



2008 ANNUAL REPORT

for the year ending 30 June 2008

GREY DISTRICT COUNCIL

ANNUAL REPORT

For the year
01 July 2007 – 30 June 2008

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[a] report from the audit office

AUDIT REPORT

**TO THE READERS OF
GREY DISTRICT COUNCIL AND GROUP'S
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION
FOR THE YEAR ENDED 30 JUNE 2008**

The Auditor-General is the auditor of Grey District Council (the District Council) and group. The Auditor-General has appointed me, K J Boddy, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2008, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 18 to 128:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the District Council and group's financial position as at 30 June 2008; and
 - the results of operations and cash flows for the year ended on that date.
- The service provision information of the District Council and group on pages 57 to 128 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 31 October 2008, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2008. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the Council or any of its subsidiaries.

A handwritten signature in black ink, appearing to read 'K J Boddy'. The signature is stylized with a large, looped initial 'K' and 'J'.

K J Boddy
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

[b] introduction and summary

[1] foreword from his worship the mayor and the chief executive officer

Welcome to Council's formal report on its achievement over the 2007/2008 financial year. It has been another busy year, and looking back there is much to be proud of in what the district has achieved.

This is the second year reporting on Council's 2006 – 2016 Long Term Community Outcomes Plan. As forecast the financial result is a large surplus, however much of this can be attributed to sources of income that are not used for operational sources, such as interest on special reserves and profit on sale of assets. As in last year, one of the biggest challenges for the 2007/2008 year was to set a budget that again required a minimum general rate increase. This achievement in the face of escalating electricity, fuel, and contracting costs was achieved through restricting to a minimum many items of discretionary expenditure and items of new capital works, some of which are important.

Council's highest priority continues to be maintaining the infrastructure that supports the essential services delivered by Council, i.e. Rooding, Stormwater, Sewerage, Water Supply, and Refuse Disposal. These activities alone account for over 56% of total operating expenditure, and 75% of all capital expenditure.

Items of note overall:

Rooding

New rooding works and improvements was an area where expenditure has been limited to achieve a minimal general rate increase. In particular this affected the many footpath upgrades and rooding improvements that don't qualify for Land Transport New Zealand financial assistance. The exposure of the district to the extremes of the weather was again highlighted with the costs of emergency works to remedy damage totalling \$644,000.

Greymouth Sewerage Scheme

Significant progress continues to be made on the new Greymouth scheme, notably the separation of services work accomplished in Cobden. The commitment is to complete the works within an overall 10 year period so as to draw down the maximum central government subsidy. This is well on track.

Blackball Sewerage Scheme

This project was completed in late 2007, and residents have begun the process of decommissioning their on-site systems and connecting to the new reticulated scheme. This new scheme has only been achievable through the commitment of the community to pay via a targeted rate, and the Ministry of Health subsidies available.

Port Operations

Significant work was carried out in reforming Council's port operations and negotiating with future customers and partners. The intention was for Port Westland Limited, a 100% Council owned subsidiary, which was constituted in April 2006 to oversee the port operations. The ultimate decision of Pike River Coal Company to transport the cargo via the midland rail has meant that the economic viability of Greymouth's port operation is under close scrutiny, and a decision on the most appropriate ownership/management model will be made by Council in the 2008/2009 year.

Greymouth Aquatic Centre

The contract for this project was let in April 2008, with completion scheduled for April 2009. One of the greatest achievements to date was the voluntary community effort to prepare the site. This involved many hours of excavating and backfilling and got the project off to a fantastic start.

Resource Management

The Department continues to work under extreme pressure brought about by the unavailability of trained Planners and the high workload associated with the increased level of economic development in our District. Much of the work has been outsourced in the last financial year in order to keep up. Development pressures are expected to remain at peak levels and extensions/delays in the issuing of consents are one of a range of negative implications.


Building Consenting

Along with the continuing building boom creating an equal demand for consenting, the major focus of the department has been working towards the accreditation requirements under the new legislation. Accreditation has subsequently been gained early in the 2008/2009 year.

Looking ahead the timetable looks just as busy, with the major focus on:

- the 2009 – 2019 Long Term Council Community Plan (LTCCP) including developing activity management plans for each of the activities the Council is involved in and policy development required therein
- the extension to Council's main offices
- the Rununga Pool upgrade
- adapting and dealing with consequences of new legislation i.e following the rating inquiry, emissions trading etc.
- waste minimization/resource recovery.

A word of thanks to elected representatives for their work and dedication. You have been part of a particularly busy period in our District's development.



.....
AF KOKSHOORN
Mayor



.....
PG PRETORIUS
Chief Executive Officer

[2] councillors and their portfolios

Council

Council for the period of 01 July 2007 – 30 June 2008

Position	Name	Ward	Portfolio Responsibilities
Mayor	Tony Kokshoorn		<ul style="list-style-type: none"> ▪ Finance (1) ▪ Economic Development ▪ Port ▪ Youth ▪ Advocacy ▪ Public Relations
Deputy Mayor	Doug Truman QSM	Central	<ul style="list-style-type: none"> ▪ Legal ▪ Water ▪ Stormwater ▪ Sewerage ▪ Maori Affairs
Councillors	Paul Berry	Eastern	<ul style="list-style-type: none"> ▪ Resource Management ▪ Regulatory Functions ▪ Staff ▪ Dog and Stock Control
	Kevin Brown	Central	<ul style="list-style-type: none"> ▪ Health and Disability ▪ Library ▪ Safety/Security
	Ian Cummings	Central	<ul style="list-style-type: none"> ▪ Finance (2) ▪ Property ▪ Liquor Licensing
	Peter Haddock	Southern	<ul style="list-style-type: none"> ▪ Land Transport ▪ Parks and reserves ▪ Forestry
	Karen Hamilton	Central	<ul style="list-style-type: none"> ▪ Arts ▪ Culture ▪ Heritage ▪ Tourism
	Milton Osborne	Eastern	<ul style="list-style-type: none"> ▪ Airport ▪ Civil Defence ▪ Waste Management
	Cliff Sandrey	Northern	<ul style="list-style-type: none"> ▪ Sport and Recreation ▪ Cemeteries ▪ Pensioner Housing ▪ Welfare

Council is committed to:

- ❖ Being accountable to its community.
- ❖ Representing its community strongly and positively.
- ❖ Consulting its community in a spirit of collective decision-making.
- ❖ Working with other bodies and institutions pursuing the same goals.
- ❖ Participating strongly in the activities of organised local government.
- ❖ Striving towards optimum efficiency and a customer focus.
- ❖ Equity and transparency in its dealings with its community.
- ❖ Cultural, economic, environmental and social well-being of its community in decision-making.
- ❖ Sustainability as basis for development activities in the District.
- ❖ Creating opportunities for all.
- ❖ Being a good employer.
- ❖ A healthy community.
- ❖ Building on our heritage

[3] senior staff and miscellaneous details

MANAGEMENT

Chief Executive Officer	Paul Pretorius
Manager Support Services	Kevin Beams
Manager Environmental Services	Sue Harkness
Assets Manager	Mel Sutherland
Manager Finance and Information Technology	Ian Young

VARIOUS DETAILS

Postal Address :	Grey District Council P O Box 382 Greymouth
Locations:	
Main Office	105 Tainui Street Greymouth Tel email: Web:
Support Services	+64 3 769 8603 info@greydc.govt.nz
Finance & IT	+64 3 769 8603 finance@greydc.govt.nz
Assets and Engineering	+64 3 769 8613 email: infrastructure@greydc.govt.nz
Environmental Services	+64 3 769 8613 email: environmental.services@greydc.govt.nz
Runanga Service Centre,	25 Carroll Street Runanga
	Tel +64 3 762 7813
Grey District Library	Albert Mall Greymouth Tel Fax email
Runanga Library	25 Carroll Street Runanga Tel
History House	Gresson St Greymouth Tel email

[c] financial statements and notes

[1] statement of compliance and responsibility

[1.1] Compliance

The financial statements of Grey District Council have been prepared in accordance with the requirements of section 98 of the Local Government Act 2002 which includes the requirement to comply with generally accepted accounting practice.

[1.2] Responsibility

Council and management of Grey District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

Council and management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of Council and management of Grey District Council, the annual Financial Statements for the year ended 30 June 2008 fairly reflect the financial position and operations of Grey District Council.



AF KOKSHOORN
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

Dated this 31st day of October 2008.

[2] statement of accounting policies

[2.1] reporting entity

Grey District Council ("Council") is a territorial local authority governed by the Local Government Act 2002.

The Council group consists of Grey District Council and its subsidiary, Port Westland Limited (100% owned). The group has one associate, Tourism West Coast (25% controlled).

All Council subsidiary and associates are incorporated in New Zealand.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

The financial statements of Council are for the year ended 30 June 2008. The financial statements were authorised for issue by Council on 31 October 2008. Council does not have the power to amend the financial statements after this date.

[2.2] basis of preparation

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, biological assets and certain financial instruments.

The financial statements are presented in New Zealand dollars and are rounded to the nearest thousand dollars (\$'000) where indicated. The functional currency of Council is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

[2.3] basis of consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Council's investments in its subsidiaries are carried at cost in Council's own "parent entity" financial statements.

[2.4] subsidiaries

Council consolidates as subsidiaries in the group financial statements all entities where Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Council measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

[2.5] associates

Council accounts for an investment in an associate in the group financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Council's share of the surplus or deficit of the associate is recognised in Council's income statement. Distributions received from an associate reduce the carrying amount of the investment.

Council's share in the associate's surplus or deficits resulting from unrealised gains on transactions between Council and its associates is eliminated.

The two associates described in the reporting entity section above have not been equity accounted on the grounds of immateriality.

Council investments in associates are carried at cost in Council's own "parent entity" financial statements.

[2.6] joint ventures

Joint ventures are those entities, assets or operations over which the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of the joint venture entities' assets, liabilities, revenue and expenses with items of a similar nature on a line by line basis, from the date joint control ceases.

[2.7] accounting policies

The following accounting policies which materially affect the measurement of financial performance, financial position and cashflows for Council and Group have been applied:

1 revenue

Rates Revenue is recognised by Council as being income on the due date of each instalment.

Water billing revenue is recognised on an accrual basis.

Land Transport New Zealand financial assistance is recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vested in Council — with or without conditions — are recognised as revenue when control over the assets is obtained.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

2 borrowing costs

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

3 derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. Movement in the fair value in interest rate swaps are recognised as a finance expense/income through the income statement.

4 grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

5 income tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

6 leases

finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council recognises finance leases as assets and liabilities in the balance sheet at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

operating leases

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

7 cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 90 days or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

8 financial assets

Council classifies its financial assets into the following three categories: held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the income statement.

Loans, including loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the income statement as a grant.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, net asset booking, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the income statement. Loans and receivables are classified as "trade and other receivables" in the balance sheet.

- Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the income statement.

Investments in this category include fixed term deposits.

- Financial assets at fair value through the profit and loss

Derivatives held by Council are categorized in this group. Unless they are designated as hedges. After initial recognition, they are measured at their fair values. Gains or losses on remeasurement are recognised in the income statement. Council uses derivative financial instruments to hedge exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

- Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses investments that Council intends to hold long-term but which may be realised before maturity.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the income statement. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in income statement even though the asset has not been derecognised.

Impairment of financial assets

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

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

9 accounts receivable

Accounts Receivable (Debtors) are shown at their estimated realisable value after providing against debts where collection is doubtful.

10 non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

11 property, plant and equipment

Property, plant and equipment consists of:

Infrastructure assets — Infrastructure assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Other fixed assets — these include land, buildings, and breakwater and wharves.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2005, the date of transition to NZ IFRS are measured on the basis of deemed cost, being the revalued amount at the date of transition.

additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

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

disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the income statement. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

depreciation

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

Asset Class	Depreciation Method	Life (years)	%
Buildings			
- Structure	Straight line	40	2.5
- Fit Out	Straight line	15	6.5
- Services	Straight line	18	5.5
Aerodrome	Straight line	3 – 60	1.7 – 33.3
Plant and machinery	Straight line	3 – 30	3 – 33
Furniture and fittings	Straight line	10	10
Computer equipment	Straight line	3 – 8	12.5 – 33
Library stocks	Straight line	8	12.5
Breakwaters and wharves	Straight line	40 – 50	2 – 2.5
Forest holdings	Not depreciated		
Reserve board assets	Not depreciated		
Landfill sites	Straight line	10 – 50	2 – 10
Landfill capitalised aftercare costs	Straight line	8	12.5
Water supply systems			
- Pipe network	Straight line	50 – 80	1.25 – 2
- Pumps and electrical	Straight line	10 – 60	1.67 – 10
- Reservoirs	Straight line	60 – 80	1.25 – 1.67
Drainage and sewerage			

Asset Class	Depreciation Method	Life (years)	%
- Pipe network	Straight line	50 – 80	1.25 – 2
- Pumps and electrical	Straight line	10 – 80	1.25 – 10
- Ponds	Straight line	60	1.67
Heritage assets	Straight line	40	2.5
Roading networks			
- Formation	Not depreciated		
- Pavement structure – sealed	Straight line	40 – 50	2 – 2.5
- Pavement structure – unsealed	Straight line	3 – 22	4.5 – 33
- Pavement surfacing	Straight line	2 – 16	6.25 – 50
- Kerb and channeling	Straight line	50 – 150	0.67 – 2
- Bridges	Straight line	15 – 100	1 – 6.67
- Footpaths	Straight line	15 – 50	2 – 6.67
- Drainage: surface water channels	Straight line	10 – 80	1.25 – 10
- Drainage: culverts and catchpits	Straight line	50 – 150	0.67 – 2
- Traffic signs and pavement marking	Straight line	5 – 15	6.67 – 20
Flood protection scheme	Straight line	100	1
Parking developments	Straight line	50	2
Sportsfields and parks (improvements)	Straight line	5 – 100	1 – 20
Work in progress	Not depreciated	-	-

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

revaluation

The measurement base for each class of asset is described below. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

valuation

Infrastructural assets	Valuation basis
Roading network	Optimised depreciated replacement cost
Land under roads	Deemed Cost
Stormwater	Optimised depreciated replacement cost
Flood protection system	Depreciated historical Cost
Sewerage	Optimised depreciated replacement cost
Water supply systems	Optimised depreciated replacement cost
Landfill Site	Depreciated historical Cost

Fixed assets	Valuation basis
General land	Fair Value
Other land	Historical cost
Buildings	Fair Value
Plant and machinery	Depreciated historical cost
Furniture and fittings	Depreciated historical cost
Computer equipment	Depreciated historical cost
Library stocks	Depreciated historical cost
Breakwater and wharves	Depreciated historical cost
Aerodrome	Fair Value
Parking developments	Depreciated historical cost
Forest holdings	Estimated value
Reserve Board Assets	Estimated value
Sportsfields and parks	Deemed Cost
Heritage assets	Deemed Cost

Accounting for revaluations:

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the income statement.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the income statement will be recognised first in the income statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

revaluation

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described above. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

12 investment property

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

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment property at fair value as determined.

Gains or losses arising from a change in the fair value of investment property are recognised in the income statement.

13 impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the income statement.

For assets not carried at a revalued amount, the total impairment loss is recognised in the income statement.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in income statement, a reversal of the impairment loss is also recognised in the income statement.

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

14 employee benefits

short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

long-term benefits

long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows. A discount rate of 7.0% and an inflation factor of 3.0% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

15 provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

landfill post closure costs

Council has a legal obligation under the Resource Consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognized as a liability when the obligation for post closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. The discount rate applied is 7% which represents the risk free discount rate.

16 borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

17 equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Ratepayers equity (Retained earnings)
- Special funds reserves
- Trusts, bequests and other reserves
- Asset revaluation reserves

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

18 goods and service tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the balance sheet.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

19 budget figures

The budget figures are those approved by Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

20 cost allocation

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

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

21 critical accounting estimates and assumptions

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

landfill aftercare provision

Note 17 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

infrastructural assets

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

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

Experienced independent valuers perform Council's infrastructural asset revaluations.

critical judgements in applying council's accounting policies

Management has exercised the following critical judgements in applying Council's accounting policies for the period ended 30 June 2008:

classification of property

Council owns a number of properties, which are maintained primarily to provide housing to elderly persons. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of Council's social housing policy. These properties are accounted for as property, plant and equipment.

classification of leases

Council is the lessor on a large number of leases which include terms where the lessee can extend the lease into perpetuity. Council has determined that the risks and rewards of ownership of the assets have transferred to the lessee and therefore have classified the leases as operating leases.

classification of property

Council's leasehold property has been classified as "non current assets held for sale" (prior GAAP was classified as property, plant and equipment). This is due to the fact that Council is actively encouraging the sale of these properties at a reasonable price and they are available for immediate sale. Council remains committed to selling these properties even if it takes more than a year and it is probable that they will be sold.

22 cost of service statements

The Cost of Service Statements, as provided in the Statement of Service Performance, report the net cost of services for significant activities of Council, and are represented by the costs of providing the service less all directly related revenue that can be allocated to these activities.

23 statement of cashflows

The following are the definitions of terms used in the statement of cashflows:

"Operating Activities" include cash received from all income sources of Council and record the cash payments made for the supply of goods and services.

"Investing Activities" are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.

"Financing Activities" are those activities change the equity and debt capital structure of Council

"Cash" is considered to be cash on hand and cash at bank, and on-call deposits, net of overdrafts.

24 new standard and interpretation adopted and not yet adopted

A number of new interpretations and standards are not yet effective for the year ended 30 June 2008, and have not been applied in preparing these financial statements:

- NZ IAS 1 Presentation of Financial Statements requires that:
 - Council present all non-owner changes in equity ('comprehensive income') either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income); and
 - Disclose income tax relating to each component of other comprehensive income and reclassification adjustments relating to components of other comprehensive income.

and will become mandatory for Council's 2009 financial statements. Council has not yet determined the potential effect of the interpretation.

- NZ IAS 23 Borrowing Costs mandates the capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset and revises the definition of borrowing costs to consolidate the types of items that are considered components of borrowing costs into one. Will become mandatory for Council's 2009 financial statements. Council has not yet determined the potential effect of the interpretation.
- NZ IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Loans granted with no or low interest will not be exempt from the requirements to impute interest. Interest is to be imputed on loans granted with below-market interest rates. The difference between the amount received and the discounted amount is accounted for as a government grant. Will become mandatory for Council's 2009 financial statements. This would have no effect on Council's current financial statements, however may do in the future.
- NZ IAS 27 Consolidated and Separate Financial Statements When a parent entity accounts for a subsidiary at fair value in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale. Will become mandatory for Council's 2009 financial statements and it is not anticipated that this will have any effect on Council's financial statements.
- NZ IAS 36 Impairment of Assets. When discounted cash flows are used to estimate 'fair value less costs to sell', the same disclosure is required as when discounted cash flows are used to estimate 'value in use'. Will become mandatory for Council's 2009 financial statements. Council has not yet determined the potential effect of the interpretation.
- NZ IAS 38 Intangible Assets:- Unit of production method of amortisation. Deletes references to there being rarely, if ever, persuasive evidence to support an amortisation method for finite life intangible assets that results in a lower amount of accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method. Will become mandatory for Council's 2009 financial statements. Council has not yet determined the potential effect of the interpretation.
- NZ IAS 39 Financial Instruments: Recognition and Measurement Reclassification of derivatives into or out of the classification of at fair value through profit or loss. Clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the fair value through profit and loss classification after initial recognition. Will become mandatory for Council's 2009 financial statements. Council has not yet determined the potential effect of the interpretation.

[3] income statement

for the year ending 30 June 2008

	Note	council			group	
		Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
INCOME						
Rates revenue	1	10,314	10,148	9,902	10,314	9,902
Other revenue	2	11,403	10,679	11,334	11,352	11,232
Other gains/(losses)	3	1,798	330	2,014	1,798	2,014
Total income	4	23,515	21,157	23,250	23,464	23,148
EXPENDITURE						
Employee expenses	7	(3,096)	(3,086)	(3,041)	(3,102)	(3,059)
Depreciation	13	(6,525)	(5,974)	(5,400)	(6,525)	(5,400)
Other expenses	6	(9,880)	(7,463)	(9,846)	(9,532)	(9,939)
Finance costs	8	(750)	(642)	(587)	(750)	(587)
Total operating expenditure	5	(20,251)	(17,165)	(18,874)	(19,909)	(18,985)
Net surplus/(loss) before tax		3,264	3,992	4,376	3,555	4,163
Income tax expense	9	-	-	-	-	-
Surplus/(deficit) after tax attributable to Grey District Council		3,264	3,992	4,376	3,555	4,163

The accompanying notes form part of these financial statements

[4] statement of movements in equity

for the year ending 30 June 2008

	Note	council			group	
		Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
Balance at 01 July		268,807	266,520	264,431	268,594	264,431
Revaluation gains/(losses) taken to equity	20	28,104	38,905	-	28,104	-
Surplus/(deficit) for the year		3,264	3,992	4,376	3,555	4,163
Total recognised income/(expense) for the year ended 30 June		31,368	42,897	4,376	31,659	4,163
Balance at 30 June		300,175	309,417	268,807	300,253	268,594

The accompanying notes form part of these financial statements

[5] balance sheet

for the year ending 30 June 2008

	Note	council			group	
		Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
ASSETS						
Current Assets						
Cash and cash equivalents	10	8,353	1,984	12,296	8,377	12,308
Trade and other receivables	11	2,651	2,449	2,844	2,705	2,844
Short-Term investments	14	6,244	12,036	1,032	6,244	1,032
Non-current assets held for sale	12	1,129	-	1,406	1,129	1,406
		18,377	16,469	17,578	18,455	17,590
Non Current Assets						
Trade and other receivables	11	387	-	-	387	-
Property, plant and equipment	13	290,964	302,977	261,183	290,964	261,183
Term investments	14	2,409	3,009	2,125	2,409	1,907
		293,760	305,986	263,308	293,760	263,090
TOTAL ASSETS		312,137	322,455	280,886	312,215	280,680
LIABILITIES						
Current Liabilities						
Trade and other payables	15	2,477	2,541	2,468	2,477	2,475
Employee benefit liabilities	16	410	260	299	410	299
Deferred income		102	100	90	102	90
Borrowings	18	5,052	1,776	374	5,052	374
Derivative financial instruments	19	118	-	-	118	-
		8,159	4,677	3,231	8,159	3,238
Non Current Liabilities						
Provision for closed landfill	17	750	1,070	740	750	740
Employee benefit liabilities	16	230	187	264	230	264
Borrowings	18	2,823	7,106	7,844	2,823	7,844
		3,803	8,363	8,848	3,803	8,848
TOTAL LIABILITIES		11,962	13,040	12,079	11,962	12,086
EQUITY						
Retained earnings	20	198,035	153,596	195,280	198,113	195,067
Special Funds	20	19,097	18,026	18,528	19,097	18,528
Trusts Bequests and Other Reserves	20	589	640	649	589	649
Revaluation reserve	20	82,454	137,153	54,350	82,454	54,350
Total equity attributable to the Council		300,175	309,415	268,807	300,253	268,594
TOTAL EQUITY AND LIABILITIES		312,137	322,455	280,886	312,215	280,680

The accompanying notes form part of these financial statements

[6] statement of cashflows

for the year ending 30 June 2008

	Note	council			group	
		Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from rates revenue		10,245	10,080	9,792	10,245	9,792
Interest received		1,150	864	1,008	1,099	1,008
Dividends received		4	-	4	4	4
Receipts from other revenue		10,073	9,222	8,891	10,073	8,891
Payments to suppliers and employees		(11,924)	(10,501)	(12,168)	(12,545)	(12,386)
Interest paid		(629)	(643)	(587)	(629)	(587)
Income tax paid (refund)		-	-	-	-	-
Goods and services tax (net)		(65)	-	230	(65)	242
Net cash from operating activities	21	8,854	9,022	7,170	8,182	6,964
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment		1,990	-	2,654	1,990	2,654
Proceeds from investments		30,614	35,000	38,255	30,614	38,255
Purchase of property, plant and equipment		(8,312)	(11,445)	(10,896)	(8,312)	(10,896)
Acquisition of investments		(36,908)	(33,255)	(32,952)	(36,224)	(32,734)
Net cash from investing activities		(12,616)	(9,700)	(2,939)	(11,932)	(2,721)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings		-	515	296	-	296
Repayment of borrowings		(181)	(179)	(19)	(181)	(19)
Dividends paid		-	-	-	-	-
Net cash from financing activities		(181)	336	277	(181)	277
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(3,943)	(342)	4,508	(3,931)	4,520
Cash, cash equivalents and bank overdrafts at the beginning of the year		12,296	2,326	7,788	12,308	7,788
Cash, cash equivalents and bank overdrafts at the end of the year	10	8,353	1,984	12,296	8,377	12,308

The accompanying notes form part of these financial statements

[7] notes to the financial statements

1 rates revenue

	council			group	
	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
GENERAL RATES					
General Rate	4,717	4,657	4,117	4,717	4,117
Uniform Annual General Charge	1,807	1,758	2,196	1,807	2,196
TARGETED RATES					
Northern Ward Community Board	-	-	75	-	75
District Promotion	172	166	187	172	187
Refuse Collection	638	630	618	638	618
Water Supplies	1,193	1,176	1,006	1,193	1,006
Water Meter Rates	218	246	222	218	222
Sewerage Collection	1,448	1,419	1,371	1,448	1,371
PENALTIES					
Rate Penalties	121	96	110	121	110
Total rates revenue	10,314	10,148	9,902	10,314	9,902
RATES REMITTED ARE AS FOLLOWS:					
Rates on land where GDC is the ratepayer	188	170	168	188	168
Rate discounts	23	26	25	23	25
Rates remitted per Council policy	49	65	67	49	67

Rate revenue shown is net of rates remitted on *land where GREY DISTRICT COUNCIL is the ratepayer*. Rate discounts and rates remitted per Council policy are expensed through the income statement.

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

2 other revenue

	council			group	
	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
User charges and miscellaneous	3,899	2,427	2,147	3,899	2,045
Regulatory income	1,302	1,142	1,102	1,302	1,102
Land Transport New Zealand subsidies	3,148	4,379	4,206	3,148	4,206
Other grants and subsidies	1,560	1,492	2,386	1,560	2,386
Interest received	1,264	864	878	1,213	878
Dividends	4	-	4	4	4
Subdivision reserve contributions	226	-	96	226	96
Lump sum contributions	-	-	150	-	150
Vested assets	-	375	365	-	365
Total other revenue	11,403	10,679	11,334	11,352	11,232

There are no unfulfilled conditions and other contingences attached to government grants recognised.

3 other gains and losses

	council			group	
	Actual	Budget	Last Year	Actual	Last Year
	2008	2008	2007	2008	2007
	\$000	\$000	\$000	\$000	\$000
Net gain (loss) of non current assets held for sale	1,248	330	2,014	1,248	2,014
Net gain (loss) on sale of property plant and equipment	385	-	-	385	-
Gain on debt forgiven	165	-	-	165	-
Total other gains and losses	1,798	330	2,014	1,798	2,014

4 income by activities

	Actual	Budget	Last Year
	2008	2008	2007
	\$000	\$000	\$000
Roading	5,488	7,086	6,502
Stormwater & Flood Protection	504	513	685
Sewerage	2,442	3,761	3,863
Water Supply	1,417	1,433	1,377
Refuse Collection & Disposal	1,170	1,131	1,107
Rural Fire Authority	123	79	74
Economic Development	289	203	313
Property and Housing*	2,458	1,081	2,820
Community Services and Facilities	3,099	1,813	1,835
Civil Defence	50	48	48
Democracy	2,102	1,563	1,778
Administration*	517	393	404
Environmental Services	2,410	1,956	2,058
Liaison with other Agencies	108	97	122
Port Operations	1,338	-	264
Total Income	23,515	21,157	23,250

*Figures shown have been adjusted for internal charges recovered.

5 expenditure by activities

	Actual	Budget	Last Year
	2008	2008	2007
	\$000	\$000	\$000
Roading	(6,092)	(5,876)	(6,425)
Stormwater & Flood Protection	(697)	(686)	(644)
Sewerage	(1,059)	(1,019)	(848)
Water Supply	(1,531)	(1,428)	(1,323)
Refuse Collection & Disposal	(1,935)	(1,183)	(1,271)
Rural Fire Authority	(81)	(78)	(42)
Economic Development	(282)	(247)	(241)
Property and Housing*	(930)	(1,223)	(1,113)
Community Services and Facilities	(2,257)	(1,988)	(1,939)
Civil Defence	(32)	(48)	(41)
Democracy	(821)	(899)	(761)
Administration*	(565)	(441)	(508)
Environmental Services	(1,991)	(1,952)	(1,955)
Liaison with other Agencies	(133)	(97)	(110)
Port Operations	(1,845)	-	(1,653)
Total Expenditure	(20,251)	(17,165)	(18,874)

*Figures shown have been adjusted for internal charges recovered.

6 other expenses

	Note	council			group	
		Actual	Budget	Last Year	Actual	Last Year
		2008	2008	2007	2008	2007
		\$000	\$000	\$000	\$000	
<i>Fees to principal auditor</i>						
audit of financial statements		75	70	64	77	74
other audit-related services		9	-	3	9	3
Assets written off		-	-	-	-	-
Bad debt expense		4	-	9	4	9
Directors' fees		-	-	-	36	33
Donations		125	33	36	125	36
Movement in impairment of receivables	11	15	-	539	15	539
Insurance expenses		202	196	249	206	249
Loss on sale of property, plant and equipment		30	-	-	30	-
Impairment of investment in subsidiary		912	-	-	-	-
Remuneration of elected members	28	212	220	210	224	221
Minimum lease payments under operating leases		-	103	99	-	99
Other operating expenses		8,296	6,841	8,637	8,806	8,676
Total other expenses		9,880	7,463	9,846	9,532	9,939

Other audit-related services is relating to work undertaken for NZ IFRS transition work.

7 employee expenses

		council			group	
		Actual	Budget	Last Year	Actual	Last Year
		2008	2008	2007	2008	2007
		\$000	\$000	\$000	\$000	
Wages and salaries		3,019	3,086	3,045	3,025	3,063
Increase/(decrease) in employee benefit liabilities		77	-	(4)	77	(4)
Total employee expenses		3,096	3,086	3,041	3,102	3,059

8 finance costs

		council			group	
		Actual	Budget	Last Year	Actual	Last Year
		2008	2008	2007	2008	2007
		\$000	\$000	\$000	\$000	
INTEREST EXPENSE						
Interest on bank borrowings		632	642	587	632	587
Movement in fair value of borrowings		118	-	-	118	-
Total finance costs		750	642	587	750	587

9 income tax expense in the income statement

	council		group	
	Actual 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
Net Surplus/(Loss) before Tax	3,264	4,376	3,555	4,163
Tax at 33%	1,077	1,444	1,173	1,374
Plus (less) tax effect of:				
Non-taxable income	(954)	(1,658)	(1,115)	(1,658)
Tax losses not recognised	-	214	65	284
Tax losses utilised	(123)	-	(123)	-
Tax expense	-	-	-	-
Current tax	-	-	-	-
Deferred tax	-	-	-	-
Tax expense	-	-	-	-

A deferred tax asset has not been recognised in relation unused tax losses of \$8,559,000 (2007: \$8,806,000). Utilisation of these tax losses is dependent upon earning future assessable income. Future taxation benefits attributable to timing differences or losses carried forward are not recognised in the financial statements because they do not meet the probability test that future taxable profit will be available against which the deductible timing differences or tax losses can be utilised.

10 cash and cash equivalents

	council		group	
	Actual 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
Cash at bank and in hand	25	49	49	61
Call deposits	5,003	2,189	5,003	2,189
Short term deposits	3,325	10,058	3,325	10,058
Total cash and cash equivalents	8,353	12,296	8,377	12,308

The carrying value of deposits approximate their fair value.

The effective interest rate on deposits in 2008 was 8.55 percent (2007: 7.38 percent). The deposits had an average maturity of 113 days (2007: 80 days).

11 trade and other receivables

	council		group	
	Actual 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
Rates receivables	497	500	497	500
Water rate receivables	63	65	63	65
Land Transport New Zealand receivable	507	349	507	349
Port Debtors	1,441	665	1,441	665
Sundry debtors	1,118	1,838	1,118	1,838
GST receivable	-	-	54	-
	3,626	3,417	3,680	3,417
Less provision for impairment of receivables	(588)	(573)	(588)	(573)
Total trade and receivables	3,038	2,844	3,092	2,844
Current	2,651	2,844	2,705	2,844
Non-current	387	-	387	-
Total trade and receivables	3,038	2,844	3,092	2,844

	council		group	
	Actual 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
Current	1,529	1,449	1,583	1,449
1 to 3 months	254	822	254	822
> 3 months	1,255	573	1,255	573
Carrying amount	3,038	2,844	3,092	2,844

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

	council		group	
	Actual 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
At 1 July	573	34	573	34
Provisions reversed during the year	(7)	-	(7)	-
Additional provisions made during the year	37	539	37	539
Receivables written off during period	(15)	-	(15)	-
At 30 June	588	573	588	573

The carrying value of trade and other receivables approximate their fair value.

There is no concentration of credit risk with respect to receivables outside the Group, as the Group has a large number of customers.

Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments.

These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

The age of rates receivable overdue, whose payment terms have been renegotiated, but not impaired are as follows:

	Council		Council	
	Actual	Actual	Actual	Actual
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
0 to 12 months	374	408	374	408
> 12 months	123	92	123	92
Carrying amount	497	500	497	500

As of 30 June 2008 and 2007, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors.

12 assets held for sale

	council		group	
	Actual	Last Year	Actual	Last Year
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Buildings	141	141	141	141
Land	988	1,265	988	1,265
Total non-current asset held for sale	1,129	1,406	1,129	1,406

The buildings relate to the value of improvements held on the Lord St site, which is currently being actively marketed.

The land relates to:

- land identified by Council to be disposed of, as is not required for operational and/or strategic purposes. This land is being marketed and therefore is likely to be sold in the next 12 months; and
- land where Council is the leaseholder, where sale is being actively encouraged through Council policy.

13 property, plant and equipment

Council 2008

	Cost/ revaluation 01-Jul-07	Accumulated depreciation and impairment charges 01-Jul-07	Carrying amount 01-Jul-07	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Revaluation surplus	Cost/ revaluation 30-Jun-08	Accumulated depreciation and impairment charges 30-Jun-08	Carrying amount 30-Jun-08
INFRASTRUCTURAL ASSETS											
Roading Network	119,724	(6,513)	113,211	2,432	-	-	(3,226)	23,662	136,079	-	136,079
Land Under Roads	68,725	-	68,725	2	-	-	-	-	68,727	-	68,727
Stormwater	14,346	(658)	13,688	162	-	-	(383)	2,752	16,219	-	16,219
Flood Protection System	5,300	(901)	4,399	-	-	-	(53)	-	5,300	(954)	4,346
Sewerage	22,390	(807)	21,583	3,902	-	-	(464)	(2,496)	22,525	-	22,525
Water Supply Systems	11,701	(665)	11,036	1,292	-	-	(378)	195	12,145	-	12,145
Landfill Site	3,106	(752)	2,354	3	-	-	(842)	-	3,109	(1,594)	1,515
Work in progress	1,729	-	1,729	1,270	(1,512)	-	-	-	1,487	-	1,487
	247,021	(10,296)	236,725	9,063	(1,512)	-	(5,346)	24,113	265,591	(2,548)	263,043
OTHER FIXED ASSETS											
General Land	6,072	-	6,072	-	-	-	-	1,798	7,870	-	7,870
Other Land	2,894	-	2,894	15	(48)	-	-	-	2,861	-	2,861
Buildings	8,636	(368)	8,268	193	-	-	(417)	1,836	9,880	-	9,880
Plant & Machinery	1,987	(1,696)	291	182	(1)	-	(112)	-	2,168	(1,808)	360
Furniture & Fittings	363	(318)	45	5	-	-	(8)	-	368	(326)	42
Computer Equipment	2,339	(2,002)	337	58	-	-	(165)	-	2,397	(2,167)	230
Library Stocks	1,479	(1,293)	186	49	-	-	(74)	-	1,528	(1,367)	161
Breakwaters & Wharves	4,691	(1,683)	3,008	31	-	-	(308)	-	4,722	(1,991)	2,731
Aerodrome	1,563	(118)	1,445	14	-	-	(48)	342	1,753	-	1,753
Parking Developments	289	(67)	222	6	-	-	(6)	-	295	(73)	222
Forest Holdings	52	-	52	-	(52)	-	-	-	-	-	-
Reserve Board Assets	290	-	290	-	-	-	-	-	290	-	290
Sports fields and Parks	501	(58)	443	214	-	-	(21)	-	715	(79)	636
Heritage Assets	985	(80)	905	-	-	-	(20)	-	985	(100)	885
	32,141	(7,683)	24,458	767	(101)	-	(1,179)	3,976	35,832	(7,911)	27,921
	279,162	(17,979)	261,183	9,830	(1,613)	-	(6,525)	28,089	301,423	(10,459)	290,964

* Disposals are recorded net of accumulated depreciation

Group 2008

	Cost/ revaluation 01-Jul-07	Accumulated depreciation and impairment charges 01-Jul-07	Carrying amount 01-Jul-07	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Revaluation surplus	Cost/ revaluation 30-Jun-08	Accumulated depreciation and impairment charges 30-Jun-08	Carrying amount 30-Jun-08
INFRASTRUCTURAL ASSETS											
Roading Network	119,724	(6,513)	113,211	2,432	-	-	(3,226)	23,662	136,079	-	136,079
Land Under Roads	68,725	-	68,725	2	-	-	-	-	68,727	-	68,727
Stormwater	14,346	(658)	13,688	162	-	-	(383)	2,752	16,219	-	16,219
Flood Protection System	5,300	(901)	4,399	-	-	-	(53)	-	5,300	(954)	4,346
Sewerage	22,390	(807)	21,583	3,902	-	-	(464)	(2,496)	22,525	-	22,525
Water Supply Systems	11,701	(665)	11,036	1,292	-	-	(378)	195	12,145	-	12,145
Landfill Site	3,106	(752)	2,354	3	-	-	(842)	-	3,109	(1,594)	1,515
Work in progress	1,729	-	1,729	1,270	(1,512)	-	-	-	1,487	-	1,487
	247,021	(10,296)	236,725	9,063	(1,512)	-	(5,346)	24,113	265,591	(2,548)	263,043
OTHER FIXED ASSETS											
General Land	6,072	-	6,072	-	-	-	-	1,798	7,870	-	7,870
Other Land	2,894	-	2,894	15	(48)	-	-	-	2,861	-	2,861
Buildings	8,636	(368)	8,268	193	-	-	(417)	1,836	9,880	-	9,880
Plant & Machinery	1,987	(1,696)	291	182	(1)	-	(112)	-	2,168	(1,808)	360
Furniture & Fittings	363	(318)	45	5	-	-	(8)	-	368	(326)	42
Computer Equipment	2,339	(2,002)	337	58	-	-	(165)	-	2,397	(2,167)	230
Library Stocks	1,479	(1,293)	186	49	-	-	(74)	-	1,528	(1,367)	161
Breakwaters & Wharves	4,691	(1,683)	3,008	31	-	-	(308)	-	4,722	(1,991)	2,731
Aerodrome	1,563	(118)	1,445	14	-	-	(48)	342	1,753	-	1,753
Parking Developments	289	(67)	222	6	-	-	(6)	-	295	(73)	222
Forest Holdings	52	-	52	-	(52)	-	-	-	-	-	-
Reserve Board Assets	290	-	290	-	-	-	-	-	290	-	290
Sports fields and Parks	501	(58)	443	214	-	-	(21)	-	715	(79)	636
Heritage Assets	985	(80)	905	-	-	-	(20)	-	985	(100)	885
	32,141	(7,683)	24,458	767	(101)	-	(1,179)	3,976	35,832	(7,911)	27,921
	279,162	(17,979)	261,183	9,830	(1,613)	-	(6,525)	28,089	301,423	(10,459)	290,964

* Disposals are recorded net of accumulated depreciation

Council 2007

	Cost/ revaluation 01-Jul-06	Accumulated depreciation and impairment charges 01-Jul-06	Carrying amount 01-Jul-06	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Revaluation surplus	Cost/ revaluation 30-Jun-07	Accumulated depreciation and impairment charges 30-Jun-07	Carrying amount 30-Jun-07
INFRASTRUCTURAL ASSETS											
Roading Network	116,171	(3,495)	112,676	3,553	-	-	(3,018)	-	119,724	(6,513)	113,211
Land Under Roads	68,807	-	68,807	-	(82)	-	-	-	68,725	-	68,725
Stormwater	13,744	(330)	13,414	602	-	-	(328)	-	14,346	(658)	13,688
Flood Protection System	5,300	(848)	4,452	-	-	-	(53)	-	5,300	(901)	4,399
Sewerage	18,118	(395)	17,723	4,272	-	-	(412)	-	22,390	(807)	21,583
Water Supply Systems	10,911	(343)	10,568	790	-	-	(322)	-	11,701	(665)	11,036
Landfill Site	3,046	(496)	2,550	60	-	-	(256)	-	3,106	(752)	2,354
Work in progress	130	-	130	1,722	(123)	-	-	-	1,729	-	1,729
	236,227	(5,907)	230,320	10,999	(205)	-	(4,389)	-	247,021	(10,296)	236,725
OTHER FIXED ASSETS											
General Land	6,072	-	6,072	-	-	-	-	-	6,072	-	6,072
Other Land	2,969	-	2,969	-	(75)	-	-	-	2,894	-	2,894
Buildings	8,608	-	8,608	28	-	-	(368)	-	8,636	(368)	8,268
Plant & Machinery	1,951	(1,591)	360	53	(17)	-	(105)	-	1,987	(1,696)	291
Furniture & Fittings	347	(305)	42	16	-	-	(13)	-	363	(318)	45
Computer Equipment	2,276	(1,820)	456	63	-	-	(182)	-	2,339	(2,002)	337
Library Stocks	1,433	(1,242)	191	46	-	-	(51)	-	1,479	(1,293)	186
Breakwaters & Wharves	4,613	(1,473)	3,140	78	-	-	(210)	-	4,691	(1,683)	3,008
Aerodrome	1,561	(81)	1,480	2	-	-	(37)	-	1,563	(118)	1,445
Parking Developments	289	(61)	228	-	-	-	(6)	-	289	(67)	222
Forest Holdings	174	-	174	-	(122)	-	-	-	52	-	52
Reserve Board Assets	290	-	290	-	-	-	-	-	290	-	290
Sports fields and Parks	412	(39)	373	89	-	-	(19)	-	501	(58)	443
Heritage Assets	976	(60)	916	9	-	-	(20)	-	985	(80)	905
	31,971	(6,672)	25,299	384	(214)	-	(1,011)	-	32,141	(7,683)	24,458
	268,198	(12,579)	255,619	11,383	(419)	-	(5,400)	-	279,162	(17,979)	261,183

* Disposals are recorded net of accumulated depreciation

Group 2007

	Cost/ revaluation 01-Jul-06	Accumulated depreciation and impairment charges 01-Jul-06	Carrying amount 01-Jul-06	Current year additions	Current year disposals	Current year impairment charges	Current year depreciation	Revaluation surplus	Cost/ revaluation 30-Jun-07	Accumulated depreciation and impairment charges 30-Jun-07	Carrying amount 30-Jun-07
INFRASTRUCTURAL ASSETS											
Roading Network	116,171	(3,495)	112,676	3,553	-	-	(3,018)	-	119,724	(6,513)	113,211
Land Under Roads	68,807	-	68,807	-	(82)	-	-	-	68,725	-	68,725
Stormwater	13,744	(330)	13,414	602	-	-	(328)	-	14,346	(658)	13,688
Flood Protection System	5,300	(848)	4,452	-	-	-	(53)	-	5,300	(901)	4,399
Sewerage	18,118	(395)	17,723	4,272	-	-	(412)	-	22,390	(807)	21,583
Water Supply Systems	10,911	(343)	10,568	790	-	-	(322)	-	11,701	(665)	11,036
Landfill Site	3,046	(496)	2,550	60	-	-	(256)	-	3,106	(752)	2,354
Work in progress	130	-	130	1,722	(123)	-	-	-	1,729	-	1,729
	236,227	(5,907)	230,320	10,999	(205)	-	(4,389)	-	247,021	(10,296)	236,725
OTHER FIXED ASSETS											
General Land	6,072	-	6,072	-	-	-	-	-	6,072	-	6,072
Other Land	2,969	-	2,969	-	(75)	-	-	-	2,894	-	2,894
Buildings	8,608	-	8,608	28	-	-	(368)	-	8,636	(368)	8,268
Plant & Machinery	1,951	(1,591)	360	53	(17)	-	(105)	-	1,987	(1,696)	291
Furniture & Fittings	347	(305)	42	16	-	-	(13)	-	363	(318)	45
Computer Equipment	2,276	(1,820)	456	63	-	-	(182)	-	2,339	(2,002)	337
Library Stocks	1,433	(1,242)	191	46	-	-	(51)	-	1,479	(1,293)	186
Breakwaters & Wharves	4,613	(1,473)	3,140	78	-	-	(210)	-	4,691	(1,683)	3,008
Aerodrome	1,561	(81)	1,480	2	-	-	(37)	-	1,563	(118)	1,445
Parking Developments	289	(61)	228	-	-	-	(6)	-	289	(67)	222
Forest Holdings	174	-	174	-	(122)	-	-	-	52	-	52
Reserve Board Assets	290	-	290	-	-	-	-	-	290	-	290
Sports fields and Parks	412	(39)	373	89	-	-	(19)	-	501	(58)	443
Heritage Assets	976	(60)	916	9	-	-	(20)	-	985	(80)	905
	31,971	(6,672)	25,299	384	(214)	-	(1,011)	-	32,141	(7,683)	24,458
	268,198	(12,579)	255,619	11,383	(419)	-	(5,400)	-	279,162	(17,979)	261,183

* Disposals are recorded net of accumulated depreciation

Valuation

Other fixed assets:- general land and buildings

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Peter J Hines BCom (VPM), ANZIV, Registered Valuer of Coast Valuations, and the valuation is effective as at 30 June 2008.

Other fixed assets:- aerodrome

Improvements - At fair value determined on a depreciated replacement cost basis by Council's Assets Manager, MD Sutherland BSc (Geography), BE (Civil), PGDipBusAdmin ADEM MIPENZ AFNZIM and independently reviewed by Peter J Hines BCom (VPM), ANZIV, Registered Valuer of Coast Valuations. The valuation is effective as at 30 June 2008.

Land - At fair value as determined by an independent valuer. The most recent valuation was performed by Peter J Hines BCom (VPM), ANZIV, Registered Valuer of Coast Valuations, and the valuation is effective as at 30 June 2008.

Infrastructural asset classes: land, sewerage, water, stormwater, and roads

At fair value determined on a depreciated replacement cost basis by Council's Assets Manager, MD Sutherland BSc (Geography), BE (Civil), PGDipBusAdmin ADEM MIPENZ AFNZIM and independently reviewed by John Vessey, Senior Advisor, Opus International Consultants Limited. The valuation is effective as at 30 June 2008.

Land under roads

Land under roads was valued based on fair value of adjacent land determined by Council's Assets Manager, MD Sutherland BSc (Geography), BE (Civil), PGDipBusAdmin ADEM MIPENZ AFNZIM, effective 30 June 2005. On transition to NZ IFRS Grey DC elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is no longer revalued.

Total fair value of property, plant and equipment valued by each valuer

	Council 2008 \$000	Group 2008 \$000
MD Sutherland, Grey DC	190,542	190,542
P J Hines, Coast Valuations	18,850	18,850

No classes of property plant and equipment were revalued in 2007

Impairment

Nil impairment losses have been recognised for plant and equipment (2006/2007 nil)

14 investments

	council		group	
	Actual 2008	Last Year 2007	Actual 2008	Last Year 2007
	\$000	\$000	\$000	\$000
NON-CURRENT INVESTMENTS				
Held to maturity investments	2,308	1,805	2,308	1,805
Available-for-sale financial assets	101	86	101	86
Investments in subsidiary	-	234	-	16
Total non-current investments	2,409	2,125	2,409	1,907
CURRENT INVESTMENTS				
Held to maturity investments	6,244	1,032	6,244	1,032
Total current investments	6,244	1,032	6,244	1,032

Port Westland Limited is an unlisted company and accordingly, there are no published price quotation to determine the fair value of the investment. Council has at 30 June 2008 assessed the value of its investment in its subsidiary, Port Westland Limited, as nil and therefore recognised a loss of \$912,000 in the investment in the 2008 accounts (2007: nil loss recognised).

The fair value approximates the carrying value for investments.

15 trade and other payables

	Note	council		group	
		Actual 2008	Last Year 2007	Actual 2008	Last Year 2007
		\$000	\$000	\$000	\$000
Trade payables		2,015	1,908	2,015	1,915
GST Payable		96	82	96	82
Sundry Creditors		351	473	351	473
Directors fee payable		-	-	-	-
Amounts due to related parties	22	15	5	15	5
Total trade and other payables		2,477	2,468	2,477	2,475

16 employee benefit liabilities

	council		group	
	Actual 2008	Last Year 2007	Actual 2008	Last Year 2007
	\$000	\$000	\$000	\$000
Accrued pay	113	93	113	93
Annual leave	324	292	324	292
Long service leave	31	23	31	23
Retirement gratuities	172	155	172	155
	640	563	640	563
COMPRISING:				
Current	410	299	410	299
Non-current	230	264	230	264
Total employee benefit liabilities	640	563	640	563

17 provision for closed landfills

	council		group	
	Actual 2008	Last Year 2007	Actual 2008	Last Year 2007
	\$000	\$000	\$000	\$000
Landfill aftercare provision	750	740	750	740
Total provision for closed landfills	750	740	750	740

	council		group	
	Actual 2008	Last Year 2007	Actual 2008	Last Year 2007
	\$000	\$000	\$000	\$000
Balance 01 July	740	702	740	702
Additional provisions made in the year	20	46	20	46
Amounts used in the year	(10)	(8)	(10)	(8)
Unused amounts reversed	-	-	-	-
Balance at 30 June	750	740	750	740

Landcare aftercare provision

Council has responsibility under the resource consent to provide maintenance and monitoring of the landfill after the sites are closed. The major sites are Blackball and McLeans Pit. There are post-closure responsibilities such as:

- treatment and monitoring leachate
- groundwater and surface monitoring
- gas monitoring and recovery
- implementation of remedial measures such as needed for cover and control systems
- ongoing site maintenance for drainage systems, final cover and vegetation

The management of the landfill will influence the timing of the recognition of some liabilities.

The cash outflows for landfill post-closure are expected to occur between 2009 and 2047. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 7%.

18 borrowings

	Note	council		group	
		Actual 2008	Last Year 2007	Actual 2008	Last Year 2007
		\$000	\$000	\$000	\$000
CURRENT					
Secured loans		5,052	56	5,052	56
Forestry encouragement loans		-	318	-	318
Total current borrowings		5,052	374	5,052	374
NON-CURRENT					
Secured loans		2,823	7,844	2,823	7,844
Total non-current borrowings		2,823	7,844	2,823	7,844

LOAN NAME	Maturity date	council		group		
		Interest rate	Balance at 01 Jul 07	Balance at 30 Jun 08	Balance at 30 Jun 08	Balance at 30 Jun 07
Afforestation Loan	at harvest		318,169	-	-	318,169
BNZ Cash Advance Loan	19 Aug 08	8.79%	2,020,373	2,020,720	2,020,720	2,020,373
BNZ Cash Advance Loan 2	15 Aug 08	8.82%	3,030,671	3,031,186	3,031,186	3,030,671
Westpac Multi Option Cash Loan	22 Sep 10	6.90%	1,266,435	1,266,674	1,266,674	1,266,435
Westpac Multi Option Cash Loan	17 Jul 11	7.45%	1,054,913	1,029,135	1,029,135	1,054,913
Westpac Multi Option Cash Loan	17 Jul 11	7.45%	252,460	249,974	249,974	252,460
Westpac Multi Option Cash Loan	22 Sep 12	8.40%	275,190	277,088	277,088	275,190
			8,218,211	7,874,777	7,874,777	8,218,211
Portion of Term Debt repayable within One year			318,169	5,051,906	5,051,906	318,169
Portion of Term Debt repayable in One to Two years			5,051,044	-	-	5,051,044
Portion of Term Debt repayable in Two to Five years			2,573,808	2,822,871	2,822,871	2,573,808
Portion of Term Debt repayable in Five years or more			275,190	-	-	275,190
Total Term Debt repayable			8,218,211	7,874,777	7,874,777	8,218,211

All loans are secured by way of a separate rate in the dollar on the land value of the district, except for afforestation land which is a suspensory loan agreement registered over the title of the related asset.

Carrying values are approximately equal to fair value

19 derivative financial instruments

	council		group	
	Actual 2008	Last Year 2007	Actual 2008	Last Year 2007
	\$000	\$000	\$000	\$000
Interest rate swaps - fair value	118	-	118	-
	118	-	118	-

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$9,500,000 (2007 \$3,000,000). At 30 June 2008, the fixed interest rates of cash flow interest rate swaps vary from 7.64% to 8.37% (2007 7.64%).

	Note	council		group	
		Actual	Last Year	Actual	Last Year
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
RATEPAYERS EQUITY					
Opening balance		195,280	190,211	195,067	190,211
Plus net surplus/(deficit) for the year		3,264	4,376	3,555	4,163
Net transfer from/(to) Special Funds		(569)	696	(569)	696
Net transfer from/(to) Trusts & Bequests		60	(3)	60	(3)
Closing balance		198,035	195,280	198,113	195,067
SPECIAL FUNDS					
Opening balance		18,528	19,224	18,528	19,224
Plus interest (transfer from ratepayer equity)		963	793	963	793
Other transfers from ratepayers equity		3,437	6,074	3,437	6,074
Transfer to ratepayers equity		(3,831)	(7,563)	(3,831)	(7,563)
Closing balance		19,097	18,528	19,097	18,528
TRUSTS, BEQUESTS & OTHER RESERVES					
Opening balance		649	646	649	646
Transfer from ratepayers equity		23	13	23	13
Transfer to ratepayers equity		(83)	(10)	(83)	(10)
Closing balance		589	649	589	649
REVALUATION RESERVES*					
Opening balance		54,350	54,350	54,350	54,350
plus increase in value on available for sale financial asset	14	15	-	15	-
plus increase in revaluation on property plant and equipment	13	28,089	-	28,089	-
Closing balance		82,454	54,350	82,454	54,350
TOTAL EQUITY		300,175	268,807	300,253	268,594
*REVALUATION RESERVES ARE MADE UP OF THE FOLLOWING					
Land & Building Revaluation Reserve		14,243	10,267	14,243	10,267
Roading Revaluation Reserve		50,207	26,545	50,207	26,545
Water Revaluation Reserve		1,775	1,580	1,775	1,580
Investment Revaluation Reserve		52	37	52	37
Drainage & Sewerage Revaluation Reserve		16,177	15,921	16,177	15,921
		82,454	54,350	82,454	54,350

21 reconciliation of operating surplus to net cash inflows from operating activities

	council		group	
	Actual 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
Surplus from operations	3,264	4,376	3,555	4,163
ADD/(LESS) NONCASH ITEMS				
Depreciation	6,525	5,400	6,525	5,400
Vested assets	-	(365)	-	(365)
Unrealised landfill aftercare costs	10	38	10	38
Debt forgiven	(165)	-	(165)	-
Assets written off	-	-	-	-
	6,370	5,073	6,370	5,073
MOVEMENTS IN WORKING CAPITAL				
(Increase)/decrease in accounts receivable	(194)	(653)	(248)	(653)
(Increase)/decrease in interest receivable	(114)	138	(114)	138
Increase/(decrease) in accounts payable	9	242	12	249
Increase/(decrease) in interest payable	3	5	3	5
Increase/(decrease) in income in advance	12	15	12	15
Increase/(decrease) in employee entitlements	77	(4)	77	(4)
	(207)	(257)	(258)	(250)
LESS ITEM CLASSIFIED AS INVESTING ACTIVITY				
Net gain (loss) on sale of property, plant and equipment and non-current assets held for sale	(1,603)	(2,014)	(1,603)	(2,014)
Impairment of investment in subsidiary	912	-	-	-
Change in fair value of borrowings	118	(8)	118	(8)
	(573)	(2,022)	(1,485)	(2,022)
Net cash flow from operations	8,854	7,170	8,182	6,964

22 related party transactions

council members

During the year, Council made purchases from businesses in which Councillors had an interest. Details of these interests are as follows:

Councillor	Business in which an interest is held	transaction type	Amount paid to the business 2008	Amount payable 2008	Amount paid to the business 2007	Amount payable 2007
			\$	\$	\$	\$
Cummings	I.M Tasman Tyres	Tyre purchases	7,157	-	7,873	671
Cummings	I.M Amalgamated Mining Ltd	General Contracting	1,988	1,004	-	-
Cummings	I.M Management Processing	Road contracting	-	-	2,500	-
Haddock	P.R Westland Engineering	Engineering Services	1,219	262	-	-
Haddock	P.R Greymouth Equipment Cen	General Supplies	1,351	1,400	-	-
Hamilton	K.F Future Knowledge Ltd	Consultancy - economic development	-	-	-	-
Hamilton	K.F WestReap	Community Services	2,020	-	-	-
Kokshoorn	A.F Greymouth Evening Star	Printing and advertising	40,194	6,079	38,316	2,671
Kokshoorn	A.F West Coast Times	Printing and advertising	460	-	-	-
Sandrey	C.R Cliff Sandrey Contracting	General Contracting	-	1,832	-	-
Truman	D.J Central Paper Plus	Office supplies	7,334	4,101	7,983	1,824
			61,723	14,678	56,672	5,166

tourism west coast

Amounts paid to the organisation 2008 \$	Amount payable 30-Jun-08 \$	Amounts paid to the organisation 2007 \$	Amount payable 30-Jun-07 \$
83,200	-	80,000	-

port westland ltd

Amounts received from the organisation 2008 \$	Amount receivable 30-Jun-08 \$	Amounts received from the organisation 2007 \$	Amount receivable 30-Jun-07 \$
22,452	-	111,621	-

Amounts paid to the organisation 2008 \$	Amount payable 30-Jun-08 \$	Amounts paid to the organisation 2007 \$	Amount payable 30-Jun-07 \$
627,621	-	218,832	218,832

west coast rural fire trust

Amounts paid to the organisation 2008 \$	Amount payable 30-Jun-08 \$	Amounts paid to the organisation 2007 \$	Amount payable 30-Jun-07 \$
9,000	-	18,400	-

key management personnel

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates and purchase of rubbish bags).

No debts involving a related party have been written off or forgiven during the year. (2007 – Nil) There are no transactions that have taken place at nil or nominal value that have not already been mentioned above.

key management personnel compensation

	Total 2008 \$	Total 2007 \$
Salaries and other short term employee benefits	756,042	703,226
Employer superannuation contributions	32,896	32,145
Termination benefits	-	-
Total compensation	788,939	735,371

key management personnel include the Mayor, elected members, chief executive and other senior management personnel.

23 greymouth floodwall

The Greymouth floodwall is owned by Grey District Council but is managed by a joint committee of Grey District Council and West Coast Regional Council. The joint committee agreement places the responsibility for the management, rating and maintenance of the structural integrity of the floodwall on the West Coast Regional Council. However, Grey District Council is responsible for the rating and maintenance of amenities of the floodwall.

24 capital commitments and operating leases

operating leases as lessee

Grey District Council leases land and office equipment in the normal course of its business. The majority of these leases have a non cancellable term of 7 years for land and 4 years for office equipment. The future aggregate minimum lease payments to be paid under non cancellable operating leases are as follows:

non cancellable operating leases as lessee

	council		group	
	Actual 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
OFFICE EQUIPMENT				
Not later than one year	39	27	39	27
Later than one year and not later than two years	38	24	38	24
Later than two years but not later than five years	30	27	30	27
Later than five years	-	-	-	-
	107	78	107	78
LAND LEASES				
Not later than one year	107	85	107	85
Later than one year and not later than two years	105	82	105	82
Later than two years but not later than five years	306	235	306	235
Later than five years	504	460	504	460
	1,022	862	1,022	862
Total non-cancellable operating leases	1,129	940	1,129	940

other contracts

Council has entered into future contracts in respect of on-going maintenance and operations of facilities and infrastructure. The companies that have been contracted and the period for which those contracts remain in effect are as follows:

Westroads Ltd

- Maintenance of Parks & Reserves, Cemeteries & Public Conveniences To 31 August 2012
- Utilities Maintenance To 30 June 2010
- Maintenance and Operation of the Greymouth Flood Scheme To 30 June 2010
- McLeans Landfill Operating and Maintenance To 30 June 2010

Provision of Services for Civil Defence

Tied in to Contracts

Northern Southland Ltd

- Refuse Collection & Disposal, Litterbins Maintenance & Disposal To 31 August 2012

Fergusons Industrial Division

- Roading Maintenance Works To 30 June 2011*

Operating and Maintenance contracts include fixed price and unit rate provisions, which makes estimating the value of the future commitment difficult. For this reason no value has been included for these contracts.

* There is a right of renewal for this contract to 30 June 2013 subject to Councils approval.

capital commitments approved and contracted

During its annual planning process for the 2008/2009 financial year, Council approved \$17,927,000 to be spent on Capital Works (2006/2007 - \$11,509,827) associated with Council's various assets and functions. A detail of the works to be carried out is included in the 2008/2009 Annual Plan which was adopted by Council on 23 June 2008 and released to the public.

The tender for construction of the Greymouth Aquatic centre was let in April 2008 for \$7,223,913, and as at 30 June 2008 had \$6,624,917 to be paid.

25 contingent liabilities

Defined benefit superannuation scheme

The Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the scheme, the Council could be responsible for the entire deficit of the scheme (see note 27). Similarly, if a number of employers ceased to participate in the scheme, the Council could be responsible for an increased share of the deficit. The Council estimates that during the next financial year the Council's contribution to the scheme will be approximately \$6,000 (2007: \$11,370).

greymouth wharf

A possible claim against Council in respect of subsidence of the Greymouth Wharf. (This item is the subject of ongoing investigation for identification of remedial work options).

Due to the nature of the above claim, the amount of the contingent liability cannot accurately be quantified. This is unchanged from 2005/2006.

ministry of education houses

The Ministry is seeking reimbursement of rates paid on teacher houses as it is their understanding that land owned by the Crown which is held or occupied for any Education Authority is non-rateable in terms of the Rating Powers Act 1988. We have a contrary legal opinion. If they are correct Council will have to refund \$86,174 for previous years. We are awaiting further legal information. This is unchanged from 2005/2006.

rates penalties

Council's rating resolution for the 2003/2004 year omitted to include penalties for unpaid rates, per section 57 of the Local Government (Rating) Act 2002. Council has provided for a liability of \$89,375 which is contingent upon a ratepayer challenging in the High Court the validity of penalties imposed. Penalties imposed are payable unless such proceedings are initiated. This has not happened during 2007/2008.

26 contingent assets

financial contributions – resource consents

Council has entered into a number of bonding arrangements with various subdividers, whereupon the financial contributions payment to Council is delayed until the sale of each individual lot. The actual contributions are adjusted based on relative price indices, and are underwritten by a third party guarantor. As at 30 June 2008 the payments to be made to Council in the future totalled \$374,000.

27 defined benefit superannuation scheme

As outlined in note 25, the Council contributes to a multi-employer defined benefit superannuation scheme (the scheme), operated by the National Provident Fund. The Fund has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation. As at 31 March 2007, the scheme had an estimated past service surplus of \$33.7 million (11.4% of the estimated liabilities). This amount is exclusive of specified superannuation contribution withholding tax. This surplus was calculated by the actuary to the scheme using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19. The actuary to the scheme has recommended the employer contribution reduces from 2.0 times contributors' contributions to 1.0 times contributor contributions. The 1.0 times is inclusive of specified superannuation contribution withholding tax. The equivalent information as at 31 March 2008 is not available at the date of preparation of these financial statements.

28 elected members remuneration

Gross pay to individual Councillors and Board Members was as follows:

		Honarium	Meeting Fees	Travel Allowance	Total 2008	Total 2007	Group 2008	Group 2007
		\$	\$	\$	\$	\$	\$	\$
MAYOR								
Kokshoorn	A.F*	57,994	n/a	-	57,994	54,821	69,994	65,821
COUNCILLOR								
Berry	P.F	14,697	3,234	851	18,782	15,515	18,782	15,515
Brown	K.R	10,810	1,620	-	12,430	-	12,430	-
Cummings	I	14,697	2,829	-	17,526	14,698	17,526	14,698
Haddock	P.R	10,810	2,025	-	12,835	-	12,835	-
Hamilton	K.F	14,697	3,369	14	18,080	16,076	18,080	16,076
Moen	W	3,680	939	70	4,689	16,313	4,689	16,313
Osborne	M.J	10,810	1,755	337	12,902	-	12,902	-
Sandrey	C.R	14,697	1,755	182	16,634	14,726	16,634	14,726
Stratford	E	3,680	804	56	4,540	16,113	4,540	16,113
Thomas	M.A	3,680	540	53	4,273	14,288	4,273	14,288
Truman	D.J	20,300	2,829	-	23,129	20,051	23,129	20,051
		180,552	21,699	1,563	203,814	182,601	215,814	193,601
NWCB								
Burnett	O	1,754	-	-	1,754	6,205	1,754	6,205
Butler	R	1,754	-	-	1,754	6,205	1,754	6,205
Coram	W	1,754	-	-	1,754	6,205	1,754	6,205
Noble	A.F.C	2,551	-	-	2,551	9,025	2,551	9,025
		7,813	-	-	7,813	27,640	7,813	27,640
Total elected members remuneration		188,365	21,699	1,563	211,627	210,241	223,627	221,241

* the Mayor is chair of Port Westland Ltd and also received director fees of \$12,000 (2007 \$11,000).

29 chief executive officer's remuneration

	Total 2008	Total 2007
	\$	\$
Salary	162,068	153,196
Employer Superannuation Contributions	9,370	9,044
Telephone rental	650	638
Car - Full Use	9,059	9,059
Professional Allowances/Fees	200	200
Total Chief Executive Officer's remuneration	181,347	172,137

30 reserve boards

As part of the re-organisation of Local Government on 01 November 1989, eight reserve boards were vested to the Grey District Council. As part of the accountability process, Council is required to incorporate these reserve boards into the Annual Report.

The balance sheet includes all assets and liabilities relating to these reserve boards. The Income Statement for Community Services includes revenue and expenditure relating to these reserve boards. The amounts included are:

	council	
	Actual 2008	Last Year 2007
	\$000	\$000
Income	24	45
Expenditure	(29)	(66)
Net surplus (deficit) for the year	(5)	(21)

31 bonds receivable and bonds payable

Council is party to a bond agreement along with the West Coast Regional Council and Buller District Council with regards to a number of resource consents. The funds are jointly held by the 3 Councils in a trust fund, with said funds only called upon if remedial action is required per the conditions of the resource consents. Income received by the trust fund is not returned to the councils, therefore there is no recognition of income in these accounts. As Council has no automatic right of claim over the funds it is not recognised in the balance sheet as an asset or liability. Given there is no immediate likelihood of the funds being called upon they are not recognised as a contingent asset or liability.

32 ratepayers and residents association disclosure requests

The Grey District Residents and Ratepayers Association have asked that Council disclose the following financial information in each Annual Report.

salaries and wages paid

Total Salaries and Wages paid during 2007/2008 amounted to \$3,096,000 (2006/2007 \$3,041,000).

consultancy fees paid

Council, during 2007/2008, paid consultancy fees of \$1,325,982 (2006/2007 \$1,395,469). Consultants provided specialist services for projects such as the:

	\$000
Port Development	\$44
Greymouth Sewerage Scheme	\$12
Blackball Sewerage Scheme	\$25
Building Consenting	\$91
Resource Consenting	\$269
Cost of Land Sales	\$44
New Greymouth Aquatic Centre	\$624
Civic Chambers extension	\$41

motor vehicles

Council's motor vehicle fleet consists of 10 cars, 13 utility vehicles, and 1 van. Six utilities are taken home by staff who are on emergency call while five managers are provided with cars as part of their contract of employment with Council, which includes after hours commitments on behalf of Council. All vehicles are used operationally by staff as part of their normal day-to-day duties, where those duties require field work to be carried out.

The total vehicle book value at 30 June 2008 was \$275,819 (2007 \$192,021) which gives an average book value for vehicles of \$11,492 (\$8,728 last year)

33 severance payments

For the year ended 30 June 2008 Grey DC did not make any severance payments to employees (2007 \$141,205).

34 events subsequent to balance date

There were no significant events after balance date.

35 financial instrument risk

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

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

	council		group	
	Actual 2008 \$000	Last Year 2007 \$000	Actual 2008 \$000	Last Year 2007 \$000
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents	8,353	12,296	8,377	12,308
Trade and other receivables	3,038	2,844	3,092	2,844
Term deposits	6,244	1,032	6,244	1,032
	17,635	16,172	17,713	16,184
Held to maturity investments				
Local authority stock	2,308	1,805	2,308	1,805
	2,308	1,805	2,308	1,805
Available for sale				
Investment in subsidiary (Port Westland Ltd)	-	234	-	16
Unlisted shares (Civic Assurance)	101	86	101	86
	101	320	101	102
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Trade and other payables	2,477	2,468	2,477	2,475
Secured loans	7,875	7,900	7,875	7,900
Forestry encouragement loan	-	318	-	318
	10,352	10,686	10,352	10,693
Fair value through profit and loss				
Derivative financial instruments (interest rate swap)	118	-	118	-
	118	-	118	-

Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest rate risk

The interest rates on Council's investments are disclosed in note 14 and on Council's borrowings in note 18.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose Council to fair value interest rate risk. Council's Liability Management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating

interest rate swaps are entered into to hedge the fair value interest rate risk arising where Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose Council to fair value interest rate risk.

If interest rates on investments at 30 June 2008 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the fair value through equity reserve by \$48,000 (2007:\$77,000).

Based on financial instrument disclosures at the balance date and with other variables held constant; if interest rates on borrowings at 30 June 2008 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$39,000 (2007: \$41,000) as a result of higher/lower interest expense on floating rate borrowings.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council invests funds only in deposits with registered banks and local authority stock and its investment policy limits the amount of credit exposure to any one institution or organisation.

Investments in other Local Authorities are secured by charges over rates. Other than other local authorities, the group only invests funds with those entities, which have a Standard and Poor's credit rating of at least A2 for short term and A – for long-term investments. Accordingly, the group does not require any collateral or security to support these financial instruments.

Liquidity risk

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

In meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next 12 months.

Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of Council's Long Term Council Community Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$500,000 (2007: \$500,000) plus available credit on a credit line facility with Westpac of \$1,634,000. There are no restrictions on the use of this facility.

The maturity profiles of Council's interest bearing investments and borrowings are disclosed in notes 14 and 18 respectively.

36 capital management

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

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

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

The Act requires Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTCCP.

Council has the following Council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

37 explanation of major variances against budget

Explanations for major variations from Council's estimated figures in the 2007/2008 Annual Plan are as follows (note variances at the activity level are explained in more detail under each relevant 'group of activity' statement further in this document:

income statement

Other gains/(losses)

- The actual being significantly higher than budget relates to gain on sale of assets (largely freeholding of Council property), and due to the volume was significantly higher than budgets. Note that proceeds from sale of these assets is transferred to reserves and does not form part of Council's day to day operating revenue.

Other expenses

- \$2,417,000 higher than budget. Includes \$1,334,000 of port related expenditure that was not included in budget due to it being anticipated at the time that functions would be transferred to Port Westland Limited. This has not occurred (refer to [f] council controlled organisations page 132 for further detail. Included in the port expenditure is an amount of \$912,000 related to the impairment of the value of Council's investment in Port Westland Limited. Roading expenditure was \$573,000 higher than estimates due to emergency works, budget carryovers and some operating expenditure offset by reductions in renewal expenditure.

Statement of movements in equity

Revaluation gains/(losses) taken to equity

- Less than budget. The budgets included a provision for revaluing 'Land under roads' that did not happen. When budgets were prepared and subsequently finalised Council had not completed its transitions to NZ-IFRS. One of the transitions was to recognise 'Land under roads' at deemed cost, and therefore to no longer revalue.

balance sheet

Assets

- Cash and cash equivalents/Short-term investments/Term Investments:-
 - Due to classification of line items in budgets, and timing of investment maturities on a line by line basis these vary from budget.
 - Overall bank and investments balances were in line with estimates.
- Non-current assets held for sale:-
 - It was anticipated that \$401,000 of these assets would have been disposed of in the 2007/2008 financial year.
 - A reclassification of part of Council's land holdings from property, plant and equipment to assets held for sale as part of Council's NZ-IFRS transition, which was not accounted for in the budget.

Liabilities

- Borrowings:-
 - Overall \$890,000 less than budget, due to some projects intended to be funded by external borrowing not proceeding.
 - A greater portion was due for refinancing within 12 months from balance date of 30 June 08, so most borrowing has been disclosed as current. This was due to Council delaying some of its refinancing to August 2008, which was originally intended to occur in April 2007.

Equity

- Variances as noted above are reflected in equity.
- With Council recognising Land under roads and Sportsfields and parks at deemed cost as an NZ-IFRS transition in 2006/2007, this reduced Revaluation reserve by \$39,773,000 and increased Retained earnings by the same. The budget figures did not account for this movement.

[d] group of activity statements

[1] roading

[1.1] council's involvement

By virtue of Land Transport Management Act 2003 Council is the owner and transport controlling authority for all public transport within the District. Council has a duty to ensure that the transport is safe and sustainably managed, including planning for the future.

Council currently owns, operates and maintains a District-wide transport network (excluding the two state highways), six water facilities at Lake Brunner and one at Lake Haupiri.

[1.2] activities included in this group

- Roothing

Rationale for grouping

This is the most significant cost activity managed by Council and is dealt with on a stand-alone basis.

[1.3] performance indicators and link to community outcomes

Efficient and responsible management of the roading activity

Outcome:

- A District enjoying quality affordable essential services.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- Roothing is an important essential service.
- Good roading contributes to an attractive living/working environment.
- Safe roads especially contribute to personal safety.

Outputs:	Measurement:	Achievement
Operational:		
Emergency Work <ul style="list-style-type: none"> ▪ Arterial and Major Collector Roads ▪ All Other Roads 	<ul style="list-style-type: none"> ▪ Delays of no longer than 1 hour plus normal travelling time from Depot to site ▪ Delays of no longer than 2 hours plus normal travelling time from Depot to site 	<ul style="list-style-type: none"> ▪ All emergency work on arterial and major collector roads was responded to within one hour plus normal traveling time during the 2007/2008 year. ▪ All emergency work on other roads was responded to within two hours plus normal travelling time during the 2007/2008 year
Drainage Channels Maintenance	<ul style="list-style-type: none"> ▪ Within 14 days of issues being identified 	<ul style="list-style-type: none"> ▪ All drainage channel maintenance was completed within 14 days of being notified.
Cleaning and Repair of Stormwater Structures <ul style="list-style-type: none"> ▪ Maintenance ▪ Blockages 	<ul style="list-style-type: none"> ▪ Within 10 days of need being identified ▪ Within 2 days of blockage being identified 	<ul style="list-style-type: none"> ▪ Any Stormwater maintenance or blockages are reported to the contractor for action. Maintenance and partial blockages are added to the following months work schedule. All

Outputs:	Measurement:	Achievement
		complete blockages or emergency work are completed within the prescribed time frames.
Pothole Repairs <ul style="list-style-type: none"> ▪ Arterial and Major Collector Roads ▪ All Other Roads 	<ul style="list-style-type: none"> ▪ Within 3 days of being noticed/reported ▪ Within 8 days of being noticed/reported 	<ul style="list-style-type: none"> ▪ Most pothole repairs were completed within the prescribed timeframes there were some minor delays with some repairs due to inclement weather during the 2007/2008 year.
Notice of planned closures for work.	<ul style="list-style-type: none"> ▪ 24 hours notice to affected areas 	<ul style="list-style-type: none"> ▪ There was one planned road closure for works in the 2007/2008 year. It was advertised in the grey star more than 24 hours prior to the closure.
Completion of roading upgrades associated with the Pike River Coal Company development.	<ul style="list-style-type: none"> • 100% in compliance with agreement between Council and Pike River Coal Company and within budgeted amounts. 	<ul style="list-style-type: none"> • The roading upgrades associated with Pike River were not completed due to a change in the haul route, Council was formally notified of this on 9 July 2008.
Controlling total costs within available budgets	<ul style="list-style-type: none"> ▪ +/- 5% 	<ul style="list-style-type: none"> ▪ Any significant variances from budgets are outlined in the cost of service statements and applicable notes below.
Contribution from developers for new capital	<ul style="list-style-type: none"> ▪ For upgrades of existing assets a linear contribution calculated on the increased traffic volume that will be generated as set through the resource consent process. ▪ New assets per the financial policy under the District Plan. 	<ul style="list-style-type: none"> ▪ Any contribution from developers for new capital is dealt with as part of the subdivision condition.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

Safety of users

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- Safe roads are a requirement for economic growth.
- Safe roads contribute to an attractive living/working environment.
- Safe roads contribute to personal safety in particular.

Outputs:	Measurement:	Achievement
Operational:		
Emergency Work <ul style="list-style-type: none"> ▪ Arterial and Major Collector Roads ▪ All Other Roads 	<ul style="list-style-type: none"> ▪ Delays of no longer than 1 hour plus normal travelling time from Depot to site ▪ Delays of no longer than 2 hours plus normal travelling time from Depot to site 	<ul style="list-style-type: none"> ▪ All emergency work on arterial and major collector roads was responded to within one hour plus normal travelling time during the 2007/2008 year. ▪ All emergency work on all other roads was responded to within two hours plus normal travelling time during the 2007/2008 year
Maintenance	<ul style="list-style-type: none"> ▪ Within 10 days of need being identified. 	<ul style="list-style-type: none"> ▪ 50% of maintenance was completed within 10 days of being identified to 30 June 2008. The schedule for maintenance is done on a monthly cycle at the beginning of the month.
Pothole Repairs	<ul style="list-style-type: none"> ▪ Within 3 days of being 	<ul style="list-style-type: none"> ▪ Most pothole repairs were completed

Outputs:	Measurement:	Achievement
<ul style="list-style-type: none"> Arterial and Major Collector Roads All Other Roads 	<p>noticed/reported</p> <ul style="list-style-type: none"> Within 8 days of being noticed/reported 	<p>within the prescribed timeframes there were some minor delays with some repairs due to inclement weather during the 2007/2008 year.</p>
Notice of planned closures for work.	<ul style="list-style-type: none"> 24 hours notice to affected areas 	<ul style="list-style-type: none"> There was one planned road closure for works in the 2007/2008 year. It was advertised in the grey star more than 24 hours prior to the closure.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Convenience of users

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- Convenient, quality roads are a requirement for economic growth.
- Access to good roading contributes to an attractive living/working environment.
- Convenience has a strong quality and safety relevance, especially personal safety.

Outputs:	Measurement:	Achievement
Operational:		
<p>Emergency Work</p> <ul style="list-style-type: none"> Arterial and Major Collector Roads All Other Roads 	<ul style="list-style-type: none"> Delays of no longer than 1 hour plus normal travelling time from depot to site Delays of no longer than 2 hours plus normal travelling time from depot to site 	<ul style="list-style-type: none"> All emergency work on arterial and major collector roads was responded to within one hour plus normal travelling time during the 2007/2008 year. All emergency work on all other roads was responded to within two hours plus normal travelling time during the 2007/2008 year
Maintenance	<ul style="list-style-type: none"> Minimum 60% of sealed roads with a measured roughness of less than 80 NAASRA¹ counts. Maximum 10% of sealed roads with a measured roughness of greater than 150 NAASRA counts. Unsealed roads graded once per year if required. 	<ul style="list-style-type: none"> 59.4% Roughness <80 8.5% Roughness >150 Unsealed council roads are graded as required.
<p>Pothole Repairs</p> <ul style="list-style-type: none"> Arterial and Major Collector Roads All Other Roads 	<ul style="list-style-type: none"> Within 3 days of being noticed/reported Within 8 days of being noticed/reported 	<ul style="list-style-type: none"> Most pothole repairs were completed within the prescribed timeframes there were some minor delays with some repairs due to inclement weather during the 2007/2008 year.
Notice of planned closures for work.	<ul style="list-style-type: none"> 24 hours notice to affected areas 	<ul style="list-style-type: none"> There was one planned road closure for works in the 2007/2008 year. It was advertised in the grey star more than 24 hours prior to the closure.
Governance:		

¹NAASRA

Road roughness is measured by a system developed by the former National Association of Australian State Roading Authorities (NAASRA). Values are obtained by special-purpose vehicle travelling down both outside lanes of a length of road. The rougher the road, the higher the NAASRA counts per land kilometre.

Outputs:	Measurement:	Achievement
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Encouraging active transport practices

Outcome:

- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- Opportunities to use other forms of transport makes for an attractive living environment.
- Safe walking and cycling opportunities contribute to a healthier community.

Outputs:	Measurement:	Achievement
Strategic:		
Consider the provision of safe cycling, running or walking opportunity in the planning and maintenance of roads and footpaths in line with New Zealand Standard 4404:2004.	<ul style="list-style-type: none"> 60% of roads/footpaths in built up areas meeting the requirements of NZS 4404:2004. 	<ul style="list-style-type: none"> This performance criteria was not measured but council is participating in a Regional walking and cycling strategy.
Operational:		
Design must allow for the safe introduction of cycle lanes where required by NZS 4404:2004.	<ul style="list-style-type: none"> All new roads All new reseals 	<ul style="list-style-type: none"> This is dealt with through the resource consent process. All new roads built in the 2007/2008 year were not of sufficient capacity to require cycle lanes.
Footpaths must be constructed to no more than the maximum gradients required in NZS 4404:2004.	<ul style="list-style-type: none"> All new footpaths 60% of existing footpaths 	<ul style="list-style-type: none"> All new footpaths were constructed within the guidelines of NZS 4404:2004. 60% of existing footpath gradients met the requirements of NZS4404:2004.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

[1.4] cost of service statement

ROADING INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	-	-	-
Support costs	(64)	(212)	(112)
Operating & maintenance costs	(2,802)	(2,081)	(3,295)
Interest expense	-	(26)	-
Depreciation	(3,226)	(3,557)	(3,018)
	(6,092)	(5,876)	(6,425)
Revenue:			
User charges	36	267	210
Other revenue	284	469	179
Subsidies/donations	3,113	4,306	4,174
Internal recoveries	-	-	-
Rates - UAGC	-	-	-
Rates - General	2,055	2,044	1,939
Rates - Targeted	-	-	-
	5,488	7,086	6,502
Net Surplus/(Deficit)	(604)	1,210	77
ROADING CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	(1,932)	(2,366)	(1,567)
New capital	(474)	(2,391)	(1,854)
Assets vested	-	(331)	-
Debt principal repayments	-	(24)	-
Funding of reserves	29	-	(71)
Internal transfers	-	-	-
	(2,377)	(5,112)	(3,492)
Funded by:			
add new loans raised	-	345	-
add funding from reserves	23	-	158
Transfer from Ratepayer Equity	-	-	-
add depreciation	3,226	3,557	3,018
add/(deduct) Surplus/(Deficit) carried forward	(604)	1,210	77
Net funding surplus / (deficit)	268	-	(239)

[1.5] major asset acquisitions or replacements

ROADING SIGNIFICANT CAPITAL EXPENDITURE	Actual 2008 \$000	Budget 2008 \$000
ITEM / PROJECT		
General Renewals	2,226	2,366
Jacks Rd Industrial Improvements	81	-

[1.6] variations from budget

Support Costs:

- Support costs lower, due to majority of new capital programme being carried out (refer below).

Operating and maintenance costs

- Emergency works \$350,000 above budget due to the amount of weather resultant damage to Council's roading network. The majority of this was eligible for financial assistance from Land Transport New Zealand.
- Other financially assisted roading maintenance \$500,00 above budget due to the programme required. This was partly offset by a reduced renewal programme.

Interest expense/Principal repayment

- Council has included in its forecasts an amount to contribute to the Otututu bridge upgrade (costs shared between Grey DC and Buller DC) to cater for increased traffic volumes as part of the coal transport route resulting from Pike River mine. This work has not yet been undertaken, and therefore no borrowing costs incurred.

Depreciation

- Some assets as valued as at 30 June 2005 have now been fully depreciated, which was not accounted for in preparing forecasts

User Charges

- Due to capital programme relating to Pike River Coal transport route not being carried out (refer below), the share to be met by Pike River Coal Company was not subsequently charged.

Subsidies and Donations

- Land Transport New Zealand financial assistance lower due to reduced capital programme compared with forecast (refer below)

Other Revenue/Vested Assets

- No roading assets vested in the 2007/2008 financial year. The timing of this is difficult to predict exactly, and figures budgeted in the LTCCP were based on an average over years.

New capital

- The majority of the new capital programme included in the 2007/2008 Annual Plan was related to required upgrades to cater for the increased traffic emanating from the Pike River mine. Due to the final decision to transport this cargo via rail, these planned upgrades are not currently required/prioritised and therefore the work has not been carried out. The main projects not carried out (with relevant budgets) were:

• Atarua Rd strengthening/widening	\$456,928
• Tylve-Bball Rd strengthening	\$578,496
• Bridge 2 Laning -Kumukau & Lees Stream	\$372,040
• Slow Vehicle Bay-Atarau/BlckBall/Tylvle	\$114,000
• Moonlight Ck Bridge Strengthening	\$568,016

[1.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> New roads built POSITIVE for accessibility and general social cohesion Inability to build new footpaths or renew footpaths negative Continued maintenance programme secured greater accessibility and usability as a positive 	<ul style="list-style-type: none"> New, quality roads as well as improved footpaths contribute POSITIVELY to economic growth. 	<ul style="list-style-type: none"> Improved roading is POSITIVE for community pride and commitment to the District. 	<ul style="list-style-type: none"> Improved roading has had a POSITIVE impact on the amenity of the District.

[2] stormwater and flood protection

[2.1] council's involvement

The Grey District enjoys high rainfall with individual rain events often involving heavy falls. It is important to ensure that flooding measures are in place to deal with the disposal of any surface water accumulation; that excess flows are contained to waterways and that areas prone to flooding are protected. Whilst Council's primary responsibility lies with stormwater drainage in urban areas, it is involved in the joint management of the Greymouth/Cobden/Blaketown floodwalls as well as land drainage in areas outside traditional urban settlements in conjunction with the West Coast Regional Council. This arrangement is often confusing to residents and it is herewith confirmed that:

- Council owns the floodwalls and is responsible for the aesthetic maintenance and insurance of the floodwalls. Council funds its cost by means of a general rate.
- The West Coast Regional Council, by law, is responsible for the actual protection against flooding and therefore the maintenance and renewal of the floodwalls. The WCRC funds this by means of a special rate against the rating District benefiting from the protection.
- The two local authorities jointly agree on the maintenance requirements for the floodwalls.

Council has clear legal responsibilities in terms of the Local Government Act, 2002 as well as the 1974 version of the Act, the Resource Management Act, 1991 and other legislation i.e. the Soil Conservation and Rivers Control Act, 1941. Public drainage systems are generally designed in line with accepted industry standards and are therefore limited in function to its design capacity. It is therefore important to note that land drainage systems do not provide a guarantee against flooding.

[2.2] activities included in this group

- Stormwater
- Flood Protection

Rationale for grouping

The two activities interact strongly, both strategically and operationally with significant overlapping.

[2.3] performance indicators and link to community outcomes

Efficient management of the stormwater activity.

Outcome:

- An attractive District where residents want to be.
- Law, order, personal and property safety.
- A thriving local economy creating opportunities.

How affected?

- Competent disposal of surface water contributes to an attractive living/working environment.
- Competent disposal of surface water enhances personal and property safety.
- Stormwater management is a requirement for economic growth.

Outputs:	Measurement:	Achievement
Po-active identification, assessment, prioritisation and costing of District stormwater needs.	<ul style="list-style-type: none"> ▪ Developing and maintaining a ten year District needs plan by December 2007. 	<ul style="list-style-type: none"> ▪ Second generation activity management plans were developed in 2005/2006 which identified district needs for maintenance, renewals and new capital programmes. This information is brought forward into each relevant planning document

Outputs:	Measurement:	Achievement
	<ul style="list-style-type: none"> Removing one remaining area of surface water ponding p.a. 	<p>(i.e. Long Term Council Community Plans and Annual Plans).</p> <ul style="list-style-type: none"> Council has removed one area of surface water ponding in the year ended 30 June 2008.
Ensuring that private drains in the District are maintained.	<ul style="list-style-type: none"> Identification of private drains by December 2007. Implementation of an effective monitoring programme by July 2008. 	<ul style="list-style-type: none"> Identification of private drains had not been started as at 30 June 2008. The implementation of a monitoring programme for private drains had not been achieved as at 30 June 2008 due to constraints on staff time.
Operational:		
<p>Stormwater and public drains.</p> <ul style="list-style-type: none"> Emergency work. Major blockages/Failures. Incidents of ponding (rain events within design capacity). Properties flooded (rain events within design capacity). Buildings flooded (rain events within design capacity). 	<ul style="list-style-type: none"> Attended within 3 hours of report. Attended within 1 day of report. 15 p.a. and reducing. Less than 5 p.a. Nil. 	<ul style="list-style-type: none"> Due to a change in the way service requests are recorded we are now unable to reliably obtain this information. There were a greater number of ponding incidents and properties being flooded in the 2007/2008, an exact number was unable to be determined. The increase in ponding was due to increased incidents of rainfall events above the stormwater systems designed capacity. There were no buildings flooded due to problems or issues with the stormwater and public drains during the year ended 30 June 2008.
<ul style="list-style-type: none"> Service provision where secondary flow paths exist. Service provision where secondary flow paths do not exist. 	<ul style="list-style-type: none"> All new and renewed stormwater systems provided to cope with a 1 in 5 year return period storm, with the exception of the Greymouth CBD stormwater system which is designed to cope with an annual return period storm (The Greymouth CBD stormwater system is designed to be compatible with the maximum pumping capacity of the Greymouth Flood Protection Scheme flood pumps). All new and renewed stormwater systems provided to cope with a 1 in 100 year return period storm. 	<ul style="list-style-type: none"> All new and renewed stormwater systems are provided to cope with a 1 in 5 year return storm period. Greymouth CBD stormwater system is designed to be compatible with the maximum pumping capacity of the Greymouth Flood Protection Scheme flood pumps. All new and renewed stormwater system are able to cope with a 1:10 year return period.
Control over total cost.	<ul style="list-style-type: none"> 100%. 	<ul style="list-style-type: none"> Any significant variances from budgets are outlined in the cost of service statements and applicable notes below.
% of budgeted capital programme completed within budget year.	<ul style="list-style-type: none"> Minimum 90%. 	<ul style="list-style-type: none"> 100% of all planned capital programmes were completed throughout the 2007/2008 year. Other less significant capital costs were incurred during the year.
Notice of planned closures for work.	<ul style="list-style-type: none"> 24 hours notice to affected areas. 	<ul style="list-style-type: none"> In the year ended 30 June 2008 there were no planned closures for work on the stormwater system.
Maintain drainage systems in accordance with resource consents.	<ul style="list-style-type: none"> All systems to comply 100% with relevant consents. 	<ul style="list-style-type: none"> There were no breaches of the consent conditions for those in the name of Grey District Council in the 2007/2008 year.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Effective flood protection.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- Flood management is a requirement for economic growth.
- Competent flood protection contributes to an attractive living/working environment.
- Competent flood protection enhances personal and property safety.

Outputs:	Measurement:	Achievement
Operational:		
Attendance of Joint Floodwall Committee meetings.	<ul style="list-style-type: none"> ▪ 100% 	<ul style="list-style-type: none"> ▪ Manager Support Services, Kevin Beams, attended all joint floodwall committee meetings to 30 June 2008.
Frequency of Joint Floodwall Committee meetings.	<ul style="list-style-type: none"> ▪ Minimum once p.a. 	<ul style="list-style-type: none"> ▪ There was one joint floodwall committee meeting held for the period 1 July 2007 to 30 June 2008.
Attendance to Council responsibilities re land drainage. <ul style="list-style-type: none"> ▪ Emergency. ▪ Other. 	<ul style="list-style-type: none"> ▪ Attended within 3 hours of report. ▪ Attended within 1 day of report. 	<ul style="list-style-type: none"> ▪ Due to a change in the way service requests are recorded we are now unable to reliably obtain this information.
Notice of planned road closures for work.	<ul style="list-style-type: none"> ▪ 24 hours notice to affected areas. 	<ul style="list-style-type: none"> ▪ There were no planned road closures relating to flood projection in the 2007/2008 year.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

[2.4] cost of service statement

STORMWATER & FLOOD PROTECTION INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	-	-	-
Support costs	(84)	(58)	(67)
Operating & maintenance costs	(177)	(244)	(196)
Interest expense	-	(10)	-
Depreciation	(436)	(374)	(381)
	(697)	(686)	(644)
Revenue:			
User charges	-	-	1
Other revenue	-	22	167
Subsidies/donations	-	-	-
Internal recoveries	-	-	-
Rates - UAGC	-	-	-
Rates - General	504	491	517
Rates - Targeted	-	-	-
	504	513	685
Net Surplus/(Deficit)	(193)	(173)	41
STORMWATER & FLOOD PROTECTION CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	(155)	(276)	(180)
New capital	(18)	(3)	(256)
Assets vested	-	(22)	(167)
Debt principal repayments	-	(5)	-
Funding of reserves	-	-	-
Internal transfers	(7)	-	-
	(180)	(306)	(603)
Funded by:			
add new loans raised	-	-	-
add funding from reserves	116	105	129
Transfer from Ratepayer Equity	-	-	-
add depreciation	436	374	381
add/(deduct) Surplus/(Deficit) carried forward	(193)	(173)	41
Net funding surplus / (deficit)	179	-	(52)

[2.5] major asset acquisitions or replacements

STORMWATER & FLOOD PROTECTION SIGNIFICANT CAPITAL EXPENDITURE	Actual 2008 \$000	Budget 2008 \$000
ITEM / PROJECT		
General renewals and upgrades	153	274

- There were no significant works signalled in the LTCCP for 2007/2008 that were not carried out

[2.6] variations from budget

Operating maintenance costs

- Some general projects deferred due to other commitments.

Other Revenue/Vested Assets

- No stormwater assets vested in the 2007/2008 financial year. The timing of this is difficult to predict exactly, and figures budgeted in the LTCCP were based on an average over years.

Renewal/Capital Expenditure

- Reduced expenditure incurred in the wider Greymouth area on the renewal programme due to efforts being dedicated to the sewerage upgrade (which has subsequent positive spin-offs to the stormwater system).

[2.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> ▪ Continual improvement of stormwater collection and disposal capability POSITIVELY leads to safe and happy residents. ▪ Ongoing maintenance of Greymouth Floodwall in partnership with WCRC, builds POSITIVE confidence. ▪ Attention to the long neglected land drainage function in urban areas positive. 	<ul style="list-style-type: none"> ▪ Improved security of life and property POSITIVE for local investment and resident stability. 	<ul style="list-style-type: none"> ▪ Continual improvement of stormwater collection and disposal capability POSITIVELY leads to safe and happy residents. ▪ POSITIVE for Maori relationship with water and water courses 	<ul style="list-style-type: none"> ▪ Quicker, more efficient collection of stormwater, regular clearance of creeks and public drains POSITIVE amenity benefits.

[3] sewerage

[3.1] council's involvement

Council provides reticulated sewerage treatment and disposal systems to achieve high quality health and to minimise adverse effects on the receiving environment. On-site disposal arrangements are operational in most outlying residential areas, managed in terms of resource consents issued by the West Coast Regional Council with Council's involvement mainly focusing on health impacts. Unsuited soil conditions, combined with other factors, make most of the on-site arrangements ineffective and unworkable and providing reticulated treatment and disposal systems is a special feature of Council's long-term planning.

Council manages four sewer schemes (plus one currently under construction), the status of which is:

- Greymouth/Blaketown/Cobden: Non-complying with Resource Management Act, 1991 but under full replacement.
- Runanga: Complying with the Resource Management Act, 1991 except in respect of the pipe systems which, in heavy rains, also collect ground water.
- Moana: Complying with the Resource Management Act, 1991 but subject to continuous management to achieve this.
- Karoro/South Beach/Paroa: Complying with the Resource Management Act, 1991.
- Blackball: Under construction to comply with the Resource Management Act, 1991.

Unsuited soil conditions in other built-up areas make current on-site disposal arrangements impractical and ineffective and Council places a strong emphasis on implementing reticulated schemes throughout. This is made easier as a result of the availability of Government subsidies (SWSS) which make schemes affordable where it otherwise would not have been.

Attention is drawn to the Summary of the Water and Wastewater Assessment attached hereto.

[3.2] activities included in this group

- Sewerage

Rationale for grouping

Even though there are synergies with other activities, i.e. health promotion, this is an important cost activity and community focus and is dealt with on a stand-alone basis.

[3.3] performance indicators and link to community outcomes

Efficient management of the sewerage activity.

Outcome:

- A District enjoying quality affordable essential services.
- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- Sewage disposal is an important essential service.
- Competent sewage collection, treatment and disposal are a requirement for economic growth.
- Competent management of sewage contributes to an attractive living/working environment.
- Competent sewage management enhances personal and property safety.

Outputs:	Measurement:	Achievement
Operational:		
Sewerage systems. <ul style="list-style-type: none"> ▪ Emergency Work (outages, broken pipes) ▪ Blockages. ▪ New connections. ▪ Availability of service. ▪ Overflow events. 	<ul style="list-style-type: none"> ▪ Attended within 1 hour of report. ▪ Attended within 3 hours of report. ▪ Within 10 days of request. ▪ 100%. ▪ Maximum of 10 per annum in 2006/07 and reducing thereafter. 	<ul style="list-style-type: none"> ▪ Due to a change in the way service requests are recorded we are now unable to reliably obtain this information. ▪ This performance is no longer applicable. Council's contractor performs requests for new connections and notifies council when the connection is completed. ▪ The Sewerage system was available at all times during the 2007/2008 year. ▪ Information unavailable for 2007/2008.
Connection of properties using on-site disposal systems, where able to be connected to a Council sewerage reticulation scheme.	<ul style="list-style-type: none"> ▪ All applicable properties in Paroa/South Beach connected by 30 June 2008. 	<ul style="list-style-type: none"> ▪ As at 30 June 2008 approximately 60 properties are still not connected in the Paroa/South Beach Area.
Upgrade Greymouth sewerage scheme.	<ul style="list-style-type: none"> ▪ Completed by 30 June 2014. ▪ Budgeted Capital Works per annum completed to within 15%. 	<ul style="list-style-type: none"> ▪ 40% of the Greymouth Sewerage Scheme upgrade had been completed as at the 30 June 2008. ▪ All budget capital works were completed within budget.
Construct new reticulated sewerage schemes when local communities agree to fund their share of the cost.	<ul style="list-style-type: none"> ▪ Blackball – by 30 June 2007. ▪ Te Kinga – by 30 June 2007. ▪ Boddytown – by 30 June 2007. ▪ Dobson and Kaiata – by 30 June 2009. ▪ Rapahoe – by 30 June 2011. 	<ul style="list-style-type: none"> ▪ The Blackball sewerage scheme was completed in January 2008. ▪ Te Kinga sewerage scheme was completed in November 2007. ▪ The Boddytown scheme was completed in May 2007. ▪ Work on the Kaiata Scheme had not started as at 30 June 2008. ▪ Consultation was carried out with the community in July 2007 for an option of reticulated sewerage, of which the community was not in favour of at the time. This will be considered with the communities wants and needs for the next long term plan
Notice of planned closures for work.	<ul style="list-style-type: none"> ▪ 24 hours notice to affected areas. 	<ul style="list-style-type: none"> ▪ There were no planned closures of the sewerage system for works in the 2007/2008 year.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

Mitigate environmental impacts.

Outcome:

- An attractive District where residents want to be.
- Law, order, personal and property safety.
- A thriving local economy creating opportunities.

How affected?

- Competent management of sewage contributes to an attractive living/working environment.
- Competent, safe disposal of sewage enhances personal and property safety.
- Environmental retention is a requirement for economic growth.

Outputs:	Measurement:	Achievement
Operational:		
Environmental compliance per waste treatment scheme. <ul style="list-style-type: none"> ▪ Resource consent compliance regarding effluent discharge quality. ▪ Complaints of odours. ▪ Other complaints. 	<ul style="list-style-type: none"> ▪ More than 90% compliance. ▪ Maximum 5 p.a. ▪ Maximum 20 p.a. 	<ul style="list-style-type: none"> ▪ Council complied with the effluent discharges quality 99% of the time during the year ended 30 June 2008. ▪ There were no recorded complaints during the year ended 30 June 2008.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

[3.4] cost of service statement

SEWERAGE INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	-	-	-
Support costs	(98)	(47)	(34)
Operating & maintenance costs	(438)	(376)	(357)
Interest expense	(59)	(91)	(45)
Depreciation	(464)	(505)	(412)
	(1,059)	(1,019)	(848)
Revenue:			
User charges	30	998	148
Other revenue	-	11	103
Subsidies/donations	964	1,333	2,241
Internal recoveries	-	-	-
Rates - UAGC	-	-	-
Rates - General	-	-	-
Rates - Targeted	1,448	1,419	1,371
	2,442	3,761	3,863
Net Surplus/(Deficit)	1,383	2,742	3,015

SEWERAGE CAPITAL ITEMS & SOURCES OF FUNDS	Actual	Budget	Last Year
	2008	2008	2007
	\$000	\$000	\$000
Capital items:			
Renewal works	(167)	(174)	(276)
New capital	(2,536)	(2,926)	(5,026)
Assets vested	-	(11)	(103)
Debt principal repayments	-	(6)	-
Funding of reserves	(6)	(235)	(3,003)
Internal transfers	(65)	(162)	(77)
	(2,774)	(3,514)	(8,485)
Funded by:			
add new loans raised	-	13	-
add funding from reserves	773	254	4,985
Transfer from Ratepayer Equity	-	-	-
add depreciation	464	505	412
add/(deduct) Surplus/(Deficit) carried forward	1,383	2,742	3,015
Net funding surplus / (deficit)	(154)	-	(73)

[3.5] major asset acquisitions or replacements

SEWERAGE SIGNIFICANT CAPITAL EXPENDITURE	Actual	Budget
	2008	2008
	\$000	\$000
ITEM / PROJECT		
General renewals and upgrades	150	157
Greymouth scheme upgrade	1,693	2,135
Blackball scheme - new	750	-

- The Blackball scheme works includes work carried forward from prior years budgets.
- There were no significant works signalled in the LTCCP for 2007/2008 that were not carried out

[3.6] variations from budget

User Charges

- The budgets included a sum relating to potential works in Rapahoe (refer below) that didn't eventuate.

Subsidies/donations

- Lower than budget subsidies from the Ministry of Health Subsidised Sanitary Works Scheme received. This is a timing issue due to the time of capital works being carried out and relevant milestones achieved.

Capital Works

- There was a lower expenditure on the Greymouth scheme (\$440,00) however and the remainder of the Blackball scheme was carried forward into this financial year, at \$750,000.
- Council included a provisional amount on the budget of \$790,000 related to a sewerage scheme in Rapahoe. This was contingent on community consultation, the result of which was the scheme was not to go ahead at this time.

Reserve transfers (to and from)

- all funds received for specific capital works (i.e. Blackball and Greymouth sewerage upgrades) are transferred to the dedicated reserve. All funds expended are then transferred from the reserves. Only the net movements were reflected in the budgets.

[3.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> ▪ Successful implementation of Greymouth area and Blackball schemes and Karoro upgrade has POSITIVE impact on other townships wanting to reticulate. ▪ Reticulated sewer POSITIVE for community pride. 	<ul style="list-style-type: none"> ▪ Improved standard of service POSITIVE for local investment and resident stability. 	<ul style="list-style-type: none"> ▪ POSITIVE for community spirit. ▪ A POSITIVE development for a long standing Maori cultural concern. 	<ul style="list-style-type: none"> ▪ Effluent going into Grey River no longer raw sewer. Now inert.

[4] water supply

[4.1] council's involvement

Water is an essential need for individuals whilst it is also an important commodity in local manufacturing. It also has special relevance to the health of any community. The New Zealand Drinking Water Standard (DWS) was set in 2005 and it is expected that compliance will become mandatory soon.

Council manages five water schemes, the DWS compliance status of which are:

- Greymouth area
- Runanga/Rapahoe
- Stillwater
- Blackball
- Dobson

[4.2] activities included in this group

- Water supply

Rationale for grouping

This is an important cost activity and community focus and is dealt with on a stand-alone basis.

[4.3] performance indicators and link to community outcomes

Efficient management of the water activity.

Outcome:

- An attractive District where residents want to be.
- Law, order, personal and property safety.
- A thriving local economy creating opportunities.

How affected?

- Availability of good water contributes to an attractive living/working environment.
- Good water enhances personal and property safety.
- Good water is a requirement for economic growth.

Outputs:	Measurement:	Achievement
Strategic:		
Pro-active identification, assessment, prioritisation and costing of District water needs.	<ul style="list-style-type: none"> ▪ Maintaining a current ten year District needs plan. ▪ For capital works decision-making based on alternatives and the cost-benefit of each as well as a 	<ul style="list-style-type: none"> ▪ Second generation activity management plans were developed in 2005/2006 which identified district needs for maintenance, renewals and new capital programmes. This information is brought forward into each relevant planning document (i.e. Long Term Council Community Plans and Annual Plans). ▪ The assessment of alternatives and cost-benefit analysis for capital works is completed as part of each

Outputs:	Measurement:	Achievement
	conscious effort to measure impacts on the social, economic, environmental and cultural wellbeing of the community.	job evaluation prior to any project commencement.
Operational:		
Emergency work (pipe breakages, pump outages).	<ul style="list-style-type: none"> Attended within 2 hours of report. 	<ul style="list-style-type: none"> Due to a change in the way service requests are recorded we are now unable to reliably obtain this information.
Major pipe breaks/leaks.	<ul style="list-style-type: none"> Attended within 2 hours of report. 	<ul style="list-style-type: none"> Due to a change in the way service requests are recorded we are now unable to reliably obtain this information.
New connections.	<ul style="list-style-type: none"> Within 5 days of request. 	<ul style="list-style-type: none"> This performance criteria is no longer applicable. Council's contractor performs requests for new connections and notifies council when connections have been completed.
Availability of service.	<ul style="list-style-type: none"> 85%. 	<ul style="list-style-type: none"> Council's water supply was available 95% of the time during the 2007/2008 year.
Unaccountable water.	<ul style="list-style-type: none"> Greymouth area – 10%. Runanga-Rapahoe – 15%. Stillwater – 5%. Dobson-Taylorville – 15%. Blackball – 5%. 	<ul style="list-style-type: none"> 8%. 11%. 7%. 2%. 8%.
Storage capacity.	<ul style="list-style-type: none"> Greymouth – 12 Hours. All other schemes – 24 Hours. 	<ul style="list-style-type: none"> 12 Hours. 24 Hours.
Upgrade quality on existing schemes, subject to the standards being mandated by central Government.	<ul style="list-style-type: none"> Filtration plant on Coal Creek Plant by 30 June 2010. Filtration on other schemes by 30 June 2011. 	<ul style="list-style-type: none"> No Work had commenced on the filtration plants as at 30 June 2008
Construct new reticulated water schemes when local communities agree to fund their share of the cost.	<ul style="list-style-type: none"> Moana – by 30 June 2007. Boddytown – by 30 June 2008. 	<ul style="list-style-type: none"> As per the 2008/2009 Annual Plan the Moana scheme has been deferred until central government subsidies can be confirmed and consultation with the communities involved has been under taken. See page 22 of the 2008/2009 Annual Plan. The Boddytown reticulated water scheme was completed in May 2007.
% of budgeted capital programme completed within budget year.	<ul style="list-style-type: none"> Minimum 80%. 	<ul style="list-style-type: none"> 60% of Capital programmes were completed in the 2007/2008 year. Implementation of the life line recommendations for Arnotts Heights and Runanga are to be carried forward to the 2008/2009 year.
Notice of planned disruptions.	<ul style="list-style-type: none"> 24 hours notice to affected areas. 	<ul style="list-style-type: none"> There were seven planned disruption to the water supply in the 2007/2008 year all of these were advertised but we are unable to confirm the time of advertising.
Capacity of all schemes to be adequate for fire fighting purposes.	<ul style="list-style-type: none"> Renew Runanga trunk main and main to Rapahoe by 30 June 2007. Upgrade Blackball scheme by 30 June 2014. 	<ul style="list-style-type: none"> The renewal of the Runanga Trunk line to Runanga was completed in August 2007. The Blackball Scheme upgrade was completed in January 2008.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 80% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Maintaining high quality of water.

Outcome:

- An attractive District where residents want to be.
- Law, order, personal and property safety.
- A thriving local economy creating opportunities.

How affected?

- Availability of good water contributes to an attractive living/working environment.
- Good water enhances personal and property safety.
- Quality water is a requirement for economic growth.

Outputs:	Measurement:	Achievement
Strategic:		
Meeting legislative requirements.	<ul style="list-style-type: none"> ▪ Full compliance with legislative requirements re health and aesthetic quality. 	<ul style="list-style-type: none"> ▪ Council complied with 99% of the legislative requirements re health and aesthetic quality for the year ended 30 June 2008.
Meeting public requirements.	<ul style="list-style-type: none"> ▪ 80% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.
Integrating private schemes into district water supply profile.	<ul style="list-style-type: none"> ▪ Annual assessment of private water supplies in keeping with the water and wastewater review. 	<ul style="list-style-type: none"> ▪ There was no assessment made of private water supplies made in the 2007/2008 year.
Operational:		
Compliance with Drinking Water standards (refer table below for water grading).	<ul style="list-style-type: none"> ▪ Greymouth area -Ab (after filtration upgrade). ▪ Runanga-Rapahoe- Bc. ▪ Stillwater – Bc. ▪ Dobson-Taylorville – Bb. ▪ Blackball – Bb. 	<ul style="list-style-type: none"> ▪ Eu ▪ Ed ▪ U ▪ U ▪ Ec
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 80% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

Source & Treatment Plant Grading	Distribution System Grading	Risk Level	Means
A1	NA	Very Low	Completely satisfactory Demonstrably high quality.
A	(a)	Very Low	Completely satisfactory.
B	(b)	Low	Satisfactory.
C	(c)	Moderate	Marginal.
D	(d)	High	Unsatisfactory.
E	(e)	Very High	Completely unsatisfactory.

[4.4] cost of service statement

WATER SUPPLY INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	-	-	-
Support costs	(120)	(77)	(92)
Operating & maintenance costs	(694)	(720)	(662)
Interest expense	(339)	(277)	(244)
Depreciation	(378)	(354)	(325)
	(1,531)	(1,428)	(1,323)
Revenue:			
User charges	4	-	54
Other revenue	-	11	95
Subsidies/donations	2	-	-
Internal recoveries	-	-	-
Rates - UAGC	-	-	-
Rates - General	-	-	-
Rates - Targeted	1,411	1,422	1,228
	1,417	1,433	1,377
Net Surplus/(Deficit)	(114)	5	54

WATER SUPPLY CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	(913)	(904)	(507)
New capital	(66)	(45)	(501)
Assets vested	-	(11)	(95)
Debt principal repayments	-	(47)	-
Funding of reserves	(21)	(6)	(26)
Internal transfers	(42)	-	(24)
	(1,042)	(1,013)	(1,153)
Funded by:			
add new loans raised	-	156	189
add funding from reserves	608	498	516
Transfer from Ratepayer Equity	-	-	-
add depreciation	378	354	325
add/(deduct) Surplus/(Deficit) carried forward	(114)	5	54
Net funding surplus / (deficit)	(170)	-	(69)

[4.5] major asset acquisitions or replacements

WATER SUPPLY SIGNIFICANT CAPITAL EXPENDITURE	Actual 2008 \$000	Budget 2008 \$000
ITEM / PROJECT		
Runanga trunk main renewal	314	-
General renewals	306	197
Cobden Bridge Main Replacement	197	12

- There were no significant works signalled in the LTCCP for 2007/2008 that were not carried out

[4.6] variations from budget

Support costs

- Actual costs incurred higher than forecast due to the actual quantum of work involved by in-house staff.

Funding from reserves

- Higher than budget due to some works being carried forward (Runanga trunk main renewal) that had associated funding from reserves.

[4.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> ▪ Continued supply of quality, potable water POSITIVE for healthy happy community ▪ Decision to delay filtration capability on Greymouth water supply negative on clarity but no adverse effect on health. ▪ Upgrade of main feeder line to Runanga POSITIVE but decision to not extend to Rapahoe potentially cost negative. 	<ul style="list-style-type: none"> ▪ Good quality services POSITIVE for attractive living and investment environment. 	<ul style="list-style-type: none"> ▪ Quality water POSITIVE for community spirit. 	<ul style="list-style-type: none"> ▪ Continued focus on more responsible water consumption POSITIVE for the environment.

[5] refuse collection and disposal

[5.1] council's involvement

A competent waste collection and disposal service and facilities help maintain good health and quality of life. Availability of the service also minimises illegal dumping.

The availability of McLeans Landfill as fully consented disposal site is a major advantage and, with the recent introduction of Cell 2, the District is well positioned for the future. The possibility of it being a regional disposal facility has now diminished and Council's focus is on managing it to the best advantage of our District and its people.

[5.2] activities included in this group

- Refuse Collection and disposal

Rationale for grouping

This is an important cost activity and community focus and is dealt with on a stand-alone basis.

[5.3] performance indicators and link to community outcomes

Efficient management of the refuse activity.

Outcome:

- A District enjoying quality affordable essential services.
- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- Refuse disposal is an important essential service.
- Refuse disposal management is a requirement for economic growth.
- Competent disposal of refuse contributes to an attractive living/working environment.
- Competent disposal of refuse enhances personal and property safety.

Outputs:	Measurement:	Achievement
Operational:		
Collection		
<ul style="list-style-type: none"> ▪ Bags collected. 	<ul style="list-style-type: none"> ▪ 2 per property (refer to amendment to Long Term Community Outcomes Plan). 	<ul style="list-style-type: none"> ▪ Council now operates its refuse collections using a tie system. Each property is issued with 104 ties (2 bags per week). Further ties are available for purchase at council offices.
<ul style="list-style-type: none"> ▪ Frequency of service. 	<ul style="list-style-type: none"> ▪ Once per week, except Greymouth central business district which is twice per week. 	<ul style="list-style-type: none"> ▪ The rubbish collection operated in all areas of the district once a week except in the CBD. The CBD rubbish collection operated twice a week during the year ended 30 June 2008.
<ul style="list-style-type: none"> ▪ Availability of service. 	<ul style="list-style-type: none"> ▪ Once per week on designated days. 	<ul style="list-style-type: none"> ▪ The refuse collection was available in all areas on designated days

Outputs:	Measurement:	Achievement
		including public holidays throughout the 2007/2008 financial year.
Disposal. <ul style="list-style-type: none"> McLeans Landfill open during consented hours. 	<ul style="list-style-type: none"> 100%. 	<ul style="list-style-type: none"> McLeans Pitt was open for all its advertised hours during the year ended 30 June 2008.
General <ul style="list-style-type: none"> % of budgeted capital programme completed within budget year. Complaints about the service. 	<ul style="list-style-type: none"> Minimum 80%. Maximum 50 p.a. 	<ul style="list-style-type: none"> There were no capital programmes planned for the 2007/2008 year. Due to a change in the way service requests are recorded we are now unable to reliably obtain this information.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Managing environmental effects.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- Solid waste management is a requirement for economic growth.
- Environmentally sensitive disposal of refuse contributes to an attractive living/working environment.
- Competent disposal of refuse enhances personal and property safety.

Outputs:	Measurement:	Achievement
Operational:		
Complaints re spillage during collection and transport to McLeans Landfill.	<ul style="list-style-type: none"> Maximum 15 p.a. 	<ul style="list-style-type: none"> Due to a change in the way service requests are recorded we are now unable to reliably obtain this information.
Compliance with discharge permit conditions for closed landfills.	<ul style="list-style-type: none"> 80%. 	<ul style="list-style-type: none"> All council's closed landfills complied with their discharge permit conditions to 30 June 2008.
Compliance with discharge permit conditions for McLeans Landfill.	<ul style="list-style-type: none"> 100%. 	<ul style="list-style-type: none"> McLeans Landfill complied with all its permit conditions throughout the year ended 30 June 2008.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

[5.4] cost of service statement

REFUSE COLLECTION & DISPOSAL INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	-	-	-
Support costs	(52)	(76)	(42)
Operating & maintenance costs	(878)	(807)	(819)
Interest expense	(161)	(151)	(154)
Depreciation	(844)	(149)	(256)
	(1,935)	(1,183)	(1,271)
Revenue:			
User charges	211	189	156
Other revenue	-	-	-
Subsidies/donations	-	-	-
Internal recoveries	-	-	-
Rates - UAGC	-	-	-
Rates - General	321	312	333
Rates - Targeted	638	630	618
	1,170	1,131	1,107
Net Surplus/(Deficit)	(765)	(52)	(164)

REFUSE COLLECTION & DISPOSAL CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	(11)	(16)	-
New capital	(8)	(10)	(60)
Assets vested	-	-	-
Debt principal repayments	(28)	(68)	(24)
Funding of reserves	(56)	(11)	-
Internal transfers	-	-	-
	(103)	(105)	(84)
Funded by:			
add new loans raised	-	-	-
add funding from reserves	122	8	-
Transfer from Ratepayer Equity	-	-	-
add depreciation	844	149	256
add/(deduct) Surplus/(Deficit) carried forward	(765)	(52)	(164)
Net funding surplus / (deficit)	98	-	8

[5.5] major asset acquisitions or replacements

nil

- There were no significant works signalled in the LTCCP for 2007/2008 that were not carried out

[5.6] variations from budget

Depreciation

- Increased due to additional depreciation charge for McLeans facility Cell 1 which had a carrying value on council's books yet had no further useful life.

[5.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> ▪ Delay in implementing waste minimization strategies because of lack of markets negative to public expectation. ▪ Continued high standard of refuse collection, transport and disposal POSITIVE for happy healthy community. ▪ Waste Busters work POSITIVE as community initiative. 	<ul style="list-style-type: none"> ▪ Good quality services POSITIVE for attractive living and investment environment. 	<ul style="list-style-type: none"> ▪ Quality refuse removal POSITIVE for community spirit. 	<ul style="list-style-type: none"> ▪ Continued improvement of service POSITIVE for the environment. ▪ McLeans landfill continues to be a POSITIVE working example of environmental sustainability.

[6] rural fire authority

[6.1] council's involvement

Council is one of four agencies involved in the West Coast Rural Fire Authority (WCRFA) delivering a rural fire service in the West Coast region. The authority covers especially vegetation fires in rural areas and provide support to volunteer fire services under control of a Rural Fire Officer. Council also undertakes other support services to volunteer fire services in the District.

[6.2] activities included in this group

- Rural Fire Authority

Rationale for grouping

This activity is delivered as a joint regional initiative and cannot effectively be integrated into any of Council's other activities. Having said this, there is potential for this activity to be combined with Civil Defence and Emergency Management or, as a minimum, a service delivery arrangement to be agreed, subject to regional agreement and approval by the New Zealand Fire Service and the Crown Agency for Civil Defence and Emergency Management.

[6.3] performance indicators and link to community outcomes

Efficient management of the Rural Fire Service activity in consultation with other service providers.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- The ability to effectively manage fires in rural areas is a prerequisite for local investment and economic growth in such areas.
- Good fire services in outlying areas add to quality of life.
- The availability of competent fire services directly relates to this.

Outputs:	Measurement:	Achievement
Operational:		
Joint Management.		
▪ Attendance of WCRFA meetings.	▪ 100%.	▪ Council staff attended all WCRFA meetings during the 2007/2008 year.
▪ Frequency of meetings.	▪ Four times a year.	▪ The WCRFA conducted four meetings during the year ended 30 June 2008.
▪ Availability of service.	▪ 85%.	▪ The Rural Fire Service was available 100% of the time during the 2007/2008 year.
Response.		

Outputs:	Measurement:	Achievement
<ul style="list-style-type: none"> ▪ Response performance. ▪ Response times from receipt of call-out to mobilisation, from mobilisation to actual arrival at the fire scene and from arrival at fire scene to time taken to declare fire out. 	<ul style="list-style-type: none"> ▪ 100%. ▪ 20 minutes from receipt of call to mobilisation. ▪ 40 minutes from mobilisation to arrival at fire scene for first fire suppression response. ▪ 6 hours from first fire suppression response to suppression and declare fire out. 	<ul style="list-style-type: none"> ▪ WCRFA responded to all rural fires during the 2007/2008 year. ▪ Mobilisation of WCRFA occurred within 20 minutes in all three situations. ▪ In two of the three fires arrival at the scene was greater than 40 minutes from mobilisation. This was due to the location of the fires being greater than 40 minutes travelling time from base. ▪ The two of the three fires were declared out within 6 hours from the first fire suppression response. The third fire lasted over two days due to the amount of fuel available to the fire.
<p>General</p> <ul style="list-style-type: none"> ▪ % of budgeted capital programme completed within budget year. ▪ Complaints about the service. ▪ Numbers of permits issued annually and an assessment of where and what permits are being issued for, (e.g. vegetation clearance, back yard fires, bon fires (on the beach), other). ▪ Number of wild fires with lives, property and other values injured, threatened or destroyed respectively; how fire suppressed, location, extent and probable cause plus costs of suppression. ▪ Number of permitted fires that have got out control, lives, property and other values injured, threatened or destroyed respectively, extent of fire, how fire suppressed and probable cause, plus costs of suppression. 	<ul style="list-style-type: none"> ▪ Minimum 80%. ▪ Maximum 20 p.a. ▪ Minimum 500 permits. ▪ Maximum 12 wild fires. ▪ Maximum 3 out of control permitted fires. 	<ul style="list-style-type: none"> ▪ There were no capital programmes completed as the two planned were no longer applicable during the 2007/2008 year. ▪ There were no recorded complaints about the rural fire service to council in the year ended 30 June 2008. ▪ 502 fire permits were issued by council in the year ended 30 June 2008. ▪ There was one wild fire during the year 1 July 2007 to 30 June 2008. ▪ 2 permitted fires got out of control during the 2007/2008 year.
<p>Governance:</p>		
<p>Compliance with public expectations.</p>	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

[6.4] cost of service statement

RURAL FIRE INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	-	-	-
Support costs	(20)	(19)	(15)
Operating & maintenance costs	(61)	(56)	(27)
Interest expense	-	-	-
Depreciation	-	(3)	-
	(81)	(78)	(42)
Revenue:			
User charges	43	-	-
Other revenue	-	-	-
Subsidies/donations	-	4	-
Internal recoveries	-	-	-
Rates - UAGC	-	-	-
Rates - General	80	75	74
Rates - Targeted	-	-	-
	123	79	74
Net Surplus/(Deficit)	42	1	32

RURAL FIRE CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	-	-	-
New capital	-	(14)	-
Assets vested	-	-	-
Debt principal repayments	-	-	-
Funding of reserves	-	(2)	-
Internal transfers	-	-	-
	-	(16)	-
Funded by:			
add new loans raised	-	-	-
add funding from reserves	-	12	-
Transfer from Ratepayer Equity	-	-	-
add depreciation	-	3	-
add/(deduct) Surplus/(Deficit) carried forward	42	1	32
Net funding surplus / (deficit)	42	-	32

[6.5] major asset acquisitions or replacements

Nil

[6.6] variations from budget

User charges

- Some of the costs incurred were recoverable from the parties responsible for the fire fighting costs.

[6.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none">Continued leadership role ensures safety of rural communities which is positive.	<ul style="list-style-type: none">Good quality services POSITIVE for attractive living and investment environment.	<ul style="list-style-type: none">Quality services POSITIVE for community spirit.	<ul style="list-style-type: none">Service POSITIVELY reduces risk of fire damage to properties and wider natural environment.

[7] economic development

[7.1] council's involvement

The current economic development focus involves essentially three components, namely:

- The activities of other agencies, both local and regional, focusing on economic development facilitation, notably the Development West Coast (DWC) and Tourism West Coast.
- Council's part-time economic development initiative which includes marketing of the District and its opportunities, together with a strong youth development and external funding access focus.
- Council's underlying focus on good strategic planning and competent services, thereby making the District an attractive living and investment location.

[7.2] activities included in this group

- Economic Development Facilitation and Youth

Rationale for grouping

This activity is essentially a stand-alone focus area, even though virtually every other activity of Council and other local and regional promotional agencies add to it. It incorporates action initiated by Council itself and as part of other agencies.

[7.3] performance indicators and link to community outcomes

Growing and diversifying the local economy further.

Outcome:

- A thriving local economy creating opportunities.
- Affordable access to quality medical health services.
- An attractive District where residents want to be.
- Affordable access to quality education.

How affected?

- Opportunities are the key for future success.
- More residents make health services more viable and secure Crown funding.
- A growing economy provides opportunity which makes an area attractive as a living and working environment.
- More residents make schools and other educational institutions more viable.

Outputs:	Measurement:	Achievement
Operational:		
Creating opportunity. <ul style="list-style-type: none"> ▪ Developer access to Mayor and Chief Executive Officer. ▪ Complaints re restrictive processes/policies. ▪ Review of CBD expansion plan. 	<ul style="list-style-type: none"> ▪ Upon request or within 24 hours. ▪ No more than 50 p.a. ▪ By 30 June 2007. 	<ul style="list-style-type: none"> ▪ The Mayor and CEO are available by appointment during office hours. ▪ There number of complaints received within the acceptable range. There remains a level of discontent, which is receiving council's ongoing attention. ▪ The review of the CBD expansion

Outputs:	Measurement:	Achievement
		has begun but was not complete as at 30 June 2008.
Funding facilitation. <ul style="list-style-type: none"> Applications to DWC. Applications to other funders. 	<ul style="list-style-type: none"> 20 p.a. 6 p.a. 	<ul style="list-style-type: none"> 3 applications were made to DWC in the year ended 30 June 2008. There were no applications made to other funders in the year ended 30 June 2008.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Working towards strengthening the regional economy

Outcome:

- A thriving local economy creating opportunities
- An attractive District where residents want to be.

How affected?

- Opportunities are the key for future success.
- A growing economy provides opportunity which makes an area attractive as living/working environment.

Outputs:	Measurement:	Achievement
Operational:		
Regional economic development. <ul style="list-style-type: none"> Attendance of Mayors' forum meetings. Compliance with Triennial Agreement. 	<ul style="list-style-type: none"> 100% 100%. 	<ul style="list-style-type: none"> The mayor, Tony Kokshoorn attended all mayors forums held during the 2007/2008 year. Council fully complied with the triennial agreement in the 2007/2008 year.
DWC representation/association. <ul style="list-style-type: none"> Attendance of DWC meetings. Consultation with DWC on initiatives planned. 	<ul style="list-style-type: none"> 100%. 100%. 	<ul style="list-style-type: none"> DWC held 14 meetings during the year ended 30 June 2008. Tony Kokshoorn attended 3 of these. The low attendance was due to Tony choosing not to stand for re-election to the trust in October 2007. Council consults with DWC on any initiatives planned that will affect the regional economy.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

[7.4] cost of service statement

ECONOMIC DEVELOPMENT INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	(9)	-	(11)
Support costs	(32)	(38)	(34)
Operating & maintenance costs	(241)	(207)	(196)
Interest expense	-	-	-
Depreciation	-	(2)	-
	(282)	(247)	(241)
Revenue:			
User charges	79	-	83
Other revenue	-	-	-
Subsidies/donations	-	-	-
Internal recoveries	-	-	-
Rates - UAGC	-	-	-
Rates - General	38	37	43
Rates - Targeted	172	166	187
	289	203	313
Net Surplus/(Deficit)	7	(44)	72

ECONOMIC DEVELOPMENT CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	-	-	-
New capital	-	-	-
Assets vested	-	-	-
Debt principal repayments	-	-	-
Funding of reserves	-	-	-
Internal transfers	-	-	-
	-	-	-
Funded by:			
add new loans raised	-	-	-
add funding from reserves	11	42	50
Transfer from Ratepayer Equity	-	-	-
add depreciation	-	2	-
add/(deduct) Surplus/(Deficit) carried forward	7	(44)	72
Net funding surplus / (deficit)	18	-	122

[7.5] major asset acquisitions or replacements

Nil

[7.6] variations from budget

Revenue

- Funding received from central government where Council is acting as the funding agency for Young Entrepreneurs Network (YEN). These funds have not been fully utilised and will be spent in future years.

[7.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> ▪ Transfer of function to Development West Coast potentially POSITIVE for regional economic development but negative because of loss of control. ▪ Development Forum and associated Development Matrix POSITIVE confirmation of community interest and commitment. ▪ Low key only District marketing initiatives negative. ▪ Initiative to establish immigrant settlement service POSITIVE for integration into community. ▪ Two Youth forums and Draft Youth Development Strategy POSITIVE for youth involvement. 	<ul style="list-style-type: none"> ▪ Continued focus on District growth is positive. ▪ Recent initiative to review operational/administrative processes re regulatory and planning functions POSITIVE for developer commitment. 	<ul style="list-style-type: none"> ▪ Continued economic growth associated with good planning and service delivery makes for a POSITIVE community. 	<ul style="list-style-type: none"> ▪ Nil

[8] property and housing

[8.1] council's involvement

Council manages its rental property portfolio with a view to securing a reasonable financial return whilst at the same time adhering to its social conscience and providing for the convenience of residents and visitors. Council is committed to freeholding as many as possible of its rental properties in order to give lessees the opportunity of full ownership.

Council continues to manage Harbour Board Endowment land on behalf of the port as beneficiary of any net return from such land in terms of legislation. Operational port assets are to be transferred to the port company.

Council is committed to continue managing its retirement housing portfolio on a break even basis thereby keeping rentals as low as possible.

Provision of affordable, conveniently located parking remains a particular focus area.

[8.2] activities included in this group

- Property
- Parking
- Retirement Housing

[8.3] performance indicators and link to community outcomes

Efficient management of Council's land holdings

Outcome:

- A thriving local economy creating opportunities.

How affected?

- Making property available for development stimulates growth.

Outputs:	Measurement:	Achievement
Strategic:		
Retaining land with a present or future strategic value.	<ul style="list-style-type: none"> ▪ Full assessment of strategically valuable land by October 2007. 	<ul style="list-style-type: none"> ▪ An assessment of council's strategically valuable land had not been completed as at 30 June 2008.
Selling of surplus land.	<ul style="list-style-type: none"> ▪ Sale of 40% of surplus land per lists cleared for sale. 	<ul style="list-style-type: none"> ▪ A portion of council's surplus land was tendered and sold in July 2006. There were no sales of surplus land in the 2007/2008 year.
Operational:		
Land sales:		
<ul style="list-style-type: none"> ▪ Updated lists of property for sale. 	<ul style="list-style-type: none"> ▪ Three monthly. 	<ul style="list-style-type: none"> ▪ Council has a list of properties for sale. It is not currently updated on a regular basis due to constraints on staff time.
<ul style="list-style-type: none"> ▪ Price to be achieved. 	<ul style="list-style-type: none"> ▪ The reserve price as determined from time to time. 	<ul style="list-style-type: none"> ▪ The reserve price is determined at the time of a property being offered for sale
<ul style="list-style-type: none"> ▪ Retained land kept neat and tidy. 	<ul style="list-style-type: none"> ▪ 65%. 	<ul style="list-style-type: none"> ▪ All retained land is kept tidy by

Outputs:	Measurement:	Achievement
		council's In-House Task Force.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Safe and comfortable retirement housing.

Outcome:

- An attractive District where residents want to be.
- Law, order, personal and property safety.
- A thriving local economy creating opportunities.
- Good social development services.

How affected?

- The ability to promote elderly residents to good quality retirement schemes contributes to an attractive living/working environment.
- Retirement schemes offer a safe, secure and comfortable environment.
- Retirement schemes as progression add to the attraction as investment location.
- We owe it to our elderly to provide them with the opportunity to retire gracefully and comfortably.

Outputs:	Measurement:	Achievement
Strategic:		
Efficient management of the activity.	<ul style="list-style-type: none"> 90% of users satisfied. Repayment of debt at a minimum equivalent to 20 year table mortgage rate. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year. \$36,304 has been placed into a reserve to later offset the debt against the retirement housing.
Operational:		
Occupation rates.	<ul style="list-style-type: none"> Above 85%. 	<ul style="list-style-type: none"> Council flats were fully occupied throughout the year ended 30 June 2008.
Complaints about the service.	<ul style="list-style-type: none"> Maximum 5 p.a. 	<ul style="list-style-type: none"> There were no complaints recorded regarding the service for the 2007/2008 year.
Governance:		
Compliance with public expectation.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

[8.4] cost of service statement

PROPERTY & HOUSING INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	(28)	(30)	(27)
Support costs	(197)	(237)	(210)
Operating & maintenance costs	(527)	(539)	(675)
Interest expense	(79)	(83)	(97)
Depreciation	(183)	(467)	(182)
	(1,014)	(1,356)	(1,191)
Revenue:			
User charges	752	688	751
Other revenue/gains	1,645	331	2,011
Subsidies/donations	-	2	-
Internal recoveries	84	133	78
Rates - UAGC	8	8	-
Rates - General	53	52	58
Rates - Targeted	-	-	-
	2,542	1,214	2,898
Net Surplus/(Deficit)	1,528	(142)	1,707
PROPERTY & HOUSING CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	(55)	(14)	(23)
New capital	(146)	(481)	(11)
Assets vested	-	-	-
Debt principal repayments	(153)	(24)	-
Funding of reserves	(1,678)	(435)	(2,136)
Internal transfers	-	-	-
	(2,032)	(954)	(2,170)
Funded by:			
add new loans raised	-	-	-
add funding from reserves	370	629	146
Transfer from Ratepayer Equity	-	-	-
add depreciation	183	467	182
add/(deduct) Surplus/(Deficit) carried forward	1,528	(142)	1,707
Net funding surplus / (deficit)	49	-	(135)

[8.5] major asset acquisitions or replacements

PROPERTY AND HOUSING	Actual 2008 \$000	Budget 2008 \$000
ITEM / PROJECT		
Civic chambers - Extension	46	481

[8.6] variations from budget

Other revenue/gains

- This relates to gain on sale of assets (largely freeholding of Council property), and due to the volume was significantly higher than budgets.

Debt principal repayments

- Includes an amount repaid of the forestry suspensory loan which was not included in budget

Funding of reserves

- Relates to gain on sale of assets, the proceeds of which are transferred to special funds

Funding from reserves

- Due to the extension to Council of Council chambers not progressing past the preliminary stages at year end, the required funds were not required to be transferred from the associated reserve. This work has been carried forward into the 2008/2009 year.

[8.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> ▪ Development of Deferred Rental Scheme POSITIVE as it provides older Lessees with a cheap and non threatening option. ▪ General improvement in condition of Council property POSITIVE for amenity of area. ▪ Increased hours of Parking Warden POSITIVE impact on parking availability and general parking practices but failure to cover all areas regularly still negative . ▪ Focus on creating more parking POSITIVE but long delays in land legalisation negative on public perceptions. ▪ Focus on creating more retirement housing positive. ▪ Continued provision of high standard affordable housing for older residents POSITIVE for community. ▪ Focus on provision of low and middle income housing through private sector initiative positive. 	<ul style="list-style-type: none"> ▪ Good quality services POSITIVE for attractive living and investment environment. ▪ Improved parking availability POSITIVE for commercial development. ▪ Making available of unused Council land for development positive. 	<ul style="list-style-type: none"> ▪ Services POSITIVELY contribute to making community life "whole" 	<ul style="list-style-type: none"> ▪ Consequences of good service delivery i.e. amenity improvement, parking availability POSITIVE for environment.

[9] community services and facilities

[9.1] council's involvement

Local authorities generally accept responsibility for a range of activities/services that add to the quality of life in their areas of jurisdiction, in spite of the fact that, without fail, such services are not self funding and require extensive general rate input. Council is involved in each of the services outlined above for the following reasons.

- **Airport:** Historically, the airport acted as a support facility for the Grey Base Hospital and as a base for owners of private recreational aircraft but, in more recent times, it also became the base for Air West Coast. The airport not only represents a convenient mode of long distance travel but is also a significant strategic asset.
- **Civic Centre:** An indoor sport facility is a significant asset in a region subject the high and regular rainfall. Even though the facility is not used to optimum capacity, the recent introduction of a climbing wall has added further motivation for the continued operation of the venue.
- **Libraries:** Libraries have a recreational and education role and Council is committed to retaining this service into the future.
- **Reserves:** Parks and reserves are an important aesthetic and recreational activity. Council has requested a full review of the parks and reserves currently maintained with a view to a meaningful rationalisation that will see important parks, walking tracks and reserves developed and maintained to a higher standard with lower value facilities being declared surplus and incorporated in Council's property portfolio put up for sale.
- **Rest Rooms and Public Conveniences:** Council has both a health promotion and public convenience focus with its involvement in this activity.
- **Swimming Baths:** What has become a customary recreational facility in the local Government context has developed a much more significant focus in this case with the focus and overwhelming public support for an aquatic centre in Greymouth which will have a recreational, health promotion and professional sport use. Support from within the Northern Ward for an upgraded Runanga pool is also significant, made possible by the Runanga Swimming Pool Community Trust Inc fundraising.
- **Events and Recreation Management:** Events and social functions contribute to a feeling of oneness and belonging as necessary ingredient of a successful community.
- **Cemeteries:** This is yet another customary local Government service which, in our case, is provided with pride and compassion, as is evidenced by the aesthetic quality of our facilities.
- **Council's In-house Task Force:** The need to retain a general factotum type capability after Council contracted out its technical operations, resulted in this activity being created. It has since proven itself to be indispensable and highly productive.
- **Arts, Culture and Heritage:** Council recognises the importance of its own History House, as well as its joint action with the Greymouth Heritage Trust in the establishment and development of Coal River Park. Furthermore, Council recognises and supports a variety of community driven initiatives and projects.

[9.2] activities included in this group

- Airport
- Civic Centre
- Libraries
- Reserves
- Rest Rooms and Public Conveniences
- Swimming Baths
- Events and Recreation Management
- Cemeteries
- Council's In-House Task Force
- Arts, Culture and Heritage

Rationale for grouping

The above mentioned activities/services all contribute to wholeness of life in the District and are collectively dealt with as Community Services. Quality of life within any community relies on the availability and quality of community services hence Council's involvement.

[9.3] performance indicators and link to community outcomes

Convenient parking.

Outcome:

- An attractive District where residents want to be.
- Law, order, personal and property safety.
- A thriving local economy creating opportunities.

How affected?

- Convenient parking adds to the attraction of the living/working environment.
- Availability of convenient parking enhances personal and property safety.
- Parking is a requirement for commercial success.

Outputs:	Measurement:	Achievement
Operational:		
Available parking: <ul style="list-style-type: none"> ▪ Policing of Greymouth CBD. ▪ Policing of Shakespeare St across from High School. ▪ Policing of Tainui St across from Polytechnic. 	<ul style="list-style-type: none"> ▪ 90% coverage on a weekly basis. ▪ Once per month, or as required. ▪ Once per week, or as required. 	<ul style="list-style-type: none"> ▪ The parking warden covered at least 90% of the CBD on a weekly basis in the year ended 30 June 2008. ▪ As this is no longer a problem area for parking it is still monitored and infringements are issued as required, but not on a monthly basis. ▪ This area was monitored on a regular basis during the year ended 30 June 2008.
General <ul style="list-style-type: none"> ▪ % of budgeted capital programme completed within budget year. ▪ Complaints about the service (excluding infringement appeals). 	<ul style="list-style-type: none"> ▪ 100%. ▪ Maximum 50 p.a. 	<ul style="list-style-type: none"> ▪ There were no capital programmes planned for the 2007/2008 year. ▪ There were no recorded complaints regarding parking in the 2007/2008 year.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

A safe airport.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.
- Affordable access to quality medical health services.

How affected?

- Economic growth relies heavily on a healthy social and community environment.
- Good community services add to the District appeal as a living and investment location.
- The airport plays an important supporting role to Grey Base Hospital whilst many of the other services facilitate healthy lifestyles.
- The airport is a major strategic asset for Grey Base Hospital.

Outputs:	Measurement:	Achievement
Operational:		
Fee recovery from landing charges at airport	<ul style="list-style-type: none"> ▪ achieve at least estimated amount of \$18,540. 	<ul style="list-style-type: none"> ▪ \$6,184 was received in landing fees for the year ended 30 June 2008. The new camera has not been operating correct for parts of the year reducing council's ability to charge for landings.
% of budgeted capital programme completed within budget year.	<ul style="list-style-type: none"> ▪ Minimum 90%. 	<ul style="list-style-type: none"> ▪ One capital programme was planned for the airport but put on hold pending development with users of the facility.
Complaints about the service.	<ul style="list-style-type: none"> ▪ Maximum 10 p.a. 	<ul style="list-style-type: none"> ▪ There were no complaints regarding the airport during the year ended 30 June 2008.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

An efficient indoor sports centre.

Outcome:

- A thriving local economy creating opportunities
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- It makes the District more attractive as investment location.
- Sport facilities, especially indoor facilities, contribute to an attractive living/working environment.
- There is a strong physical health benefit.

Outputs:	Measurement:	Achievement
Operational:		
General <ul style="list-style-type: none"> ▪ Access to facility. 	<ul style="list-style-type: none"> ▪ 100% of open hours. 	<ul style="list-style-type: none"> ▪ The Civic Centre was available for bookings at all times throughout the 2007/2008 year.
<ul style="list-style-type: none"> ▪ Complaints about the service. 	<ul style="list-style-type: none"> ▪ Maximum 50 p.a. 	<ul style="list-style-type: none"> ▪ There were no recorded complaints regarding the civic centre in the year ended 30 June 2008.

Outputs:	Measurement:	Achievement
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Convenient, accessible libraries.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.

How affected?

- Libraries as available service are a requirement for local investment.
- Good comfortable libraries contribute to an attractive living/working environment.

Outputs:	Measurement:	Achievement
Operational:		
Maintain a friendly, helpful and calm atmosphere where users can relax.	<ul style="list-style-type: none"> Maintain a positive environment inviting users to visit. 	<ul style="list-style-type: none"> The library has received many positive comments regarding its atmosphere and facilities.
Maintain a quality book stock.	<ul style="list-style-type: none"> 35,000 books of which no more than 10% are older than 7 years. 	<ul style="list-style-type: none"> The library had stock of 31,081 books as at 30 June 2008. 37% of these books were older than 7 years.
Making Pioneer Library accessible.	<ul style="list-style-type: none"> Investigation report on potential amalgamation with History House collection by July 2007. 	<ul style="list-style-type: none"> There has been no report completed on the amalgamation of the Pioneer Library with History House due to space restrictions at History House. A significant portion of the pioneer library is currently housed at History House.
Operational:		
Number of books.	<ul style="list-style-type: none"> 35,000. 	<ul style="list-style-type: none"> As at 30 June 2008 the library had 31,081 books.
Currency of books.	<ul style="list-style-type: none"> Maximum 10% older than 7 years. 	<ul style="list-style-type: none"> 37% of the library's stock as at 30 June 2008 was older than 7 years.
Availability of service.	<ul style="list-style-type: none"> 90% during advertised hours. 	<ul style="list-style-type: none"> The Library was available during all its advertised hours in the 2007/2008 year.
Complaints about the service.	<ul style="list-style-type: none"> Maximum 15 p.a. 	<ul style="list-style-type: none"> There were no complaints recorded about the library's service in the year ended 30 June 2008.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Well maintained parks and reserves.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.

How affected?

- Economic growth relies heavily on a healthy social and community environment.
- Good community services add to the District appeal as living and investment location.

Outputs:	Measurement:	Achievement
Operational:		
General: <ul style="list-style-type: none"> ▪ % of budgeted capital programme completed within budget year. ▪ Complaints about the service. 	<ul style="list-style-type: none"> ▪ Minimum 80%. ▪ Maximum 20 p.a. 	<ul style="list-style-type: none"> ▪ 80% of the capital programmes planned for parks and reserves were completed in the 2007/2008 year. ▪ Due to a change in the way service requests are recorded we are now unable to reliably obtain this information.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

Good, inviting rest rooms

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- It adds to the attraction as investment location.
- Rest room facilities add to making the District an attractive living/working environment.
- Availability of rest rooms avoids practices that can affect health.

Outputs:	Measurement:	Achievement
Operational:		
Frequency of cleaning.	<ul style="list-style-type: none"> ▪ Daily when open. 	<ul style="list-style-type: none"> ▪ All rest rooms were cleaned daily during the year ended 30 June 2008.
% of budgeted capital programme completed within budget year.	<ul style="list-style-type: none"> ▪ Minimum 80%. 	<ul style="list-style-type: none"> ▪ 100% of planned capital programmes were completed in the 2007/2008 year.
Complaints about the service.	<ul style="list-style-type: none"> ▪ Maximum 30 p.a. 	<ul style="list-style-type: none"> ▪ Due to a change in the way service requests are recorded we are now unable to reliably obtain this information.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

Safe and comfortable swimming pools.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- It adds to the attraction as investment location.
- A town pool is a major recreational attraction which contributes to an attractive living/working environment.
- There are definite physical health benefits.

Outputs:	Measurement:	Achievement
Strategic:		
Replace the Greymouth Town Baths as soon as possible with an aquatic centre.	<ul style="list-style-type: none"> ▪ Finalise fund raising by June 2008. ▪ Put in place designs and project management arrangements. ▪ Manage existing baths as efficiently as possible. 	<ul style="list-style-type: none"> ▪ As at 30 June 2008 Fundraising for the aquatic centre was substantially completed. The project is underway with expected completion in March/April 2009 ▪ Gurden Consulting was contracted to project manage the aquatic centre on 7 July 2006. ▪ The existing War Memorial baths facility is maintained to a standard that means it can remain operational while the new facility is in development and ensuring that it complies with all applicable standards.
Redevelopment and New Roof - Runanga Baths.	<ul style="list-style-type: none"> ▪ Implement redevelopment by June 2007. 	<ul style="list-style-type: none"> ▪ Runanga Swimming Pool Roof was approved to go ahead during the 2007/2008 year. Stage 1 - design and tender is underway.
Operational:		
Greymouth Baths: <ul style="list-style-type: none"> ▪ Number of incidents involving safety of bathers. ▪ Compliance with Health and Safety regulations. ▪ Frequency of service. ▪ Availability of service. 	<ul style="list-style-type: none"> ▪ No more than 5 p.a. ▪ 100%. ▪ Sept – March. ▪ 100% during advertised hours. 	<ul style="list-style-type: none"> ▪ There were no recorded incidents involving the safety of bathers during the 2007/2008 year. ▪ All Health and Safety regulations were complied with in the year ended 30 June 2008. ▪ The pool was opened to the public on Monday 17 September 2007 and closed on 18 April 2008. ▪ The pool was closed twice during the season for extra cleaning. Both incidents lasted less than one full day.
Aquatic centre. <ul style="list-style-type: none"> ▪ Appointment of project manager and designers. ▪ Conclude fundraising. ▪ Construction of aquatic centre incorporating War Memorial facade. 	<ul style="list-style-type: none"> ▪ By July 2006. ▪ By June 2008. ▪ By November 2009. 	<ul style="list-style-type: none"> ▪ Gurden Consulting was contracted to project manage the aquatic centre on 7 July 2006. ▪ As at 30 June 2008 fundraising for the aquatic centre was substantially completed. ▪ The project is underway with expected completion in March/April 2009
Runanga Baths. <ul style="list-style-type: none"> ▪ New roof and general renewal. 	<ul style="list-style-type: none"> ▪ Completed for opening of the 2008/09 season (varied from the Long Term Plan, which had a target of June 2007). 	<ul style="list-style-type: none"> ▪ Runanga Swimming Pool Roof was approved to go ahead during the 2007/2008 year. Stage 1 - design and tender is underway.

Outputs:	Measurement:	Achievement
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Exciting events and recreational activities.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.

How affected?

- A happy community is a progressive, growing community.
- Exciting community events contribute to an attractive living/working environment.

Outputs:	Measurement:	Achievement
Operational:		
Events <ul style="list-style-type: none"> Number of Events provided. 	<ul style="list-style-type: none"> 10 p.a. 	<ul style="list-style-type: none"> 16 events were provided by Sport West Coast in the year ended 30 June 2008.
Financial support. <ul style="list-style-type: none"> Provision on Annual Plans. 	<ul style="list-style-type: none"> Annually. 	<ul style="list-style-type: none"> Sport West Coast was funded in the through Council's Annual Plan.
General <ul style="list-style-type: none"> Complaints about the service. 	<ul style="list-style-type: none"> Maximum 10 p.a. 	<ul style="list-style-type: none"> There were no recorded complaints regarding the events and recreation activities provided to the 30 June 2008.
Governance:		
Compliance with public expectation.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

High quality and aesthetically pleasing cemeteries.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.

How affected?

- It adds to the attraction as investment location.
- It adds to making the District an attractive living/working environment.

Outputs:	Measurement:	Achievement
Operational:		
Maintained and mowed to acceptable standard.	<ul style="list-style-type: none"> 90% p.a. 	<ul style="list-style-type: none"> All cemeteries were maintained and mowed to acceptable standards throughout the 2007/2008 year.
Complaints about the service.	<ul style="list-style-type: none"> Maximum 50 p.a. 	<ul style="list-style-type: none"> Due to a change in the way service requests are recorded we are now unable to reliably obtain this information.
Governance:		

Outputs:	Measurement:	Achievement
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Quality ad hoc service delivery by means of Council's In-house Task Force.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- A tidy area is a requirement for economic growth.
- It adds to keeping the District tidy.
- Service often involves overgrown and vermin infected properties.

Outputs:	Measurement:	Achievement
Operational:		
Response to call-out.	<ul style="list-style-type: none"> Within 48 hours of report. 	<ul style="list-style-type: none"> The In-House Task Force did not receive any call outs during the 2007/2008 year.
Properties maintained.	<ul style="list-style-type: none"> 25 p.a. 	<ul style="list-style-type: none"> Council's In-House Task Force maintained 20 properties during the year ended 30 June 2008.
Other tasks.	<ul style="list-style-type: none"> 300 p.a. 	<ul style="list-style-type: none"> The In-House Task Force performed 304 other tasks during the 2007/2008.
Complaints about the service.	<ul style="list-style-type: none"> Maximum 50 p.a. 	<ul style="list-style-type: none"> There were no recorded complaints regarding the In-House Task Force for the year ended 30 June 2008.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Promotion of arts, culture and heritage.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.

How affected?

- It adds to the attraction of local investment.
- A vibrant focus on arts, culture and heritage contributes to an attractive living/working environment.

Outputs:	Measurement:	Achievement
Operational:		
History House. <ul style="list-style-type: none"> ▪ Number of visitors. ▪ Accessibility of facility. ▪ Quality of collection. ▪ Complaints about the service. ▪ Financial support - provision on annual plan. 	<ul style="list-style-type: none"> ▪ 60 p.m. ▪ 100% during advertised hours. ▪ Maintained and expanded. ▪ Maximum 10 p.a. ▪ Annually. 	<ul style="list-style-type: none"> ▪ History house had an average of 248 visitors per month in the year 1 July 2007 to 30 June 2008. ▪ History House was open all of its advertised hours during the year ended 30 June 2008. ▪ History House staff maintained the current collection. They have reorganised storage and continued to index the collection. Various photos, books and other material were donated throughout the year. ▪ There were no recorded complaints regarding the service provided by History House during the year ended 30 June 2008. ▪ The Support Services Manger budgets for expected expenditure and this is funded through the Annual Plan.
Joint Heritage Committee. <ul style="list-style-type: none"> ▪ Meetings. ▪ Attendance. 	<ul style="list-style-type: none"> ▪ 4 p.a. ▪ 100%. 	<ul style="list-style-type: none"> ▪ The Joint Heritage Committee did not meet in the 2007/2008 year.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

[9.4] cost of service statement

COMMUNITY SERVICES & FACILITIES INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	(416)	(438)	(407)
Support costs	(249)	(307)	(263)
Operating & maintenance costs	(1,145)	(990)	(952)
Interest expense	(54)	(4)	-
Depreciation	(393)	(249)	(317)
	(2,257)	(1,988)	(1,939)
Revenue:			
User charges	1,003	198	276
Other revenue	-	-	-
Subsidies/donations	523	71	24
Internal recoveries	-	-	-
Rates - UAGC	653	635	855
Rates - General	920	909	680
Rates - Targeted	-	-	-
	3,099	1,813	1,835
Net Surplus/(Deficit)	842	(175)	(104)

COMMUNITY SERVICES & FACILITIES CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	(127)	(128)	(95)
New capital	(1,437)	(1,406)	(341)
Assets vested	-	-	-
Debt principal repayments	-	(4)	-
Funding of reserves	(83)	(87)	(2)
Internal transfers	(35)	-	(15)
	(1,682)	(1,625)	(453)
Funded by:			
add new loans raised	-	-	55
add funding from reserves	434	1,551	253
Transfer from Ratepayer Equity	-	-	-
add depreciation	393	249	317
add/(deduct) Surplus/(Deficit) carried forward	842	(175)	(104)
Net funding surplus / (deficit)	(13)	-	68

[9.5] major asset acquisitions or replacements

COMMUNITY SERVICES & FACILITIES SIGNIFICANT CAPITAL EXPENDITURE	Actual 2008 \$000	Budget 2008 \$000
ITEM / PROJECT		
Moana Foreshore Development	117	110
Greymouth Aquatic Centre (work in progress)	1,212	1,200
Renewals work	127	128

- There were no significant works signalled in the LTCCP for 2007/2008 that were not carried out

[9.6] variations from budget

User charges/Subsidies/donations

- includes money received towards the new Greymouth Aquatic Centre which was not included in the budget.

[9.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> ▪ Community Services POSITIVE for creating an attractive living environment. ▪ Airport availability to Air West Coast, Coast Helicopters, Air Ambulance and Rescue Helicopter and private aircraft facilitates POSITIVE social services ▪ Continual improvement of Library Services and introduction of Online access positive. ▪ Agreement with Tai Poutini Polytechnic re them controlling the Climbing wall will have POSITIVE impact on its recreational value and the financial viability of the Civic Centre ▪ Continued focus on making parks and walking tracks more accessible and involvement in Blue Penguin protection against marauding dogs POSITIVE but inability to maintain to a high standard throughout because of budgetary constraints a negative. ▪ Maintaining a high standard of hygiene of public toilets and provision of new CBD toilets positive, but age of facilities and focus of vandals make this less than totally successful. ▪ Focus on new Aquatic Centre POSITIVE ▪ The availability of a range of community events in partnership with Sport West Coast and more recently with the Lake Brunner Cycle race funded by DWC is POSITIVE and makes community life whole. ▪ Maintaining available and aesthetically pleasing cemeteries is positive. ▪ Work done by the In-house Task Force complement other more formal service delivery agreements POSITIVELY, resulting in aesthetically pleasing open areas. ▪ Continued support to a variety of local organisations/bodies/ facilities involved in arts, culture and recreation was POSITIVE as it made them financially viable and their services available to the community at affordable prices. 	<ul style="list-style-type: none"> ▪ Range and quality of community services POSITIVE for attractive living and investment environment. 	<ul style="list-style-type: none"> ▪ Services POSITIVELY contribute to making community life "whole" 	<ul style="list-style-type: none"> ▪ POSITIVE focus for community services to not impact adversely on the environment as far as possible.

[10] civil defence

[10.1] council's involvement

The West Coast region is exposed to a range of natural disasters and it is necessary to maintain a high level of operational preparedness to respond to any such events, both in respect of infrastructure provision and the health and wellbeing of residents.

Council's current investment in this activity is a reflection of its ability to deal with such an event in the normal course of its activities, without it being declared as a Civil Defence event, as was evidenced in the 2004 tornado event.

[10.2] activities included in this group

- Emergency management and civil defence

Rationale for grouping

In terms of more recent legislative changes this activity has developed a strong regional focus and is managed as a stand-alone activity. Notwithstanding, it is, when operational, staffed mainly by Council staff and integration with other Council activities is, therefore, a natural consequence.

[10.3] performance indicators and link to community outcomes

A high level of preparedness to respond to disasters.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- The ability to deal with disasters builds confidence that the local economy will be able to recover quickly.
- The ability to deal with disasters builds confidence.
- The safety of people and property and the ability to manage crime in the event of an emergency is of primary importance and being prepared is a basic responsibility.

Outputs:	Measurement:	Achievement
Operational:		
West Coast Emergency Management & Civil Defence (WCEM&CD) Group.		
<ul style="list-style-type: none"> ▪ Meetings. 	<ul style="list-style-type: none"> ▪ 2 p.a. 	<ul style="list-style-type: none"> ▪ The WCEM&CD group had one meeting in the year ended 30 June 2008.
<ul style="list-style-type: none"> ▪ Attendance. 	<ul style="list-style-type: none"> ▪ 100%. 	<ul style="list-style-type: none"> ▪ Kevin Beams, Manager Support Services, attended the meeting.
Contact with Volunteers.		
<ul style="list-style-type: none"> ▪ Meetings. 	<ul style="list-style-type: none"> ▪ 2 p.a. 	<ul style="list-style-type: none"> ▪ Volunteers were contact or involved in exercises three times during the year 1 July 2007 to 30 June 2008.
General		
<ul style="list-style-type: none"> ▪ Training exercises. 	<ul style="list-style-type: none"> ▪ 1 p.a. 	<ul style="list-style-type: none"> ▪ 2 training exercises were conducted in the year ended 30 June 2008.
<ul style="list-style-type: none"> ▪ Review of Civil Defence Plan and 	<ul style="list-style-type: none"> ▪ Once p.a. 	<ul style="list-style-type: none"> ▪ A review of the civil defence plan

Outputs:	Measurement:	Achievement
confirming contacts.		and contact confirmations were not completed in the 2007/2008 year as the Civil Defence Officer role was vacant for most of the period.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

[10.4] cost of service statement

CIVIL DEFENCE INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	(2)	(12)	(10)
Support costs	(26)	(31)	(28)
Operating & maintenance costs	(3)	(5)	(3)
Interest expense	-	-	-
Depreciation	(1)	-	-
	(32)	(48)	(41)
Revenue:			
User charges	-	-	-
Other revenue	-	-	-
Subsidies/donations	1	1	1
Internal recoveries	-	-	-
Rates - UAGC	49	47	47
Rates - General	-	-	-
Rates - Targeted	-	-	-
	50	48	48
Net Surplus/(Deficit)	18	-	7

CIVIL DEFENCE CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	-	-	-
New capital	-	-	(6)
Assets vested	-	-	-
Debt principal repayments	-	-	-
Funding of reserves	-	-	-
Internal transfers	-	-	-
	-	-	(6)
Funded by:			
add new loans raised	-	-	-
add funding from reserves	-	-	6
Transfer from Ratepayer Equity	-	-	-
add depreciation	1	-	-
add/(deduct) Surplus/(Deficit) carried forward	18	-	7
Net funding surplus / (deficit)	19	-	7

[10.5] major asset acquisitions or replacements

Nil

[10.6] variations from budget

N/a

[10.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> ▪ Focus on regaining lost ground in organisational and operational readiness and planning positive. ▪ Response trailer for Northern Ward a particularly POSITIVE development. 	<ul style="list-style-type: none"> ▪ POSITIVE Civil Defence planning and response capability important consideration for prospective residents. ▪ Economic cost of disasters POSITIVELY influenced by proven Civil Defence readiness. 	<ul style="list-style-type: none"> ▪ Community displayed POSITIVE trust in Civil Defence organisation and its ability. 	<ul style="list-style-type: none"> ▪ n/a

[11] democracy

[11.1] council's involvement

Council strongly subscribes to a participatory democracy style of local governance and therefore places a high premium on effective, meaningful consultation with its public and Iwi as well on accountability, openness and transparency. Since the 1989 reorganisation Council has retained an optimum size of eight members, elected in ward context, plus the Mayor elected at large. It fully subscribes to keeping associated costs to an absolute minimum and, whilst Council recognises that this denies its wider membership the benefit of regular interaction with members of other local authorities, it believes that it remains well positioned to meet its stated objectives.

The Northern Ward Community Board is a remnant of the 1989 reorganisation. During 2004, strong support for its disbandment emanated from within the Ward and this resulted in the subsequent representation review providing for it to not be reinstated. The resultant process, however, proved there is support for its retention from within the Ward. However the Local Government Commission has released its decision that the board will cease from the October 2007 election.

Council is committed to open consultation with its community on a basis much wider than is expected in legislation. For this purpose, it developed a consultation policy aimed at strengthening its aim of partnering the community.

[11.2] activities included in this group

- Council
- Northern Ward Community Board
- Effective and Open Consultation

Rationale for grouping

Council places a high premium on inclusive local Government and as such places a high premium on efficiency of public democracy as well as partnering with the community.

[11.3] performance indicators and link to community outcomes

Through good governance, to provide in for needs of our District and its people.

Outcome:

- A District enjoying quality affordable essential services.
- A thriving local economy creating opportunities.
- Affordable access to quality medical health services.
- An active partnership between Council and our community.
- An attractive District where residents want to be.
- Law, order, personal and property safety.
- Affordable access to quality education.
- Good social development services.

How affected?

- This can only be achieved through good governance.
- Good governance is a requirement for economic growth
- Whilst not a core function, a definite social focus area.
- Good governance is based on strong public input.
- Good governance brings confidence and opportunities.
- Good governance plays a key role in achieving this outcome.
- Whilst not a core function, a definite social focus area.
- Council represents the community and seeks the best for the community.

Outputs:	Measurement:	Achievement
Operational:		
Accessibility and responsiveness. <ul style="list-style-type: none"> ▪ Informal contact. ▪ Council forum. ▪ Speaking rights. 	<ul style="list-style-type: none"> ▪ At all reasonable hours. ▪ Monthly upon booking of time. ▪ 10 days notice. 	<ul style="list-style-type: none"> ▪ This criteria was not formally measured but councillors contact details are freely available to the public via the council and its website. ▪ Council forums were offered before all council meetings. Only the November, February, March and June forums were utilized by the public. ▪ All speakers were given 10 days notice of their speaking time prior to a council meeting.
Accountability <ul style="list-style-type: none"> ▪ Audit report to press. ▪ Annual report availability. ▪ Council minutes accessibility (In-open). ▪ Response to written inputs. 	<ul style="list-style-type: none"> ▪ Annually. ▪ Free upon request. ▪ During office hours. ▪ Within 10 days of receipt. 	<ul style="list-style-type: none"> ▪ The Audit report for the 2006/2007 year was released to the press during the 2007/2008 year. ▪ The annual report was available free of charge to any resident who requested it. ▪ A copy of the council meeting minutes are published in the following months agenda. Agendas are available at the main counter in the Tainui Street office and the Runanga Service Centre. ▪ 51% of all written inputs received in the year ended 30 June 2007 were responded to within 10 days.
Transparency <ul style="list-style-type: none"> ▪ Decisions in-committee. 	<ul style="list-style-type: none"> ▪ No more than 10%. 	<ul style="list-style-type: none"> ▪ 3-5% of council decisions made to 30 June 2008 were in committee.
Good Order <ul style="list-style-type: none"> ▪ Member compliance with ethical rules. ▪ Notice of meetings. ▪ Following Standing Orders. 	<ul style="list-style-type: none"> ▪ 100%. ▪ 5 days. ▪ 100%. 	<ul style="list-style-type: none"> ▪ There were no breaches of councils code of conduct in the year ended 30 June ▪ Of the 30 Meetings held during the 2007/2008 financial year 29 were advertised at least 5 days prior to the meeting date. ▪ All standing orders were followed in the 2007/2008 year.
Maori <ul style="list-style-type: none"> ▪ Meetings. 	<ul style="list-style-type: none"> ▪ Per Memorandum of Understanding. 	<ul style="list-style-type: none"> ▪ Consultation with Ngati Wai Wai has been undertaken but progress has been slow on developing means for ongoing consultation.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

[11.4] cost of service statement

DEMOCRACY INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	-	-	-
Support costs	(429)	(508)	(445)
Operating & maintenance costs	(392)	(388)	(315)
Interest expense	-	-	-
Depreciation	-	(3)	(1)
	(821)	(899)	(761)
Revenue:			
User charges	65	18	3
Other revenue	1,015	550	793
Subsidies/donations	-	-	-
Internal recoveries	-	-	-
Rates - UAGC	1,022	995	907
Rates - General	-	-	-
Rates - Targeted	-	-	75
	2,102	1,563	1,778
Net Surplus/(Deficit)	1,281	664	1,017

DEMOCRACY CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	-	-	-
New capital	-	-	-
Assets vested	-	-	-
Debt principal repayments	-	-	-
Funding of reserves	(1,131)	(715)	(940)
Internal transfers	-	-	-
	(1,131)	(715)	(940)
Funded by:			
add new loans raised	-	-	-
add funding from reserves	61	48	41
Transfer from Ratepayer Equity	-	-	-
add depreciation	-	3	1
add/(deduct) Surplus/(Deficit) carried forward	1,281	664	1,017
Net funding surplus / (deficit)	211	-	119

[11.5] major asset acquisitions or replacements

Nil

[11.6] variations from budget

User charges/other income

- Higher interest returns than budgeted, and other costs recovered relating to election work

[11.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> ▪ Council's continued focus on "partnership" with the community positive. ▪ Consultation procedures POSITIVELY followed but require review as number of responses mostly negative. ▪ Full compliance with transparency requirements as POSITIVE way of getting the community involved. ▪ Inability to do more to promote Council and its activities, i.e. via a better Newsletter negative ▪ Inability to gauge public satisfaction levels through a satisfaction survey negative. 	<ul style="list-style-type: none"> ▪ Openness, accessibility and transparency build POSITIVE trust with prospective investors 	<ul style="list-style-type: none"> ▪ A community that feels itself part of the local government decision-making process is a POSITIVE one. 	<ul style="list-style-type: none"> ▪ N/A

[12] administration

[12.1] council's involvement

In 1997 Council undertook a formal management restructuring to ensure optimum efficiency of its executive function. The recommendations of the report could not be fully implemented for reasons of affordability and Council currently has four departments under the management of departmental managers and a Chief Executive Officer who has management control over a number of operational functions which cannot be incorporated under one or more of the departments.

The Chief Executive is responsible to Council for the efficient management of Council's administration, the execution of Council's decisions and policies, advice to Council and its structures including Northern Ward Community Board (NWCB) as well as a range of other functions. Departmental managers report to the Chief Executive Officer for the efficient management of their departments, the execution of Council and Chief Executive directives and policies and advise him on operational matters. There is a clear division between governance and administration and, whilst the Chief Executive and staff are prohibited to involve themselves in policy formulation, the Mayor and Councillors are prohibited from being actively involved in the administration.

[12.2] activities included in this group

- Support Services
- Office of the CEO
- Finance and Information Technology
- Asset Management
- Technical Services
- Environmental Services Management

Rationale for grouping

The above represent Council's administration and are grouped together. The focus remains on keeping the associated cost implication as low as possible.

[12.3] performance indicators and link to community outcomes

Full accountability to Council for all statutory functions, Council policies and decisions.

Outcome:

- All Outcomes.

How affected?

- Council's administration is responsible through the Chief Executive Officer for the achievement of all Council's decisions, policies and directives, including this plan.

Outputs:	Measurement:	Achievement
Strategic:		
Implementation of Council's policies.	<ul style="list-style-type: none"> ▪ Execution of Council decisions, implementation of Council policies and processes. 	<ul style="list-style-type: none"> ▪ Monthly Council meeting agenda and minutes record council decisions and implementation of decisions and policies.
Quality advice to Council, NWCB, Council committees/subcommittees.	<ul style="list-style-type: none"> ▪ Providing well researched, considered advice supported by all practicable alternative solutions and likely cost and impacts of each. 	<ul style="list-style-type: none"> ▪ Standard agenda item format ensures consistency of reporting including options, likely costs and effects of each alternative.

Outputs:	Measurement:	Achievement
Execution of delegated authority.	<ul style="list-style-type: none"> Always acting positively and responsibly. 	<ul style="list-style-type: none"> A delegations manual was adopted by council on the 13 February 2007.
Management of Council assets.	<ul style="list-style-type: none"> Management of assets with a view to extending their useful life whilst at the same time maintaining high levels of user safety. 	<ul style="list-style-type: none"> Activity management plans have been developed for all major assets. The activity management plan helps ensure the maximisation of the useful life of council assets.
Operational:		
The Chief Executive is responsible to Council for all executive aspects of operations.	<ul style="list-style-type: none"> Compliance with performance measures expected from the Chief Executive Officer. 	<ul style="list-style-type: none"> The CEO has an annual performance assessment by the staff committee and this covers compliance with performance measures.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.
Chief Executive Compliance with performance expectations set by Council.	<ul style="list-style-type: none"> 100%. 	<ul style="list-style-type: none"> The CEO has an annual performance assessment by the staff committee and this covers compliance with performance expectations set by council.

[12.4] cost of service statement

ADMINISTRATION INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	(2,486)	(2,604)	(2,232)
Support costs	(281)	(349)	(218)
Operating & maintenance costs	(1,345)	(1,249)	(1,089)
Interest expense	-	-	(1)
Depreciation	(267)	(274)	(237)
	(4,379)	(4,476)	(3,777)
Revenue:			
User charges	391	207	301
Other revenue	55	90	3
Subsidies/donations	71	96	100
Internal recoveries	3,814	4,035	3,269
Rates - UAGC	-	-	-
Rates - General	-	-	-
Rates - Targeted	-	-	-
	4,331	4,428	3,673
Net Surplus/(Deficit)	(48)	(48)	(104)

ADMINISTRATION CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	(116)	(108)	(61)
New capital	(124)	(175)	(53)
Assets vested	-	-	-
Debt principal repayments	-	-	-
Funding of reserves	(237)	(204)	(126)
Internal transfers	-	-	-
	(477)	(487)	(240)
Funded by:			
add new loans raised	-	-	-
add funding from reserves	258	261	107
Transfer from Ratepayer Equity	-	-	-
add depreciation	267	274	237
add/(deduct) Surplus/(Deficit) carried forward	(48)	(48)	(104)
Net funding surplus / (deficit)	-	-	-

[12.5] major asset acquisitions or replacements

ADMINISTRATION SIGNIFICANT CAPITAL EXPENDITURE	Actual 2008 \$000	Budget 2008 \$000
ITEM / PROJECT		
Vehicle replacements	-	153
Info systems renewals and additions	58	101

[12.6] variations from budget

User charges

- Higher interest returns on working capital

[12.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> A policy of POSITIVE engagement, accessibility and respect was followed. Focus of Planning section on user input into operational practices following negative criticism, a POSITIVE action. Maintaining high standards as small staff complement very positive. 	<ul style="list-style-type: none"> Strong operational focus on economic development assisted POSITIVELY. 	<ul style="list-style-type: none"> Generally POSITIVE feedback re Council's Administration. 	<ul style="list-style-type: none"> POSITIVE operational focus to not impact adversely on the environment.

[13] environmental services

[13.1] council's involvement

The services add to Council's commitment to and responsibilities for maintaining a healthy balance between development and its impact on the environment, both physical and natural. The services also, to a higher or lesser extent, involve a regulatory function component.

[13.2] activities included in this group

- Planning
- Amenity Management
- Access to Official Information
- Health Regulation
- Building Control
- Dog and Stock Control

Rationale for grouping

Local Government legislation makes it compulsory, wherever possible, to maintain a clear division between operations and regulation. It is a reality that local authorities, as facilitators of development and growth, also have to be seen to comply with associated statutory environmental constraints and that there is no conflict of interest in this regard.

[13.3] performance indicators and link to community outcomes

Enhance the District Plan to achieve a coherent vision for the development of the District.

Outcome:

- An attractive District where residents want to be.
- Law, order, personal and property safety.
- A thriving local economy creating opportunities.

How affected?

- Good planning and aesthetic standards contribute to an attractive living/working environment.
- Planning and the District Plan contribute to a healthy, safe environment.
- It adds to the attraction for local investment.

Outputs:	Measurement:	Achievement
Strategic:		
Develop the District Plan and supporting environmental policy which: <ul style="list-style-type: none"> ▪ provide clear guidance to residents concerning development within the District. ▪ reflect community expectations for sustainable, harmonious development. 	<ul style="list-style-type: none"> ▪ A District Plan which is couched in plain English and can be understood readily by residents. ▪ Improved community perceptions of departmental performance – per customer satisfaction rating. 	<ul style="list-style-type: none"> ▪ A work in progress – all changes to the District Plan are worded as clearly as possible. ▪ Three successful workshops were held with key stakeholders during the year to discuss issues and perceptions. No formal customer satisfaction survey was undertaken but informal advice of improved perceptions of performance

Outputs:	Measurement:	Achievement
		workshops are now an annual event.
Clear, positive, consistent application of the Resource Management Act, 1991 and Council's District Plan.	<ul style="list-style-type: none"> Decision-making based on the cost-benefit assessment of alternatives as well as a conscious effort to measure impacts on the social, economic, environmental and cultural wellbeing of the community. 	<ul style="list-style-type: none"> Effective enforcement included use of negotiations, abatement and infringement notices and prosecution in the courts system. All prosecutions were successful.
Operational:		
RMA and District Plan. <ul style="list-style-type: none"> Response timelines. Prompt, courteous and fair enforcement. 	<ul style="list-style-type: none"> As prescribed in the Act. Verified complaints max 5 p.a. 	<ul style="list-style-type: none"> 110 of 148 non-notified consents were processed to a decision within 20 days. Council has currently invoked section 37 of the RMA which allows for 40 days processing time. The average processing time for all consents was 46.9 days. There were no verified complaints in the year ended 30 June 2008.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Effective implementation of the Building Act, 2004

Outcome:

- An attractive District where residents want to be.
- Law, order, personal and property safety.
- A thriving local economy creating opportunities.

How affected?

- Good building control standards contribute to an attractive living/working environment.
- The activity contributes to a healthy, safe environment.
- It adds to the attraction for local investment.

Outputs:	Measurement:	Achievement
Strategic:		
Achieve accreditation as a Building Consent Authority.	<ul style="list-style-type: none"> Timetable and criteria as laid down in regulations. 	<ul style="list-style-type: none"> The timeframe for accreditation as a building consent authority has been extended to 31 March 2009. The Council subsequently achieved accreditation on the 13 August 2008.
Clear, positive, consistent application of the Building Act and Building Code so that buildings within the District are safe, sanitary and fit for purpose.	<ul style="list-style-type: none"> Decision-making based on the cost-benefit assessment of alternatives as well as a conscious effort to measure impacts on the social, economic, environmental and cultural wellbeing of the community. 	<ul style="list-style-type: none"> The assessment of alternatives and cost-benefit analyses for decisions related to the Building Act is completed as part of consent processing.
Operational:		
Building Act: <ul style="list-style-type: none"> Response timelines. Enforcement. 	<ul style="list-style-type: none"> As prescribed in the Act. Prompt, courteous and fair. 	<ul style="list-style-type: none"> 86% of the 653 building consents/COA's issued to 30 June 2008 were issued within the 20 day limit.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Through licensing and appropriate enforcement, improve harmony between residents and their environment.

Outcome:

How affected?

- An attractive District where residents want to be.
- Law, order, personal and property safety.
- A thriving local economy creating opportunities.
- Good regulation and appropriate enforcement contribute to an attractive living/working environment.
- The activity contributes to a healthy, safe environment.
- It adds to the attraction for local investment.

Outputs:	Measurement:	Achievement
Strategic:		
Prompt reaction to requests for official information.	<ul style="list-style-type: none"> ▪ Compliance with legislative requirements. 	<ul style="list-style-type: none"> ▪ This performance criteria is unable to be measured accurately. Council measures its response to all written correspondence of which 51% were responded to within 10 days.
Positive enforcement of bylaws as a mechanism to protect rights.	<ul style="list-style-type: none"> ▪ Implementation of Council Bylaws and Compliance Policy. 	<ul style="list-style-type: none"> ▪ All bylaw enforcements are dealt with on a case on case basis
Responsible health regulation.	<ul style="list-style-type: none"> ▪ Ensuring a high standard of public health. 	<ul style="list-style-type: none"> ▪ All food premises, hairdressers and camping grounds were inspected during the 2007/2008 year.
Positive dog and stock control.	<ul style="list-style-type: none"> ▪ Manage the keeping of dogs and wandering stock. 	<ul style="list-style-type: none"> ▪ Council has a full time Animal Control Officer who manages all dogs in the area and deals with reports of wandering stock.
Operational:		
Official Information: <ul style="list-style-type: none"> ▪ LIM requests. 	<ul style="list-style-type: none"> ▪ 10 working days. 	<ul style="list-style-type: none"> ▪ 48% of LIM requests were completed within 10 working days. The low result is due to high demands on staff time to complete tasks. There was a reduction in the number of LIMs 305 were requested in the 2007/2008 year compared to 393 in the previous year. Some process improvements have resulted in faster processing times.
Bylaw enforcement: <ul style="list-style-type: none"> ▪ Action. ▪ Amenity improvement. 	<ul style="list-style-type: none"> ▪ Per Council's Enforcement Policy. ▪ Clearance of 6 untidy properties p.a. 	<ul style="list-style-type: none"> ▪ Enforcement Action is taken on a case by case basis as per council guidelines. ▪ 10 properties were cleared through enforcement procedures in the year ended 30 June 2008.
Health Regulation <ul style="list-style-type: none"> ▪ Inspection of hairdresser salons, food premises, gaming machine outlets, camping grounds, funeral parlours and sex premises. ▪ Managing infectious and notifiable diseases in consultation with the District Medical Officer of Health. ▪ Food safety programmes. ▪ Dangerous goods. ▪ Environmental nuisance, i.e. noise. 	<ul style="list-style-type: none"> ▪ Annually or per bylaws. ▪ Per legislation. ▪ Per legislation. ▪ Per legislation. ▪ Per legislation. 	<ul style="list-style-type: none"> ▪ Hairdresser salons, food premises and camping grounds are inspected on an annual basis. The grey district currently has no registered sex premises. The bylaw NZS9201 Part 14 for Cemeteries and Crematoria does not require inspection of funeral parlours. ▪ Council's Health Inspector is notified of any infectious and notifiable diseases and action is taken as necessary. ▪ Food safety is dealt with as part of a health premises inspection. ▪ Dangerous goods are now dealt with by Environmental Risk Management Association (ERMA). ▪ Environmental nuisances are dealt with on a case by case basis under the appropriate bylaw.

Outputs:	Measurement:	Achievement
Animal Control.	<ul style="list-style-type: none"> ▪ Compliance with dog registration - 95%. ▪ Improved dog owner understanding of rights and responsibilities. 	<ul style="list-style-type: none"> ▪ As at the 30 June 2008 95% of all known dogs in the district were registered. ▪ There were several pamphlets made available at the Tainui Street counter for dog owners including heat stress, why dogs should not roam, why does your dog bark, and house training.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> ▪ 75% satisfaction rating. 	<ul style="list-style-type: none"> ▪ A satisfaction survey was not completed in the 2007/2008 year.

[13.4] cost of service statement

ENVIRONMENTAL SERVICES INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	(3)	(1)	(2)
Support costs	(1,323)	(1,445)	(1,173)
Operating & maintenance costs	(634)	(469)	(758)
Interest expense	-	-	-
Depreciation	(31)	(37)	(22)
	(1,991)	(1,952)	(1,955)
Revenue:			
User charges	1,403	1,185	1,139
Other revenue	226	-	96
Subsidies/donations	-	-	-
Internal recoveries	-	-	-
Rates - UAGC	35	34	350
Rates - General	746	737	473
Rates - Targeted	-	-	-
	2,410	1,956	2,058
Net Surplus/(Deficit)	419	4	103
ENVIRONMENTAL SERVICES CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	-	-	(1)
New capital	(2)	(74)	(2)
Assets vested	-	-	-
Debt principal repayments	-	-	-
Funding of reserves	(361)	(32)	(116)
Internal transfers	-	-	-
	(363)	(106)	(119)
Funded by:			
add new loans raised	-	-	-
add funding from reserves	2	65	-
Transfer from Ratepayer Equity	-	-	-
add depreciation	31	37	22
add/(deduct) Surplus/(Deficit) carried forward	419	4	103
Net funding surplus / (deficit)	89	-	6

[13.5] major asset acquisitions or replacements

Nil

[13.6] variations from budget

Operating and maintenance costs

- additional money spent on consultants from budget, based on volume of consents being processed, offset by increased revenue

Other revenue

- Relates to subdivision reserve contributions that were not included in budget. These funds are transferred to special funds until required to be spent.

[13.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> Environmental services aimed to POSITIVELY steer development in order to create harmony between different land uses, provide for general health and safety and enjoyment of community. Focus on variety of district and regional development plans, reviews of the District Plan positive. Ongoing focus on and attention to improving amenity values have been positive, but legal processes involved negative as it make it drawn out and confrontational. Ready access to Official Information had POSITIVE effect on public confidence but actions by some frustrating and misusing the service negative. Strong, ongoing focus on preventing the spread of infectious and notifiable diseases and its management, responsible food safety programmes, environmental nuisances, management of gaming machines, food premises, camping grounds, hairdressing salons, funeral parlours, amusement devices sex premises, hazardous substances and POSITIVE for community health and wellbeing Ongoing, responsible administration of the Building Act, 2004 and associated building codes, safe swimming pool regulations POSITIVE for community health and safety. Efficient administration of dog and stock control function POSITIVE for community health and safety. 	<ul style="list-style-type: none"> Range and quality of environmental services POSITIVE for safe, attractive living and investment environment. 	<ul style="list-style-type: none"> Services POSITIVELY contribute to making community life "safe and whole" 	<ul style="list-style-type: none"> Environmental services POSITIVELY contribute to protecting the natural and physical living environment.

[14] liaison with other agencies

[14.1] council's involvement

Three of the community outcomes represent functions not delivered by Council. Council is therefore reliant upon the actual service providers to achieve such outcomes. These are:

- Law, order, personal and property safety. The primary service provider is the NZ Police with the NZ Fire Service another important agency.
- Affordable access to quality medical health services. The primary service provider is the WCDHB through Grey Base Hospital with local doctors and other medical service providers also important.
- Affordable access to quality education. The primary service providers would be the Education Ministry, Tai Poutini Polytechnic, schools, Karoro Learning Centre.

Council will develop a close association with all of these service providers in order to achieve the outcomes. In the meantime, Council's activity management plans incorporate the strategic plans of the relevant service providers.

Council also is a facilitator for a range of community driven projects related to:

- Restorative Justice.
- A community patrol initiative.
- The Big Brother Big Sister project.

[14.2] activities included in this group

- Co-operation with West Coast District Health Board & other service providers
- Co-operation with New Zealand Police, New Zealand Fire Service, etc.
- Restorative Justice
- Education - Co-Operation with relevant service providers

Rationale for grouping

These activities are related less to the core business of Council, and more to where Council acts as the facilitating or liaising agency.

[14.3] performance indicators and link to community outcomes

To co-ordinate delivery of functions not delivered by local authorities in order to ensure that outcomes are achieved.

Outcome:

- Affordable access to quality medical health services.
- Law, order, personal and property safety.
- Affordable access to quality education.

How affected?

- The WCDHB, St John, doctors and other health service providers are involved in service delivery for this outcome.
- The NZ Police and NZ Fire Service provide services for this outcome.
- Tai Poutini Polytechnic, Ministry of Education, schools and other education service providers are involved in this outcome.

Outputs:	Measurement:	Achievement
Operational:		
Reporting on achievement of outcomes.	<ul style="list-style-type: none"> Annually. 	<ul style="list-style-type: none"> The completion of the action plans was delayed therefore reporting on achievement of outcomes was unable to be completed.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

Maintain Government funding for community safety projects.

Outcome:

- A thriving local economy creating opportunities.
- An attractive District where residents want to be.
- Law, order, personal and property safety.

How affected?

- Safer communities are good for economic growth.
- Safety builds confidence.
- Projects enhance safety.

Outputs:	Measurement:	Achievement
Operational:		
Funding applications.	<ul style="list-style-type: none"> Per funder's directive. 	<ul style="list-style-type: none"> All funding applications complied with any funding directives given at the time of application.
Performance management and report back.	<ul style="list-style-type: none"> Per funder's directive. 	<ul style="list-style-type: none"> All funding applications complied with any funding directives given at the time of application.
Governance:		
Compliance with public expectations.	<ul style="list-style-type: none"> 75% satisfaction rating. 	<ul style="list-style-type: none"> A satisfaction survey was not completed in the 2007/2008 year.

[14.4] cost of service statement

LIAISON WITH OTHER AGENCIES INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	-	(1)	-
Support costs	(39)	(51)	(39)
Operating & maintenance costs	(94)	(45)	(71)
Interest expense	-	-	-
Depreciation	-	-	-
	(133)	(97)	(110)
Revenue:			
User charges	34	-	33
Other revenue	-	-	-
Subsidies/donations	34	58	52
Internal recoveries	-	-	-
Rates - UAGC	40	39	37
Rates - General	-	-	-
Rates - Targeted	-	-	-
	108	97	122
Net Surplus/(Deficit)	(25)	-	12

[14.5] major asset acquisitions or replacements

Nil

[14.6] variations from budget

Operating and maintenance costs

- Relates to projects being carried out in this financial year, where funding was received in previous financial year.

[14.7] identified effects on the well-being of the community

SOCIAL	ECONOMIC	CULTURAL	ENVIRONMENTAL
<ul style="list-style-type: none"> Focus on involving appropriate other agencies in non-Council Community Outcomes POSITIVE for inter-agency focus on other matters too. -Failure to put association on a more formal footing negative. 	<ul style="list-style-type: none"> Inter agency approach and focus on health, education and law and order POSITIVE for a safe and prosperous investment and living environment. 	<ul style="list-style-type: none"> Inter agency approach POSITIVE for community 	<ul style="list-style-type: none"> N/A

[15] port operations

[15.1] council's involvement

In April 2006 a new company was formed, Port Westland Limited, a 100% Council owned subsidiary (A Council Controlled Organisation). The company is represented by three directors, including one Council representative. The intention was for Port Westland Limited to be responsible for operational management of port activities. Given that this company has been unable to date to secure any viable business to make the operation profitable Council has not transferred assets nor operational responsibilities to the company. Therefore Council continues to directly incur the costs and receive the revenue associated with the port operations of Greymouth.

Overall the port operations of Council encompass the following areas:

Navigation Safety

- To provide for the safety of navigation within the Greymouth Harbour District.

Port Facilities

- To operate, maintain, and where viable, enhance port and harbour facilities within the Greymouth Harbour District and services for, the safe, secure, effective, and efficient movement of cargo by sea transport and the servicing of the fishing industry and recreational vessels, in a manner that enhances the environment or avoids, remedies, or mitigates adverse effects on the environment.
- To promote development of the district and regional economies through provision of viable transport options for West Coast industry.
- In the longer term provide a financial return on the port assets owned by the Grey District community.

Community Services

- To plan, maintain and operate the port as a designated "lifeline utility" in Schedule 1 of the Civil Defence Emergency Management Act 2002, provide harbour works which also contribute to control of sea and river erosion and floods and provide for community use of marine recreational and heritage aspects of the port.

[15.2] activities included in this group

- Port operations

Rationale for grouping

Represents a significant activity on its own

[15.3] performance indicators and link to community outcomes

None set, as it was anticipated that port activities would be under direct control of Port Westland Limited, a Grey District Council 100% owned Council Controlled Organisation

[15.4] cost of service statement

PORT OPERATIONS INCOME STATEMENT	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Operating expenditure:			
Employee costs	(151)	-	(352)
Support costs	-	-	-
Operating & maintenance costs	(1,334)	-	(1,007)
Interest expense	(58)	-	(45)
Depreciation	(302)	-	(249)
	(1,845)	-	(1,653)
Revenue:			
User charges	1,338	-	264
Other revenue	-	-	-
Subsidies/donations	-	-	-
Internal recoveries	-	-	-
Rates - UAGC	-	-	-
Rates - General	-	-	-
Rates - Targeted	-	-	-
	1,338	-	264
Net Surplus/(Deficit)	(507)	-	(1,389)
PORT OPERATIONS CAPITAL ITEMS & SOURCES OF FUNDS	Actual 2008 \$000	Budget 2008 \$000	Last Year 2007 \$000
Capital items:			
Renewal works	-	-	(18)
New capital	(31)	-	(60)
Assets vested	-	-	-
Debt principal repayments	-	-	-
Funding of reserves	-	-	-
Internal transfers	(576)	-	-
	(607)	-	(78)
Funded by:			
add new loans raised	-	-	-
add funding from reserves	583	-	690
Transfer from Ratepayer Equity	-	-	-
add depreciation	302	-	249
add/(deduct) Surplus/(Deficit) carried forward	(507)	-	(1,389)
Net funding surplus / (deficit)	(229)	-	(528)

[15.5] major asset acquisitions or replacements

Significant works, capital and renewal works are kept to a minimum until the future of the facility and governance is secured.

[15.6] variations from budget

As no budgets were contained in the annual plan and long-term plan, the above financial result represents a variation from that. Operations and maintenance were kept to a minimum, as in previous years as work continues to secure the port's future. All net costs required for the port are funded from harbour land sales.

Of note Council recovered money from Pike River Coal Company with respect to part of the development costs it had expended in this year and prior years where these costs related directly to establishing facilities for the transporting of coal via the port of Greymouth. This accounts for \$1,161,000 of the user charge income disclosed in the above cost of service statement.

[15.7] identified effects on the well-being of the community

None identified.

[e] consultation with maori

Through a specific activity, "Efficient and Open Consultation", Council has set specific performance targets relating to the establishment and maintenance of processes in providing opportunities for Maori to contribute to the decision making processes of the Grey District Council. Council's earlier suggestion of negotiating a Memorandum of Understanding was not accepted and a process involving monthly meetings between Council's Portfolio holder for Maori affairs and a representative of Te Runanga O Ngati Waewae has been put in place to pave the way for an agreement on how to achieve the relevant provisions of the Act. This could not be maintained, mostly because the Ngati Waewae representatives are heavily involved in the day to day running of their tribe. The focus has been to maintain functional contact. Council continues to target them for consultation under the special consultative procedure.

Council maintains a cordial and constructive association with both Ngati Waewae as well as the group representing non-local Maori, the latter requiring invigoration.

[f] council controlled organisations

[1] port westland limited

Port Westland Ltd was formed in April 2006, as a 100% Council owned subsidiary (A Council Controlled Trading Organisation). The company is represented by three directors, including one Council representative. The rationale was that Port Westland Limited would be responsible for operational management of port activities, and initially was responsible for negotiating with third parties for future business opportunities for the port. Due to a large potential cargo volume now committed to rail transport via the Midland Line the transfer of assets and operational responsibilities has not yet happened, and the viability of Port Westland Ltd is currently being revisited.

Council expects to make a decision on Port Westland's future by March 2009. Council has assessed the value of its investment in its subsidiary, Port Westland Limited, as nil and therefore recognised a loss of \$912,000 in the total investment in the 2008 accounts (2007 nil loss recognised). Therefore any potential decision to wind up Port Westland Limited will have minimal impact on future financial statements of Council.

[1.1] significant policies and objectives

The **Vision** of Port Westland Ltd is to make Port Westland into a safe, successful and self funding port undertaking and to optimise the strategic and other benefits this holds for the Grey District, the West Coast region and New Zealand while recognising the community interest in the recreational, heritage and visitor resources inherent in port assets.

The **Mission** of Port Westland is to manage Port Westland prudently, competently and responsibly per its Constitution, the Statement of Intent and the outcomes expected of it by the shareholder.

The core values of Port Westland Ltd are:

- Economic viability
- Environmental sustainability
- Social responsibility
- Responsiveness to customers
- Service delivery

[1.2] financial summary

Income statement for the year ended 30 June 2008

	Actual 2008 \$000	Last Year 2007 \$000
INCOME		
Revenue	-	-
Total income	-	-
EXPENDITURE		
Employee expenses	6	6
Depreciation	-	-
Other expenses	622	150
Finance costs	-	-
Total operating expenditure	628	156
Net surplus/(loss) before tax	(628)	(156)
Income tax expense	-	-
Surplus/(deficit) after tax attributable to Port Westland Ltd	(628)	(156)

Statement of changes in equity for the year ended 30 June 2008

	Actual 2008 \$000	Last Year 2007 \$000
Balance at 01 July	(213)	(57)
Surplus/(deficit) for the year	(628)	(156)
Total recognised income/(expense) for the year ended 30 June	(628)	(156)
Balance at 30 June	(841)	(213)

Balance sheet as at 30 June 2008

	Actual 2008 \$000	Last Year 2007 \$000
ASSETS		
Current Assets		
Cash and cash equivalents	24	12
Trade and other receivables	54	-
	78	12
Non Current Assets		
Property, plant and equipment	-	-
TOTAL ASSETS	78	12
LIABILITIES		
Current Liabilities		
Trade and other payables	919	225
TOTAL LIABILITIES	919	225
EQUITY		
Retained earnings	(841)	(213)
Total equity	(841)	(213)
TOTAL EQUITY AND LIABILITIES	78	12

[1.3] key performance targets

Outcome	Strategic Performance Target	Achievement
ENVIRONMENTAL CARE:		
To minimise the adverse impact of the company's operations on the environment	<ul style="list-style-type: none"> ▪ To ensure compliance with Resource Management Act consents at all times. ▪ To remain receptive to inputs from residents in the Port vicinity re operational impact on the immediate living/working environment ▪ To monitor potential impacts on a continuous basis. 	<ul style="list-style-type: none"> ▪ No transgressions of RMA recorded ▪ External inputs encouraged and inputs fully investigated and responded to. ▪ Monitoring per the resource consents undertaken

Outcome	Strategic Performance Target	Achievement
	<ul style="list-style-type: none"> To use energy efficiently and where appropriate recover energy from operational activities. 	<ul style="list-style-type: none"> Low operational activity. Efficiency pursued at all times
EMPLOYEES, HEALTH and SAFETY:		
To be an industry best workplace.	<ul style="list-style-type: none"> To demonstrate a commitment to best management practice in equal employment opportunities. To take all practical steps to provide employees with safe working conditions that do not detrimentally affect their health and safety and to have no successful prosecutions under the Health and Safety in Employment Act, 1992. 	<ul style="list-style-type: none"> Compliance did not come up as no new staff was employed. No incidents of unsafe working were recorded.
STAKEHOLDER RELATIONSHIPS:		
To be responsive to stakeholder requirements.	<ul style="list-style-type: none"> To work with Users in a positive and collaborative manner. To consult with the community and stakeholders on matters of relevance to them To meet with the West Coast Fishermen's Association at least quarterly. 	<ul style="list-style-type: none"> Maintained positive associations throughout. Met with some stakeholders Even though not specific meetings, the Association was part of the two user meetings.
CUSTOMER SERVICE COMMITMENT:		
To provide high quality products and meet customer service level requirements.	<ul style="list-style-type: none"> To achieve full compliance with contractual service delivery standards To be accessible to users, both politically and operationally 	<ul style="list-style-type: none"> Poor quality of wharves as result of deferred maintenance forced partial closure and reduced service standard. Low staff numbers also forces us to do only the most necessary work. Fully accessible at all levels, including Board level.
ASSET MANAGEMENT:		
To manage and maintain the long-term integrity of assets.	<ul style="list-style-type: none"> To manage all assets in perpetuity. 	<ul style="list-style-type: none"> Could not fully comply
ECONOMIC PERFORMANCE:		
To manage the business efficiently and to operate on a least-cost philosophy subject to fulfilling other environmental, social and legislative requirements.	<ul style="list-style-type: none"> To investigate and implement efficiency improvement To not do anything that may impact on the Shareholder's legal position; Achieve an income ratio to interest of 3.50 times or better. Renewing / replacing long-term debt facilities at least 6 months before their maturity. Achieve a net debt to total capitalisation ratio of less than or equal to 60% (excluding the impact of asset revaluations). Maintain the CPI pricing philosophy. 	<ul style="list-style-type: none"> Done within limitations of low operational activity. No such compromise Not achieved Matter has not come up. Not achieved Matter has not yet come up.

[2] tourism west coast and west coast rural fire authority

The above two organisations are Council Controlled Organisations by virtue of the fact that over 50% of the votes are under control of local authorities. Council has not set any specific policies or objectives in the long term plan with regard to control of these organisations, nor any specific key performance targets or other measures.

They do however fall under the following group of activities, and the relevant community outcomes as reported on earlier in this report:

Tourism West Coast: [d][7] economic development, page 88

West coast Rural Fire Authority: [d][6] rural fire authority, page 84

It is noted that Council has exempted both these organisations under section 7(3) of the Local Government Act 2002.

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