



A G E N D A

Finance, Audit and Risk Committee

**Council Chambers
36 Weld Street
Hokitika**

**Thursday 23 November 2017
Commencing at 9.00 am**

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 THURSDAY 23 NOVEMBER 2017 COMMENCING AT 9.00 AM

17 November 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

1.2 Interest Register

2. CONFIRMATION OF MINUTES:

2.1 Finance, Audit and Risk Committee Meeting – 10 November 2017

Pages 5-9

3. ACTION LIST

The Action List is attached

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4. REPORTS TO COUNCIL

4.1 Quarterly Performance Report to 30 September 2017

Pages 11-70

4.2 Financial Performance – October 2017

Pages 71-79

4.3 Insurances 2017-18

Pages 80-99

5. ITEMS FOR INFORMATION

5.1 QV Presentation on District Re-evaluations Insurance

6. 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

6.1 Confidential Minutes

6.2 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
6.1	Minutes	Confidential Minutes – Finance, Audit and Risk Committee	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
6.2	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 TUESDAY 10 OCTOBER 2017 COMMENCING AT 2.30 PM

1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Members Present

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

Apologies:

Cr D.L Carruthers

Moved Cr Routhan, seconded Deputy Mayor Lash and **Resolved** that the apology from Cr Carruthers be received and accepted.

Staff in Attendance:

R.F. Reeves, Chief Executive; L.A. Crichton, Corporate Manager; J.D Ebenhoh Planning Community and Environment Manager; V.M. Watson, Business Support Officer/Committee Secretary.

Also in Attendance:

Bede Kearney, Audit Director from Audit New Zealand.

1.2 Interest Register

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

2. CONFIRMATION OF MINUTES:

2.1 Confirmation of Minutes – Finance, Audit and Risk Committee Meeting – 24 August 2017

Moved Cr Olson, seconded Cr Havill and **Resolved** that the Minutes of the Finance, Audit and Risk Committee Meeting held on the 24 August 2017 be confirmed as a true and correct record of the meeting.

3. ACTION LIST

Moved His Worship the Mayor, seconded Deputy Mayor Lash and **Resolved** that the Action List as amended be received.

4. GENERAL ITEMS:

4.1 Financial Performance: August 2017

The Finance Manager spoke to this report and advised the purpose of this report is to provide an indication of Council's financial performance for one month to the 31 August 2017.

Moved Cr Eatwell, seconded Cr Havill and **Resolved** that the Financial Performance Report to 30 August 2017 be received.

4.2 Interim Audit Management Report Year Ended 30 June 2017

The Group Manager: Corporate Services spoke to this report, and advised the purpose of this report is to present the Interim Audit Management Report attached to the August Agenda for the year ended 30 June 2017.

The interim report clarifies the progress made in several areas, Statement of Service provisions and aspects of reporting improvements within all legislative procedures. This report outlines process, procedures and systems in place throughout the organisation.

Audit New Zealand Director Bede Kearney spoke to this report reporting on the process so far and the aim of this report is to identify areas of improvement and strategic procedures. This report is a reflection on what is in place and what can be improved.

Moved Cr Olson, seconded Cr Routhan and **Resolved** that the Interim Audit Management Report Year Ended 30 June 2017 be received.

5. ITEMS FOR INFORMATION

5.1 Update on Draft Annual Report and Audit 2016-17

The Group Manager: Corporate Services spoke to this report, and advised that the purpose of this report is to provide information on the Draft Annual Report and Audit for 2016-2017.

Bede Kearney, Audit Director from Audit New Zealand spoke to the Draft Annual Report for 2016-17. At this time, the final audit is still in progress. The Group Accounts have yet to be finalised. Reporting measures are set and then after the end of the financial year the monitoring takes place and this is then re-evaluated on measures and achievements of systems, targets and results.

Clarification by Bede Kearney regarding the accounting rules in public reporting and clarity that the reports are compliant with reporting statements.

The Draft Annual Report document was attached to the agenda and contained Statements of Service Performance (SSP) for each activity, with KPIs assessed against measures that were included in the Long Term Plan 2015-25.

The Strategy and Communications Advisor spoke to the Statement of Service Provision, this is a reflection of what has been noted and what may be identified as required.

Moved His Worship the Mayor, seconded Cr Eatwell and **Resolved** that the Draft Annual Report and Audit 2016-17 Report 2017 be received.

6. ITEMS FOR DISCUSSION:

6.1 Community Group Rates

A letter dated the 25 August 2017 had been received from the 4th Westland Boys Brigade Company Trust regarding rating.

Council requested management to bring back a report to Council detailing the impact of not charging rates to community groups.

Moved Cr Havill, seconded His Worship the Mayor and **Resolved** that Council commence a full comprehensive rates review in relation to rates and remissions. Staff advised that this will be part of the LTP process.

Moved Deputy Mayor Martin, seconded Cr Eatwell and **Resolved** a letter to be written to Westland Boys Brigade Company Trust.

7. MATTERS TO BE CONSIDERED IN THE ‘PUBLIC EXCLUDED SECTION’

Moved Deputy Mayor Lash, seconded Cr Neale and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 9.15 am.

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 – Finance, Audit and Risk Committee

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:

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7.2	Risk Register	Confidential Update	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

This resolution is made in reliance on Section 48(1)(a) and 48(2)(a)(i) and (ii) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

No.	Item	Section
7.1	Protection of privacy of natural persons/organisations.	Section 7(2)(a)
7.2	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; and also to maintain legal professional privilege	Section 7(2)(b)(ii) Section 7(2)(g)

Moved Deputy Mayor Lash, seconded His Worship the Mayor 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 3.27 pm.

MEETING CLOSED AT 3.27 PM

Confirmed by:

Deputy Mayor Latham Martin
Chair – Finance, Audit and Risk Committee

Date

Action List

Date of Meeting	Meeting	Item	Action	Who Responsible	Timeframe	Status
26.01.17	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 has been sent. Formal application has been submitted. Deed process is underway LGFA have a meeting at the end of November that will initiate the process. Time frame estimated as 2-3 month process
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 AGM 20 October 2017 scheduled
10.10.17	Finance, Audit and Risk Committee	Landfill	Breakdown of costs of the Landfill provision. Memo detailing the methodology behind the provision.	GMCS		
10.10.17	Finance, Audit and Risk Committee	Community Rates review	Management are requested to bring back a report of rating remissions giving a significant amount of data and forecasting that would 50% models	GMCS		Part of the LTP process.

Report



DATE: 23 November 2017
TO: Mayor and Councillors
FROM: Finance Manager

QUARTERLY PERFORMANCE REPORT TO 30 SEPTEMBER 2017

1. SUMMARY

- 1.1 The purpose of this report is to inform Council of its financial and service delivery performance for the three months ended 30 September 2017 (Q1).
- 1.2 This issue arises from a requirement for a local authority to demonstrate accountability and exercise financial prudence in delivering on its commitments to the community.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision which is set out in the Council's Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives the Quarterly Performance Report to 30 September 2017, attached as **Appendix 1**.

2. BACKGROUND

- 2.1 In addition to a monthly financial report Council receives a more extensive quarterly report that is used as a progress check against the wider objectives contained in the Long Term Plan.

3. CURRENT SITUATION

- 3.1 The quarterly report examines Council's progress in delivering municipal services within its prescribed financial framework.

3.2 This is the first quarterly report for the 2017/18 financial year.

3.3 This quarterly report contains the following information:

3.3.1 Whole of Council Financial Summary.

3.3.2 Statements of Service and Financial Performance for each group and activity.

3.3.3 Projects.

3.3.4 Treasury.

3.3.5 Reserve Funds.

4. OPTIONS

4.1 Receive the report.

5. SIGNIFICANCE AND CONSULTATION

5.1 This report is for information only.

5.2 The decision to receive the report is of low significance and requires neither consultation nor assessment of options.

6. RECOMMENDATION

A) **THAT** Council receives the Quarterly Performance Report to 30 September 2017 attached as **Appendix 1**.

Dayle McMillan
Finance Manager

Appendix 1: Quarterly Performance Report to 30 September 2017



2017/18
QUARTERLY PERFORMANCE REPORT #1:
1 JULY TO 30 SEPTEMBER 2017



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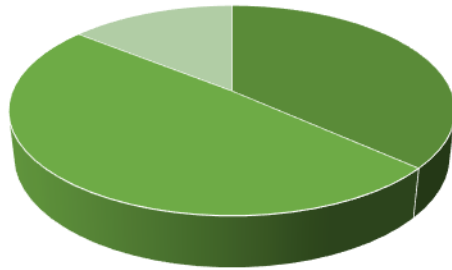
Whole of Council Financial Summary

WESTLAND DISTRICT COUNCIL	Year to September			Full Year 2017-2018	
	Actual	Budget	Variance	FY Forecast	Budget
Operating revenue					
Rates (includes targeted rates and metered water)	3,875,484	3,801,177	74,307	15,244,726	15,204,697
User fees and charges	496,615	651,282	(154,667)	2,181,859	2,418,583
Grants and Subsidies	665,707	1,300,435	(634,728)	4,192,631	4,746,309
Other income	193,363	193,257	106	1,037,036	1,238,334
Overhead recoveries	1,449,593	1,794,083	(344,489)	6,579,602	7,176,333
Total revenue (A)	6,680,762	7,740,233	(1,059,472)	29,235,853	30,784,256
Operating expenditure					
Personnel costs	880,313	991,990	(111,677)	3,752,031	4,023,177
Administrative costs	204,636	189,918	14,718	649,118	638,727
Operating costs	2,119,008	2,228,620	(109,612)	9,439,292	9,484,130
Grants and donations	153,696	203,372	(49,676)	486,624	521,300
Overheads	1,438,020	1,793,086	(355,067)	6,705,135	7,172,293
Total operating expenditure (B)	4,795,673	5,406,987	(611,313)	21,032,200	21,839,627
Net operating cost of services - surplus/(deficit) (A - B)	1,885,088	2,333,247	(448,158)	8,203,653	8,944,629
Other expenditure					
Interest and finance costs	195,366	194,401	965	778,559	777,593
Depreciation	1,495,245	1,451,968	43,277	5,997,750	5,807,919
(Gain)/loss on investments	0	0	0	0	0
(Gain)Loss on swaps	(10,575)	(43,879)	33,304	(142,213)	(175,517)
(Gain)Loss on disposals	0	0	0	0	0
Total other expenditure (C)	1,680,036	1,602,489	77,547	6,634,096	6,409,995
Total expenditure (D = B + C)	6,475,710	7,009,476	(533,766)	27,666,297	28,249,622
Net cost of services - surplus/(deficit) (A - D)	205,052	730,757	(525,706)	1,569,557	2,534,634

Variance Analysis

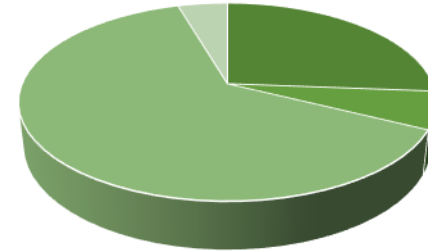
Operating Revenue	
Rates revenue	Penalties \$35k higher than budget due to more effective debt management and metered water rates \$24k greater than budget due to timing.
User fees and charges	Building Control consents and fees \$64k lower than budget for Q1 due to seasonal timing differences.
	Solid waste refuse fees \$27k less than budget and waste water trade waste fees \$27k less than budget due to timing differences.
Grants and Subsidies	NZTA subsidy \$155k lower than budgeted due to continued poor weather in Q1. This reduction in operating revenue is largely offset by decreased operating costs.
	WCWT cycle trail budgeted grant contribution of \$479k from MBIE was not able to be claimed in Q1. Entire WCWT cycle trail grant contribution of \$479,579 budgeted in September 2017.
Operating Expenditure	
Personnel costs	Reduced expenditure primarily due to budgeted unfilled staff vacancies.
Operating costs	Q1 repairs and maintenance expense \$156k lower than budgeted due to weather influence and budget phasing.
	Rates write-offs, remissions and discount \$87k greater than budget due to timing of rates write-offs, remissions and discount and phasing of budget.
Grants and Donations	Community assistance, public toilets and community township development \$44k lower than budget for Q1 due to budget phasing and timing of respective grants and donations.
Other Expenditure	
(Gain)/Loss on Swaps	Further swap added to the portfolio with a maturity of 2023. Swap values are based on market factors and are difficult to predict. Any gain or loss on swaps would not materialise unless swaps were cashed in before maturity.

Operating revenue
Actual year to September



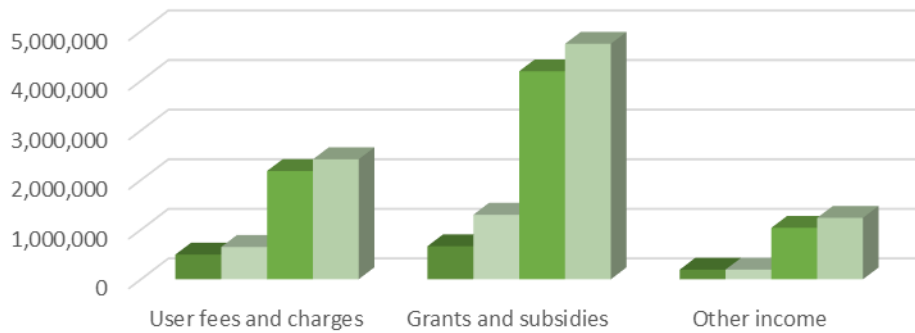
■ User fees and charges ■ Grants and subsidies ■ Other income

Operating expenditure
Actual year to September



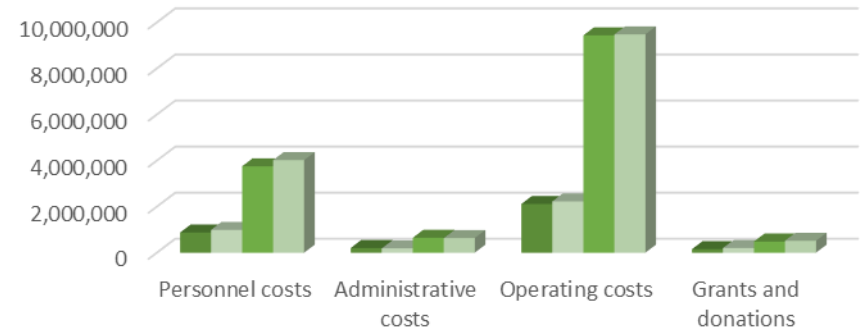
■ Personnel costs ■ Administrative costs ■ Operating costs ■ Grants and donations

Operating revenue



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

Operating expenditure



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

	User fees & Charges	Grants & Subsidies	Other Income
Actual YTD	496,615	665,707	193,363
Budget YTD	651,282	1,300,435	193,257
Variance	(154,667)	(634,728)	106
FY Forecast	2,181,859	4,192,631	1,037,036
FY Budget	2,418,583	4,746,309	1,238,334






	Personnel	Administration	Operating	Grants & donations
Actual YTD	880,313	204,636	2,119,008	153,696
Budget YTD	991,990	189,918	2,228,620	203,372
Variance	(111,677)	14,718	(109,612)	(49,676)
FY Forecast	3,752,031	649,118	9,439,292	486,624
FY Budget	4,023,177	638,727	9,484,130	521,300







Projects: Draft Carryovers























There will be carried over expenditure from previous years, however, this has not yet been approved by Council so this has not been included.













Projects: Current

As at 30/09/2017

				Legend - Key	
Forecast on Budget			Project Delayed - Will not be completed by 30th June 2018		
Forecast over Budget			Project on-Track - Will be completed by 30th June 2018		
			Project Complete - 100% Progress		

Project / Activity	YTD exp	2017-18	Forecast	Budget Track	Progress / Track	Progress comments
	\$0	\$0	\$0			
LEADERSHIP						
Council HQ Refurbishment	-	150,000	150,000			
IT Equipment Renewals	30,448	130,000	130,000			
Information Management - Shelving	861	10,000	10,000			
	31,309	290,000	290,000			

LIBRARY						
Library - Chromebooks For Children's Code Club	-	5,000	5,000			
Library - iPad Pro For Digital Literacy Classes	-	1200	1,200			
Library - Whiteboard For Digital Literacy Classes	-	600	600			
Library - Book Trolleys	-	850	850			
Library - Book Display Holders	-	800	800			
Library - Website Upgrade	-	8,000	8,000			
Library - Audio/Visual Resource	668	4,000	4,000			
Library - Free Adult Books	2,886	15,000	15,000			
Library - Adult Non Fiction	4,324	15,500	15,500			
Library - Junior Publications	1,907	11,500	11,500			
Library - Large Print Books	1,059	6,000	6,000			
	10,844	68,450	68,450			

WATER SUPPLY						
Hokitika - Water Treatment Plant Improvements	1,242	420,000	420,000			
Hokitika - Mains Upgrades	-	100,000	100,000			
Ross - Water Treatment Plant - Seismic Valves	-	30,000	30,000			
Whataroa - Pump Upgrades	-	35,000	35,000			
Fox Glacier - Water Treatment Plant Upgrade	-	450,000	450,000			
Fox Glacier - Seismic Valves	-	30,000	30,000			
	1,242	1,065,000	1,065,000			

WASTEWATER						
Hokitika - WWTP Upgrade	-	300,000	300,000			
Franz Josef - New WWTP	723,213	1,500,000	1,500,000			
Fox Glacier - WWTP upgrade	-	100,000	100,000			
	723,213	1,900,000	1,900,000			

CEMETARIES						
Cemetery - Hokitika Upgrade & Expansion	1,800	10,000	10,000			
	1,800	10,000	10,000			

SWIMMING POOLS						
Hokitika Swimming Pool - Earthquake Strengthening	30,000	30,000	30,000			Project complete.
Hokitika Swimming Pool - Ventilation Compliance	15,696	16,000	16,000			Project complete.
	45,696	46,000	46,000			

COMMUNITY SERVICES DEVELOPMENT						
Community Halls - Custom House Roof Replacement	-	18,000	18,000			
Township Maintenance - Kumara Rubbish Bins	-	3,000	3,000			
Township Maintenance - Hokitika Rubbish Bins	-	7,000	7,000			
Township Maintenance - Fox Rubbish Bins	-	3,000	3,000			
Township Maintenance - Haast Rubbish Bins	-	2,000	2,000			
	0	33,000	33,000			

ELDERLY HOUSING						
Elderly Housing - Roof Repairs	-	50,000	50,000			Roof repairs completed previous financial year. Funds to be spent on double glazing under capital requirements.
	0	50,000	50,000			

OFFICE EQUIPMENT						
i-SITE/CSC - Replacement Television Screens	-	4,125	4,125			
Laminator	861	-	861			Replacement Corporate Services laminator.
	861	4,125	4,986			

DISTRICT ASSETS ADMINISTRATION						
Pool Vehicle	-	31,000	31,000			

SOLID WASTE						
Haast - Toilet Office building	-	32,000	32,000			
	0	32,000	32,000			

LAND & BUILDINGS						
Land & Buildings - Car Parking	-	15,000	15,000			
	0	15,000	15,000			

PARKS & RESERVES						
Reserves - Cass Square - Repairs To Statues	-	5,000	5,000			
Reserves - Cass Square - Playground Equipment Upgrade	-	20,000	20,000			
Reserves - Cass Square - Playground Rubber Matting	-	20,000	20,000			Contractors to confirm costing scope.
Reserves - Lazar Park Upgrade	-	45,000	45,000			This is currently being held awaiting community input (Lions/ Rotary).
	0	90,000	90,000			

TRANSPORTATION						
Whitcombe Valley Road Widening, Seal and Extension	-	100,000	100,000			This has been approved and is awaiting procurement process.
Unsealed Road Metalling	-	270,000	270,000			Contract item.
Sealed Road Resurfacing	-	782,000	782,000			Currently out to joint tender GDC/WDC.
Maintenance - Drainage Renewals	21,802	150,000	150,000			Replacement for old/failed culverts. Drainage.
Structures Component Replacement	83,159	200,000	200,000			Structural report - repairs and ongoing reports HPMV 50 max.
Traffic Services Renewals	-	120,000	120,000			Streetlights. Road marking.
Sealed Road Pavement Rehabilitation	-	100,000	100,000			Preseal works. Special Purpose Roding (SPR).
Associated Improvements	-	1,500,000	1,500,000			SPR Corduroy areas.
Sealed Road Resurfacing	-	159,000	159,000			SPR Road.
Drainage Renewal	-	27,000	27,000			SPR Culverts.
Structures Component Replacement	16,450	53,000	53,000			SPR Structures.
Traffic Services Renewals	-	11,000	11,000			SPR Signs Road marking.
Minor Improvements	-	190,000	190,000			Local Roads. Minor safety improvements.
Minor Improvements	-	29,000	29,000			SPR Minor safety improvements
Footpath Upgrades	-	45,000	45,000			Business area Hokitika. Tile extension.
	121,410	3,736,000	3,736,000			
Total	935,513	7,370,575	7,370,575			

Summary

The purpose of this section of the Quarterly Report is to provide an update on Council's Treasury Position **as at 30 September 2017**.

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

- Loans

 - Other Borrowings (if any)
 - Swaps

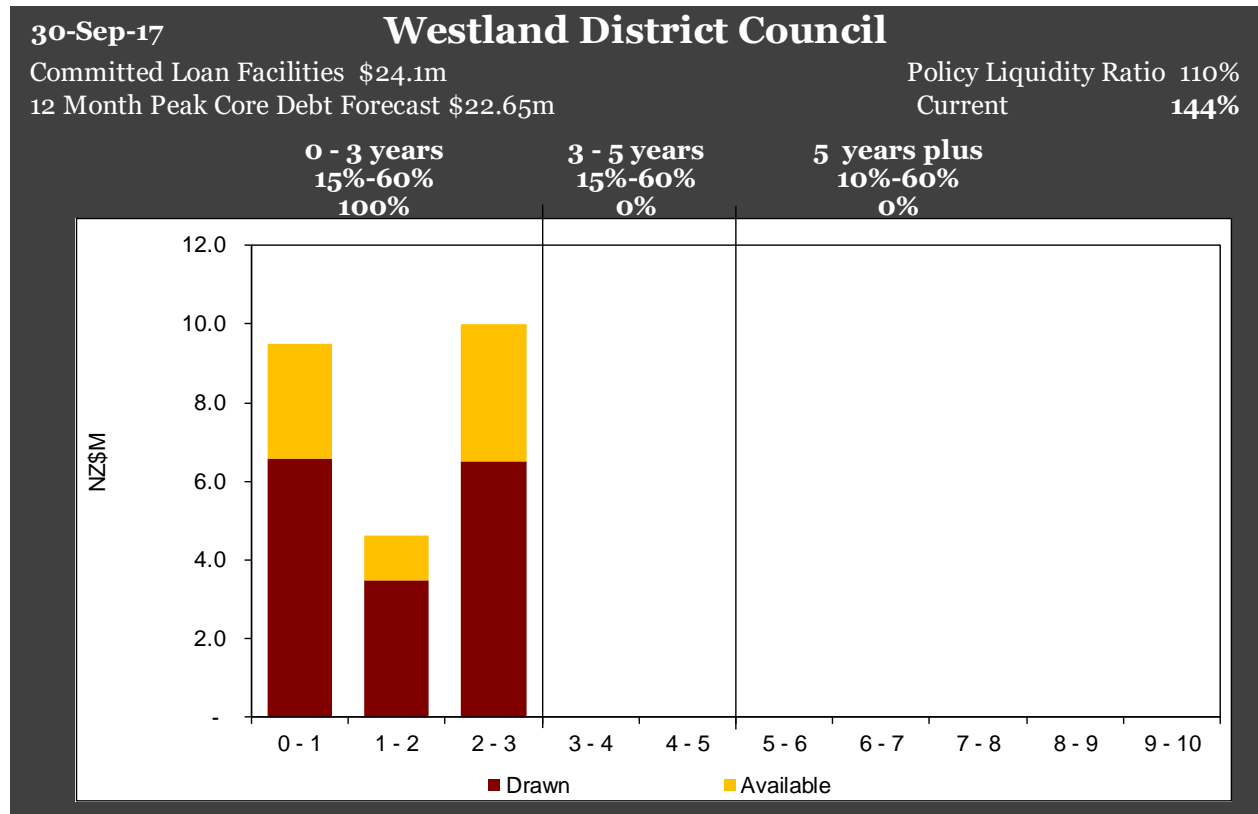
- Internal borrowing

 - Cash Investments
 - Deposits
 - Bonds
 - Debtors

Council has contracted PWC as an independent treasury adviser.

Loans

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



Council's policies require that we have liquidity cover of 110% of forecast debt. There are now three facilities in place, one with a borrowing limit of \$9.5m, a second has a borrowing limit of \$4.6m, and the third has a borrowing limit of \$10m, providing a total facility of \$24.1m. The forecast debt for the current year is \$19.5m with liquidity coverage at 124%.

As at 30 September, the Money Market Lending Statement shows:

MOCL Facilities

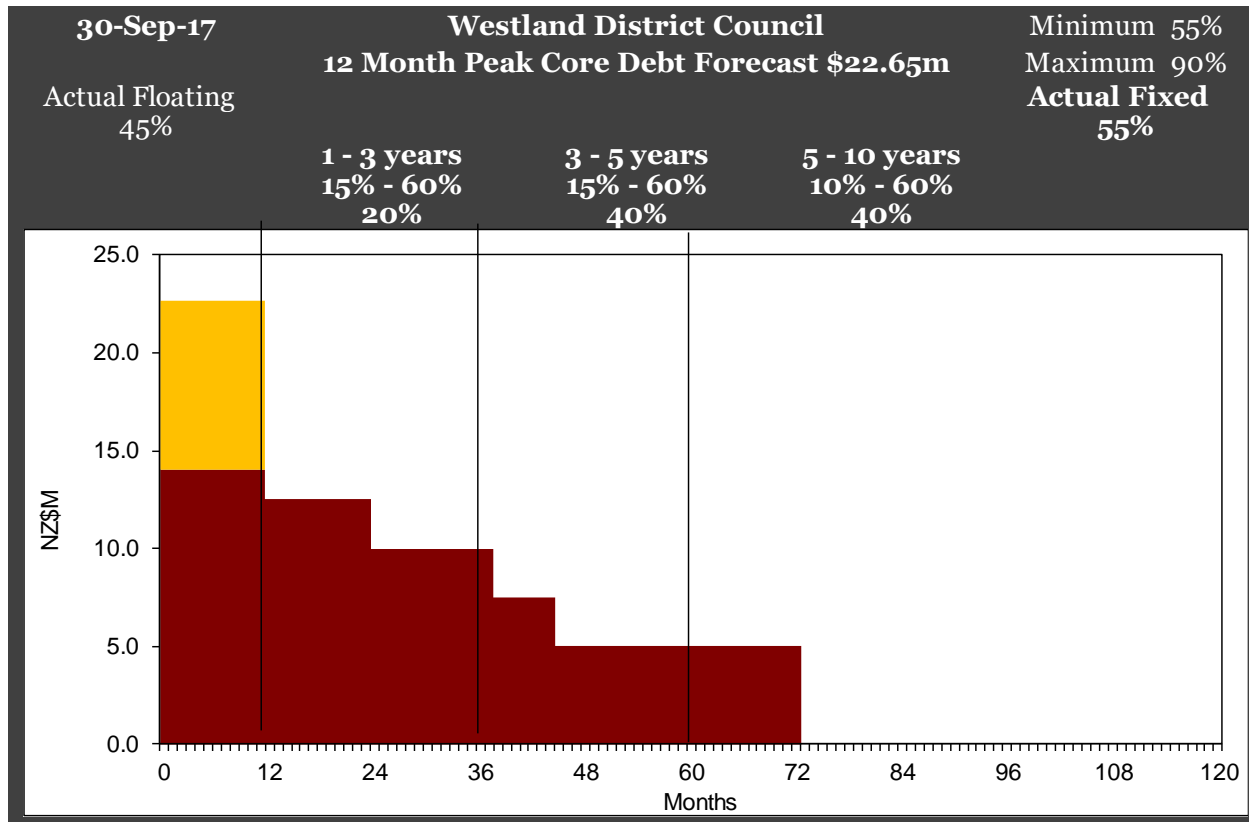
Amount	Rate	Maturity
\$6,573,352	1.90%	1/07/2018
\$3,492,000	1.90%	1/07/2019
\$6,507,000	1.90%	1/07/2020
\$16,572,352	Total	

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

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

Amount	Rate	Maturity
\$1,500,000	2.35%	17/09/2018
\$2,500,000	4.77%	17/09/2019
\$2,500,000	3.55%	17/11/2020
\$2,500,000	3.01%	16/06/2021
\$5,000,000	4.10%	2/10/2023
\$14,000,000	Total	

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



There has been a new swap trade to replace an expiring swap and a new cap floor trade in Quarter 1. Council policy requires interest rate risk management within the ranges specified in the chart.

Internal Borrowing

Kaniere Sewerage \$137,152.97

Cash Investments

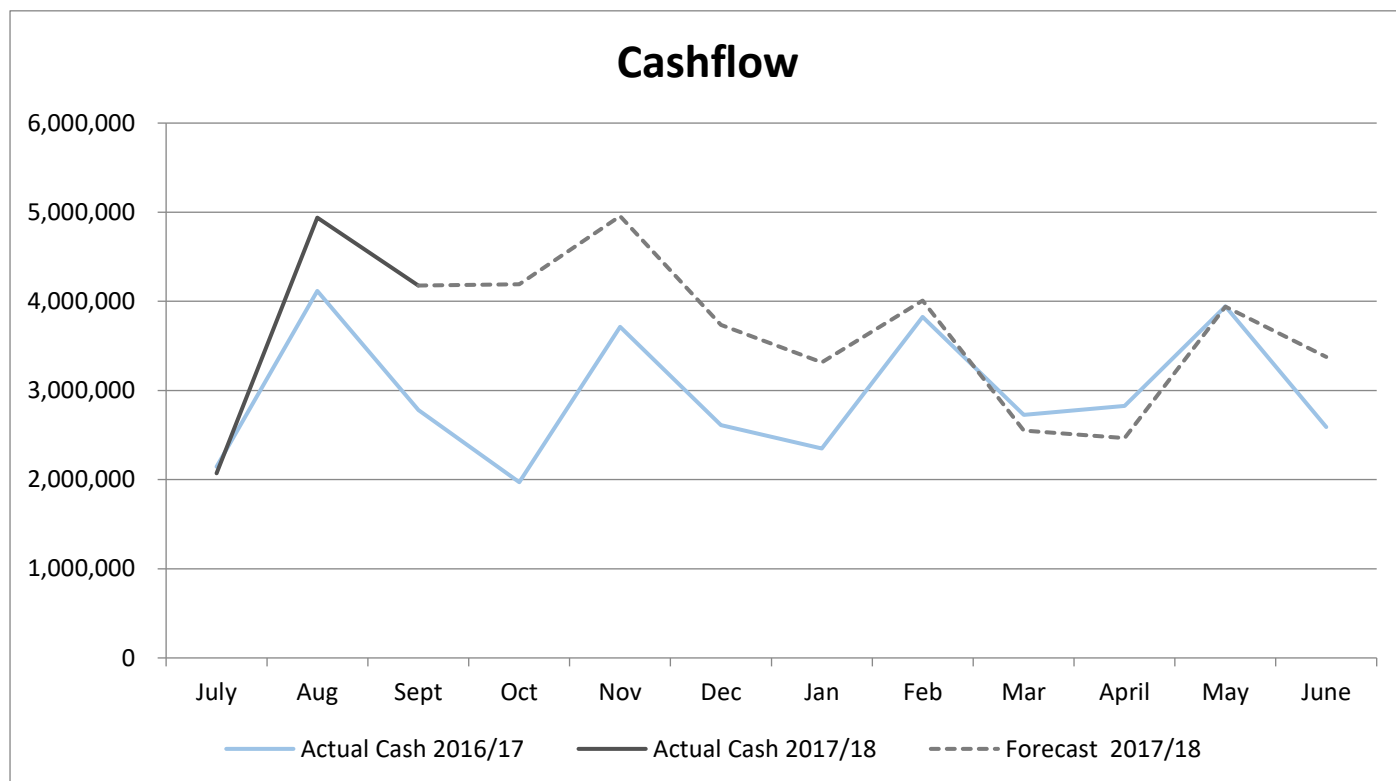
Cash Deposits as at 30 September 2017

Cash flow is managed on a weekly basis. The highest spend is expected to start in the next quarter and then continue over the following quarter due to capital projects taking place.

The following analysis excludes bond monies.

Closing balance of WDC Operational Account: \$2,906,637

Term Deposit Account balances of: \$1,270,000



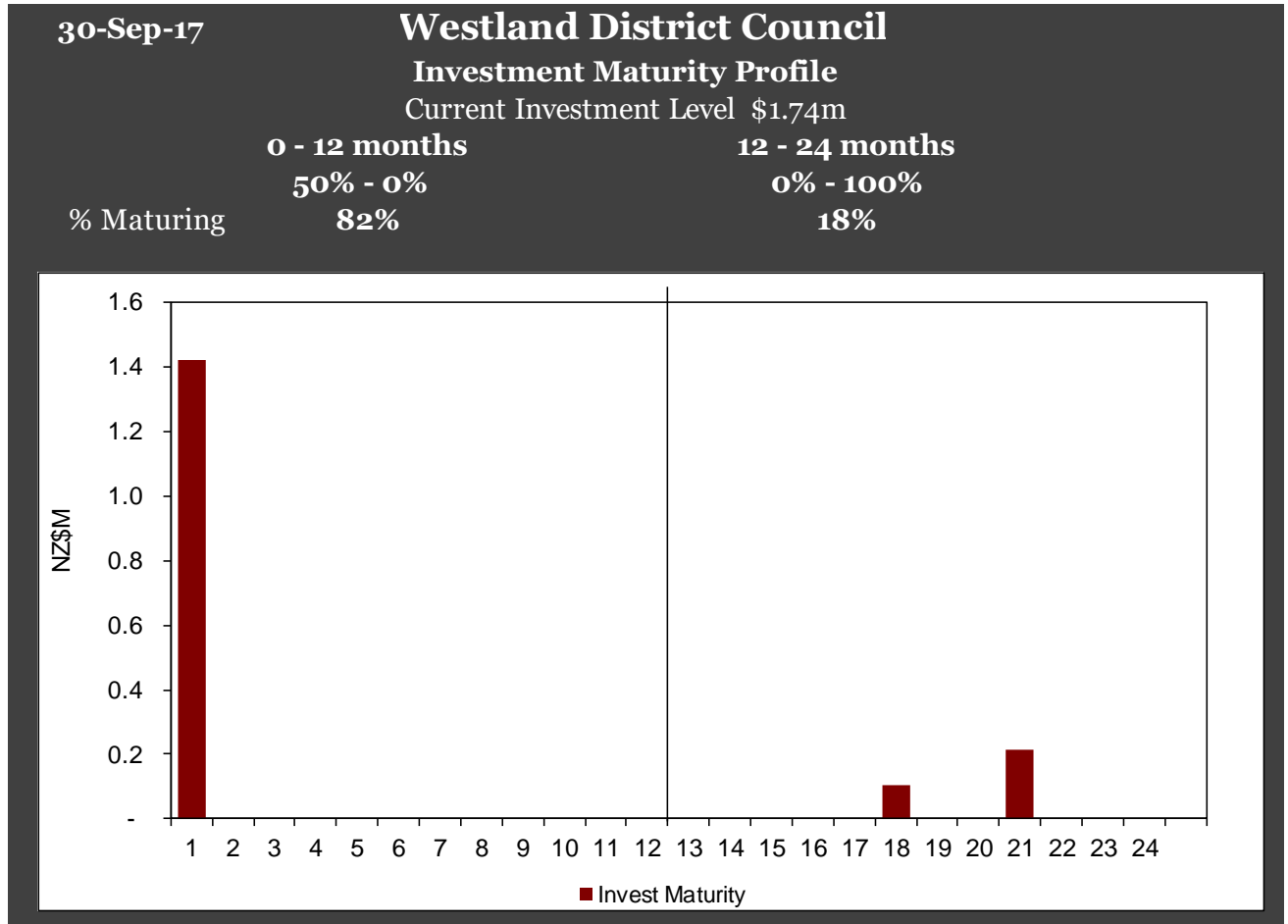
Bonds

WDC Westpac Bond Portfolio valued at \$585,930 as at 30 September 2017. This is made up of \$0.567m in bonds and \$0.018m in cash from matured bonds. In Quarter 1, a cash distribution of \$270,000 was withdrawn from the bond cash account and was invested in a three month term deposit.

Westland District Council Investment Counterparty Credit Limits				
Minimum Credit Rating is A-1/A (A+ for corporates)				
Counterparty Credit Risk	Credit Rating	Policy Limits NZD\$m	Counterparty Exposure NZD\$m	Policy Compliance
Auckland Council	AA	1.00	0.10	Y
BNZ	AA-	2.00	0.21	Y
Rabobank	BBB	2.00	0.15	N
Rabobank	A+	2.00	0.10	Y
Westpac	AA-	2.00	0.02	Y
TOTAL			0.58	

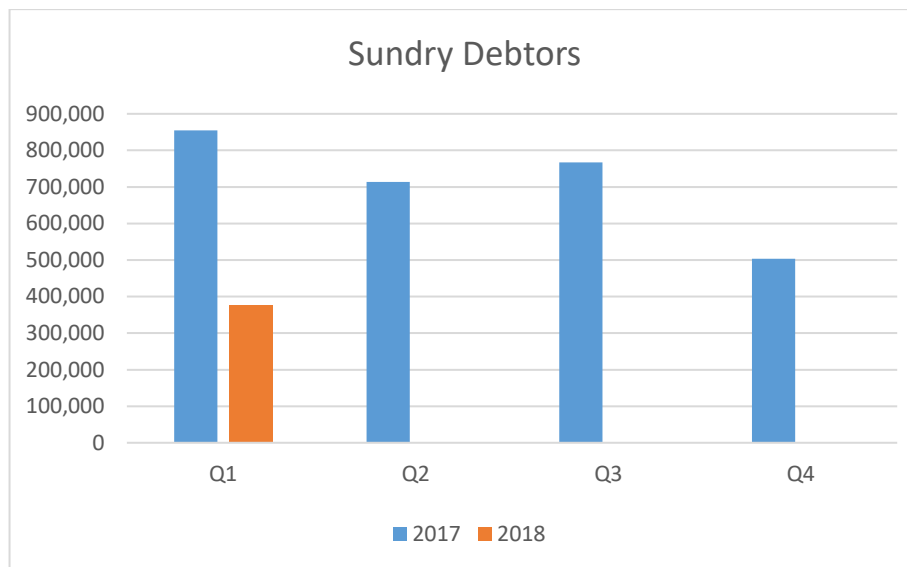
The policy requires that bond investments are with parties that have a long-term Standard & Poor's, (S&P) credit ratings (or equivalent Fitch or Moody's rating) being A and above and/or short term rating of A-1 or above. One bond has a rating below this limit. Council resolution decided to retain the bonds in the portfolio until maturity. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure. The policy also has a maximum limit of \$2m exposure per NZ registered bank and \$1m exposure for local government entities. All exposures are within this limit.

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



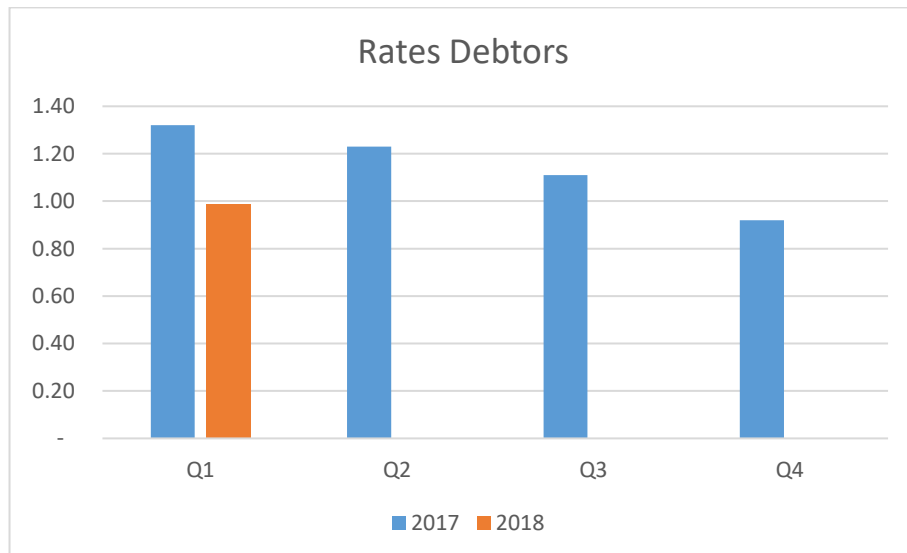
Debtors

Outstanding Sundry debtors as at 30 September 2017 total \$375,557, which is 56.1% lower than Q1 2016.



Rates Debtors

At 30 September 2017, rates debtors figure total \$994,078 which is 24.9% less than Q3 2016.



Debt Collection

Prior to the end of the quarter, 783 penalty letters were sent out to overdue ratepayers. Debts totalling \$642 were sent to Credit Recoveries during the quarter. Further notices will be sent early in Q2.

Credit Recoveries performance as at 30 September for active debt:

Date Debt Sent	Original Debt	Collected	Recovery Rate
Pre-2015	413,279	198,765	48%
2015	58,525	36,881	63%
2016	113,855	70,213	62%
2017	94,672	24,017	25%

Process implemented last financial year where reminders and referrals are being dealt with more promptly. It is expected that the recovery rate will rise as new debts are received.

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

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

Further debts will continue to be handed over to debt recovery where internal processes have not proven successful.

Summary

Reserves are divided into two categories:

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

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

Financial Management Principles for Reserve Funds

- There are no reserves that are required to be represented by specific cash funds. Council therefore takes a portfolio approach to treasury management.
- Reserves are funded by interest income from investments and available borrowing capacity.
- Reserve balances will grow by interest calculated at the weighted average 90 day bill rate, transferred quarterly into the reserve.
- During 2017/18 new depreciation reserves will grow quarterly. Interest will be earned on those reserves calculated based on the average 90 day bill rate. This will be funded from external interest revenue (or deficit reserves – internal borrowing) for 2017/18.
- Interest will be charged on any reserve in deficit at Council's weighted average cost of asset term debt.
- No funds shall be withdrawn from the Westpac Bonds or any reserve unless provided for in the Annual Plan or by Council resolution.

Council Created Reserve Funds

Reserve	Purpose of each reserve fund	Balance 1 July 2017	Transfers into fund	Transfers out of fund	Balance 30 September 2017
2017		\$000	\$000	\$000	\$000
Kumara Township fund	Township funding for the purpose of community related projects	0	4	0	4
HariHari township	Township funding for the purpose of community related projects	20	4	0	23
Whataroa township	Township funding for the purpose of community related projects	2	4	(9)	(4)
Ross township	Township funding for the purpose of community related projects	0	4	0	4
Haast township	Township funding for the purpose of community related projects	(3)	4	0	1
Franz township	Township funding for the purpose of community related projects	1	9	0	10
Fox township	Township funding for the purpose of community related projects	1	9	0	10
Kokatahi community fund	Township funding for the purpose of community related projects	0	2	0	2
Foreshore	Foreshore Protection for groin replacement on the foreshore.	19	0	0	19
Glacier country promotions	Targeted rates collected from Glacier Country to provide funding for marketing projects.	0	16	0	16
Prestons bush	Mr Preston donated the reserve to Council. This fund was for the community to beautify the bush with tracks and interpretation boards.	14	2	(0)	15
HariHari community complex	The Harihari Pony Club land was sold and the funding was to go towards a new community complex. (Another \$100,000 is allocated from the Reserve Development Fund.)	128	1	0	129
Guy Menzies trust	Surplus from Guy Menzies Day Event.	1	0	0	1
Cycle partnership contributions	Contributions from commercial partners towards upkeep of the Wilderness Trail	0	0	0	0

Emergency contingency fund	Rates collected to support Westland in a Civil Defence emergency.	51	0	0	51
Transport renewals	For funding the renewal of roads and bridges.	(0)	680	(203)	477
Water renewal	For funding the renewal of water supplies networks	1,430	282	(7)	1,705
Waste water renewal	For funding the renewal of sewerage and sewage networks	1,163	135	0	1,298
Stormwater renewal	For funding the renewal of stormwater systems	770	61	(416)	414
Solid Waste renewal	For funding the renewal of Refuse transfer Stations and landfills.	0	0	0	0
Parks and Reserves renewals	For funding Parks, Reserves, Public Toilets, Ross Pool and Cemeteries Asset Renewal	0	50	(11)	39
Building renewals	For renewal of all Council operational buildings.	399	52	0	451
Administration renewals	For renewal of office equipment, furniture, technical equipment, vehicles and technology	240	49	(4)	285
Library renewals	To replace library books	65	43	(11)	97
Total Council created reserves		4,303	1,407	(661)	5,049

Restricted Reserve Funds

Reserve	Purpose of each reserve fund	Balance 1 July 2017 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 September 2017 \$000
Offstreet Parking	Collected from developments in town to pay for off-street parking. Imposed by RMA/District Plan	32	0	-	32
Reserve Development	Monies collected from developments. Imposed by RMA/District Plan	583	32	(32)	582
Museum Assistance Fund	Originally the Museum Bequest Fund (\$8,458) & Carnegie Furnishings (\$3,929)	20	0	-	20
Kumara Endowment Fund	Proceeds from sale of Endowment land. Our brief research has not identified the specific terms of the endowment.	340	2	-	342
Euphemia Brown Bequest	Interest earned on funds administered by Public Trust Offices for the estates of Euphemia & William E Brown.	23	0	-	23
Mayoral Relief Funds	Contributions from James & Margaret Isdell Trust; Coulston Herbert Trust;	17	0	(1)	17
Three Mile Domain	To fund three mile domain costs.	200	1	-	201
Ross Endowment Land	Various endowment land parcels in Ross sold over time.	64	0	(1)	64
Big Brothers Big Sisters	Grant funding Received	(1)	-	-	(1)
Community Patrol	Grant funding Received	(0)	-	-	(0)
Graffiti	Grant funding Received	4	-	(0)	4
Taxi Chits	Grant funding Received	(3)	2	(0)	(2)
Hokitika War Memorial	Contributions from RSA parking lease	24	0	(24)	0
Total Restricted Reserves		1,304	37	(59)	1,282
Total reserves		5,606	1,445	(720)	6,330

The following section of the Quarterly Report contains:

- Commentary about Councils activity within each Group
- Council's non-financial performance for each activity, measured against a set of 'key performance measures' that are in the Long Term Plan 2015 -2025.

Note:

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

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

Leadership Group

- Democracy
- Corporate Services
- Council Controlled Organisations

Commentary

Corporate Services

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

Information Technology:

Most of the work on the new, revitalised Council website (launched 5 October) took place during this period. The new website displays information in a more visual way, is mobile-friendly and aims to eliminate as many unnecessary PDFs as possible.

‘WC4’ (the four West Coast TLA’s IT teams) continue to meet on a regular basis and collaborate on various projects including the upgrade/replacement of Council’s network servers. New technology will give much greater flexibility for Council’s DR plan and will include collaboration for offsite storage. Council is always looking at options for shared services.

The ECMS (Electronic Records Management System) project will be underway very soon.

Council is upgrading all its computers – bringing all up to Windows 10 and Office 2016. As PC’s are replaced, mobility is being considered – more staff are using laptops instead of desktop computers.

Strategy and Communications:

The Council’s new Strategy and Communications Advisor joined council on 3 July 2-17, and took over the functions of the incumbent Corporate Planner, in addition to a higher level of focus on external communications. The Annual Report for 2016/17 was mostly completed in this period, and was adopted by Council at the 31st October extraordinary Council meeting.

Work commenced on the Long Term Plan for 2018-2028, with a timetable of tasks being supplied to Audit New Zealand, and a series of workshops being held with the Elected Representatives.

Three monthly editions of the Westland Matters electronic newsletter were produced and published during this period and feedback from the community about the content of these newsletters has been extremely positive.

In addition, Council’s Facebook presence has increased. Council’s Facebook page likes increased from 267 to over 400 during this period, and Council improved its Facebook message response rate from 66% to 100% and decreased its average response time from 36 days to 6 hours.

Council Controlled Organisations

Westland District Property Limited manages activities for Council. This information has been supplied by WDPL:

Jackson Bay Wharf

There has been no significant improvement in activity since the departure of Talley's fisheries. However, Fiordland Lobster Ltd continues its activity. All income received from fishermen using the wharf is used on the wharf. The wharf does continue to deteriorate and Westland District Property Limited will need to address this issue in the longer term with Westland District Council.

Carnegie Building

Visitor numbers have increased significantly. The building remains open each day and we are looking to extend opening hours into the early evening during the summer months. Exhibitions are being held in addition to the current displays.

Hokitika Airport

Hokitika Airport's café was renovated during this period in preparation for reopening to provide extra customer service. The airport storage facility continues to grow. Development of the land for farming continues. Westland District Property Limited receives annual revenue from moss collection and has had the first revenue from beehives.

Glacier Country Heliport continues to operate well with renewed stakeholder participation. A new centralised fuel depot is being installed to meet compliance requirements. The heliport is being further landscaped and the parking area is being developed.

Text for the following activities that are managed by WDPL are included in the activity sections of this Quarterly Report:

Elderly Housing

Hokitika Swimming Pool

Some land management matters

Democracy

Level of Service	Key Performance Measures	Last Year's performance (2015/16)	Annual Performance Target Years 1-3	Progress @ 31 March 2017	Explanation about any variances
Responsible leadership	% of residents satisfied with Council's leadership	Not measured	65%	Not yet measured	The next Residents survey will be undertaken in January/February 2018
The community understands what Council does	% of residents who understand how Council makes decisions	Not measured	50%	Not yet measured	The next Residents survey will be undertaken in January/February 2018

Corporate Services

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Provide accountability about Council activities	Legally compliant financial plans and reports adopted	100%	Annual Plans & Annual Report adopted on time	The majority of work for the Annual Report 2016/17 was completed during this time period, and was signed off after end of this period on 31 October 2017 in accordance with statutory timeframe.	
A comprehensive Customer Service Centre	% of residents satisfied with the service they receive	Not measured	75%	Not yet measured	The next Residents survey will be undertaken in January/February 2018
Effective engagement of the community during public decision-making opportunities	% of residents that believe they have been consulted appropriately	New measure	60%	Not yet measured	The next Residents survey will be undertaken in January/February 2018

Council Controlled Organisations

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
CCOs comply with their Statements of Intent	All performance measures in the CCO Statement of Intent are met, as reported in half yearly and annual reports	70% 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	100%	No information to date	We will not receive this information until next half yearly report.

Planning and Regulatory Group

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

Commentary

Inspections and Compliance

Building:

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

July	25
August	33
September	17

Food Premises:

The first of the verification visits (audits) were completed under the new Food Act 2014. This resulted in a significantly greater amount of time spent on each premises preparing for, carrying out and reporting on the result of the audit. The new audit schedule gives each premises a rating out of 100 compared to the simple pass/ fail method previously used.

Resource Management

The Planning Department is now fully resourced and consists of a Planning Manager, Senior Planner and Planner with assistance from a shared Business Support Officer.

With the vacant positions being filled, 100% compliance with timeframes has been achieved for two of the three months with July achieving 92%.

From 1 August 2017, mining consent and compliance functions were transferred to West Coast Regional Council.

Significant resource consents granted during this period include a Tourism operation near Hokitika Gorge involving helicopter flights and a large restaurant.

Two appeals to the environment court have been fronted by the Planning Manager, one for a camping ground and one for the aforementioned helicopter operation.

Major changes to the RMA 1991 have resulted in new processes and application forms.

Animal Control

For August and September the dog control contractor (SPCA) followed up on known unregistered dogs. The contractor also ensured that all menacing dog owners took up the Department of Internal Affairs 100% subsidy for neutering their dogs.

The SPCA advised during this time period that they wished to terminate the dog control contract, and a tender for the new contract was advertised.

Emergency Management

Civil Defence:

To assist with strengthening the capability and depth of the Emergency Operation Centre (ECO), new staff were invited to hour-long sessions for a brief Civil Defence overview of Council responsibilities and the roles in response to an emergency event. Two staff completed the Coordinated Incident Management System (CIMS) 4 training delivered by Tai Poutini Polytechnic.

During this period, the Emergency Management Officer supported the establishment of an Incident Management Team (IMT) for the oversight of the Hokitika Water Quality concerns in July. This was an opportunity to refresh Council's internal processes and procedures and to build the health sector network.

Westland District Council provided IT expertise for significant mapping enhancements to the West Coast Civil Defence website, which went live following the conclusion of this period and can be found at <https://westcoastemergency.govt.nz/>

An inaugural Hokitika township Civil Defence Network and Response team meeting took place in July. This meeting paved the way to establish a local network to share information and improve local Civil Defence planning and response capability. Following that, a Hokitika response team exercise took place on 26 August. The exercise was a successful collaboration between Hokitika Land SAR (Search and Rescue), Westland District Council, the West Coast Civil Defence Group as well as other keen members of the public.

Community meetings were held with Franz, Okarito and Kumara during this time. As a result of these meetings further exercises and trainings were planned for the future including an exercise planned for Franz Josef in October, First Aid training in Kumara in October, and a refresh of the Civil Defence team and plan for Okarito.

Rural Fire:

Rural Fire functions were transferred to Fire and Emergency New Zealand from 1 July 2017.

Inspections and Compliance

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Timely processing of Building Consents	% of building consents processed within 20 working days as per the requirements of the Building Act	New building consents lodged in Alpha One: 99% completed within 20 working days Amendments to existing building consents (processed manually): 93% completed within 20 working days	100%	96% (72 out of 75)	
Provide appropriate advice to customers	% of users satisfied with the quality of the advice provided on building consent, environmental health and Liquor Licensing matters	Result for Building Consents: 79% user satisfaction Result for Environmental Health: 100% Result for Liquor Licensing: 88%	85%	Last year's data is the most recent data available.	
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	89% of Food premises inspected; and 100% of Liquor premises inspected	100%	18 food premises and 23 Liquor premises were inspected between July and September	

Resource Management

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Resource consents processed in accordance with the Resource Management Act	% of resource consents processed within statutory timeframes	77%	100%	92% for July 100% for August and September.	The significant increase in compliance with statutory timeframes has been helped greatly by filling staff vacancies in planning department.
Provide appropriate advice to customers	% of users satisfied with the quality of the advice provided on resource management matters	72%	85%	Last year's data is the most recent data available.	

Animal Control

Level of Service	Key Performance Measures	Last Year's performance (2016/167)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Keep the public safe from dogs and wandering stock	% of residents satisfied with the protection provided	Not measured	90%	Not yet measured	The next Residents survey will be undertaken in January/February 2018.

Emergency Management

Civil Defence:

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
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%		
Suitable response plans are in place	Community emergency response plans are in place for all Westland townships	50% Response plans are in place for Ross, Hari Hari, Whataroa, Franz Josef and Fox Glacier (5 out of 10 plans).		Work has started on plans for Haast, Hokitika township, Kumara, Okarito and Otira.	

Community Services Group

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

Commentary

Community Development and Assistance:

Assistance was given to Trustpower for their annual Community Awards Ceremony, and to the Sport New Zealand Rural Travel Fund Allocations Committee in allocating grants worth \$8,500 to seven local sports groups. Additionally, the Creative Communities Scheme Assessment Committee allocated grants worth \$5,370.50 to five local art groups. The Community Development Advisor provided advice to the Hokitika Community Patrol for an awareness promotion, to Whataroa Community Association with their MDI application, and to Okarito Community Association regarding a Community Survey. He also assisted the Kumara Residents Trust with creating a new process for local groups to apply to their Township Development Fund.

Safe Community Coalition:

The Community Development Advisor attended the Safe Communities Foundation National Forum in Wellington in July and gave a workshop presentation. Safe Community Coalition accreditation has been maintained with community meetings in July and September. The July speaker was Heather Beddie, Senior Practitioner of Papamoa Family Services who talked about Hokitika's Community Champions project and the September speaker was Derek Blight.

Township Development Funding

Township Development Funding uplifted in this quarter was as follows:

Okarito \$4685,
Kumara \$14,000.

Other Funding

Additional funding uplifted in the quarter was:

- Half Price Taxi Chits for seniors who have voluntarily given up driving \$660.25 (funded by local charities).
- Graffiti removal \$35
- Westland Community Centre annual grant \$30,000
- Tourism West Coast quarterly grant \$21,500
- Funds for Christmas decorations: Enterprise Hokitika \$6010, Don Neale \$500, Kumara Residents Trust \$200, Left Coast Events \$1,000, Hari Community Association \$500
- Funding for the Fox Glacier Community Development Officer's position \$26,000.
- Youth Development Strategy funding of \$20,000 to WestREAP to run the CACTUS programme.

Activity	Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Community Halls	Provide safe and useful community halls	% of residents satisfied with the standard of their local hall	Not measured	80%	Not yet measured	The next Residents survey will be undertaken in January/February 2018

Leisure Services & Facilities Group

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

Commentary

Cemeteries

Works to Hokitika cemetery's northern boundary fence between Seaview and the cemetery have been completed. This means there is now a stock proof fence covering along approximately 80 per cent of the northern boundary. A gate was also installed at the Western part of the Northern boundary to allow access to the Seaview Hall where a number of funerals are held. Council staff are currently working with Department of Internal Affairs in regards to remedial / repair work of the RSA No 1 area within the Hokitika Cemetery.

Council's routine monthly maintenance contract for the Hokitika, Ross and Kumara cemeteries is still in place and maintenance took place this quarter. All other open cemeteries are maintained by local community groups with some funding from Westland District Council.

Elderly Housing

This information has been supplied by Westland District Property Limited:

Waiting list remains above 40. Deteriorating copper piping in flats in Sewell Street has been identified as an issue that will need to be addressed in coming years.

Hokitika Museum

The number of enquiries dealt within this reporting period July to September is 172 (up 25).

27	Collection
33	General
23	Photograph
11	Public Programmes
7	WW100
71	Research

The revenue from retail and enquiries is \$1274.63.

Staff are continuing to catalogue the existing museum collection and have 69 new accessions which have been catalogued. A large collection from Dorothy Fletcher is continuing to be catalogued.

Hokitika Swimming Pool

This information has been supplied by Westland District Property Limited:

The pool has maintained its PoolSafe Accreditation. Seismic strengthening work was completed with certification achieved to 34% NBS IL2.

Hokitika Wildfoods Festival

Ashley Cassin, the previous Event Manager for the Hokitika Wildfoods Festival resigned from his position at Council during this period to take up a new opportunity. His last day was August 14.

Ticket sales opened early for the 2018 Hokitika Wildfoods Festival and good progress is being made to date.

Stallholder and Entertainer application forms were also open for part of this period on the Hokitika Wildfoods Festival website.

The Group Manager for Planning, Community and Environment monitored the Wildfoods Manager email address in Ashley's absence and the Facebook page was updated periodically and messaged replied to by the Strategy and Communications Advisor.

Some tweaks were made to the Wildfoods Festival website to update content and the website's security features.

Recruitment began for a six month full-time Wildfoods Manager position for 2018.

Saturday 10th March 2018 will see the 29th Hokitika Wildfoods Festival. Council is confident of holding another successful event.

Customer Service Centre and i-SITE

The Customer Service Centre showed sustained visitor numbers during the period, comparative to the same months in previous years.

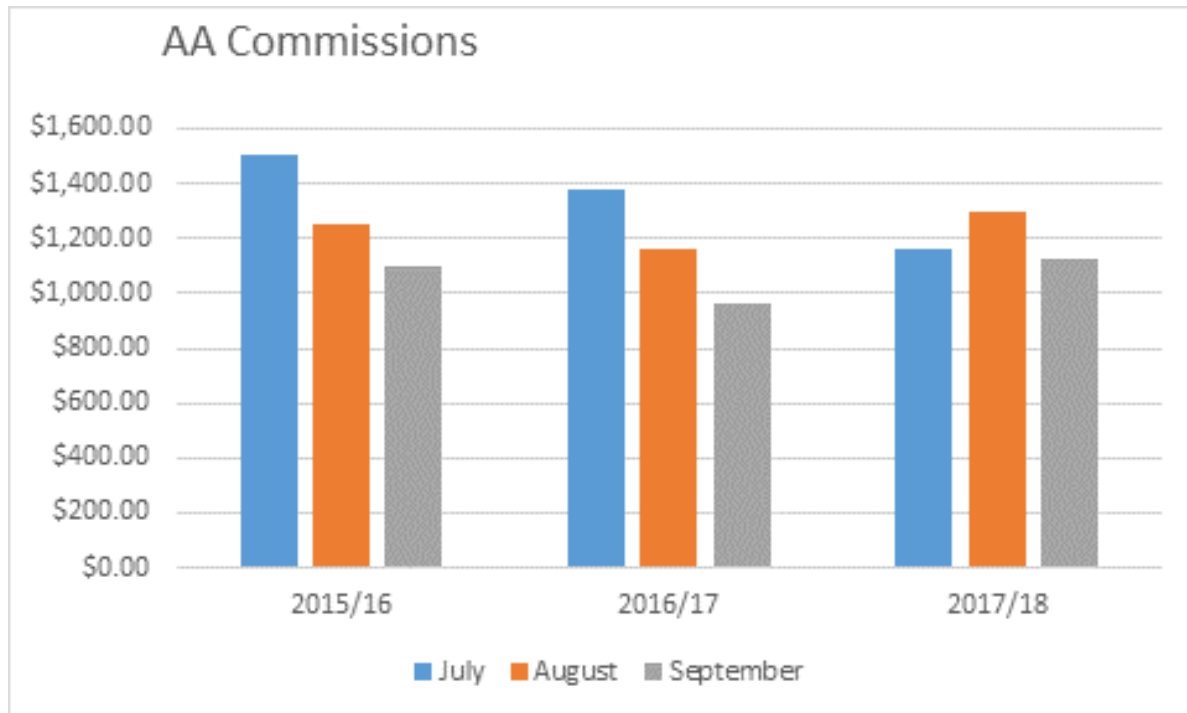
There were staffing changes during the period, with a full time team recruited and in place (as opposed to previous part time and casual team) to better service Council and i-SITE needs going forward.

The full team were trained and qualified in First Aid.

One member of the team trained in CIMS (4) to be able to better assist in any Civil Defence incident.

Dog registrations were handled smoothly by the Customer Service team as were Rates and all Council enquiries. The Service Request System was used for all enquiries across Council.

AA Commissions showed slight growth, despite the fact that the use of digital media to carry out transaction is prevalent.



Land and buildings

No update available this quarter about Council managed facilities.

Parks and Reserves

The weather conditions this quarter were conducive for Hokitika's primary sports ground, Cass Square's surface condition, which is currently in excellent shape and being used for touch rugby.

Lazar Park in Hokitika continues to wait for input from community groups to enable decisions to be made regarding turf works. Council staff hope that a decision will be made soon so that this area can be remedied which is very wet and boggy.

It is expected that the walkway tracks at Wadestone Island along the riverbank are going to be lost to the river within the next few months.

The Racecourse track starting at the Heritage area continues to be problematic due to damage caused by motorbikes etc. to the surface. Locals have attempted to install structures to prevent entry but in doing so have also restricted access to disabled persons as wheelchairs are unable to get through. The community garden is at this location and it is expected this will be taken into account with any future development.

There is an ongoing issue with reserves in Haast village, including the Marks Road reserve.

Public toilets

A significant amount of time has been invested into working through the supply and construction of new public toilets in Kapitea, Okarito, Franz Josef, Fox Glacier and Bruce Bay as part of the grant funding received from the NZ Government.

The next quarter will see the purchase and ordering of the toilets.

West Coast Wilderness Trail

Two short but significant legs have been worked on over the last three months. The Kaniere tram section of the trail has been cleared and the trail laid. Construction ceased short of beginning the two remaining bridges as funding was expended.

The construction contract has been let for the Mahinapua Creek leg and has been cleared with much appreciated support from volunteers. The trail continues to be laid through this section.

Westland District Library

Library membership has increased and is a trend that is happening from year to year.

The quarter saw the farewell of Deputy Librarian, Shona Winter, who joined the Library team in 1989! Recruitment took place for a new Deputy Librarian.

An evening public talk was held at the Library on August 9 by Jane Brownie, who talked about her recent trip to Nepal and the work of the charity First Steps Himalaya and their focus on the earthquake rebuild in Nepal.

The Library undertook a survey of Library users regarding what digital services they would like the library to offer in the future.

The Youth Librarian continued to offer a weekly pre-school storytime session.

Cemeteries

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Cemeteries have sufficient capacity	Each cemetery has at least 12 months capacity ahead	Hokitika 100% Kumara 100% Ross 80%	Hokitika 100% Kumara 100% Ross 50%	Last year's data is most recent available.	

Elderly Housing

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
A safe and efficient service	Occupancy is maximised	100%	100%	100%	Elderly Housing units continue to be fully occupied
	% tenants satisfied with the service	100%	>95%	100%	

Hokitika Museum

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
A quality museum experience	Visitor numbers are showing an upward trend	2,266 as at 22 September 2016, when the museum staff relocated to temporary premises in Hokitika due to seismic concerns about the Carnegie Building.	An increase of 5% each year	N/A since museum closure	
	% of residents satisfied with their museum experience	Not measured.	85%	Not yet measured	The next Residents survey will be undertaken in January/February 2018.

Hokitika Wildfoods Festival

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
A quality attendee experience	% of attendees satisfied (post event satisfaction survey)	90%	85%	N/A	Next Wildfoods Festival is 10 March 2018.
	Growth is experienced annually (to a limit of 10,000)	170 Warm Up 5,888 Festival 1,176 Afterparty	8,500	N/A	Next Wildfoods Festival is 10 March 2018.

i-SITE

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
A quality customer experience	i-SITE NZ and Qualmark standards are met	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.	80%	Last year's data is most recent available	
Increase resident population knowledge about what the i-SITE has to offer locals	Bookings made by local population	i-SITE bookings made by the local population have increased by 5% from last year; whereas AA NZ bookings have decreased by 5%.	Maintain or Increase	Last year's data is most recent available	

Parks and Reserves

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2016	Explanation about any variances
Reserves are pleasant, enjoyable and safe places	% of residents satisfied with parks and reserves	Not measured	90%	Not yet measured	The next Residents survey will be undertaken in January/February 2018.

Public Toilets

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Provide public toilets throughout the district	% of residents satisfied with the service	Not measured.	100%	Not yet measured	The next Residents survey will be undertaken in January/February 2018
	Facilities are available for use during the day	100%	100%	100%	

Swimming Pool

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
A quality swimming or exercise experience at the Hokitika Pool	% of residents satisfied	100%	85%	Not yet measured	The next Residents survey will be undertaken January/February 2018.
	Maintain PoolSafe Accreditation	100%	100%	The pool has PoolSafe certification	

Westland District Library

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Provide quality library services in the District	% of residents satisfied	Not measured.	95%	Not yet measured	The next Residents survey will be undertaken in January/February 2018.
	% of residents who are library members	46%	42%	45%	

West Coast Wilderness Trail

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
The cycle trail is well used	Numbers using the trail as measured by trail counters	Average annual usage of 8,647 users across accumulation of counts at four counter locations (excluding Grey District).	10,000 per annum	Average monthly trail usage is 339 trail riders.	There have been intermittent data collection faults across the West Coast Wilderness Trail sites so these figures are Council's closest estimates based on the data available.

Transportation Group

Commentary

Whitcombe Valley awaiting funding outcome from NZTA and risk audit.

Road marking was not started in this period.

Structural Bridge repairs were evaluated by engineers and some works carried out on Styx 2.

Investigations were conducted by an expert panel to evaluate the required works on Haast-Jackson Bay Road which is currently a Special Purpose Road receiving 100% subsidy.

A new electronic system was released with the council contractor to capture field data and link with our existing database RAMM.

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
The transportation network is safe for all users in Westland District	Road safety: The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	NZTA data for local roads showed 2 x serious injuries and zero fatalities resulting from two separate incidents: one in Hokitika township and one on Lake Kaniere Road	Less than the previous year	Year to date data from NZTA shows no serious injury crashes and no fatalities.	
The surface condition of roads in Westland is of good quality	Road condition: The average quality of ride on a sealed local road network, measured by smooth travel exposure	96%	>90%	Year to date data from NAARA index shows 96%. Target met.	
	Residents are satisfied with the standard and safety of Council's unsealed roads	Not measured	50% of residents are satisfied with Council's unsealed roads	Not yet measured	The next Residents survey will be undertaken in January/February 2018.
The surface condition of roads in Westland is maintained to a high standard	Road maintenance: The percentage of the sealed local road network that is resurfaced	7.5%	>7%	Data from last year is most recent data available.	

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Footpaths are maintained in good condition and are fit for purpose	<p>Footpaths:</p> <p>The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan)</p>	<p>Measure not yet determined.</p> <p>No known exceedances for deliverable standards.</p>	90%	<p>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.</p>	
Response to service requests are dealt with promptly	<p>Customer service requests:</p> <p>The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.</p>	<p>No known timeline exceedances for response from NCS database.</p>	100%	<p>Council believe roading and footpath requests are being addressed within correct time frames, however, service requests are not being correctly closed and signed off, thus creating the appearance that many requests are overdue. This does not accurately reflect response times but does highlight a need to correctly update our system once jobs have been completed.</p>	

Water Supply Group

Commentary

There were 115 water related service requests recorded between 1 July 2017 and 30 September 2017. This is much higher than normal, and was mainly due to the issue with aluminium in the Hokitika township water supply. 42 of the service requests related to this issue. During this same time period there was also a water pump issue at Kumara and a number of water breaks in Hokitika which stretched the capacity of both Council staff and contractors.

TYPE	QUARTER 1: 1 July - 30 September 2017
Leaks	29
Toby fault	5
Water Quality, Supply or Pressure Complaint	70
Other Complaints	1
New Water Connections	5
General Enquiry	5
TOTAL ISSUES	115

Negotiations continued for a successful tenderer to carry out upgrades to Water Treatment Plants at Kumara and Whataroa. The Kumara project is subject to a government grant.

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

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Council supplied potable water is safe to drink	<p>Safety of drinking water:</p> <p>The extent to which the local authority's drinking water supply complies with:</p> <p>(a) part 4 of the drinking-water standards (bacteria compliance criteria), and</p> <p>(b) part 5 of the drinking-water standards (protozoal compliance criteria).</p>	<p>a) 4 out of 9 supplies fully compliant with bacterial compliance criteria at both the water treatment plant and in the distribution zone</p> <p>b) 0 out of the 9 supplies compliant with protozoal compliance criteria.</p>	<p>Years 1-3</p> <p>These drinking water schemes will comply with parts (a) and (b) of the key performance measure: Hokitika, Ross, Harihari, Franz Josef, Haast</p> <p>Years 2-3</p> <p>These drinking water schemes will comply with parts (a) and (b) of the key performance measure: Kumara, Whataroa</p> <p>Years 2-3</p> <p>These drinking water schemes will comply with parts (a) and (b) of the performance measure: Fox, the Arahura scheme if it is continued as a Council service</p>	Last year's data is the most recent available.	Council's Water 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>The response time for urgent callouts (under 2 hours):</p> <p><i>Council had 2 requests for service that were assigned an emergency/critical priority rating of 3 hours</i></p>	<p>(a) 100%</p> <p>(b) 100%</p> <p>(c) 100%</p> <p>(d) 100%</p>	Last year's data is the most recent available.	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

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
	<p>(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and (2 hours)</p> <p>(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (12 hours)</p> <p>(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and (24 hours)</p> <p>(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (72 hours)</p>	<p>The resolution of urgent callouts (under 12 hours): <i>Council does not have a 12 hour response field in our service request system and therefore had zero requests for service logged with a 12 hour response timeframe</i></p> <p>The response time for non-urgent callouts (under 24 hours): <i>Council had one request for service that was logged as priority 2 (24 hours)</i></p> <p>The resolution of urgent callouts (under 72 hours): <i>Council had five requests that were logged as priority 3 (2 working days)</i></p>			<p>multiple calls related to the same issue. However, improving our ability to validate this with our data is a top priority.</p>

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Council supplied water is reliable	Maintenance of the reticulation network: The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).	Not measured.	Council does not intend to measure this as it will impose an unreasonable cost	Not measured.	Like many councils around New Zealand Westland District Council has not measured real water losses due to the excessive cost involved and being unable to identify a system which accurately detects this. However, the data for our average water consumption per person per day for Hokitika (refer next line below) shows that this is within (and even under) typical daily usage which suggests that there is no water loss issue for the Hokitika water supply.
	Demand management: The average consumption of drinking water per day per resident within the territorial authority district.	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.	The average water consumption per person per day is < 500l/day	Last year's data is most recent data available.	

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
		This is within acceptable limits.			
Customers are generally satisfied with the Council supplied water	<p>Customer satisfaction:</p> <p>The total number of complaints received by the local authority about any of the following:</p> <ul style="list-style-type: none"> (a) drinking water clarity (a) drinking water taste (b) drinking water odour (c) drinking water pressure or flow (d) continuity of supply, and (e) the local authority's response to any of these issues <p>Expressed per 1000 connections to the local authority's networked reticulation system.</p>	<ul style="list-style-type: none"> (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 (e) 6 (f) 0 <p>Based on the total number of service connections = 2620</p> <p>Total number of complaints = 13</p> <p>Complaints per 1000 connections = 5</p>	Type and number of complaints received (25 per 1000 connections)	<p>Total number of service connections = 2620</p> <ul style="list-style-type: none"> a) 47 (2 of these are also reported in taste below and 1 is also reported in odour below) b) 4 (2 of these were also clarity issues included in figure above) c) 1 (this was a joint clarity + odour fault) d) 6 e) 16 f) 0 <p>Total number of individual complaints (all joint complaints have only been counted once) = 71</p> <p>Complaints per 1000 connections = 27.3</p> <p>Target not met.</p>	

Wastewater Group

Commentary

There were 9 wastewater related service requests recorded between 1 July 2017 and 30 September 2017. All wastewater related service requests were associated with Hokitika or Kaniere. The service requests received during this timeframe can be broken down into the following categories (two of the “general enquiries” relate to notifications from members of the public that contractors had damaged our sewerage pipes):

	QUARTER 1 1 Jul - 30 Sept 2017
General Enquiries	5
Service Locate	0
Private Issues	0
Complaint	0
New Sewer Connections	0
Odour Complaints	0
Blockages	3
Overflow	1
TOTAL ISSUES	9

Work is well underway to complete the reinstatement of the end of the ocean outfall from the Hokitika Wastewater Treatment Plant. This suffered significant damage in rough seas at the end of 2016. Steel piles have been driven to replace the ones missing predominantly from the end of the structure. Four of the remaining wooden piles have also been strengthened.

Consultants were engaged to commence upgrade of design components to meet compliance with the Hokitika resource consent. This includes flow monitoring and conversion of the ponds to achieve primary and secondary treatment prior to discharge.

Work continues on the river protection project at Franz Josef to enable an upgrade of the treatment process to follow.

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
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>Council has had a total of three sewerage overflows in total (dry and wet weather combined due to difficulty separating them out). This gives a ratio of 1.5 per 1000 which is significantly under the performance target.</p> <p>Total number service connections = 2052</p>	Number: 10 per 1000	<p>Total number of service connections = 2052</p> <p>Total number of overflows (dry and wet combined) = 1</p> <p>Dry weather overflows per 1000 connections = 0.5</p>	Currently unable to measure service requests related specifically to dry weather overflows
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> <ul style="list-style-type: none"> (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, <p>Received by the territorial authority in relation those resource consents.</p>	<ul style="list-style-type: none"> (a) 1 (b) 0 (c) 1 (d) 0 	100%	<ul style="list-style-type: none"> (a) 0 (b) 0 (c) 1 (d) 0 	West Coast Regional Council issued an enforcement order against Westland District Council on 18 November 2016 requiring Council to undertake works by April 2018 to have a fully operational and compliant Franz Josef Wastewater Treatment Plant in place. This is still being resolved.

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Customers are generally satisfied with the Council wastewater systems	<p>Fault response times:</p> <p>Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:</p> <p>(a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and (2 hours)</p> <p>(b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. (4 hours)</p>	Unable to measure accurately using information in our existing service request system.	100%	No update. Council is working with contractor and improving internal processes to begin reporting this measure over the coming months.	
	<p>Customer satisfaction:</p> <p>The total number of complaints received by the territorial authority about any of the following:</p> <p>(a) sewage odour</p> <p>(b) sewerage system faults</p> <p>(c) sewerage system blockages, and</p>	<p>(a) 3</p> <p>(b) 2 (the 2 faults relate to sewerage overflows as a result of pump issues)</p> <p>(c) 2</p> <p>(d) 0</p> <p>Key performance measure has been met:</p> <p>Total number of complaints = 7</p>	25 per 1000	<p>(a) 0</p> <p>(b) 6 (of which 2 faults were caused by external contractors cutting through our pipes)</p> <p>(c) 3</p> <p>(d) 0</p> <p>Total number of complaints = 9</p> <p>Total number service connections = 2052</p>	

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
	(d) the territorial authority's response to issues with its sewerage system, Expressed per 1000 connections to the territorial authority's sewerage system.	Total number service connections = 2052 Complaints per 1000 connections = 3.4		Complaints per 1000 connections = 4.4	

Stormwater Group

Commentary

There were 17 stormwater related service requests recorded between 1 July 2016 and 31 March 2017. 14 of the 17 water related service requests were associated with jobs reported in Hokitika. A breakdown of the types of stormwater service requests has not been provided.

The contract for the upgrade of stormwater pipework in the Bealey, Rolleston and Tancred St catchments is nearing completion and Westroads are also working on the Tancred St and Gibson Quay sections. The upgrade of pipework in Bealey St is underway and involves significant new infrastructure.

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
Council Stormwater systems have the capacity to resist major storms and flooding events.	<p>System adequacy:</p> <p>(a) The number of flooding events that occur in a territorial authority district.</p> <p>(b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)</p>	<p>(a) 0</p> <p>(b) 0</p>	<p>(a) 2</p> <p>(b) 10 per 1000</p>	<p>(a) 0</p> <p>(b) 0</p>	
Requests for service are dealt with promptly	<p>Response times:</p> <p>The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (1 hour)</p>	No flooding events during reporting period.	100%	No flooding events during reporting period.	
	<p>Customer satisfaction:</p> <p>The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.</p>	<p>Key performance measure condition has not been met:</p> <p>Total number of connections = 508</p> <p>Total number of complaints = 11</p>	10 per 1000		

Level of Service	Key Performance Measures	Last Year's performance (2016/17)	Annual Performance Target Years 1-3	Progress @ 30 September 2017	Explanation about any variances
		Complaints per 1000 connections = 21.7			
Council stormwater systems protect the natural environment	<p>Discharge compliance:</p> <p>Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>(a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, Received by the territorial authority in relation those resource consents.</p>	(a) 0 (b) 0 (c) 0 (d) 0	100%	(a) 0 (b) 0 (c) 0 (d) 0	

Solid Waste Management Group

No update for this activity available this quarter.

Report



DATE: 23 November 2017

TO: Mayor and Councillors

FROM: Finance Manager

FINANCIAL PERFORMANCE: OCTOBER 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 October 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 October 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 October 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.

3.2.6 Capital Expenditure 2017-18

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 October 2017

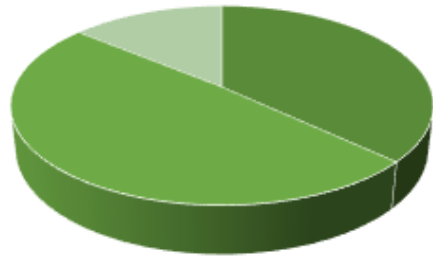
Dayle McMillan
Finance Manager

Appendix 1: Financial Performance October 2017



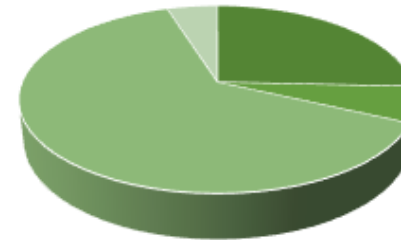
Financial Performance October 2017

Operating revenue
Actual year to October



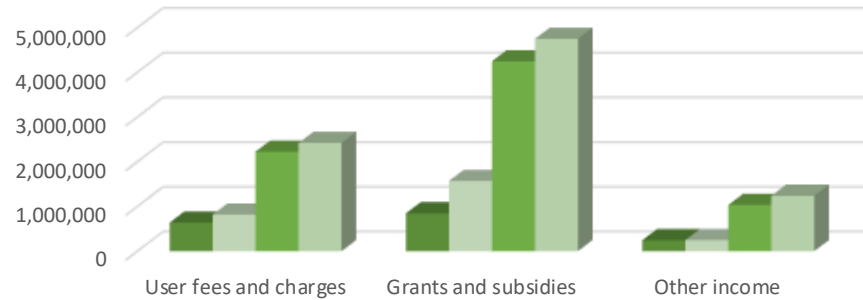
■ User fees and charges ■ Grants and subsidies ■ Other income

Operating expenditure
Actual year to October



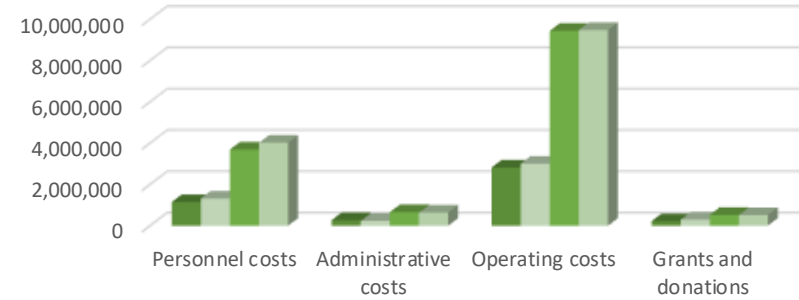
■ Personnel costs ■ Administrative costs ■ Operating costs ■ Grants and donations

Operating revenue



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

Operating expenditure



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

	User fees & Charges	Grants & Subsidies	Other Income
Actual YTD	637,530	846,999	242,587
Budget YTD	817,508	1,568,521	245,750
Variance	(179,978)	(721,521)	(3,163)
FY Forecast	2,224,424	4,245,838	1,033,335
FY Budget	2,418,583	4,746,309	1,238,334

	Personnel	Administration	Operating	Grants & donations
Actual YTD	1,148,054	273,454	2,818,673	218,862
Budget YTD	1,321,628	244,200	3,006,063	299,063
Variance	(173,574)	29,254	(187,390)	(80,201)
FY Forecast	3,693,988	663,601	9,447,510	531,646
FY Budget	4,023,177	638,727	9,484,130	521,300

Rates Debtors

Rates Debtors at 30 September 2017		994,078
Rates instalment	3,442,288	
Less payments received	-471,707	
Paid in advance	-510,894	
Write off's	-18,067	
Penalties	-685	
Court costs awarded	1,242	
		2,442,177
Total Rates Debtors at 31 October 2017		3,436,255
Arrears included above at 31 October 2017	3,436,255	
Arrears at 31 October 2016	3,818,722	
Increase/(decrease) in arrears		-382,467

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

Rates Debtors

· New and updated customer direct debits, 14.

Rates Debt - Aged at 31 October 2017

Financial Year	Oct-17	Oct-16	Sep-17
Pre 2013	68,427	134,011	76,230
2013-14	47,652	89,080	48,650
2014-15	63,449	162,372	65,501
2015-16	71,809	442,642	82,574
2016-2017	260,558	2,990,618	318,349
Current	2,924,358	-	402,774
	3,436,255	3,818,722	994,078

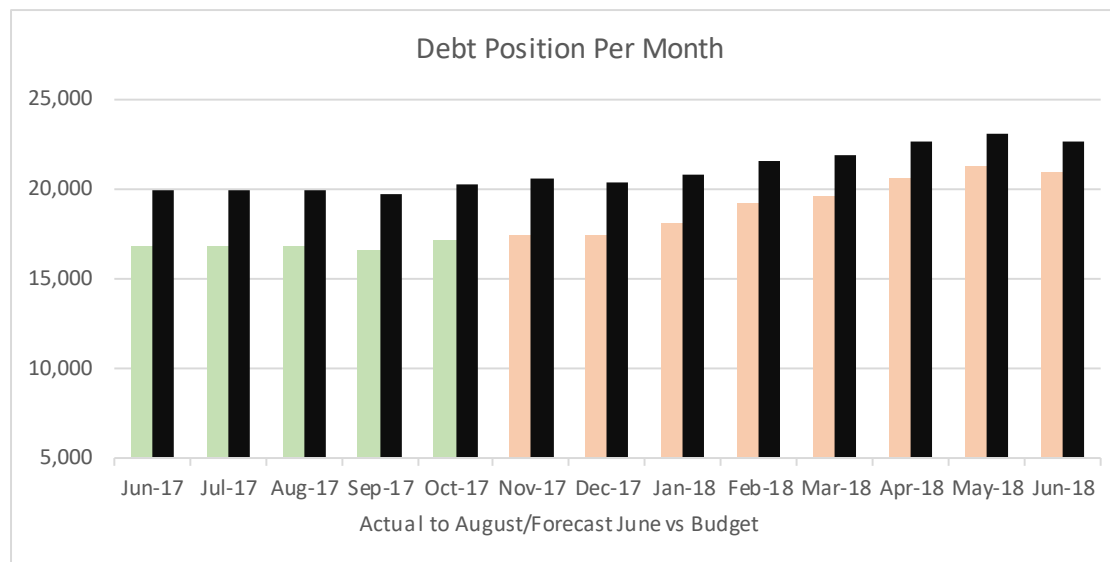
WESTLAND DISTRICT COUNCIL	Year to October			Full Year 2017-2018	
	Actual	Budget	Variance	FY Forecast	Budget
Operating revenue					
Rates (includes targeted rates and metered water)	6,863,338	6,927,926	(64,588)	15,062,372	15,204,697
User fees and charges	637,530	817,508	(179,978)	2,224,424	2,418,583
Grants and Subsidies	846,999	1,568,521	(721,521)	4,245,838	4,746,309
Other income	242,587	245,750	(3,163)	1,033,335	1,238,334
Overhead recoveries	1,956,585	2,392,110	(435,525)	6,512,102	7,176,333
Total revenue (A)	10,547,040	11,951,815	(1,404,775)	29,078,070	30,784,256
Operating expenditure					
Personnel costs	1,148,054	1,321,628	(173,574)	3,693,988	4,023,177
Administrative costs	273,454	244,200	29,254	663,601	638,727
Operating costs	2,818,673	3,006,063	(187,390)	9,447,510	9,484,130
Grants and donations	218,862	299,063	(80,201)	531,646	521,300
Overheads	1,940,415	2,390,782	(450,366)	6,618,402	7,172,293
Total operating expenditure (B)	6,399,459	7,261,736	(862,277)	20,955,148	21,839,627
Net operating cost of services - surplus/(deficit) (A - B)	4,147,581	4,690,079	(542,498)	8,122,922	8,944,629
Other expenditure					
Interest and finance costs	266,241	259,201	7,041	784,634	777,593
Depreciation	1,993,717	1,935,957	57,760	6,016,834	5,807,919
(Gain)Loss on swaps	21,319	(58,506)	79,825	(95,692)	(175,517)
Total other expenditure (C)	2,281,278	2,136,652	144,626	6,705,776	6,409,995
Total expenditure (D = B + C)	8,680,737	9,398,388	(717,652)	27,660,924	28,249,622
Net cost of services - surplus/(deficit) (A - D)	1,866,303	2,553,427	(687,124)	1,417,146	2,534,634

Variance Analysis

Operating Revenue	
Rates revenue	Metered water rates \$35k lower than budget year to date due to timing and budget phasing.
User fees and charges	User fees and charges for Building control \$84k, Solid waste \$28k and Wastewater \$28k, all lower than budget year to date due to seasonal timing differences and budget phasing.
Grants and Subsidies	NZTA subsidy \$248k lower than budgeted due to continued poor weather over spring. The decrease in operating revenue is reflected in reduced operating costs in Transportation.
	WCWT cycle trail budgeted grant contribution of \$479k from MBIE was not able to be claimed as at October 2017. Entire WCWT cycle trail grant contribution of \$479,579 budgeted in September 2017.
Operating Expenditure	
Personnel costs	Reduced expense primarily due to budgeted unfilled staff vacancies.
Operating costs	Repairs and maintenance, maintenance and contractors expense \$159k lower than budget year to date due to weather influence and phasing of budget.
Grants and Donations	Community assistance and community township development collectively \$76k lower than budget year to date due to budget phasing and timing of respective grants and donations.
Other Expenditure	
(Gain)/Loss on Swaps	Swap values are based on market factors and are difficult to predict. Any gain or loss on swaps would not materialise unless swaps were cashed in before maturity.

Forecast Debt Position per Annual Plan 2017-18

Forecast as at	Jul-17	Oct-17
Opening Balance	19,887	16,790
Loan funded capex forecast	4,552	5,852
Forecast repayments 2017-18	(1,792)	(1,792)
Forecast balance June 2018	22,647	20,850



	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	16,572	17,062	17,467	17,432	18,119	19,108	19,580	20,621	21,203	20,850
Waste Management loan	2,401	2,401	2,401	2,338	2,338	2,338	2,288	2,288	2,314	2,322	2,348	2,374	2,324
Water Supply loan	2,205	2,205	2,205	2,150	2,150	2,200	2,276	2,396	2,516	2,592	2,962	3,306	3,307
Wastewater loan	0	0	0	230	720	1,025	1,098	1,145	1,468	1,790	2,065	2,090	2,090
Structured Infrastructure loan for Council assets	7,845	7,845	7,845	7,845	7,845	7,845	7,777	7,777	7,777	7,709	7,709	7,709	7,644
Stormwater loan	760	760	760	744	744	744	730	730	730	716	716	716	702
Transportation	100	100	100	80	80	130	333	853	1,323	1,676	1,946	2,033	2,016
Vehicle loan	52	52	52	50	50	50	50	50	50	50	50	50	50
Cass Square rehabilitation loan	120	120	120	118	118	118	118	118	118	118	118	118	118
Other loans	0	0	0	0	0	0	0	0	50	100	200	300	347
Hokitika Water supply upgrade	3,307	3,307	3,307	3,017	3,017	3,017	2,762	2,762	2,762	2,507	2,507	2,507	2,252

As at 31/10/2017

				Legend - Key	
Forecast on Budget				Project Delayed - Will not be completed by 30th June 2018	
Forecast over Budget				Project on-Track - Will be completed by 30th June 2018	
				Project Complete - 100% Progress	

Project / Activity	YTD Exp	2017-18	Forecast	Budget Track	Progress / Track	Progress Comments
	\$0	\$0	\$0			
LEADERSHIP						
Council HQ Refurbishment	2,781	150,000	150,000			
IT Equipment Renewals	46,400	130,000	130,000			
Information Management - Shelving	-	10,000	10,000			
	49,181	290,000	290,000			

LIBRARY						
Library - Chromebooks For Children's Code Club	971	5,000	5,000			On track
Library - iPad Pro For Digital Literacy Classes	-	1,200	1,200			On track
Library - Whiteboard For Digital Literacy Classes	-	600	600			On track
Library - Book Trolleys	-	850	850			On track
Library - Book Display Holders	-	800	800			On track
Library - Website Upgrade	-	8,000	8,000			On track
Library - Audio/Visual Resource	1,055	4,000	4,000			On track
Library - Free Adult Books	2,861	15,000	15,000			On track
Library - Adult Non Fiction	4,509	15,500	15,500			On track
Library - Junior Publications	2,356	11,500	11,500			On track
Library - Large Print Books	1,108	6,000	6,000			On track
	12,859	68,450	68,450			

WATER SUPPLY						
Hokitika - Water Treatment Plant Improvements	32,148	420,000	420,000			
Hokitika - Mains Upgrades	-	100,000	100,000			
Ross - Water Treatment Plant - Seismic Valves	-	30,000	30,000			
Whataroa - Pump Upgrades	-	35,000	35,000			
Fox Glacier - Water Treatment Plant Upgrade	-	450,000	450,000			
Fox Glacier - Seismic Valves	-	30,000	30,000			
	32,148	1,065,000	1,065,000			

WASTEWATER						
Hokitika - WWTP Upgrade	-	300,000	300,000			
Franz Josef - New WWTP	723,213	1,500,000	1,500,000			
Fox Glacier - WWTP upgrade	-	100,000	100,000			
	723,213	1,900,000	1,900,000			

CEMETARIES						
Cemetery - Hokitika Upgrade & Expansion	1,800	10,000	10,000			
	1,800	10,000	10,000			

SWIMMING POOLS						
Hokitika Swimming Pool - Earthquake Strengthening	30,000	30,000	30,000			Project complete.
Hokitika Swimming Pool - Ventilation Compliance	15,696	16,000	16,000			Project complete.
	45,696	46,000	46,000			

COMMUNITY SERVICES DEVELOPMENT						
Community Halls - Custom House Roof Replacement	-	18,000	18,000			
Township Maintenance - Kumara Rubbish Bins	-	3,000	3,000			
Township Maintenance - Hokitika Rubbish Bins	-	7,000	7,000			
Township Maintenance - Fox Rubbish Bins	-	3,000	3,000			
Township Maintenance - Haast Rubbish Bins	-	2,000	2,000			
	0	33,000	33,000			

ELDERLY HOUSING						
Elderly Housing - Roof Repairs	-	50,000	50,000			Roof repairs completed previous financial year. Funds to be spent on double glazing under capital requirements.
	0	50,000	50,000			

OFFICE EQUIPMENT						
i-SITE/CSC - Replacement Television Screens	306	4,125	4,125			
Laminator	861	-	861			Replacement Corporate Services laminator.
	1,167	4,125	4,986			

COMPUTER EQUIPMENT						
Ibis Pro Rates Modelling	13,757	-	13,757			Ibis Pro Rates Modelling software upgrade.
Customer Service Centre	1,030	-	1,030			Purchase of bar code scanners, wireless headset, keyboards and mouses, printer and switch due to change of Customer Service Centre location.
	14,787	0	14,787			

DISTRICT ASSETS ADMINISTRATION						
Pool Vehicle	-	31,000	31,000			
	0	32,000	32,000			
SOLID WASTE						
Haast - Toilet Office building	-	32,000	32,000			
	0	32,000	32,000			
LAND & BUILDINGS						
Land & Buildings - Car Parking	-	15,000	15,000			
	0	15,000	15,000			
PARKS & RESERVES						
Reserves - Cass Square - Repairs To Statues	-	5,000	5,000			
Reserves - Cass Square - Playground Equipment Upgrade	-	20,000	20,000			
Reserves - Cass Square - Playground Rubber Matting	-	20,000	20,000			Contractors to confirm costing scope.
Reserves - Lazar Park Upgrade	-	45,000	45,000			This is currently being held awaiting community input (Lions and Rotary).
	0	90,000	90,000			
TRANSPORTATION						
Whitcombe Valley Road Widening, Seal and Extension	-	100,000	100,000			This has been approved and is awaiting procurement process.
Unsealed Road Metalling	108,912	270,000	270,000			Contract item.
Sealed Road Resurfacing	-	782,000	782,000			Currently out to joint tender GDC/WDC.
Maintenance - Drainage Renewals	33,640	150,000	150,000			Replacement for old/failed culverts. Drainage.
Structures Component Replacement	83,159	200,000	200,000			Structural report - repairs and ongoing reports HPMV 50 max.
Traffic Services Renewals	-	120,000	120,000			Streetlights. Road marking.
Sealed Road Pavement Rehabilitation	-	100,000	100,000			Preseal works. Special Purpose Roading (SPR).
Associated Improvements	-	1,500,000	1,500,000			SPR Corduroy areas.
Sealed Road Resurfacing	-	159,000	159,000			SPR Road.
Drainage Renewal	-	27,000	27,000			SPR Culverts.
Structures Component Replacement	19,225	53,000	53,000			SPR Structures.
Traffic Services Renewals	-	11,000	11,000			SPR Signs Road marking.
Minor Improvements	20,975	190,000	190,000			Local Roads. Minor safety improvements.
Minor Improvements	-	29,000	29,000			SPR Minor safety improvements
Footpath Upgrades	-	45,000	45,000			Business area Hokitika. Tile extension.
	265,911	3,736,000	3,736,000			
Total	1,146,762	7,370,575	7,386,223			

Report



DATE: 23 November 2017

TO: Finance, Audit and Risk Committee

FROM: Group Manager: Corporate Services

INSURANCES 2017-18

1 SUMMARY

- 1.1 The purpose of this report is to present the Committee with the Council's insurance renewal for the year ending 30 June 2017.
- 1.2 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.
- 1.3 This matter arises because insurance, as a component of risk management is contained in the Committee's Terms of Reference, scope of activity (d)ii.
- 1.4 There was a delay in Aon providing the premium costs, therefore staff sought approval from the Chair Finance, Audit and Risk Committee in order to ensure that the matter was progressed and Council assets were insured.
- 1.5 This report concludes by recommending that the Committee endorse the insurance arrangements approved by the Chair Finance, Audit and Risk.

1 BACKGROUND

- 2.1 In 2015 Council participated in a shared service arrangement with other West Coast councils for the purchase of material damage, indemnity and liability insurances. Following a competitive evaluation process, the LASS appointed Aon as its collective broker.
- 2.2 Until now insurance for subterranean assets was only available through the Local Authority Protection Programme (LAPP).

3 CURRENT SITUATION

- 3.1 Council's budget for insurance for the year ended 30 June 2018 is \$162,690.
- 3.2 The renewal proposal from Aon for material damage, indemnity and liability insurances is attached as **Appendix 1**, along with a list of insured assets attached as **Appendix 2**. The latter is the same list as for 2016-17, with updated fair value information.
- 3.3 The total premium for these insurances is \$179,935.49.
- 3.4 Council completed a comprehensive asset valuation and condition review as of 30 June 2016. The result of this informed the insurance decisions for this year and for future insurance renewal decisions.
- 3.5 For the liability policies, the same levels as 2016-17 have been proposed.
- 3.6 The insurance market is currently seeing increased premiums for all insured risks, with the biggest applying to assets, earthquake and motor vehicle premiums. This is primarily due to increased costs of claims and the frequency of claims being lodged. These increases are reflected in the premiums charged.
- 3.7 When Council is compared with other local authorities across the country where Aon is the broker, the premiums are in keeping with market rates. In some cases, Council is receiving better rates than similar sized Councils.
- 3.8 Council underground infrastructure cover is provided as part of the South Island Council insurance. This offers similar cover to LAPP, in that 40% of any claim above the excess is covered by the scheme, with the remaining 60% theoretically covered through provisions of the Ministry of Civil Defence and Emergency Management. This is based on asset values of \$93,756,198.
- 3.9 The overall programme limit has been increased this year from \$125m to \$250m. The rationale behind this was the possibility of an event (such as the Alpine Fault rupture) impacting multiple Councils. The change in premium \$11,500 was minimal compared to the increase in limit.
- 3.10 The infrastructure insurance is a contractual arrangement. Aon provided a quote of \$75,500 and an excess of \$250,000. As attached as **Appendix 3**.
- 3.11 As at 30 June 2017 the fair value of Council's fixed assets is \$431 million. The combined insurance proposals provide cover for approximately one third of

the asset base, being primarily 3 waters assets, buildings, contents and vehicles.

3.12 The remaining assets, self-insured by Council, are roads, bridges and land.

4 RECOMMENDATIONS

- A) **THAT** the Committee endorse the approval obtained from Chair, Finance, Audit and Risk Committee for the renewal of material damage, liability and indemnity insurances as proposed by Aon for \$179,935.49 excluding GST, attached as **Appendix 1**.
- B) **THAT** the Committee endorse the approval obtained from Chair, Finance, Audit and Risk Committee for the increase in programme limit from \$125m to \$250m, and renewal for underground infrastructure insurance for \$75,500 excluding GST, as attached as **Appendix 3**.

Lesley Crichton
Group Manager: Corporate Services

Appendix 1: Aon Renewal Summary 2017-18
Appendix 2: Material Damage Premium Calculation 2017-18
Appendix 3: WDC underground asset valuations



Insurer Ratings

In accordance with the Insurance (Prudential Supervision) Act 2010, Insurers' Financial Strength ratings are as follows:

Aon New Zealand cannot guarantee the solvency of an insurer, but if you require any further information on these companies or their financial statements, please do not hesitate to ask.

COMPANY	RATING	RATING AGENCY
Chubb Insurance New Zealand Limited	AA-	Standard & Poor's
AIG Insurance New Zealand Limited	A	Standard & Poor's
Allianz Australia Insurance Limited (including GT Insurance, Club Marine, Euler Hermes Trade Credit, CPF)	AA-	Standard & Poor's
Atradius Insurance NV	A	AM Best
Civic Assurance/NZ Local Government	B+	AM Best
Dual New Zealand Limited (Certain Underwriters at Lloyds of London)	A+	Standard & Poor's
Lloyds	A+	Standard & Poor's
Lumley – a Business Division of IAG NZ Limited	AA-	Standard & Poor's
Mitsui Sumitomo Insurance Co	A+	Standard & Poor's
NZI – a Business Division of IAG NZ Limited (including NZI Marine, National Auto Club, Swann, CPF)	AA-	Standard & Poor's
QBE Insurance (Australia) Limited	A+	Standard & Poor's
Sunderland Marine	A	Standard & Poor's
The New India Assurance Co	A-	AM Best
Tokio Marine & Nichido Fire Insurance Co	A+	Standard & Poor's
TOWER Insurance Limited	A-	AM Best
Vero Insurance New Zealand Limited (including Vero Liability, Vero Specialist Risks, Vero Manne, CPF)	A+	Standard & Poor's
Zurich Australian Insurance Limited	A+	Standard & Poor's

CPF (Client Placement Facility) = NZI 51%, Vero 39%, Allianz 10%

Special Notes

- In respect of Allianz Australia Insurance Limited
An overseas policyholder preference applies. Under Australian law, if Allianz Australia Insurance Limited is wound up, its assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on Allianz Australia Insurance Limited's Australian assets to satisfy New Zealand liabilities.
- In respect of QBE Insurance (Australia) Limited
QBE Insurance (Australia) Limited ("QBE") has a policy of holding actual capital in excess of regulatory capital requirements. In the event that QBE is wound up, the claims of New Zealand policyholders will be paid out of the assets of QBE New Zealand, and possibly other countries, except for Australia. Australian Law requires that on a winding up of QBE the assets of the company in Australia are to be used to pay its liabilities in Australia before liabilities outside of Australia.
- In respect of Zurich Australian Insurance Limited (ZAIL)
An overseas policyholder preference applies. Under Australian law, if ZAIL is wound up, its assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on ZAIL's Australian assets to satisfy New Zealand liabilities.

STANDARD & POOR'S		AM BEST		FITCH	
AAA	Extremely Strong	A++ & A+	Superior	AAA	Exceptionally Strong
AA	Very Strong				
A	Strong	A & A-	Excellent	All AA Class	Very strong
BBB	Good				
BB	Marginal	B++ & B+	Good	All A Class	Strong
B	Weak				
CCC	Very Weak	B & B-	Adequate	All BBB Class	Good
CC	Extremely Weak				
SD	Selective Default	C++ & C+	Far	All BB Class	Moderately Weak
D	Default				
R	Regulatory Supervision	C & C-	Marginal	All B Class	Weak
NR	Not Rated	D	Very Vulnerable	All C Class	Very Weak
		E	Under Supervision	All D Class	Distressed
Note S&P Ratings	Ratings AA-CCC with (+) or (-) show relative standing within the major rating categories	F	In Receivership	NR	Fitch does not rate the issuer or issue in question



Aon New Zealand Insurance Market Update 2017

OVERVIEW

Major points of interest in the New Zealand insurance market include:

- Losses from the 2016 Kaikoura earthquakes are projected to exceed \$5 billion;
- Property pricing reached the bottom of the cycle in Q4 2016. The impacts of the Kaikoura earthquakes can now be seen in the pricing of property insurance and it is clear that the market has turned and price increases are commonplace, particularly for risks in natural disaster prone areas;
- Property and business interruption policy terms and conditions remain largely unchanged with the exception of natural disaster deductibles which are generally moving back towards technical levels.
- Some property insurers are actively looking to reduce exposure to Wellington-based risks;
- A Fire Service Levy (FSL) rate change is to come into effect on 1 July 2017 with the Fire Service recommending a rate increase of 40% to the Minister. The Government has now confirmed and agreed that the fire service levy rate is to increase, effective 1 July 2017. Further changes in FSL will occur on 1 January 2019 when the transition to the new Fire and Emergency New Zealand fire service is completed
- The liability insurance market remains competitive with a number of players actively seeking to grow their portfolios. Similar comments can be applied to the financial lines segment although accounts with poor claims history or operating in high risk sectors are generally less attractive to underwriters;
- The motor insurance market is struggling with spiralling claims costs as a result of the increasing use of expensive technology in motor vehicles and more new vehicles on the road.
- Market changes include competing take-over offers for Tower Insurance from Suncorp (Australia and New Zealand) and Fairfax Financial (Canada). This will have little impact on the commercial insurance sector but personal lines and the rural segment will be affected, particularly if the Suncorp offer is successful;
- Insurers are generally forecasting modest profit growth subject to the proviso that no significant natural peril disasters occur before balance date.

RESERVE BANK PRUDENTIAL UPDATE

The Reserve Bank of New Zealand (RB) is conducting the first review of the Insurance (Prudential Supervision) Act (IPSA) since the legislation was passed in 2010. The review will consider whether a local asset requirement should be imposed on foreign branches and the adequacy of the reinsurance supervision regime. Legislation is expected in 2018.

KAIKOURA EARTHQUAKE

New Zealand was affected by a magnitude 7.8 earthquake on 14 November 2016 with its epicentre close to the town of Kaikoura. The Reserve Bank has estimated that infrastructure repairs will cost the government up to \$3 billion. Estimates for total insured losses range up to \$5 billion.

The property insurance market had moved on from the global and NZ natural catastrophes of recent years and it is fair to say that during 2016 pricing was cheap and capacity plentiful. However the Kaikoura earthquakes in late 2016 served as a timely reminder of the earthquake risk faced by the New Zealand community and insurers have generally reacted by restricting capacity in certain areas, and imposing increases in natural disaster insurance premiums across the country. Their ability to share the risk through the use of facultative reinsurance capacity has declined as the international reinsurance market that entered New Zealand post-Christchurch has retreated somewhat from the market.

PROPERTY MARKET UPDATE

The property market is hardening with premiums increasing at renewal. Risks located in higher risk earthquake zones are seeing significant Natural Disaster/Earthquake premium increases. Corporate risks, in particular, are seeing large rate increases – some increasing by 20% - 30% on last years. The provision of detailed risk and underwriting information remains important and preparation for insurance renewals should commence well in advance to ensure the best possible pricing and terms can be achieved.



FIRE SERVICE LEVY CHANGES

The government has announced the creation of a new and expanded fire service called Fire and Emergency New Zealand (FENZ). This will be mainly funded by a fire service levy (FSL), which will be extended to apply to all policies insuring property for fire cover i.e. Material Damage and Motor. Transitional funding measures will be applied from 1 July 2017 and the extended FSL from 1 January 2019.

As part of the transition to the new regime the Government has confirmed that the fire service levy rate will increase by 40%, effective 1 July 2017.

The agreed rate changes to take effect from 1 July 2017 are:

Residential property: Increase from 7.60 cents per \$100 insured to 10.60 cents per \$100 insured (insured amounts still capped at \$100k for residential buildings and \$20k for contents);

Non-residential property: Increase from 7.60 cents per \$100 insured to 10.60 cents per \$100 insured;

Motor vehicles (less than 3.5 tonne): Increase from \$6.08 (flat rate) to \$8.45 (flat rate);

Motor vehicles (over 3.5 tonne): Increase from 7.60 cents per \$100 insured to 10.60 cents per \$100 insured.

LIABILITY MARKET

As noted above the Liability Insurance market remains competitive with a number of Insurers looking to grow their business. Clients with good claims history and operating in low risk sectors in particular are benefitting from the present market conditions.

MOTOR INSURANCE

The motor insurance market is struggling with spiralling claims costs as a result of the increasing use of expensive technology in motor vehicles. The average repair costs for newer vehicles are much higher than for older vehicles, mainly due to in-vehicle technology, for example sensors, cameras and automatic braking. Technology in vehicles continues to advance at a rapid rate, with electronics currently accounting for a quarter of a vehicle's value. This is estimated to soon reach 40 percent.

An example of more advanced technology commonly fitted in newer cars is the 'autonomous' type sensors, such as blind-spot warnings, adaptive cruise control and lane change sensors. These are largely on the periphery of cars, making them easily damaged in an accident. These cost anywhere from \$250 - \$8,000 to be repaired or replaced, compared to only eight years ago when these weren't available on mainstream vehicles. Reversing cameras are also becoming commonplace, and cost between \$400 - \$1,200 to repair.

Wing mirrors are another example as these increasingly have internal heating, automatic dimming, marker lamps, and blind-spot sensors. Costs are typically \$750-\$2,000, whereas 5-7 years ago the average cost was around \$400- \$1,000.

Increased labour costs from motor repairers due to the added skill and time needed to accommodate the complexities of in-vehicle technology, new types of materials being used and to reinstate electronic control and safety systems are also having an impact.

These factors are resulting in premiums and minimum excess increases as insurers look to maintain profitable motor portfolios.

WIDER CHANGES IN THE INSURANCE MARKET – SUMMARY & TRENDS

The defining event for the New Zealand insurance market is the series of Christchurch earthquakes which began on 4 September 2010. Because of delays caused by the long period of aftershocks, the extent of the damage and the complexity of the claim settlement process, the rebuilding of the city is likely to extend beyond 2020. There is still uncertainty about the ultimate loss cost, which is currently estimated at \$34 billion to \$38 billion of which around \$29 billion has been paid.

Christchurch has had two principal effects on the New Zealand property market, one short-term and one long-term. The short-term effect was a significant increase in commercial earthquake rates, though these started to erode in 2014. The long-term effect was an increase in household premium rates and the transfer of the entire household buildings portfolio from an unlimited reinstatement to a sum insured basis.

Other, more slow-burning, effects of Christchurch are an increase in the earthquake Probable Maximum Loss (PML) to be used for statutory solvency purposes from 1:500 years to 1:1,000 years; a review of the primary household buildings cover provided by



the Earthquake Commission; and the issue of a new Risk Management Solutions (RMS) earthquake model for New Zealand that incorporates not only the lessons of Christchurch but also the latest advances in earthquake science. RMS is the world's leading catastrophe Risk Modelling Company. A further indirect effect is a strengthening of New Zealand's catastrophe response capability through the creation of Fire and Emergency New Zealand, though this will require an increase in the fire service levy which is charged on property insurance premiums. All these developments have the potential to increase the cost of earthquake insurance, particularly the new RMS earthquake model, which is said to suggest a 40% increase in the countrywide annual average loss figure (though because of much greater granularity by soil type and building type, actual increases (or decreases) in PMLs will vary with the make-up of different insurers' portfolios).

The 2016 reduction in corporate and commercial rating levels was partly the result of an influx of new insurers. New Zealanders are acutely aware of their peripheral economic status, their reliance on foreign (re)insurance capacity, and the ease with which that capacity can be withdrawn if the country ceases to be profitable for multinational insurers. Although New Zealand catastrophe rates are still reasonably attractive in global terms, direct market premium adequacy is falling and loss ratios in all lines of business are rising. The Reserve Bank is conducting a review of the Insurance (Prudential Supervision) Act which may lead to the introduction of a local asset requirement for foreign branches and to greater oversight of foreign reinsurers. The authorities may have a delicate task increasing the security of New Zealand policyholders whilst ensuring that the country remains an attractive place for foreign (re)insurers to do business.

These changes above are of importance to Aon New Zealand with many corporate clients seeing value in benchmarking their risk information against their local and international peers. Aon, through its proprietary Global Risk and Information Platform (GRIP) is able to assist in producing comprehensive benchmarking reports that enable companies and boards of directors to measure the suitability of their risk transfer programme.

We encourage clients to review their business risks and define what insurance is required to ensure their objectives are achieved.



Insurance Programme

Material Damage

Insured	Westland District Council Also including:	
	<ul style="list-style-type: none"> a) Any Council Controlled organisation and/or Subsidiary Companies unless excluded; b) Any committee or any community board lawfully established by such Local Authority or Council Controlled Organisation; c) Any pension fund, social club or sports club or similar entity formed and undertaken with the consent of such Local Authority or Council Controlled Organisation; d) In respect of Property Insured under this Policy as provided for under property in the course of installation, construction, erection or testing, the Insured is extended to include contractors and sub-contractors to the extent required by any such written contract 	
Period of Insurance	From:	4:00pm 30 June 2016
	To:	4:00pm 30 June 2017
Business	Any activity now or hereafter carried on by the Insured, including but not limited to:	
	<ul style="list-style-type: none"> • Local Authority 	
Sums Insured	Buildings, Contents & Plant – Replacement Value	\$ 36,652,197
	Buildings, Contents & Plant – Indemnity Value	\$ 6,435,076
	Residential Buildings, Contents & Plant – Replacement Value	\$ 5,915,202
	Residential Buildings, Contents & Plant – Indemnity Value	\$ N/A
	Stock	\$ 30,000
Limit of Indemnity	Alterations and Additions to Buildings	\$ 1,000,000
	Capital Additions (including Stock)	
	any one situation	\$ 1,000,000
	annual limit	\$ 1,000,000
	Demolition & Removal of Debris (any one loss)	\$ Included
	Employee Tools	\$ 10,000
	Hazardous Substance Emergencies	\$ 100,000
	Money:	
	during business hours	\$ 100,000
	outside business hours	\$ 5,000
	Subsidence / Landslip	\$ 1,000,000
	Theft	Full Cover
	Property in transit (full cover)	\$ 100,000
	Refrigerated / frozen goods	\$ 25,000
	Stolen keys	\$ 25,000
Deductibles	All claims except	\$ 10,000
	Residential Dwellings	\$ 5,000
	Weather Perils	\$ 25,000



Natural Disaster

The excess for Earthquake, Tsunami, Volcanic Eruption, and Hydrothermal Activity, or fire following any of these is as follows:

The Regions of Auckland, Northland, and the Districts of Dunedin City and Clutha

2.5% of the Site Sum Insured

Post-1935 Risks

2.5% of the Site Sum Insured

Pre-1935 Risks

5% of the site Sum Insured

In all cases, the minimum Site Sum Insured deductible is \$2,500 or any different amount shown in the Schedule.

Policy Wording Aon/NZI MD Policy 696 plus agreed endorsements

Insurer NZI a business division of IAG Insurance Limited 100%



Motor Vehicle

Insured	Westland District Council		
Period of Insurance	From:	4:00pm	30 June 2016
	To:	4:00pm	30 June 2017
Covering	Including, but not limited to:		
	<u>Section 1</u>		
	<ul style="list-style-type: none"> All vehicles, mobile plant and auxiliary equipment of every description, either owned, used, leased, lent, borrowed, hired or under the Insured's care. 		
	<u>Section 2</u>		
	<ul style="list-style-type: none"> Any liabilities causing damage, bodily injury or financial loss to third parties arising from or in connection with the Insured's use of any vehicle. 		
Sums Insured	<u>Section 1</u>		
	As per Schedule	\$	358,309
	<u>Section 2</u> (per insured event)	\$	10,000,000
Deductibles	<u>Section 1</u>		
	All claims - 1% of the sum insured, minimum	\$	500
	Additional Excesses:		
	Drivers under 21 years of age	\$	1,000
	Drivers aged 21 years and under 25 years	\$	500
	Inexperience Drivers licence less 12 months	\$	1,000
	Hoists	\$	500
	Windscreens, window glass & sunroof glass	\$	Nil
	Fire and Theft	\$	Nil
	Tipping Excess	\$	5,000
	<u>Section 2</u>		
	All claims	\$	Nil
Policy Wording	Aon/NZI Agreed CMV 0405 Policy, plus Endorsements as required		
Insurer	NZI a business division of IAG Insurance Limited 100%		



Crime / Fidelity Guarantee

Insured	Westland District Council and/or associated and/or subsidiary companies for their respective rights and interests Also including: e) Any Council Controlled organisation and/or Subsidiary Companies unless excluded; f) Any committee or any community board lawfully established by such Local Authority or Council Controlled Organisation; g) Any pension fund, social club or sports club or similar entity formed and undertaken with the consent of such Local Authority or Council Controlled Organisation
Covering	Provides protection against theft or embezzlement by employees
Business	Local Authority
Period of insurance	From 30 June 2016 to 30 June 2017 Both days at 4.00 p.m. Local Standard Time
Territorial & Jurisdiction	New Zealand
Limit of Liability	Any one loss or series of losses arising from any one event and in the annual aggregate, costs inclusive: Electronic Fraud Losses \$500,000 All Other Losses \$500,000 Annual Aggregate for the Group \$500,000
Deductibles	\$5,000 each and every event ✓
Retroactive Date	Unlimited
Insurer	QBE Insurance (Australia) Limited 100%



General/Public Liability

Insured	Westland District Council, Westland Holdings Limited and/or associated and/or subsidiary companies for their respective rights and interests. Also including:		
	<ul style="list-style-type: none"> a) Any Council Controlled organisation and/or Subsidiary Companies unless excluded; b) Any committee or any community board lawfully established by such Local Authority or Council Controlled Organisation; c) Any pension fund, social club or sports club or similar entity formed and undertaken with the consent of such Local Authority or Council Controlled Organisation 		
Description of Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none"> • Local Authority 		
Covering	Liability of the Insured for all sums which it becomes legally liable to pay in the event of injury to, or property damage of, a Third Party		
Period of insurance	From 30 June 2016 to 30 June 2017 Both days at 4.00 p.m. Local Standard Time		
Territorial & Jurisdiction	Worldwide excluding North American Countries		
Limit of Liability	Public Liability any one occurrence	\$	5,000,000
	Products Liability any one occurrence and in the aggregate	\$	5,000,000
Deductibles	\$2,000 Each and every claim inclusive of costs and expenses		
Automatic Extensions	Forest & Rural Fires Act		\$1,000,000
Exclusions	<ul style="list-style-type: none"> • Aviation/Airside Work Exclusion • Business Advice & Service Exclusion • Liability in respect of Westroads Ltd & Hokitika Airport Exclusion 		
Insurer	NZI, a business division of IAG NZ Limited (Lead) 40% Zurich Insurance (Australia) Limited 30% AIG Insurance New Zealand 30%		



Employers Liability

Insured	Westland District Council, Westland Holdings Limited and/or subsidiary companies and/or controlled entities or companies in respect of Council		
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none">• Local Authority		
Covering	Liability arising out of claims made by Employees for injuries outside the scope of Accident Compensation Legislation		
Period of insurance	30 June 2016 to 30 June 2017, both days at 4.00 p.m. Local Standard Time		
Territorial & Jurisdiction	New Zealand		
Limit of Liability	Any one claim and in the annual aggregate including costs and expenses plus GST	\$	500,000
Deductibles	Each and every claim inclusive of costs and expenses.	\$	2,000
Retroactive Date	Unlimited		
Endorsements	Legal Costs and Expenses in Additional Endorsement Liability in respect of Westroads Ltd & Hokitika Airport Exclusion		
Main Policy Exclusions	<ul style="list-style-type: none">• Any claim made, threatened or intimated to the insured or circumstances of which you are made aware which could lead to a claim and not notified to the underwriter during the policy period• Any costs or compensation provided by the Accident Rehabilitation and Compensation Insurance Act 1992 or its amendments• Liability as a result of a judgement other than in a New Zealand court• Fraudulent, criminal or malicious act or omission of the insured• Terrorism• War, invasion, acts of foreign enemies, hostilities, civil war, rebellion• Any claim resulting from asbestos and/or related diseases.		
Important Conditions	<ul style="list-style-type: none">• Claims, or circumstances of which you are aware which may lead to a claim, must be notified to the insurance company immediately in writing• The policy is "claims made" and any claim, or circumstance of which you are aware, must be notified during the policy year or it could be declined• The insured must not admit liability, incur any expenses, make any payment, or settlement without the written consent of the Insurer.		
Insurer	NZI, a business division of IAG NZ Limited (Lead) 60% QBE Insurance (Australia) Limited 40%		



Statutory Liability

Insured	Westland District Council, Westland Holdings Limited and/or subsidiary companies and/or associated companies and joint ventures for their respective rights and interests		
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none">• Local Authority		
Covering	Defence Costs, Fines & Penalties arising from unintentional breaches of the Insured Act, except as excluded. Excluded Acts <ul style="list-style-type: none">• Arms Act 1983• Aviation Crime Act 1972• Crime Act 1961• Proceeds of Crimes Act 1961• Summary Offences Act 1981• Real Estate Agents Act 2008• Transport Act 1962• Transport (Vehicle and Driver Registration and Licensing) Act 1986		
Period of insurance	30 June 2016 to 30 June 2017, both days at 4.00 p.m. Local Standard Time		
Territorial & Jurisdiction	New Zealand		
Limit of Liability	Any one claim and in the annual aggregate including costs and expenses plus GST	-	\$ 500,000
Deductibles	Each and every claim inclusive of costs and expenses.		\$ 2,000
Retroactive Date	Unlimited		
Endorsements	Legal Costs & Expenses in Additional Endorsement Liability in respect of Westroads Ltd & Hokitika Airport Exclusion		
Main Policy Exclusions	<ul style="list-style-type: none">• Fines and penalties payable under the Health and Safety in Employment Act (Legal Defence Costs and Reparation Costs payable under the HSE Act are covered)• Any claim made, threatened or intimated to the insured or circumstances of which you are made aware which could lead to a claim and not notified to the underwriter during the policy period• Deliberate, wilful or reckless disregard• Fraud• Terrorism• War, invasion, acts of foreign enemies, hostilities, civil war, rebellion.		
Insurer	NZI, a business division of IAG NZ Limited (Lead) 60% QBE Insurance (Australia) Limited 40%		



Professional Indemnity

Insured	Westland District Council, Westland Holdings Limited and/or subsidiary companies and/or associated companies and joint ventures for their respective rights and interests		
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none">• Local Authority		
Covering	Claims made and notified during the period of insurance arising from actual or alleged acts errors or omissions or conduct omitted or committed in connection with the business of the insured		
Period of insurance	30 June 2016 to 30 June 2017, both days at 4.00 p.m. Local Standard Time		
Territorial & Jurisdiction	New Zealand		
Limit of Liability	Any one claim	\$	5,000,000 ✓
	In the annual aggregate	\$	10,000,000
Deductibles	Each and every claim inclusive of costs and expenses.	\$	10,000
Extensions	Breach of Professional Duty / Defamation / Loss of Documents / Cover to Employees / Fair Trading Act / Fraud & Dishonesty / Prior Corporate		
Endorsements	Building Defects Exclusion Terrorism Exclusion Asbestos Exclusion Aviation Liability Exclusion Marine Liability Exclusion		
Retroactive Date	Unlimited		
Important Conditions	<ul style="list-style-type: none">• Claims, or circumstances of which you are aware which may lead to a claim, must be notified to the insurance company immediately in writing• The policy is "claims made" and any claim, or circumstance of which you are aware, must be notified during the policy year or it could be declined• The insured must not admit liability, incur any expenses, make any payment, or settlement without the written consent of the Insurer.		
Insurer	NZI, a business division of IAG NZ Limited (Lead) 40% Zurich Insurance (Australia) Limited 30% AIG Insurance New Zealand 30%		



Airport Owners & Operators Liability

Insured	Hokitika Airport and Westland District Council and/or subsidiary companies and/or associated companies and joint ventures for their respective rights and interests		
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none">• Airport Operators & Owners		
Period of insurance	30 June 2016 to 30 June 2017 Both days at 4.00 p.m. Local Standard Time		
Geographical Limits	New Zealand		
Location	Hokitika Airport, Hokitika, New Zealand		
Limit of Liability	Any one accident or occurrence	\$	20,000,000
Excess	\$2,500 each and every claim, in respect to property damage only		
Endorsements	<ul style="list-style-type: none">• Asbestos Exclusion Clause• Date Recognition Exclusions Clause• Noise and Pollution and Other Perils Exclusion Clause• War, Hi-Jacking and Other Perils Exclusion Clause (Aviation)• Nuclear Risks Exclusion Clause• Contracts (Rights of Third Parties) Act 1999 Exclusion Clause		
Insurer	Tokio Marine Kiln – Lloyds Syndicate 510 100%		



Directors & Officers Liability

Insured	Directors & Officers of Westland Holdings Limited and/or subsidiary companies and/or associated companies and joint ventures for their respective rights and interests		
Covering	<ul style="list-style-type: none">• Indemnity to each Insured Person for Loss arising from a Wrongful Act for which they do not receive indemnity from the named Company• Indemnity to the named Company for Loss for which it grants indemnity to any Insured Person as permitted or required by law• First made against any Insured Person and notified during the Period of Insurance or subsequent Discovery Period		
Period of insurance	30 June 2016 to 30 June 2017, both days at 4.00 p.m. Local Standard Time		
Territorial & Jurisdiction	New Zealand		
Limit of Liability	Any one claim and in the annual aggregate	\$	4,000,000
	Defence Costs in the annual aggregate	\$	1,000,000
Deductibles	Each and every claim inclusive of costs and expenses in respect of any one Insured person	\$	Nil
	Each and every claim inclusive of costs and expenses in respect of Company Indemnification	\$	5,000
Special Conditions/ Endorsements	<ul style="list-style-type: none">• Prospectus Liability Exclusion• Total Shareholder Exclusion• Proposal Form Exclusion• Terrorism/War Exclusion		
Retroactive Date	Unlimited, excluding known circumstances		
Important Conditions	<ul style="list-style-type: none">• Claims, or circumstances of which you are aware which may lead to a claim, must be notified to the insurance company immediately in writing• The policy is "claims made" and any claim, or circumstance of which you are aware, must be notified during the policy year or it could be declined• The insured must not admit liability, incur any expenses, make any payment, or settlement without the written consent of the Insurer.		
Insurer	QBE Insurance (Australia) Limited 100%		

WESTLAND DISTRICT COUNCIL PROPERTY SCHEDULE

NOTE = ITEMS MARKED 'X' ARE NOTE INSURED

NOTE = RESIDENTIAL EQC & FSL INCLUDE HOUSE \$100K + CONTENTS \$10K IN CALCULATION

Name	Address	Town	Comments	Basis	Last Valuation	Replacement Value at last Valuation	Inflation years	Inflation Factor p.a.	Replacement Cost + Inflation	DRC Indemnity Value	FSL IV	Demolition at last valuation	Total Sum Insured Indemnity	Premium	EQC	FSL	TOTAL	No. Units	
54 Museum and Carnegie Complex	Hamilton Street	Hokitika		I	2015	\$2,881,900	1	2.5%	\$2,953,948	\$1,800,000	\$1,800,000	\$78,000	\$1,879,950	\$ 4,511.88	\$ -	\$ 1,368.00	\$ 5,879.88		
55 Band Room	Hamilton Street	Hokitika		I	2015	\$244,450	1	2.5%	\$250,561	\$36,000	\$36,000	\$3,000	\$39,075	\$ 93.78	\$ -	\$ 27.36	\$ 121.14		
Total Pre 1935 - Commercial						\$0			\$0	\$1,836,000	\$1,836,000	\$81,000	\$1,919,025						
Total Pre 1935 - Residential																			
2 Hannahs Clearing Fire Station	5 Muturimu Road, Hannahs Clearing	Hannahs Clearing		R	2015	\$118,650	1	2.6%	\$121,735	\$21,236	\$21,236	\$5,000		\$ 304.48	\$ -	\$ 16.14	\$ 320.62		
4 Okuru Hall	Cnr Johnston Cres & Jackson Bay Rd	Okuru		I	2015	\$538,150	1	2.5%	\$551,604	\$142,065	\$142,065	\$19,000	\$161,540	\$ 387.70	\$ -	\$ 107.97	\$ 495.67		
6 Haast Hall	9 Pauareka Road	Haast		I	2015	\$800,800	1	2.5%	\$820,820	\$328,375	\$328,375	\$29,000	\$358,100	\$ 859.44	\$ -	\$ 249.57	\$ 1,109.01		
11 Fox Depot	25 Sullivan Road	Fox		X															
16 Franz Josef Refuse	State Highway 6	Franz Josef		X															
17 Whataroa Depot	8 Whataroa Flat Road	Whataroa		R	2015	\$30,200	1	2.5%	\$30,955	\$18,487	\$18,487	\$2,000		\$ 79.21	\$ -	\$ 14.05	\$ 93.26		
20 Whataroa Tractor Shed	Whataroa Domain	Whataroa		I	2015	\$73,800	1	2.5%	\$75,645	\$75,645	\$75,645	\$2,000	\$77,695	\$ 186.47	\$ -	\$ 57.49	\$ 243.96		
24 Harihari RSA	90 State Highway (Harihari)	Harihari		I	2015	\$230,050	1	2.5%	\$235,801	\$52,935	\$52,935	\$6,000	\$59,085	\$ 141.80	\$ -	\$ 40.23	\$ 182.03		
27 Waitaha Hall	Waitaha Road	Waitaha	Not WDPL	I	2015	\$646,700	1	2.5%	\$662,868	\$85,000	\$85,000	\$9,000	\$94,225	\$ 226.14	\$ -	\$ 64.60	\$ 290.74		
29 Ross Toilets	Moorhouse Street	Ross		I	2015	\$135,500	1	2.5%	\$138,888	\$43,000	\$43,000	\$2,000	\$45,050	\$ 108.12	\$ -	\$ 32.68	\$ 140.80		
30 Ross Playcentre - pre school	Monteith Street	Ross		R	2015	\$304,200	1	2.5%	\$311,805	\$106,058	\$106,058	\$6,000		\$ 763.09	\$ -	\$ 80.60	\$ 843.70		
31 Ross Pool complex	Monteith Street	Ross		R	2015	\$1,282,200	1	2.5%	\$1,314,255	\$309,798	\$309,798	\$36,000		\$ 3,242.77	\$ -	\$ 235.45	\$ 3,478.22		
33 Kokatahi Pavillon	Upper Kokatahi Road	Kokatahi		I	2015	\$230,450	1	2.5%	\$236,211	\$40,000	\$40,000	\$5,000	\$45,125	\$ 108.30	\$ -	\$ 30.40	\$ 138.70		
52 Custom House, Countess Display and Tambo Shipreck	Gibson Quay	Hokitika		I	2015	\$388,650	1	2.5%	\$398,366	\$100,000	\$100,000	\$4,000	\$104,100	\$ 249.84	\$ -	\$ 76.00	\$ 325.84		
32 Kokatahi - Kowhitirangi Hall	Corner Kokatahi and Ford Road	Kokatahi		I	2015	\$1,383,650	1	2.5%	\$1,418,241	\$620,495	\$620,495	\$27,000	\$648,170	\$ 1,555.61	\$ -	\$ 471.58	\$ 2,027.18		
93 Nurses Dwelling Harihari	429 Peterson Road	Harihari	managed by WDPL	R	2015	\$274,900	1	2.5%	\$281,773	\$111,169	\$111,169	\$7,000		\$ 578.47	\$ 165.00	\$ 83.60	\$ 827.07	1	
Total 1936 - 1965 - Commercial						\$1,735,250			\$1,778,750	\$1,487,515	\$1,943,093	\$103,000	\$1,593,090						
Total 1936 - 1965 - Residential						\$274,900			\$281,773	\$111,169	\$1,943,093	\$7,000	\$1,593,090						
19 Whataroa Hall	57 Scally Road	Whataroa	Not owned by WDC	I	2011	\$200,000	5	2.5%	\$200,000	\$200,000	\$200,000	\$17,000	\$219,234	\$ 526.16	\$ -	\$ 152.00	\$ 678.16		
28 Ross Memorial Hall	Moorhouse Street	Ross		I	2015	\$1,036,850	1	2.5%	\$1,062,771	\$581,535	\$581,535	\$18,000	\$599,985	\$ 1,439.96	\$ -	\$ 441.97	\$ 1,881.93		
34 Kokatahi fire Station	Upper Kokatahi Road	Kokatahi		R	2015	\$69,550	1	2.5%	\$71,289	\$72,943	\$72,943	\$2,000		\$ 176.01	\$ -	\$ 55.44	\$ 231.45		
46 Tuckers Flat Pump Station	Hau Hau Road	Hokitika	RV OK if Pumps & Building?	R	2014	\$70,000	2	2.5%	\$73,544	\$45,500	\$45,500	\$2,000		\$ 181.55	\$ -	\$ 34.58	\$ 216.13		
49 Council offices	Corner Sewell & Weld Street	Hokitika		R	2015	\$5,985,700	1	2.6%	\$6,141,328	\$3,441,270	\$3,441,270	\$181,712		\$ 15,186.64	\$ -	\$ 2,615.37	\$ 17,802.00		
56 Cass Square Grandstand, Pavilion and Changing Rooms	Bealey Street	Hokitika		I	2015	\$779,100	1	2.5%	\$798,578	\$218,477	\$218,477	\$17,000	\$235,902	\$ 566.16	\$ -	\$ 166.04	\$ 732.21		
57 Pump Station - pumps & shed	Fitzherbert/Stafford Street	Hokitika	RV ok	R	2014	\$250,000	2	4.2%	\$271,441	\$6,250	\$6,250	\$3,000		\$ 659.28	\$ -	\$ 4.75	\$ 664.03		
58 Pump Station - chamber	Fitzherbert/Stafford Street	Hokitika	RV ok	R	2014	\$105,000	2	4.2%	\$114,005	\$2,625	\$2,625	\$2,000		\$ 278.82	\$ -	\$ 2.00	\$ 280.82		
59 Tractor Shed	Cemetery, Spencer Street	Hokitika	Replacement value too low	R	2015	\$90,850	1	2.5%	\$93,121	\$1,850	\$1,850	\$3,000		\$ 230.87	\$ -	\$ 1.41	\$ 232.28		
90 Fox Depot Dwelling	23 Sullivan Road	Fox	Westroads	R	2013	\$200,000	3	2.5%	\$215,378	\$125,000	\$125,000	\$6,000		\$ 417.41	\$ 165.00	\$ 83.60	\$ 666.01	1	
91 Nurses Dwelling Fox	2 State Highway (Fox)	Fox	Managed WDPL	R	2015	\$220,500	1	2.5%	\$226,013	\$144,686	\$144,686	\$7,000		\$ 444.65	\$ 165.00	\$ 83.60	\$ 693.25	1	
95 Hokitika Pensioner Flats	205 Revell Street	Hokitika	6 flats (managed WDPL)	R	2015	\$639,000	1	2.5%	\$654,975	\$196,972	\$196,972	\$14,000		\$ 916.38	\$ 990.00	\$ 501.60	\$ 2,407.98	6	
96 Hokitika Pensioner Flats	199 Revell Street	Hokitika	4 flats (managed WDPL)	R	2015	\$449,200	1	2.5%	\$460,430	\$117,813	\$117,813	\$10,000		\$ 669.63	\$ 660.00	\$ 334.40	\$ 1,664.03	4	
97 Hokitika Pensioner Flats	97 Tancred Street	Hokitika	10 flats (managed WDPL)	R	2015	\$902,000	1	2.5%	\$924,550	\$473,008	\$473,008	\$22,000		\$ 1,123.04	\$ 1,650.00	\$ 836.00	\$ 3,609.04	10	
Total 1966 - 1976 - Commercial						\$6,571,100			\$6,764,728	\$1,000,012	\$4,570,450	\$52,000	\$1,055,121						
Total 1966 - 1976 - Residential						\$2,410,700			\$2,481,346	\$1,057,479	\$4,570,450	\$59,000	\$1,055,121						
5 Haast Depot	Adair Road	Haast	Westroads	R	2013	\$150,000	3	2.5%	\$161,534	\$62,000	\$62,000	\$11,000		\$ 416.11	\$ -	\$ 47.12	\$ 463.23		
38 Heritage Park	Airport Drive	Hokitika Airport	5 buildings plus large sheds on site	I	2015	\$711,100	1	2.5%	\$728,878	\$160,000	\$160,000	\$14,000	\$174,350	\$ 418.44	\$ -	\$ 121.60	\$ 540.04		
39 Fish and Game	Airport Drive	Hokitika Airport	Owned HAL	R	2013	\$280,000	3	2.5%	\$301,529	\$77,000	\$77,000	\$6,000		\$ 739.18	\$ -	\$ 58.52	\$ 797.70		
40 WDPL Headquarters	Airport Drive	Hokitika Airport	Owned HAL	R	2013	\$110,000	3	2.5%	\$118,458	\$43,000	\$43,000	\$2,000		\$ 289.47	\$ -	\$ 32.68	\$ 322.15		
43 Control Tower	Airport Drive	Hokitika Airport	Hokitika Airport Owned	R	2013	\$210,000	3	2.5%	\$226,147	\$82,000	\$82,000	\$3,000		\$ 550.51	\$ -	\$ 62.32	\$ 612.83		
44 Airport Terminal	Airport Drive	Hokitika Airport	Hokitika Airport Owned	R	2013	\$1,375,000	3	2.5%	\$1,480,725	\$165,000	\$165,000	\$36,000		\$ 3,646.78	\$ -	\$ 125.40	\$ 3,772.18		
45 Airport Fire Shed	Airport Drive	Hokitika Airport	Hokitika Airport Owned	R	2013	\$65,000	3	2.5%	\$69,998	\$35,000	\$35,000	\$2,000		\$ 173.16	\$ -	\$ 26.60	\$ 199.76		
48 Hokitika Swimming Pool Complex	Weld Street	Hokitika		R	2015	\$3,312,450	1	2.5%	\$3,395,261	\$741,166	\$741,166	\$84,000		\$ 8,355.27	\$ -	\$ 563.29	\$ 8,918.55		
50 Council Garage	Railway Terrace	Hokitika		R	2015	\$41,750	1	2.5%	\$42,794	\$25,000	\$25,000	\$2,000		\$ 107.63	\$ -	\$ 19.00	\$ 126.63		
62 Pump Station	Bealey Street	Hokitika	\$200,000	R	2015	\$197,208	1	4.2%	\$205,491	\$4,930	\$4,930	\$1,000		\$ 495.68	\$ -	\$ 3.75	\$ 499.43		
63 Pump Station	Tancred Street	Hokitika	\$200,000	R	2015	\$197,208	1	4.2%	\$205,491	\$4,930	\$4,930	\$1,000		\$ 495.68	\$ -	\$ 3.75	\$ 499.43		
Contents																			
83 Heritage Park (Plant)	Hokitika	Hokitika		R	2011	\$150,000	5	2.5%	\$169,711	\$28,191	\$28,191	\$		\$ 407.31	\$ -	\$ 21.43	\$ 428.73		
84 Marquee/Tent	Ross Community Assoc	Ross		R	2011	\$22,000	5	2.5%	\$24,891	\$20,000	\$20,000	\$		\$ 59.74	\$ -	\$ 15.20	\$ 74.94		
85 Plant & Contents - Kowhitirangi	Ford Road	Kowhitirangi		R	2011	\$20,000	5	2.5%	\$22,628	\$10,000	\$10,000	\$		\$ 54.31	\$ -	\$ 7.60	\$ 61.91		
86 Band Instruments	Hokitika	Hokitika		R	2011	\$110,000	5	2.5%	\$124,455	\$100,000	\$100,000	\$0		\$ 298.69	\$ -	\$ 76.00	\$ 374.69		
87 Library Contents	Hokitika	Hokitika		R	2011	\$725,000	5	2.5%	\$820,271	\$246,000	\$246,000	\$		\$ 1,968.65	\$ -	\$ 186.96	\$ 2,155.61		
88 Contents (including street furniture & fittings)	Anywhere in Westland	Anywhere in Westland		R	2011	\$2,200,000	5	2.5%	\$2,489,098	\$800,000	\$800,000	\$0		\$ 5,973.84	\$ -	\$ 608.00	\$ 6,581.84		
89 Museum	Hokitika	Westland		R	2011	\$1,864,220	5	2.5%	\$2,109,194	\$932,110	\$932,110	\$		\$ 5,062.07	\$ -	\$ 708.40	\$ 5,770.47		
64 Heritage Park (ex works depot)	Hokitika	Hokitika		I	2011	\$200,000	5	2.5%	\$226,282	\$27,500	\$27,500	\$	\$27,500	\$ 66.00	\$ -	\$ 20.90	\$ 86.90		
65 Community Hall	Monteith Street, Ross	Ross		R	2011	\$111,100	5	2.5%	\$125,699	\$63,000	\$63,000	\$400		\$ 302.76	\$ -	\$ 47.88	\$ 350.64		
67 Hall	Harihari	Harihari		I	2011	\$166,100	5	2.5%	\$187,927	\$52,000	\$52,000	\$0	\$52,000	\$ 124.80	\$ -	\$ 39.52	\$ 164.32		
68 Kowhitirangi Hall	Ford Road	Kowhitirangi		I	2011	\$92,000	5	2.5%	\$104,090	\$64,000	\$64,000	\$	\$64,000	\$ 153.60	\$ -	\$ 48.64	\$ 202.24		
69 Pump Station - Sewage	Sewell St Hokitika	Hokitika	\$45,000	R	2015	\$45,000	1	2.5%	\$46,125	\$10,033	\$10,033	\$		\$ 110.70	\$ -	\$ 7.63	\$ 118.33		
70 Pump Station- Stormwater	Sewell St, Hokitika	Hokitika	RV ok	R	2015	\$250,000	1	2.5%	\$256,250	\$6,250	\$6,250	\$6,500		\$ 630.99	\$ -	\$ 4.75	\$ 635.74		
71 Pump Station - Sewage	Cron St Franz Josef	Franz Josef	RV ok	R	2015	\$30,000	1	2.5%	\$30,750	\$13,750	\$13,750	\$1,000		\$ 76.26					

Name	Address	Town	Comments	Basis	Last Valuation	Replacement Value at last Valuation	Inflation years	Inflation Factor p.a.	Replacement Cost + Inflation	DRC Indemnity Value	FSL IV	Demolition at last valuation	Total Sum Insured Indemnity	Premium	EQC	FSL	TOTAL	No. Units	
14 Water Treatment Franz	National Park	Franz Josef	Includes building & contents. RV ok	R	2015	\$800,000	1	4.2%	\$833,600	\$621,344	\$621,344	\$20,000		\$ 2,050.66	\$ -	\$ 472.22	\$ 2,522.88		
18 Whataroa Water Treatment	8 Whataroa Flat Road	Whataroa	Includes building & contents. RV ok	R	2015	\$45,000	1	4.2%	\$46,890	\$1,125	\$1,125	\$1,000		\$ 115.04	\$ -	\$ 0.86	\$ 115.89		
21 Whataroa Toilets	70 State Highway 6 (Whataroa)	Whataroa		R	2015	\$126,050	1	2.5%	\$129,201	\$13,850	\$13,850	\$3,000		\$ 317.46	\$ -	\$ 10.53	\$ 327.99		
23 Harihari Toilets	Harihari domain	Whataroa	Demolished 2015	X															
42 Fox moth Replica Building	Airport Drive	Hokitika Airport	Racharge HAL	I	2013	\$130,000	3	2.5%	\$139,996	\$105,000	\$105,000	\$3,000	\$108,231	\$ 259.75	\$ -	\$ 79.80	\$ 339.55		
92 Pavilion	Whataroa Domain	Whataroa	Not WDPL	R	2015	\$415,300	1	2.5%	\$425,683	\$160,000	\$160,000	\$4,000		\$ 1,031.48	\$ -	\$ 121.60	\$ 1,153.08		
94 Ross Pensioner Flats	26 Gibson Street	Ross	4 flats (managed WDPL)	R	2015	\$541,200	1	2.5%	\$554,730	\$251,978	\$251,978	\$14,000		\$ 905.79	\$ 660.00	\$ 334.40	\$ 1,900.19	4	
1992 - 2003 - Commercial						\$1,494,150			\$1,550,969	\$105,000	\$1,178,850	\$3,000	\$108,231						
1992-2003 - Residential						\$956,500			\$980,413	\$411,978	\$18,000	\$18,000	\$0						
1 Jackson Wharf	Jackson Bay	Jackson Bay		I	2015	\$2,453,100	1	2.5%	\$2,514,428	\$1,040,000	\$1,040,000	\$142,000	\$1,185,550	\$ 2,845.32	\$ -	\$ 790.40	\$ 3,635.72		
7 Haast Fire Station	9 Pauareka Road	Haast		R	2015	\$93,950	1	2.5%	\$96,299	\$95,000	\$95,000	\$4,000		\$ 240.96	\$ -	\$ 72.20	\$ 313.16		
13 Fox Toilets	State Highway 6	Fox		R	2015	\$51,500	1	2.5%	\$52,788	\$86,332	\$86,332	\$3,000		\$ 134.07	\$ -	\$ 65.61	\$ 199.68		
15 Franz Toilets	State Highway 6	Franz Josef		R	2015	\$324,900	1	2.5%	\$333,023	\$98,520	\$98,520	\$3,000		\$ 806.63	\$ -	\$ 74.88	\$ 881.51		
22 Guy Menzies Display	Haihari Domain	Harihari		I	2015	\$77,850	1	2.5%	\$79,796	\$43,350	\$43,350	\$4,000	\$47,450	\$ 113.88	\$ -	\$ 32.95	\$ 146.83		
47 Hokitika Water Treatment Plant	Shallow Rush Road	Hokitika		R	2015	\$6,500,000	1	4.2%	\$6,773,000	\$6,500,000	\$6,500,000	\$103,000		\$ 16,512.78	\$ -	\$ 4,940.00	\$ 21,452.78		
53 Hokitika Beach Toilets	Beach Street	Hokitika		R	2015	\$134,150	1	2.5%	\$137,504	\$85,501	\$85,501	\$3,000		\$ 337.39	\$ -	\$ 64.98	\$ 402.37		
60 Hokitika Refuse Station Shed 1	Hau Hau Road	Hokitika		R	2015	\$264,300	1	2.5%	\$270,908	\$33,607	\$33,607	\$5,000		\$ 662.48	\$ -	\$ 25.54	\$ 688.02		
61 Pavillon & Toilets	Seddon Street	Kumara		R	2015	\$315,050	1	2.5%	\$322,926	\$108,122	\$108,122	\$8,000		\$ 794.70	\$ -	\$ 82.17	\$ 876.88		
ADDITIONS 2014																			
Pump Station	Hoffman St	Hokitika	\$200,000	R	2015	\$197,208	1	4.2%	\$205,491	\$95,317	\$95,317	\$20,000		\$ 543.19	\$ -	\$ 72.44	\$ 615.64		
Pump Station	Rolleston St	Hokitika	\$200,000	R	2015	\$197,208	1	4.2%	\$205,491	\$126,542	\$126,542	\$20,000		\$ 543.19	\$ -	\$ 96.17	\$ 639.37		
Pump Station	Jollie St	Hokitika	RV ok	R	2015	\$60,000	1	4.2%	\$62,520	\$60,000	\$11,500	\$20,000		\$ 200.06	\$ -	\$ 8.74	\$ 208.80		
Pump Station	Cement Lead Rd	Hokitika	RV ok	R	2015	\$30,000	1	4.2%	\$31,260	\$750	\$750	\$20,000		\$ 125.04	\$ -	\$ 0.57	\$ 125.61		
Water Treatment Plant	Park Terrace	Ross	Includes building & contents. RV ok	R	2015	\$700,000	1	4.2%	\$729,400	\$490,426	\$490,426	\$20,000		\$ 1,800.58	\$ -	\$ 372.72	\$ 2,173.30		
Parks & Reserves Equipment - breakdown below	Whole district	All		R	2014	\$100,000	2	2.5%	\$105,063	\$100,000	\$100,000	\$5,000		\$ 264.76	\$ -	\$ 76.00	\$ 340.76	broken down below	
		Kumara																\$ 92.90	
		Ross																\$ 50.38	
		Whataroa																\$ 78.19	
		Haast																\$ 119.30	
Pump Station	Franz	Franz	This is for bore & booster pump that is no longer used.	X															
2004 - Onwards - Commercial						\$8,968,266			\$9,325,671	\$1,083,350	\$8,914,966	\$146,000	\$1,233,000						
2004 - Onwards - Residential																			
Grand Total - Commercial						\$34,365,803			\$36,305,701	\$6,000,377	\$23,722,529	\$420,000	\$6,435,076	\$ 105,475.85	\$ -	\$ 18,150.72	\$ 123,626.58	0	
Grand Total - Residential						\$5,626,500			\$5,777,541	\$1,915,626	\$134,000	\$134,000	\$0	\$ 7,453.43	\$ 8,085.00	\$ 4,096.40	\$ 19,634.83	49	

Total Sum Insured Indemnity	Premium	EQC	FSL	TOTAL	No. Units
	\$ 112,929.29	\$ 8,085.00	\$ 22,247.12	\$ 143,261.41	
Museum Stock	\$5,000	\$ 12.00	\$ 3.80	\$ 15.80	
iSite Stock	\$15,000	\$ 36.00	\$ 11.40	\$ 47.40	
Hokitika Pool Stock	\$10,000	\$ 24.00	\$ 7.60	\$ 31.60	
Capital Additions Extension	\$ -	\$ -	\$ 760.00	\$ 760.00	
Contract Works Extension	\$ -	\$ -	\$ 380.00	\$ 380.00	
	\$ 113,001.29	\$ 8,085.00	\$ 23,409.92	\$ 144,496.21	

total FSL invoiced \$ 23,470.72
Vehicle FSL \$ 60.80
sold vehicles reduce cost

Appendix 3. Underground assets programme.

Council	Declared Values (2017)	Council Material Damage Sub limit (\$m)	Excess Level (\$m)	EQ Mean Loss Estimate 1000 yr ARI (\$m)	\$125m limit (as is)	Increase to \$250m Programme Limit - Recommended		Increase to \$300m Programme Limit	
					LTA Honoured	Additional Premium	Total Premium	Additional Premium	Total Premium
Nelson	\$707,813,049	160	1.8	200	\$242,333	\$75,375	\$317,708	\$25,000	\$342,708
Tasman	\$675,322,489	100	0.75	115	\$232,592	\$46,000	\$278,592	\$12,000	\$290,592
Buller	\$107,972,879	60	0.25	51	\$51,500	\$11,500	\$63,000	\$3,000	\$66,000
Grey	\$186,264,382	60	0.25	TBC	\$62,500	\$11,500	\$74,000	\$3,000	\$77,000
West Coast Regional	\$58,103,591	35	0.25	12	\$28,000	\$9,000	\$37,000	\$2,000	\$39,000
Westland	\$93,756,198	60	0.25	TBC	\$64,000	\$11,500	\$75,500	\$3,000	\$78,500
Queenstown Lakes	\$476,748,023*	100	1	278*	\$102,000	\$36,000	\$138,000	\$10,000	\$148,000
Environment Southland	\$57,226,115	35	0.25	TBC	\$38,000	\$8,500	\$46,500	\$2,000	\$48,500
Total						Total		Total	
					40% Order Cost	\$820,925	\$209,375	\$60,000	

Premium allocations is based on - historical losses/claims, inherent risk (i.e. likelihood of loss), capacity requirements (as part of programme), sub limit and excess level.

*The loss modelling was undertaken on full replacement value not declared values. Current declared values for insurance programme are less than the modelled amount. Current limit reflects declared values/sum insured as requested by Council and is under review.