|--------------------------|---|
| | % of residents satisfied | 58% | 85% | 100% | <p>A Pool User Survey was undertaken in April 2017. All users indicated that they were satisfied with their experience at the pool.</p> <p>The huge variance between last year's figures and this year's are a result of obtaining feedback from Pool users rather than the Residents survey (which wasn't carried out this year). Our 2015/2016 annual report stated that many residents reported dissatisfaction with the pool because they felt it was not an adequate facility despite not having used it during the time period.</p> |
| | Maintain Pool Safe Accreditation | 100% | 100% | 100% | Pool Safe Accreditation was renewed for the 2017/2018 season. Certificate is displayed at the pool. |

West Coast Wilderness Trail

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|------------------------------|---|-----------------------------------|-------------------------------------|--|--|
| The cycle trail is well used | Numbers using the trail as measured by trail counters | 8,753 | 10,000 | Average annual usage of 8,647 users across accumulation of counts at four counter locations (excluding Grey District). | We believe the actual figure is higher than this, however faults with trail counters have prevented us from gaining more accurate figures. |

Westland District Library

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|------------------|--|-----------------------------------|-------------------------------------|-------------------------|---|
| | % of residents satisfied | 81% | 85% | No data available | The Residents' Survey is undertaken every two years so no data is available for this measure this year. |
| | % of residents who are library members | 43% | 42% | 46% | Membership is steadily increasing due to improved marketing and promotion of library services within the Community. |

Activity group: Transportation

An overview of the 2016/17 year:

The Transportation team maintained the existing roading network for this financial period. \$983,526 was expended in sealed road resurfacing.

Keoghans Road was sealed, and a business case was started to support NZTA funding for Whitcombe Valley Road safety improvements.

Work began for our application for roading funding from Central Government for the period 2018-2021. This work was undertaken in alliance with Grey District Council and Buller District Council.

The Transportation team attended a number of road efficiency group seminars regarding changes to national roading under New Zealand Transport Agency's One Network Road Classification System (ONRC).

Our collaboration with Grey District Council for sharing resources and combing some contracts for resealing continued. In addition, we worked in partnership with Buller District Council and Grey District Council with regards to Activity/Asset Management Plans.

A trail shape corrections of one of the corduroy areas of the Haast Jacksons Bay Special Purpose was constructed during this period.

57 transportation related service requests were logged in our system during this period. Of this total, the largest category (26 requests) related to roading drainage issues. In addition, there were nine footpaths requests, eight streetlights requests, seven signage requests, five traffic management requests and two car parking requests (the latter were both for Hokitika). These statistics indicate that there has been better utilisation of our service request system for logging transportation issues compared to the previous financial year (when zero were logged). However, further system improvements are still needed as service requests are not being correctly closed and signed off. As a result of this, only 18 have been officially closed and 39 remain open and overdue. This does not accurately reflect response times but does highlight a need to correctly update our system once jobs have been completed.

Our road smoothness results, according to the NAARA index, indicate that our rural network road surface condition is very good but that our urban network has a higher than desirable level of roughness. These results indicate a future requirement for urban street rehabilitation rather than resealing the existing worn road surfaces.

Explanation of variances:

Funding Impact Statement

For the year ended 30 June 2017

The level of service achieved in relation to the performance targets

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|---|---|---|---|---|---|
| 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 | Fatalities and Serious injury crashes: Data not held by Council The NZTA website states that x 1 fatality and x 1 serious injury occurred on local roads in the <i>calendar</i> year 2015. | Less than the previous year | NZTA data for local roads shows 2 x serious injuries for this financial period and zero fatalities resulting from two separate incidents: one in Hokitika township and one on Lake Kaniere Road | Results show no fatalities for this period so road safety can be viewed as improving; however, it is important to note that last year's annual report only reported on data for the 2015 calendar year (as this was all we could obtain). This year we have able to obtain data for this financial period (1 July 2016-30 June 2017) so moving forward we will be able to make direct comparisons between financial years to obtain more meaningful results and explanations. |
| | The average quality of ride on a sealed local road network, measured by smooth travel exposure | NAARA index not measured recently so the trend shown for last year (96%) is the most recent. | >90% (rural) >110% (urban) | 79% (rural) 115% (urban) | Results show that our rural network is excellent but that our urban network is higher than desirable. These results indicate a future requirement for urban street rehabilitation rather than resealing existing worn street surfaces. |
| | Residents are satisfied with the standard and safety of Council's unsealed roads | 70% | 50% of residents are satisfied with Council's | | A Resident's Survey was not undertaken for this period so no data is available to measure this. |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|---|--|---|-------------------------------------|---|--|
| | | | unsealed roads | | |
| The surface condition of roads in Westland is maintained to a high standard | The percentage of the sealed local road network that is resurfaced | Our total network reseal was 29km of 374km. This equates to 7.75%. | >7% | Our total network reseal was 28km of 374km. This equates to 7.5%. The resurfacing has an expected lifespan of 10 years. | 1.2 kilometres of previously unsealed road was also sealed during this period bringing the new total of our sealed local road network to 375kms (rounded). |
| Footpaths are maintained in good condition and are fit for purpose | The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan) | Measure not yet determined. No known exceedances for deliverable standards. | 90% | Measure not yet determined. No known exceedances for deliverable standards. | The process of transferring footpath data to AssetFinda has commenced. Delays in the implementation of this have been due to difficulties in ascertaining the most accurate data set to transfer and import. Once this importation of data is complete, all footpaths will be assigned a condition rating of 1-5. Council intends to have no condition 4 or 5 footpaths within the next 5 years. |
| Response to service requests are dealt with promptly | Customer service requests: The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan. | No known timeline exceedances for response from NCS database. | 100% | No known timeline exceedances for response from NCS database. | Please refer to the opening text for this section for a more detailed explanation of this point. |

Activity group: Water supply

An overview of the 2016/17 year:

Council supplies reticulated water to 2682 connections in the district.

Council's customer request system records show that there were 61 water related service requests logged between 1 July 2016 and 30 June 2017. Two of these were water clarity service requests which were later eliminated. The claim of kittens catching Giardia from the water supply was unsubstantiated as our water supply was not found to have Giardia. A reported incident of faecal contamination related to a private water supply not one provided by Council and was also excluded from the final tally. This reduces the total number of valid service requests to 59. Of these, there were 3 toby faults, 18 water leaks, and 4 relating to customer satisfaction of drinking water clarity, taste or odour (as detailed in the level of service table later in this section). A further 25 requests were general enquiries, water service location requests, and requests for water meters to be read. 42 of the service requests related to Hokitika, 5 for Whataroa, 3 each for Kumara and Hari Hari, 2 each for Kaniere and Ross and one each for Blue Spur and Franz Josef.

Water meters replacements were ongoing in 2016/2017 in Franz Josef, Fox Glacier and Hokitika and relevant backflow prevention devices were also installed as required at the land owner's expense.

Westland District Council manages nine water supplies across the district. Five of the nine supplies (Kumara, Hokitika, Ross, Franz Josef and Fox Glacier) are sourced from surface water (streams, lakes, and rivers). The remaining four supplies (Arahura, Hari Hari, Whataroa and Haast) are sourced from underground from bores.

Two of the nine water supplies that Council manages are untreated water supplies. This means that no form of treatment (filtration, UV, chlorination or a combination of treatment applications that we typically use in other treatment plants across the district) are applied to the water before the water is supplied to customers. The two untreated water supplies are Kumara and Arahura. Water quality sampling is carried out more frequently as a result of these supplies being untreated and with the aim of meeting the requirements of the Drinking Water Standards for New Zealand 2005 (Revised 2008). In 2015 Council was granted a subsidy through the Ministry of Health's Drinking Water Assistance Programme for the upgrade of the Kumara water treatment plant in the 2016/17 financial year. Both the Whataroa and Kumara Water Treatment Plant upgrade projects to achieve protozoal compliance were deferred and not carried out during this period as a result of a Serious Fraud Investigation regarding how the contracts were awarded. Negotiations then commenced with the second preferred tenderer.

Protozoal compliance:

Five of the nine water supplies that Council manages are capable of achieving protozoal compliance. These are Hokitika, Ross, Hari Hari, Franz Josef and Haast. This means that the treatment processes that are in place in these five supplies are sufficient to achieve compliance. However Council has not yet set up measuring systems on these five supplies to prove that this compliance is being achieved by use of SCADA and direct chemical dosing measurements. It intends to progress technical upgrades in the future. This is not a budgeted item as the upgrades will be achieved alongside other planned operational upgrades.

The Fox and Arahura systems are still being evaluated – they are identified as Year 3 projects.

The Health (Drinking Water) Amendment Act 2007 requires that drinking water suppliers implement a Water Safety Plan (previously known as a Public Health Risk Management Plan) for all of their water supplies serving a population over 500. Water Safety Plans identify risks associated with the water supply and include an improvement schedule that assists in prioritising future work to minimise the risks identified. Water Safety Plans for the Arahura, Hokitika and Whataroa water supplies were reviewed in 2016 and adopted in early 2017 by the Ministry of Health.

Reporting on response timeframes:

During this year, we continued to experience frustration with the accurate logging of service request records. However, efforts began during this period and are ongoing after the conclusion of this financial period to improve our systems moving forward. Specifically:

1. The categories of water related service requests have been expanded to ensure that all fields we need to report on are listed as separate fields to enable our customer services staff who field calls to accurately select the correct field.
2. Work has begun to ensure that our each service request field is automatically tagged with the appropriate response timeline as set out in our 2015-2018 LTP.
3. Service request group training tutorials are underway to identify limitations of the current system, identify and implement solutions and ensure all new and existing staff are trained in the correct processes and that this knowledge is refreshed regularly.
4. A full service request logging manual is in the process of being created.
5. Staff are also upgrading their knowledge of how to accurately generate reports of the data contained with the service request database.

Council is confident that it will be able to use its service request system to accurately report about response times going forward.

Explanation of variances:

Funding Impact Statement

For the year ended 30 June 2017

The level of service achieved in relation to the performance targets

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|---|---|--|--|--|---|
| Council supplied potable water is safe to drink | <p>Safety of drinking water:</p> <p>The extent to which the local authority's drinking water supply complies with:</p> <p>(a) part 4 of the drinking-water standards (bacteria compliance criteria), and</p> <p>(b) part 5 of the drinking-water standards (protozoal compliance criteria).</p> | <p>(a) 2 out of 9 supplies fully compliant with bacterial compliance criteria at both the water treatment plant and in the distribution zone</p> <p>(b) 0 out of the 9 supplies compliant with protozoal compliance criteria</p> | <p>Years 1-3 These drinking water schemes will comply with parts (a) and (b) of the key performance measure: Hokitika, Ross, Harihari, Franz Josef, Haast</p> <p>Years 2-3 These drinking water schemes will comply with parts (a) and (b) of the key performance measure: Kumara, Whataroa</p> <p>Years 2-3 These drinking water schemes will comply with parts (a) and (b) of the performance measure: Fox, the Arahura scheme if it is continued as a Council service</p> | <p>(a) 4 out of 9 supplies fully compliant with bacterial compliance criteria at both the water treatment plant and in the distribution zone according to draft water quality results from the Ministry of Health's 2016-2017 Annual Survey.*</p> <p>(b) 0 out of 9 supplies compliant with protozoal compliance criteria. Our Water</p> | <p>*Please note that these results will not be verified until the Ministry of Health release the final results (likely to be early 2018). This is the standard as no Council has access to finalised information at this point in time.</p> |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|--|--|--|---|--|---|
| | | | | Treatment Plants that are capable of compliance are unable to log the data required to prove compliance. Council is investigating SCADA improvements.* | |
| 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</p> | <p>The response time for urgent callouts (under 2 hours): <i>Unable to report accurately</i></p> <p>The resolution of urgent callouts (under 12 hours): <i>Unable to report accurately</i></p> | <p>(a) 100%</p> <p>(b) 100%</p> <p>(c) 100%</p> <p>(d) 100%</p> | <p>The response time for urgent callouts (under 2 hours): <i>Unable to report accurately</i></p> <p>The resolution of urgent callouts (under 12 hours): <i>Unable to report accurately</i></p> | Council has confidence that the response times, in particular urgent requests, are being achieved, as otherwise there would be an increase in service request complaints and multiple calls related to the same issue. However, improving our ability to validate this with our data is a top priority. |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|------------------|---|---|-------------------------------------|---|-------------|
| | <p>the local authority receives notification to the time that service personnel reach the site, and (2 hours)</p> <p>(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (12 hours)</p> <p>(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and (24 hours)</p> | <p>The response time for non-urgent callouts (under 24 hours): <i>Unable to report accurately</i></p> <p>The resolution of urgent callouts (under 72 hours): <i>Unable to report accurately</i></p> | | <p>The response time for non-urgent callouts (under 24 hours): <i>Unable to report accurately</i></p> <p>The resolution of urgent callouts (under 72 hours): <i>Unable to report accurate</i></p> | |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|------------------|---|-----------------------------------|--|-------------------------|---------------------|
| | (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) | | | | |
| | Maintenance of the reticulation network: The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this). | Not measured | Council does not intend to measure this as it will impose an unreasonable cost | Not measured | Refer to next item. |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|---|---|---|--|--|---------------------------------------|
| | <p>Demand management:</p> <p>The average consumption of drinking water per day per resident within the territorial authority district.</p> | Not measured in 2015/16 | The average water consumption per person per day is < 500l/day | Initial calculations conducted on our behalf by Calibre Group (exclusive of Westland Milk Products' commercial water consumption) shows a winter water usage of 253 litres per head per day increasing to 480 litres per head per day in summer. | This is within the acceptable values. |
| 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> <p>(a) drinking water clarity (b) drinking water taste (c) drinking water odour</p> | <p>(a) 2 (b) 1 (c) 1 (d) 5 (e) 5 (f) 0</p> <p>Based on the total number of service connections = 2682</p> | Type and number of complaints received (25 per 1000 connections) | <p>(a) 0 (b) 4 (2 of these are also reported in water odour below) (c) 2 (these service requests were joint water odour & water taste issues) (d) 3 instances of decreased water pressure were reported (e) 6 instances of no water (continuity of</p> | |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|------------------|--|--|-------------------------------------|---|-------------|
| | <p>(d) drinking water pressure or flow</p> <p>(e) continuity of supply, and</p> <p>(f) the local authority's response to any of these issues</p> <p>Expressed per 1000 connections to the local authority's networked reticulation system.</p> | <p>Total number of complaints = 14</p> <p>Complaints per 1000 connections = 5</p> <p>Key performance measure condition has been met.</p> | | <p>supply) were reported</p> <p>(f) 0</p> <p>Based on the total number of service connections = 2682</p> <p>Total number of complaints = 13</p> <p>Complaints per 1000 connections = 5</p> <p>Key performance measure condition has been met.</p> | |

Activity group: Wastewater

An overview of the 2016/17 year:

We provide access to reticulated wastewater systems in Hokitika, Franz Josef, Fox Glacier and Haast. These systems service 2,001 properties.

There were 11 wastewater related service requests logged between 1 July 2016 and 30 June 2017; 10 of which related to Hokitika and 1 in Franz Josef. Four of these were 4 wastewater overflow issues and an additional 3 service requests were logged in relation to odour. The remainder of service requests were more general enquiries relating to location, measurements and quotes for connection to our sewerage system.

The Hokitika Wastewater Treatment Plant outfall has now been repaired and Westland District Council have engaged a consultant to assist with odour reporting within the prescribed timeframe. Flow monitoring devices are also being introduced, and pond flow options are being investigated to improve treatment and discharge quality for our current resource consent.

In March 2016, the Waiho River flooded the Franz Josef Wastewater Treatment Plant resulting in significant damage to the oxidation ponds. Council undertook some immediate remedial work to mitigate the effect on the environment. Council has since resolved to protect the pond site with construction of a 700 metre long stop bank, at a cost of \$1.3 million before the upgrade of the Wastewater Treatment Plant takes place. A government grant has been applied for to assist in covering the treatment upgrade costs.

Westland District Council noted the new reporting requirement introduced to differentiate between dry weather sewerage overflows and wet weather sewerage overflows. We have set up an alert in our service request system which prompts the staff member logging the request to ask about the weather conditions. This system is imperfect however as the weather can be completely different between two townships even 10 kilometres apart. We note that a “wet weather sewerage overflow” is defined as there being 1mm of rain in a continuous 24 hour period which is a confusing measurement for our geographic environment which is used to high rainfall. We do not have automatic rain gauges at all our Wastewater sites and are therefore reliant on Hokitika data.

Explanation of variances

Funding Impact Statement

For the year ended 30 June 2017

The level of service achieved in relation to the performance targets

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|--|---|--|-------------------------------------|---|--|
| 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.</p> | <p>Currently unable to measure service requests related specifically to dry weather overflows</p> <p>Total number service connections = 2001</p> | Number: 10 per 1000 | We have had a total of four sewerage overflows in total (dry and wet weather combined due to difficulty separating them out). This gives a ratio of 2 per 1000 which is significantly under the performance target. | |
| Council wastewater systems are safe and compliant | <p>Discharge compliance:</p> <p>Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <p>(a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions,</p> <p>received by the territorial authority in relation those resource consents.</p> | <p>(a) 0 (b) 0 (c) 3 (d) 0</p> | 100% | <p>(a) 1 (b) 0 (c) 1 (d) 0</p> | <p>One abatement notice was issued to Council by the West Coast Regional Council in relation to our ocean outfall pipe from the Hokitika sewage ponds. This has now been complied with.</p> <p>In addition, West Coast Regional Council issued an enforcement order against Westland District Council requiring us to undertake works by April 2018 to have a fully operational and compliant Franz Josef Wastewater Treatment Plant in place.</p> |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June, 2017 | Explanation |
|------------------|---|--|-------------------------------------|--|---|
| | <p>Fault response times:</p> <p>Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:</p> <p>(a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and (2 hours)</p> <p>(b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (4 hours.)</p> | Unable to measure accurately using information in our existing service request system. | 100% | Unable to measure accurately using information in our existing service request system. | Council has confidence that the response times, in particular urgent requests, are being achieved, as otherwise there would be an increase in service request complaints and multiple calls related to the same issue. However, improving our ability to validate this with our data is a top priority. |
| | <p>Customer satisfaction:</p> <p>The total number of complaints received by the territorial</p> | <p>(a) 11</p> <p>(b) Unable to measure at present.</p> <p>(c) 4</p> <p>(d) 0</p> | 25 per 1000 | <p>(a) 3</p> <p>(b) Unable to measure at present.</p> <p>(c) 0</p> | Council is extremely pleased in the significant decrease in the wastewater complaint statistics from 2015/16 to 2016/17. |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June, 2017 | Explanation |
|------------------|---|---|-------------------------------------|---|-------------|
| | <p>authority about any of the following:</p> <ul style="list-style-type: none"> (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, <p>Expressed per 1000 connections to the territorial authority's sewerage system.</p> | <p>Key performance measure condition has been met:</p> <p>Complaints per 1000 connections = 8</p> <p>Total number of complaints = 15</p> <p>Total number service connections = 2001</p> | | <p>(d) 0</p> <p>Key performance measure has been met:</p> <p>Complaints per 1000 connections = 1.5</p> <p>Total number service connections = 2001</p> | |

Activity group: Stormwater

An overview of the 2016/17 year:

Council provides reticulated stormwater to the township of Hokitika and roadside drainage to the remainder of the townships of the district to ensure protection of public health and safety, and of the environment. The majority of the stormwater reticulation is gravity fed with a total of 6 pump stations in Hokitika and 455 properties connected.

The smaller stormwater schemes mainly comprise open channels as part of the street drainage system to collect road surface run off, these are maintained by our Transportation team.

There were 20 stormwater related service requests logged between 1 July 2016 and 30 June 2017. Excluding private problems, erroneous service requests (that is a problem was reported but when investigated it was found that no problem existed) and requests for general information, there were 10 service requests related to blocked drains, ponding or requests for maintenance. All stormwater requests related to Hokitika.

Hokitika stormwater systems response:

The first part of the stormwater upgrade work to the Tancred St, Bealey St and Rolleston St catchments was carried out in 2016/17. As at 30 June, there was still some remaining work to be carried out to complete the work in the Bealey St catchment. Work in all three catchments involved installing larger stormwater pipes to assist in conveying water to the pump stations. Some larger stormwater sumps were also installed in key locations to assist in the collection of stormwater and convey it into these new pipes. Work to upgrade the pump stations in these catchments was put on hold until the upsized pipework had been installed and the scope of the work could be assessed. There have been no reported flooding incidents in these catchments since this work was carried out.

Explanation of variances:

Funding Impact Statement

For the year ended 30 June 2017

The level of service achieved in relation to the performance targets

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|--|---|--|-------------------------------------|---|---|
| Council Stormwater systems have the capacity to resist major storms and flooding events. | <p>System adequacy:</p> <p>(a) The number of flooding events that occur in a territorial authority district.</p> <p>(b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)</p> | <p>(a) 0</p> <p>(b) 0</p> | <p>(a) 2</p> <p>(b) 10 per 1000</p> | <p>(a) 0</p> <p>(b) 0</p> | Target achieved. |
| | <p>Response times:</p> <p>The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (1 hour)</p> | <p><100%</p> <p>1 incident that took greater than 1 hour to reach the site, this was because of travel distance (Friday 8 January event).</p> | 100% | N/A as flooding events occurred. | |
| | <p>Customer satisfaction:</p> <p>The number of complaints received by a territorial authority about the</p> | Key performance measure condition has not been met: | 10 per 1000 | Key performance measure condition has not been met: | Although Council has not met this performance measure, it is pleasing to note the sharp downward trend in number of |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|--|---|--|-------------------------------------|--|--|
| | performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system. | Total number of connections = 455 Total number of complaints = 33 Complaints per 1000 connections = 73 | | Total number of connections = 455 Total number of complaints = 10 Complaints per 1000 connections = 22 | complaints expressed per 1000 connections. |
| Council stormwater systems protect the natural environment | Discharge compliance: Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, Received by the territorial authority in relation those resource consents. | (a) 0 (b) 0 (c) 0 (d) 0 | 100% | (a) 0 (b) 0 (c) 0 (d) 0 100% discharge compliance achieved. | |

Activity group: Solid waste management

An overview of the 2016/17 year:

During the 2016/17 financial year \$15,000 excluding GST was given to EnviroSchools programme for the continued education of Waste Recycling with the current schools registered in the Westland area.

This programme has been well received and going forward the aim is to increase this funding to be able to engage more schools to come on board.

Other funds were used to cover expenses for minor illegal fly tipping. Costs associated with this activity were \$3,253.53.

Current Status of Landfills:

| <i>Name of Landfill</i> | <i>Status</i> | <i>Comment</i> |
|-------------------------|---------------|---|
| Butlers | Open | Weekly monitoring carried out in accordance with the resource consent. A review of the volume remaining in the cell is required. |
| Haast | Open | Monitoring requirements and need to plan for the end of landfill life. There is an estimated 3 years life remaining as per AMP information. |
| Kumara | Closed | Monitoring requirements only. |
| Franz Josef | Closed | Monitoring requirements only. |
| Hannahs Clearing | Closed | Monitoring requirements only. |
| Hokitika | Closed | Monitoring requirements only. |
| Cron Road | Closed | Monitoring requirements only. |

Current Status of Transfer Stations:

| <i>Name of Transfer Station</i> | <i>Status</i> | <i>Comment</i> | <i>Contracted to</i> |
|---------------------------------|---------------|--|----------------------|
| Hokitika | Open | 9am-4pm Monday to Sunday | Envirowaste |
| Kumara | Open | 9am-12pm Thursday and Sunday | Envirowaste |
| Fox Glacier | Open | 12pm-1.3pm Monday, 2.30pm-4pm Thursday | SWRR |
| Whataroa | Open | 3pm-4pm Tuesday and 10am-12.30pm Sunday | SWRR |
| Hari Hari | Open | 8.30am-11.30am Wednesday and Saturday | Envirowaste |
| Ross | Open | 1pm-4.30pm Wednesday and Saturday | Envirowaste |
| Franz Josef | Open | 2.30pm-4.30pm Friday, 1pm-4.30pm Sunday (Plus summer hours 4.30-6.00pm Tuesday) | SWRR |

Capital works:

The Haast landfill site had new gates installed. In addition, the Hokitika Transfer Station had new stormwater channels installed for the collection and management of water runoff. New internal post and rail fences were also installed.

Volumes of Waste:

Butlers Landfill

The amount of solid waste going to land fill decreased marginally compared to the previous year.

| | |
|---------|------------|
| 2015/16 | 3249 tonne |
| 2016/17 | 3216 tonne |

Haast Refuse Station

The amount of solid waste going to land fill decreased significantly compared to the previous year by 75%. This is due, however, to severe weather events and destruction of property that was disposed to landfill in 2015.

| | |
|---------|-----------|
| 2015/16 | 374 tonne |
| 2016/17 | 94 tonne |

Hokitika Transfer Station:

Over the past year, there has been 175 tonne of green waste and 49 tonnes of scrap metal collected.

Pest Control:

Pest control remains in place with Barry Nicol Pest Control for both the Haast and Butlers landfill.

Compliance Monitoring:

Due to staff changes, Westland District Council has engaged an external agency to undertake compliance monitoring.

Explanation of variances:

Funding Impact Statement

For the year ended 30 June 2017

The level of service achieved in relation to the performance targets

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|--|--|---|-------------------------------------|--|--|
| A reliable refuse and recycling collection service is provided | % of residents that receive the service are satisfied | 88% | 100% | No data available due to residents' survey not being undertaken in this period. | However, we note that there were Intermittent delays in Kerbside Collection due to mechanical failures on refuse truck in last six months of financial period. We received two service requests regarding refuse collection. One noted that a refuse truck driving along the road had bags flying off the back of it as it drove along the road. Another noted that their bin had not been collected on collection day. The refuse collection agency emptied the bin for the customer the following day. |
| A reliable transfer station service | % of residents satisfied | 64% | 100% | No data available | No complaints received |
| Solid waste is managed appropriately | All necessary consents for solid waste activities and capital projects are applied for, held and monitored accordingly | Consents in place = 100% Monitoring of Butlers = 100% = Monitoring not 100% for other sites | 100% | Consents in place = 100% Monitoring of Butlers now being completed by external company. | A review is underway of the compliance and monitoring for all other sites. Monitoring was put on hold for two months after the resignation of our former Solid Waste Officer. |

| Level of Service | Key Performance Measures | Last Year's performance (2015/16) | Annual Performance Target Years 1-3 | Progress @ 30 June 2017 | Explanation |
|---|--|--|-------------------------------------|--|---|
| Education about waste minimisation is provided to the community | Number of visits to schools and community groups | 3 different school groups have been taken to the transfer station and landfill. Handouts and informative narrative undertaken. | 3 schools, 3 groups per annum | <p>1 x school; 1 x community group</p> <p>One educational programme undertaken in conjunction with EnviroSchools programme with children from Kaniere School. Students and teachers of Kaniere School installed Eco Blue fish on drains around Kaniere and Hokitika to help inform the public about the impact of waste on marine life.</p> <p>In addition, a waste audit was conducted with WestREAP which highlighted recommendations to help them reduce their waste.</p> | Our Solid Waste Officer resigned in early 2017 and this position was vacant for a number of months which may have contributed to failure to reach the target. |

INDEPENDENT AUDITOR'S REPORT



THE 4TH WESTLAND BOYS BRIGADE COMPANY TRUST

Object: The advancement of Christs Kingdom among Boys and the promotion of habits of Obedience, Reverence, Discipline, Self Respect and all that tends towards true Christian Manliness.



C/-80 Kaniere Road
Hokitika

| | | | | | | |
|----|--------------------|-----------|----------|----------|----|--|
| CE | <i>[Signature]</i> | GM PCE | GM DA | GM CS | EA | |
| | <i>[Signature]</i> | | | | | |

25th August 2017

*To The Mayor and Councillors
Westland District Council*

Re Rates : Council versus Community Groups

The recent publicity in the Hokitika Guardian highlights the issue of rates: Council versus Community Groups. Throughout the Westland District there are community groups (I can count 30) who through dedication and commitment to their sport or group have built or purchased facilities to enable their sport or group to exist in Westland. These facilities benefit not only themselves but usually others within the community. Within Westland there is a Time Honoured Tradition dating back to the Gold Rushes of groups providing for themselves at NO or LITTLE cost to the Local Authority.

Most of these Community Groups are rated by the Westland District Council. The question arises as to 'WHY?' when the fabric of community is provided by groups and NOT THE COUNCIL. Why should they be rated at all? One can understand a fee for rubbish, water and sewerage.

Communities only become communities when they have facilities that enable people to work and play and live together. Imagine the rate burden if all facilities were supplied and owned by the Westland District Council? An elitist society would result.

In Hokitika there is one 'community facility' that is subsidised by the Westland District Council to the tune of \$30,000. Fair Play should result and ALL community based facilities should get the same deal and not just to the tune of the standard rate remission.

John Mitchell
(Trustee)