

Grey District Council Annual Report



**For the year
01 July 2013 – 30 June 2014**



ISSN: 1171-2252

Contents

PART A: INTRODUCTION	7
1 FOREWORD FROM HIS WORSHIP THE MAYOR AND THE CHIEF EXECUTIVE OFFICER	8
2 COUNCILLORS AND THEIR PORTFOLIOS	9
3 SENIOR STAFF AND CONTACT DETAILS	11
PART B: INDEPENDENT AUDITOR'S REPORT	12
PART C: FINANCIAL STATEMENTS AND NOTES	18
1 STATEMENT OF COMPLIANCE AND RESPONSIBILITY	19
2 STATEMENT OF ACCOUNTING POLICIES	20
3 STATEMENT OF COMPREHENSIVE INCOME	31
4 STATEMENT OF MOVEMENTS IN EQUITY	32
5 BALANCE SHEET	33
6 STATEMENT OF CASH FLOWS.....	34
7 NOTES TO THE FINANCIAL STATEMENTS	35
8 FUNDING IMPACT STATEMENT FOR WHOLE OF COUNCIL	78
9 FINANCIAL REPORTING AND PRUDENCE DISCLOSURES.....	80
10 RATING BASE INFORMATION	87
PART D: GROUP OF ACTIVITY STATEMENTS	88
1 LAND TRANSPORT.....	89
2 STORMWATER	94
3 WASTEWATER (SEWERAGE)	99
4 WATER SUPPLY	104
5 SOLID WASTE (REFUSE AND RECYCLING).....	109
6 EMERGENCY MANAGEMENT.....	114
7 ENVIRONMENTAL SERVICES.....	119
8 OTHER TRANSPORT	125
9 PROPERTY AND HOUSING.....	130
10 COMMUNITY FACILITIES AND EVENTS.....	135
11 DEMOCRACY AND ADMINISTRATION.....	142
PART E: CONSULTATION WITH MAORI	147
PART F: COUNCIL CONTROLLED ORGANISATIONS	148
1 TOURISM WEST COAST AND WEST COAST RURAL FIRE AUTHORITY	148
2 WEST COAST RECREATION TRUST	148

PART A: Introduction

1 Foreword from His Worship the Mayor and the Chief Executive Officer

Welcome to the 2013/2014 Annual Report and thank you for taking the time to read it. It represents Council's report on the achievements during the period 1 July 2013 to 30 June 2014 and, as such, is an important aspect of Council's accountability to you, its constituents.

The report outlines in detail Council's financial performance as well as non-financial measures. It is made up of the following sections:

- Financial Statements and notes to these statements. This outlines Council's overall financial result and position as at 30 June 2014.
- Group Activity Statements. These statements report on financial performance and other non-financial performance at an activity level. Council is responsible for a wide range of activities and as a practical measure this report groups activities with a similar output together.

Other matters including:

- Report on Council's consultation with Maori
- Report on Council-Controlled-Organisations (CCOs)

This is once again a comprehensive and detailed report, extending to over 140 pages. We appreciate that this contains far greater detail than many will be looking for. Council also prepares a summary version of this report that is published on our website.

This report details a surplus to the Council of \$7.6 million. This large surplus includes a number of one off subsidies for capital projects (notably wastewater schemes) plus other non-operational income. Taking these into account Council believes it continues to manage the district finances in a responsible manner with only modest increases in rates income whilst continuing to tackle major projects. Council recognises that as it begins to draft the 2015 – 2015 Long Term Plan that it must continue to manage the district's assets and finances prudently and responsibly.

2013/2014 was again a difficult year economically for the district. Council has continued with an increased direct involvement in the economic development of the district. Back in late 2012, key stakeholders identified from a cross section of organisations within the district were invited to be part of the Economic Development Liaison Group (EDLG) to help draft an Economic Development Strategy. Chaired by the Mayor, this group was responsible for overseeing and guiding the development of the Grey District Council's Economic Development Strategy, a ten year plan to help foster economic growth within the district. The aim was for a large scale, grass roots project where we are united in our desire to see this district grow and prosper. A draft Economic Development Strategy was put out to the community for feedback in May 2013 and on 11 July 2013, the EDLG met to hear and consider submissions on the draft plan. Following this, a final strategy was developed and subsequently adopted by Council in August 2013

Easter 2014 saw the West Coast faced with dealing with an adverse weather event as easterly winds from Cyclone Ita caused widespread damage throughout the region.

Over 60 properties in the Grey District lost roofs and many buildings were destroyed in Greymouth. Huge areas of forest

were blown down. Fire brigades responded to over 500 callouts in the Grey District and million dollars of damage was sustained throughout the region.

During the storms the resilience of West Coasters was very evident. Emergency services and the wider public mobilised quickly to help those affected. Help came from everywhere and although a state of emergency was not declared during the storms, the civil defence procedures were put in place in order to control and co-ordinate the post disaster response. The recovery from Cyclone Ita is still continuing but we can be proud of the community spirit which is evident when adversity comes our way.

Other items of note that this report details include:

- The Greymouth to Ross Cycleway was officially opened in November 2013.T
- The Northern Breakwater, progress is continuing with Council, the Department of Conservation and the wider community partnering in ecological restoration and beautification of the area.
- Greymouth Sewerage Scheme upgrade neared completion, with the new Greymouth wastewater treatment plant opening in August 2014
- The new Dobson/Kaiata/Taylorville wastewater scheme also neared completion
- Work began linking the Stillwater water supply to the Dobson water supply (itself which will eventually be linked back to the Greymouth water supply)
- Work continued finalising the design for the proposed Westland Recreation Centre

These are strategic projects that will ensure that Council can keep on serving the community now and in the years to come.

We have every confidence in the future of the District however it is fair to say that the next two to three years will continue to be challenging. Council remains committed to leading our District.

Special words of thanks goes to elected members and staff for their on-going inputs in making our District a great place to work, live, play and invest.



A F Kokshoorn
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

2 Councillors and their portfolios

2.1 Council

Council for the period of 01 July 2013 – 11 October 2013.

Position	Name	Ward	Portfolio Responsibilities
Mayor	Tony Kokshoorn		<ul style="list-style-type: none"> ▪ Finance ▪ 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 QSM	Central	<ul style="list-style-type: none"> ▪ Health and Disability ▪ Library ▪ Safety and Security
	Tony Coll	Central	<ul style="list-style-type: none"> ▪ Property ▪ Liquor Licensing ▪ Airport
	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 and Culture ▪ Heritage ▪ Tourism
	Anna Osborne	Eastern	<ul style="list-style-type: none"> ▪ Civil Defence ▪ Waste Management
	Cliff Sandrey	Northern	<ul style="list-style-type: none"> ▪ Sport and Recreation ▪ Cemeteries ▪ Pensioner Housing ▪ Welfare

Council for the period of 12 October 2013 – 30 June 2014.

Position	Name	Ward	Portfolio Responsibilities
Mayor	Tony Kokshoorn		<ul style="list-style-type: none"> ▪ Finance ▪ Economic Development ▪ Port ▪ Youth Advocacy ▪ Public Relations ▪ Tourism
Deputy Mayor	Doug Truman QSM	Central	<ul style="list-style-type: none"> ▪ Resource Management ▪ Regulatory Functions ▪ Staff
Councillors	Kevin Brown QSM	Central	<ul style="list-style-type: none"> ▪ Library ▪ Health & Disability ▪ Safety & Security
	Murray Hay	Central	<ul style="list-style-type: none"> ▪ Civil Defence ▪ Maori Affairs ▪ Arts, Culture & Heritage
	Tony Coll	Central	<ul style="list-style-type: none"> ▪ Property ▪ Liquor Licensing ▪ Sport & Recreation
	Anton Becker	Eastern	<ul style="list-style-type: none"> ▪ Sewerage ▪ Parks & Reserves ▪ Animal Control
	Allan Gibson	Eastern	<ul style="list-style-type: none"> ▪ Airport ▪ Cemeteries ▪ Pensioner Housing
	Cliff Sandrey	Northern	<ul style="list-style-type: none"> ▪ Water Supplies ▪ Stormwater ▪ Waste Management
	Peter Haddock	Southern	<ul style="list-style-type: none"> ▪ Land Transport ▪ Legal Matters ▪ Forestry

2.2 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 contact details

3.1 Management

Chief Executive Officer	Paul Pretorius
Corporate Services Manager	Ian Young
Manager Corporate Planning and Community	Quecha Horning
Environmental Services Manager	Steven May
Assets Manager	Mel Sutherland

3.2 Address

Postal Address	PO Box 382, Greymouth 7840
Main Office	105 Tainui Street, Greymouth Tel: +64 3 769 8600 Email: info@greydc.govt.nz Web: www.greydc.govt.nz Facebook: GreyDC Twitter: #GreyDC

3.3 Contact details

Corporate Services – Administration	Fax: +64 3 769 8603 Email: info@greydc.govt.nz
Corporate Services – Finance	Fax: +64 3 769 8613 Email: finance@greydc.govt.nz
Assets and Engineering	Fax: +64 3 769 8610 Email: infrastructure@greydc.govt.nz
Environmental Services	Fax: +64 3 769 8610 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: +64 3 768 5597 Email: library@greydc.govt.nz
Runanga Library	25 Carroll Street, Runanga Tel: +64 3 762 7813
History House	Gresson St, Greymouth Tel: +64 3 768 4028 Email: historyhouse@greydc.govt.nz

PART B: Independent Auditor's Report

Independent Auditor's Report

To the readers of Grey District Council's annual report for the year ended 30 June 2014

The Auditor-General is the auditor of Grey District Council (the District Council). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
 - the balance sheet as at 30 June 2014 on page 33;
 - the statement of comprehensive income, statement of movements in equity and statement of cash flows for the year ended 30 June 2014 on pages 31 to 32 and page 34;
 - the funding impact statement of the District Council on page 78;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 88 to 146; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 20 to 30 and pages 35 to 77;
- the statement of service provision (referred to as the performance measurement statements) of the District Council and the funding impact statements in relation to each group of activities of the District Council on pages 88 to 146; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 80 to 86.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - reserve funds on pages 57 to 63;
 - each group of activities carried out by the District Council on pages 88 to 146;
 - remuneration paid to the elected members and certain employees of the District Council on page 70;
 - employee staffing levels and remuneration on page 71;

- severance payments on page 72;
- rating base units on page 87; and
- insurance of assets on pages 48 to 49.
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 147; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 19.

Opinion

Audited information

In our opinion:

- The financial statements of the District Council on pages 20 to 77:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2014; and
 - the results of its operations and cash flows for the year ended on that date.
- The funding impact statement of the District Council on page 78 fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- The statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 88 to 146, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- The performance measurement statements of the District Council on pages 88 to 146:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the District Council's levels of service for the year ended 30 June 2014, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.

- The funding impact statements in relation to each group of activities of the District Council on pages 88 to 146, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- The disclosures on pages 80 to 86 represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 30 October 2014. This 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 our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and performance measurement statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported group of activity statements within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- Financial statements and performance measurement statements that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council's financial position, financial performance and cash flows; and
 - fairly reflect its service performance, including achievements compared to forecast.
- A funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- Funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- Statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- Disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014.
- The other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the *Other Requirements*, we have no relationship with, or interests, in the District Council.



Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

PART C: Financial Statements and Notes

1 Statement of compliance and responsibility

1.1 Compliance

The Council and Management of the Grey District Council confirm that all the statutory requirements in relation to the Annual Report have been complied with. All other statutory requirements relating to the annual report have been complied with 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 2014 fairly reflect the financial position and operations of Grey District Council.



A F Kokshoorn
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

Dated this 30th day of October 2014.

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.

Council has two associates: Tourism West Coast (25% controlled); and West Coast Rural Fire Authority (20% controlled). Council has one subsidiary: West Coast Recreation Trust (100% controlled)

All associates and subsidiaries 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 2014. The financial statements were authorised for issue by Council on 30 October 2014.

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, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets, and certain financial instruments (including derivative 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 surplus/deficit.

2.3 Associates

An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture.

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

2.4 Accounting policies

The following accounting policies which materially affect the measurement of financial performance, financial position and cash flows for Council 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.

New Zealand Transport Agency (formerly 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.

Vested asset revenue is recognised when the maintenance period (where the developer is responsible for addressing maintenance items) ends and the asset is at the required standard to be taken over by Council.

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

[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 re-measured 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 surplus/deficit.

[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 substantively enacted by balance date.

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

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

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

Deferred tax is 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 surplus/deficit, 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.

[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 surplus/deficit in which case the transaction costs are recognised in the surplus/deficit.

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 surplus/deficit 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 surplus/deficit. 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 surplus/deficit.

Investments in this category include fixed term deposits and bonds.

- **Financial assets at fair value through the surplus or deficit**

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 re-measurement are recognised in the surplus/deficit. 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 other comprehensive income are those that are not 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 other comprehensive income except for impairment losses, which are recognised in the surplus/deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive income will be reclassified and recognised in surplus/deficit even though the asset has not been derecognised.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

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. The total impairment loss is recognised in the surplus or deficit.

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

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.

[10] Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost, adjusted, when applicable, for any loss of service potential.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

[11] 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.

[12] 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 surplus/deficit. 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 - 50	2.0 –2.5
- Fit Out	Straight line	15	6.67
- Services	Straight line	15 - 30	3.33 – 6.67
- Sundry (e.g. car parking)	Straight line	10	10
Aerodrome	Straight line	10 - 75	1.33 - 10
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
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			
- 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		

Asset Class	Depreciation Method	Life (years)	%
- Pavement structure – sealed	Straight line	40 – 50	2 – 2.5
- Pavement structure – unsealed	Straight line	3 – 22	4.5 – 33
- Pavement surfacing	Straight line	8 – 16	6.25 – 12.5
- Kerb and channelling	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 catch pits	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
Sports fields 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 year end.

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
Reserve Board Assets	Fair value
Sports fields 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 surplus/deficit.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus/deficit will be recognised first in the surplus/deficit up to the amount previously expensed, and then recognised in other comprehensive income.

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.

[13] Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

[14] 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 surplus/deficit.

[15] Impairment of non-financial assets

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 Council 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 surplus/deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus/deficit.

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 surplus/deficit, a reversal of the impairment loss is also recognised in the surplus/deficit.

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

[16] Trade and other payables

Short-term creditors and other payables are recorded at their face value.

[17] 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 5.0% and an inflation factor of 2.5% 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.

[18] 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 its resource consent to provide on-going 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 6%.

Financial guarantees

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone arms-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

[19] Borrowings

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

[20] 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.

[21] 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.

[22] 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.

[23] 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.

[24] 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:

Grey District Aquatic Centre

Note 15 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the Grey District Aquatic Centre.

Landfill aftercare provision

Note 22 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Financial guarantees

Note 30 discloses Council's assessment on the probability that Council will be required to reimburse the guarantee holder and the total amount of the guarantee.

Infrastructural assets and property carried at fair value

There are a number of assumptions and estimates used when performing Optimised Depreciation Replacement Cost (ODRC) valuations over infrastructural assets and property carried at fair value. 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 surplus/deficit. To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers peer review 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 2014:

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 is retained by the Grey District Council and therefore have classified the leases as operating leases.

Classification of property

Council's leasehold property has been classified as investment property as the primary purpose is to earn rental income for the Council and is not directly related to service delivery. Prior to 2014 Council classified this property as "non-current assets held for sale" as during prior years Council was actively encouraging the sale of these properties at a reasonable price and they were available for immediate sale. Whilst this is still Council policy it is deemed to be less than likely that the properties will be sold within the next 12 months and it is expected that the carrying amount of the properties will be recovered principally via the rental income derived rather than through continuing use. The 2014 financial statements disclose the value of these assets being transferred from "non-current assets held for sale" to "investment property".

[25] 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.

[26] Statement of cash flows

The following are the definitions of terms used in the statement of cash flows:

"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.

[27] New standards and interpretations issued and not yet adopted

The following Accounting Standards, issued or amended which are applicable to the Council (but not yet effective) have not been adopted for the annual report ended 30 June 2014. Standards, amendments, and interpretations issued (but not yet effective) that have not been early adopted, and which are relevant to the Council, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39.
- The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/(deficit). The new standard is required to be adopted for the year ended 30 June 2018. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.
- The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply Public Benefit Entity Accounting Standards (PAS) with specific exemptions. These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council will transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Council is unable to assess the implications of the new Accounting Standards Framework at this time.
- Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

3 Statement of comprehensive income

For the year ended 30 June 2014

	Note	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
INCOME				
Rates, excluding targeted water supply rates	1	11,967	12,003	12,237
Fees, charges, and targeted rates for water supply		5,565	5,781	6,999
Development and financial contributions		227	79	37
Subsidies and grants	2	9,604	17,581	6,430
Finance income		403	437	540
Other revenue	3	419	407	1,331
Other gains/(losses)	4	111	421	4,048
Total income	5	28,296	36,709	31,622
EXPENDITURE				
Employee expenses	8	(4,450)	(4,497)	(4,526)
Depreciation and amortisation expense	17	(7,715)	(8,476)	(7,563)
Other expenses	7	(12,570)	(11,084)	(10,428)
Finance costs	9	(542)	(2,004)	(1,405)
Other losses		-	-	(57)
Total operating expenditure	6	(25,277)	(26,061)	(23,979)
Net surplus/(deficit) before tax		3,019	10,648	7,643
Income tax expense	10	-	-	-
Surplus/(deficit) after tax attributable to Grey District Council		3,019	10,648	7,643
OTHER COMPREHENSIVE INCOME				
Movement in asset revaluation reserve		(2,439)	23,760	59,327
Total comprehensive income		580	34,408	66,970

The accompanying notes form part of these financial statements.

4 Statement of movements in equity

For the year ended 30 June 2014

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
Balance at 01 July	309,439	314,326	310,019
Total comprehensive income	580	34,408	66,970
Balance at 30 June	310,019	348,734	376,989

The accompanying notes form part of these financial statements.

5 Balance sheet

As at 30 June 2014

	Note	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
ASSETS				
Current Assets				
Cash and cash equivalents	11	20,140	5,543	12,869
Trade and other receivables	12	6,746	2,850	5,897
Short-Term investments	18	-	6,727	5,705
Inventory	13	509	-	624
Non-current assets held for sale	14	810	208	-
		28,205	15,328	25,095
Non Current Assets				
Trade and other receivables	12	253	-	153
Property, plant and equipment	15	318,182	370,673	383,949
Intangible Assets	16	351	-	327
Term investments	18	795	1,250	877
Investment property	19	-	-	3,772
		319,581	371,923	389,078
TOTAL ASSETS		347,786	387,251	414,173
LIABILITIES				
Current Liabilities				
Bank overdraft		-	-	-
Trade and other payables	20	4,547	4,446	3,576
Employee benefit liabilities	21	492	306	533
Deferred income		242	96	212
Borrowings	23	3,500	6,526	189
Derivative financial instruments	24	-	-	-
		8,781	11,374	4,510
Non Current Liabilities				
Provisions	22	2,117	817	2,203
Employee benefit liabilities	21	445	221	474
Borrowings	23	25,705	26,105	29,675
Derivative financial instruments	24	719	-	322
		28,986	27,143	32,674
TOTAL LIABILITIES		37,767	38,517	37,184
EQUITY				
Retained earnings	25	209,673	230,651	222,087
Special Funds	25	17,375	8,746	12,601
Trusts Bequests and Other Reserves	25	502	669	505
Revaluation reserve	25	82,469	108,668	141,796
Total equity attributable to the Council		310,019	348,734	376,989
TOTAL EQUITY AND LIABILITIES		347,786	387,251	414,173

The accompanying notes form part of these financial statements.

6 Statement of cash flows

For the year ended 30 June 2014

	Note	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from rates revenue (including targeted rates, water rates and lump sum contributions)		13,724	14,083	15,191
Interest received		403	406	540
Dividends received		-	-	-
Receipts from other revenue		13,119	22,067	12,816
Payments to suppliers and employees		(15,808)	(15,377)	(15,032)
Interest paid		(844)	(2,004)	(1,506)
Income tax paid (refund)		-	-	-
Goods and services tax (net)		53	248	(529)
Net cash from operating activities	26	10,647	19,423	11,480
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		245	399	489
Proceeds from investments		31,814	12,539	8,550
Purchase of property, plant and equipment		(18,359)	(20,246)	(14,202)
Acquisition of investments		(27,796)	(13,158)	(14,250)
Net cash from investing activities		(14,096)	(20,466)	(19,413)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		15,875	3,959	4,853
Repayment of borrowings		(51)	(3,000)	(4,191)
Dividends paid		-	-	-
Net cash from financing activities		15,824	959	662
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		12,375	(84)	(7,271)
Cash, cash equivalents and bank overdrafts at the beginning of the year		7,765	5,627	20,140
Cash, cash equivalents and bank overdrafts at the end of the year	11	20,140	5,543	12,869

The accompanying notes form part of these financial statements.

7 Notes to the financial statements

[1] Rates, excluding targeted water supply rates

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
GENERAL RATES			
General Rate	5,545	5,634	5,808
Uniform Annual General Charge	2,659	2,684	2,705
Total general rates	8,204	8,318	8,513
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
District Promotion	234	246	258
Refuse Collection	1,184	1,184	1,214
Sewerage Collection	2,107	2,115	2,075
PENALTIES			
Rate Penalties	238	140	177
Total rates, excluding targeted water supply rates	11,967	12,003	12,237

Total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 (i.e. including targeted water supply rates and lump sum contributions) is as follows:

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
Rates, excluding targeted water supply rates	11,967	12,003	12,237
Water Supplies	1,571	1,639	1,648
Water Meter Rates	257	341	235
Lump sum contributions	-	-	1,323
Total annual rates income	13,795	13,983	15,443

Rates remissions

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 surplus/deficit.

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
Rates on land where GDC is the ratepayer	317	315	352
Rate discounts	26	38	26
Rates remitted per Council policy	45	30	44

Non-rateable land

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] Subsidies and grants

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
New Zealand Transport Agency subsidies	3,255	4,112	2,804
NZ Lottery Grants	-	-	-
Other grants and subsidies	6,349	13,469	3,626
Total subsidies and grants	9,604	17,581	6,430

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2013 nil).

[3] Other revenue

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
Traffic and parking infringements	73	71	39
Petrol tax	203	197	168
Dividends	-	-	-
Lump sum contributions	-	-	-
Other	143	139	1,124
Total other revenue	419	407	1,331

[4] Other gains and losses

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
Net gain (loss) of non-current assets held for sale	46	45	-
Net gain (loss) on sale of property plant & equipment	65	291	486
Net gain on fair value of derivatives	-	-	397
Fair value gain on investment property	-	-	3,007
Vested assets	-	85	158
Total other gains and losses	111	421	4,048

[5] Income by activities

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
Land transport	6,956	7,029	6,029
Stormwater	817	781	812
Wastewater	6,261	8,159	6,027
Water Supply	1,854	2,920	2,174
Solid waste management	2,015	1,944	1,932
Emergency management	179	187	180
Environmental services	1,940	1,955	2,012
Other transport	847	898	1,177
Property and housing	1,075	1,254	4,259
Community facilities and events	4,484	9,533	4,774
Democracy and administration	7,341	7,697	7,165
Total activity income	33,769	42,357	36,541
Less internal recoveries	(5,473)	(5,648)	(4,919)
Total Income	28,296	36,709	31,622

[6] Expenditure by activities

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
Land transport	6,895	7,087	6,838
Stormwater	1,104	1,134	959
Wastewater	1,544	2,953	2,305
Water Supply	1,676	1,985	1,661
Solid waste management	1,941	1,924	1,732
Emergency management	145	192	200
Environmental services	1,909	1,951	1,830
Other transport	1,440	1,136	1,181
Property and housing	1,104	1,230	1,246
Community facilities and events	6,134	4,609	4,516
Democracy and administration	6,858	7,508	6,430
Total activity expenditure	30,750	31,709	28,898
Less internal recoveries	(5,473)	(5,648)	(4,919)
Total Expenditure	25,277	26,061	23,979

[7] Other expenses

	Note	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
Fees to principal auditor				
Audit of financial statements		89	84	89
Long Term Plan (LTP) audit		-	-	-
Audit fee paid on behalf of West Coast Recreation Trust		2	-	2
Assets written off		-	-	-
Impairment of asset expense		-	-	-
Bad debt expense		39	-	5
Directors' fees		-	-	-
Grants & Donations		1,038	673	583
Movement in impairment of receivables	12	-	-	24
Movement in provision for financial guarantee		1,231	-	-
Insurance expenses		475	485	493
Loss on sale of property, plant and equipment		-	-	-
Remuneration of elected members	33	234	244	237
Minimum lease payments under operating leases		290	311	313
Other operating expenses		9,172	9,287	8,682
Total other expenses		12,570	11,084	10,428

[8] Employee expenses

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
Wages and salaries	4,220	4,315	4,287
Contributions to defined contribution plans	162	182	169
Increase/(decrease) in employee benefit liabilities	68	-	70
Total employee expenses	4,450	4,497	4,526

[9] Finance costs

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
INTEREST EXPENSE			
Interest on bank borrowings	987	2,004	1,405
FAIR VALUE (GAINS)/LOSSES ON DERIVATIVES			
Interest rate swaps: (fair value hedges)	(445)	-	-
Total finance costs	542	2,004	1,405

[10] Income tax expense in the statement of comprehensive income

	Actual 2013 \$000	Actual 2014 \$000
Net Surplus/(deficit) before Tax	3,019	7,643
Tax at 28%	845	2,140
Plus (less) tax effect of:		
Non-deductible expenditure	-	-
Non-taxable income	(907)	(2,246)
Tax losses not recognised	62	106
Tax losses utilised	-	-
Tax expense	-	-
Current tax	-	-
Deferred tax	-	-
Tax expense	-	-

A deferred tax asset has not been recognised in relation to unused tax losses of \$11,616,361 (2013: \$11,236,555). 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.

[11] Cash and cash equivalents

	Actual 2013 \$000	Actual 2014 \$000
Cash at bank and in hand	121	137
Call deposits	20,019	12,732
Short term deposits	-	-
Total cash and cash equivalents	20,140	12,869

The carrying value of deposits approximates their fair value.

The effective interest rate on deposits in 2014 was 4.0 percent (2013: 3.4 percent). The deposits had an average maturity of 161 days (2013: 53 days).

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:

	Actual 2013 \$000	Actual 2014 \$000
Cash at bank and in hand	121	137
Call deposits	20,019	12,732
Short term deposits	-	-
Bank overdrafts	-	-
Total cash and cash equivalents	20,140	12,869

[12] Trade and other receivables

	Actual 2013 \$000	Actual 2014 \$000
Rates receivables	972	1,200
Water rate receivables	88	115
New Zealand Transport Agency receivable	448	487
Port Debtors		
Sundry debtors	5,628	4,179
GST receivable	-	234
Community loans	60	56
Prepayments	-	-
Loans to related parties	-	-
	7,196	6,271
Less provision for impairment of receivables	(197)	(221)
Total trade and receivables	6,999	6,050
COMPRISING:		
Current	6,746	5,897
Non-current	253	153
Total trade and receivables	6,999	6,050

	Actual 2013 \$000	Actual 2014 \$000
Current	5,061	2,975
1 to 3 months	244	442
> 3 months	1,694	2,633
Carrying amount	6,999	6,050

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

	Actual 2013 \$000	Actual 2014 \$000
At 1 July	115	197
Provisions reversed during the year	-	(85)
Additional provisions made during the year	43	104
Receivables written off during period	39	5
At 30 June	197	221

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 Council, as the Council 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 judgement, then Council can apply to the Registrar of the High Court to have the judgement 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:

	Actual 2013 \$000	Actual 2014 \$000
0 to 12 months	520	641
> 12 months	452	559
At 30 June	972	1,200

As of 30 June 2014 and 2013, 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.

[13] Inventory

	Actual 2013 \$000	Actual 2014 \$000
Land being developed for sale	509	509
Materials held for repair of Aquatic Centre	-	115
Total inventory	509	624

The *land* relates to surplus port land (commonly referred to as the *Koromiko* Block) that Council is in the processing of subdividing. Council expects to sell the majority of lots over the next 1 - 3 years.

The *Materials held for repair of Aquatic Centre* relates to the laminate beams that have been provided that will form part of the repair of the current roof defelction.

[14] Assets held for sale

	Actual 2013 \$000	Actual 2014 \$000
Balance 01 July	815	810
Transfer from <i>Property, plant and equipment</i>	-	-
Transfer from <i>Inventory</i>	-	-
Transfer to <i>Investment property</i>	-	(645)
Transfer to <i>Property, plant and equipment</i>	-	(108)
Disposals	(5)	(57)
Balance at 30 June	810	-
Non-current assets held for sale are:		
Buildings	141	-
Land	669	-
Total non-current asset held for sale	810	-

Council has reclassified the *non-current assets held for sale* as *investment property* given its assessment that the remaining properties are less than likely to be sold in the near future. The properties are leased out to various third parties and earn rental income for the Council.

[15] Property, plant and equipment**Council 2014**

	Cost/ revaluation 01-Jul-13	Accumulated depreciation & impairment charges 01-Jul-13	Carrying amount 01-Jul-13	Current year additions	Current year disposals/ transfers at cost	Accumulated depreciation on disposals	Current year impairment charges	Current year depreciation	Revaluation surplus / (deficit)	Cost/ revaluation 30-Jun-14	Accumulated depreciation & impairment charges 30-Jun-14	Carrying amount 30-Jun-14
INFRASTRUCTURAL ASSETS												
Roading Network	141,360	(8,708)	132,652	2,868	-	-	-	(4,376)	30,691	161,835	-	161,835
Land Under Roads	68,727	-	68,727	6	-	-	-	-	-	68,733	-	68,733
Stormwater	19,325	(1,129)	18,196	463	-	-	-	(476)	10,570	28,753	-	28,753
Flood Protection System	8,596	(1,318)	7,278	-	-	-	-	(86)	-	8,596	(1,404)	7,192
Sewerage	31,974	(1,331)	30,643	180	(420)	-	-	(706)	5,933	35,630	-	35,630
Water Supply Systems	14,667	(897)	13,770	206	-	-	-	(390)	6,068	19,654	-	19,654
Landfill Site	3,340	(2,354)	986	7	-	-	-	(156)	-	3,347	(2,510)	837
Work in progress	9,114	-	9,114	9,083	-	-	-	-	-	18,197	-	18,197
TOTAL INFRASTRUCTURAL ASSETS	297,103	(15,737)	281,366	12,813	(420)	-	-	(6,190)	53,262	344,745	(3,914)	340,831

Continued over page

	Cost/ revaluation 01-Jul-13	Accumulate d depreciatio n & impairment charges 01-Jul-13	Carrying amount 01-Jul-13	Current year additions	Current year disposals/ transfers at cost	Accumulate d depreciatio n on disposals	Current year impairment charges	Current year depreciatio n	Revaluation surplus / (deficit)	Cost/ revaluation 30-Jun-14	Accumulate d depreciatio n & impairment charges 30-Jun-14	Carrying amount 30-Jun-14
OTHER FIXED ASSETS												
General Land	6,420	-	6,420	-	(289)	-	-	-	(1,391)	4,740	-	4,740
Other Land	2,766	-	2,766	108	(17)	-	-	-	-	2,857	-	2,857
Buildings	23,282	(4,057)	19,225	181	-	-	-	(839)	7,218	25,785	-	25,785
Plant & Machinery	1,055	(821)	234	249	(194)	194	-	(70)	-	1,110	(697)	413
Furniture & Fittings	402	(378)	24	11	(27)	27	-	(10)	-	386	(361)	25
Computer Equipment	1,416	(1,294)	122	120	(70)	70	-	(58)	-	1,466	(1,282)	184
Library Stocks	1,803	(1,654)	149	52	-	-	-	(51)	-	1,855	(1,705)	150
Breakwaters & Wharves	4,839	(3,043)	1,796	-	-	-	-	(159)	-	4,839	(3,202)	1,637
Aerodrome	2,378	(101)	2,277	-	-	-	-	(45)	238	2,470	-	2,470
Parking Developments	441	(115)	326	-	-	-	-	(10)	-	441	(125)	316
Reserve Board Assets	290	-	290	-	-	-	-	-	-	290	-	290
Sports fields and Parks	2,042	(368)	1,674	82	-	-	-	(87)	-	2,124	(455)	1,669
Heritage Assets	1,052	(200)	852	-	-	-	-	-	-	1,052	(200)	852
Work in progress	661	-	661	1,069	-	-	-	-	-	1,730	-	1,730
TOTAL OTHER FIXED ASSETS	48,847	(12,031)	36,816	1,872	(597)	291	-	(1,329)	6,065	51,145	(8,027)	43,118
TOTAL PROPERTY, PLANT AND EQUIPMENT	345,950	(27,768)	318,182	14,685	(1,017)	291	-	(7,519)	59,327	395,890	(11,941)	383,949

Council 2013

	Cost/ revaluation 01-Jul-12	Accumulated depreciation & impairment charges 01-Jul-12	Carrying amount 01-Jul-12	Current year additions	Current year disposals at cost	Accumulated depreciation on disposals	Current year impairment charges	Current year depreciation	Revaluation surplus / (deficit)	Cost/ revaluation 30-Jun-13	Accumulated depreciation & impairment charges 30-Jun-13	Carrying amount 30-Jun-13
INFRASTRUCTURAL ASSETS												
Roading Network	137,543	(4,357)	133,186	3,817	-	-	-	(4,351)	-	141,360	(8,708)	132,652
Land Under Roads	68,727	-	68,727	-	-	-	-	-	-	68,727	-	68,727
Stormwater	19,005	(580)	18,425	320	-	-	-	(549)	-	19,325	(1,129)	18,196
Flood Protection System	8,596	(1,232)	7,364	-	-	-	-	(86)	-	8,596	(1,318)	7,278
Sewerage	28,291	(594)	27,697	3,683	-	-	-	(737)	-	31,974	(1,331)	30,643
Water Supply Systems	13,907	(501)	13,406	760	-	-	-	(396)	-	14,667	(897)	13,770
Landfill Site	3,278	(2,152)	1,126	62	-	-	-	(202)	-	3,340	(2,354)	986
Work in progress	-	-	-	9,114	-	-	-	-	-	9,114	-	9,114
	279,347	(9,416)	269,931	17,756	-	-	-	(6,321)	-	297,103	(15,737)	281,366
OTHER FIXED ASSETS												
General Land	6,420	-	6,420	-	-	-	-	-	-	6,420	-	6,420
Other Land	2,767	-	2,767	-	(1)	-	-	-	-	2,766	-	2,766
Buildings	23,268	(801)	22,467	14	-	-	(2,439)	(817)	-	23,282	(4,057)	19,225
Plant & Machinery	1,003	(758)	245	87	(35)	18	-	(81)	-	1,055	(821)	234
Furniture & Fittings	394	(367)	27	8	-	-	-	(11)	-	402	(378)	24
Computer Equipment	1,399	(1,239)	160	27	(10)	10	-	(65)	-	1,416	(1,294)	122
Library Stocks	1,747	(1,605)	142	56	-	-	-	(49)	-	1,803	(1,654)	149
Breakwaters & Wharves	4,802	(2,853)	1,949	37	-	-	-	(190)	-	4,839	(3,043)	1,796
Aerodrome	2,378	(55)	2,323	-	-	-	-	(46)	-	2,378	(101)	2,277
Parking Developments	441	(105)	336	-	-	-	-	(10)	-	441	(115)	326
Reserve Board Assets	290	-	290	-	-	-	-	-	-	290	-	290
Sports fields and Parks	1,629	(288)	1,341	413	-	-	-	(80)	-	2,042	(368)	1,674
Heritage Assets	1,052	(180)	872	-	-	-	-	(20)	-	1,052	(200)	852
Work in progress	644	-	644	311	(294)	-	-	-	-	661	-	661
	48,234	(8,251)	39,983	953	(340)	28	(2,439)	(1,369)	-	48,847	(12,031)	36,816
	327,581	(17,667)	309,914	18,709	(340)	28	(2,439)	(7,690)	-	345,950	(27,768)	318,182

Core assets

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

	Closing book value \$000	Constructed \$000	Additions Vested \$000	Replacement cost \$000
Water Supply Systems				
- treatment plants and facilities	1,956	-	-	3,642
- other assets (such as reticulation systems)	17,698	206	-	34,555
Sewerage				
- treatment plants and facilities	4,764	-	-	6,839
- other assets (such as reticulation systems)	30,866	180	-	42,729
Stormwater	28,753	463	-	66,814
Roads and footpaths	161,835	2,826	42	256,671
Flood Protection System	7,192	-	-	n/a
	253,064	3,675	42	411,250

The replacement cost for Water Supply Systems, Sewerage, Stormwater, and Roads and footpaths are based on the optimised replacement cost estimate amounts in the valuation for the 2013/2014 year. The Flood protection system relates to the Greymouth floodwall, which Council values on a historical cost basis.

Valuation

Other fixed assets: general land and buildings

At fair value as determined from market-based evidence where possible and optimised depreciated replacement cost by an independent valuer. The most recent valuation was performed by Peter J Hines BCom (VPM), ANZIV, Registered Valuer of CVL (Coast Valuations Limited), and the valuation is effective as at 30 June 2014.

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. The valuation is effective as at 30 June 2014.

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 CVL (Coast Valuations Limited), and the valuation is effective as at 30 June 2014.

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. The valuation is effective as at 30 June 2014.

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

	Cost/ revaluation 30-Jun-14
MD Sutherland, Grey DC	248,342
P J Hines, Coast Valuations	30,525

Impairment

Council has reviewed its fixed asset register on a line by line basis to consider whether there is an impairment of any assets. We are not aware of any issue that would cause any significant change in asset value apart from the Grey Aquatic Centre as discussed below. The relevant issues considered were:

- Change in use
- One off events that damaged the assets
- Market value changes
- Decreases in earning potential

The Port assets and Council's earthquake prone buildings were all assessed on the above criteria and were not determined to either be not impaired or already appropriately considered in the carrying values. Council has carried out initial EQ assessments on the public buildings it is responsible for and is currently completing detailed assessments on the buildings. The buildings have been assessed for impairment and it has been determined that any necessary impairments were appropriately considered and reflected in the market valuations applied as at 30 June 2014 when the asset class was revalued.

The Grey Aquatic Centre has been assessed for impairment due to the 'roof deflection' issue, or sagging beams supporting the roof. The expected cost of this repair has been determined based on a detailed design of the repair and quantity surveyed costing of \$1,030,000.

Insurance of assets

Insurance arrangements:

	Carrying value of assets covered by insurance contracts \$000	Maximum amount to which assets are insured* \$000
Buildings	25,785	73,325
Contents	359	10,371
Stormwater plant	817	1,974
Sewerage plant	4,854	8,835
Water supply plant	2,932	7,383
Work in progress**	9,082	12,500
Vehicles	413	585
	44,242	114,973

* Subject to various deductibles including \$25k for most claims except for earthquake or volcanic eruption where deductible is 5% of sum insured or 10% for pre 1935 buildings (vehicles \$500 deductible).

** relates to new Greymouth Wastewater Treatment Plant

Risk sharing arrangements: Cover for infrastructure assets as a member of LAPP

	Carrying value of assets covered by financial risk sharing arrangements. \$000	Maximum amount available to the local authority under these financial risk sharing arrangements*** \$000
Stormwater network	27,936	17,813
Sewerage network	30,776	17,694
Water supply network	16,722	5,617
Landfill	837	1,819
Flood Protection System	7,192	3,721
Breakwaters & Wharves	1,637	13,388
	85,100	60,052

*** Sums equate to 40% of the Optimised Replacement Value of scheduled assets. A deductible of \$548,000 applied. It is anticipated (though cannot be guaranteed) that under the terms contained in the Guide to Civil Defence Emergency Management Plan central government may fund 60% of the qualifying cost of reinstating essential infrastructure with a deductible of \$548,000

The uninsured assets consist of:

	\$000
Roading Network	161,835
Land Under Roads	68,733
General Land	4,740
Other Land	2,857
Aerodrome	2,470
Parking Developments	316
Reserve Board Assets	290
Sports fields and Parks	1,669
Heritage Assets	852
Work in progress	1,762

The Council has no insurances relating to financial or intangible assets.

[16] Intangible Assets

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

	Council Computer software
	\$000
COST	
Balance at 1 July 2012	-
Additions	376
Disposals	-
Balance at 30 June 2013	376
Balance at 1 July 2013	376
Additions	20
Disposals	-
Balance at 30 June 2014	396
ACCUMULATED AMORTISATION AND IMPAIRMENT	
Balance at 1 July 2012	-
Amortisation charge	(25)
Disposals	-
Balance at 30 June 2013	(25)
Balance at 1 July 2013	(25)
Amortisation charge	(44)
Disposals	-
Balance at 30 June 2014	(69)
CARRYING AMOUNTS	
Balance at 1 July 2012	-
Balance at 30 June and 1 July 2013	351
Balance at 30 June 2014	327

[17] Depreciation and amortisation expense by group of activity

	Actual 2013 \$000	Annual Plan 2014 \$000	Actual 2014 \$000
Land transport	4,351	4,368	4,376
Stormwater	635	663	562
Wastewater	738	1,001	706
Water Supply	396	576	390
Solid waste management	212	113	165
Emergency management	4	15	4
Environmental services	23	-	12
Other transport	263	276	230
Property and housing	200	223	200
Community facilities and events	715	844	758
Democracy and administration	178	397	160
Total finance costs	7,715	8,476	7,563

[18] Investments

	Actual 2013 \$000	Actual 2014 \$000
CURRENT INVESTMENTS		
Investment in associates	-	-
Held to maturity investments	-	-
Short term investments > 3 -12 months	-	5,705
Derivatives	-	-
Total current investments	-	5,705
NON-CURRENT INVESTMENTS		
Held to maturity investments	755	837
Available-for-sale financial assets	40	40
Total non-current investments	795	877

The fair value approximates the carrying value for investments.

[19] Investment property

	Actual 2013 \$000	Actual 2014 \$000
Balance 01 July	-	-
Transfer from <i>Assets held for sale</i>	-	645
Transfer from <i>Property, plant and equipment</i>		130
Disposals	-	(10)
Fair value gains/(losses) on valuation	-	3,007
Balance at 30 June	-	3,772

Valuation

At fair value as determined from market-based evidence. The most recent valuation was performed by Peter J Hines BCom (VPM), ANZIV, Registered Valuer of CVL (Coast Valuations Limited), and the valuation is effective as at 30 June 2014.

[20] Trade and other payables

	Actual 2013 \$000	Actual 2014 \$000
Trade payables and accrued expenses	2,976	2,187
GST Payable	378	-
Sundry Creditors	1,044	1,244
Directors fee payable		
Accrued expenses		
Amounts due to related parties	27	6
Interest Payable	143	10
		135
Total trade and other payables	4,547	3,576

[21] Employee benefit liabilities

	Actual 2013 \$000	Actual 2014 \$000
Accrued pay	128	161
Annual leave	536	577
Long service leave	54	66
Retirement gratuities	219	203
	937	1,007
COMPRISING:		
Current	492	533
Non-current	445	474
Total employee benefit liabilities	937	1,007

[22] Provisions

	Actual 2013 \$000	Actual 2014 \$000
Landfill aftercare provision	886	1,001
Financial guarantees	1,231	1,202
Total provisions	2,117	2,203

Movements for each class of provision are as follows:

Landfill aftercare provision

	Actual 2013 \$000	Actual 2014 \$000
Balance 01 July	835	886
Additional provisions made in the year	74	140
Amounts used in the year	(23)	(25)
Unused amounts reversed	-	-
Balance at 30 June	886	1,001

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 McLean's 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
- On-going 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 2014 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 6% (2013 6%).

Financial guarantees

	Actual 2013 \$000	Actual 2014 \$000
Balance 01 July	-	1,231
Additional provisions made in the year	1,231	-
Amounts used in the year	-	(29)
Unused amounts reversed	-	-
Balance at 30 June	1,231	1,202

Financial guarantees

The Council is listed as a sole guarantor for two loan agreements that the West Coast Theatre Trust has entered into. The loan details are:

	Loan 1	Loan 2
Lender	Nelson Building Society	Development West Coast
Total	\$693,150	\$508,469
Term	25 years	10 years
Expiry	May 2035	September 2021

The exercising of the guarantees will be dependent on the financial stability of the West Coast Theatre Trust. At balance date, the Grey District Council believes that there is a high likelihood that it will be called upon by the above lenders to make loan payments.

Council is not satisfied that the West Coast Theatre Trust has the financial stability to meet all its obligations under the loans, and in the 2014/2015 Annual Plan, Council resolved to grant the West Coast Theatre Trust an additional \$50,000 of funding to be used to meet the minimum loan payments of the Development West Coast loan.

[23] Borrowings

	Actual 2013 \$000	Actual 2014 \$000
CURRENT		
Secured loans	3,500	189
Total current borrowings	3,500	189
NON-CURRENT		
Secured loans	25,705	29,675
Total non-current borrowings	25,705	29,675
Total borrowings	29,205	29,864

external borrowings	Maturity date	Interest rate (as at 30 June 2014)	Balance at 01 Jul 2013 \$	Loans uplifted \$	Amortisation of fair value	Loans repaid \$	Balance at 30 June 2014 \$
LOAN NAME							
BNZ Cash Advance Loan 2	19 Aug 13	3.41%	2,000,000	-	-	(2,000,000)	-
BNZ Cash Advance Loan 3	01 Jul 13	3.39%	1,500,000	-	-	(1,500,000)	-
Westpac Multi Option Cash Loan	22 Sep 15	3.80%	1,265,000	-	-	-	1,265,000
Westpac Multi Option Cash Loan	22 Sep 15	3.15%	275,000	-	-	-	275,000
Westpac Multi Option Cash Loan	22 Sep 15	4.00%	4,500,000	-	-	-	4,500,000
Westpac Multi Option Cash Loan	22 Sep 15	4.00%	2,910,000	-	-	-	2,910,000
Westpac Multi Option Cash Loan	22 Sep 15	0.00%	691,211	-	-	(691,211)	-
Westpac Multi Option Cash Loan	22 Sep 15	3.99%	188,918	-	-	-	189,000
Local Government Funding Agency	15 Mar 19	4.46%	3,000,000	-	-	-	3,000,000
Local Government Funding Agency	15 Mar 19	5.00%	2,073,483	-	(11,403)	-	2,062,080
Local Government Funding Agency	15 May 21	6.00%	5,439,379	-	(44,952)	-	5,394,427
Local Government Funding Agency	15 May 21	6.00%	5,362,343	-	(37,070)	-	5,325,273
Local Government Funding Agency	15 Apr 23	5.50%	-	2,943,002	-	-	2,943,002
Local Government Funding Agency	15 Apr 23	4.31%	-	2,000,000	-	-	2,000,000
			29,205,334	4,943,002	(93,425)	(4,191,211)	29,863,782
Portion of Term Debt repayable within One year			3,500,000				189,000
Portion of Term Debt repayable in One to Two years			9,830,129				8,950,000
Portion of Term Debt repayable in Two to Five years			-				5,062,080
Portion of Term Debt repayable in Five years or more			15,875,205				15,662,702
Total Term Debt repayable			29,205,334				29,863,782

All loans are secured by way of a separate rate in the dollar on the land value of the district.

Carrying values are approximately equal to fair value.

[24] Derivative financial instruments

	Actual 2013 \$000	Actual 2014 \$000
Interest rate swaps - fair value	719	322
	719	322
COMPRISING:		
Current	-	-
Non-current	719	322
Total derivative financial instruments	719	322

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$12,500,000 (2013 \$12,500,000). At 30 June 2014, the fixed interest rates of cash flow interest rate swaps vary from 4.44% to 7.71% (2013 4.44% to 7.71%).

[25] Equity

	Actual 2013 \$000	Actual 2014 \$000
RATEPAYERS EQUITY		
Opening balance	210,146	209,673
Plus net surplus/(deficit) for the year	3,019	7,643
Net transfer from/(to) Special Funds	(3,488)	4,774
Net transfer from/(to) Trusts & Bequests	(4)	(3)
Net Transfer from revaluation reserves on disposal	-	-
Closing balance	209,673	222,087
SPECIAL FUNDS		
Opening balance	13,887	17,375
Plus interest (transfer from ratepayer equity)	395	440
Other transfers from ratepayers equity	3,922	1,030
Transfer to ratepayers equity	(829)	(6,244)
Closing balance	17,375	12,601
TRUSTS, BEQUESTS & OTHER RESERVES		
Opening balance	498	502
Transfer from ratepayers equity	4	6
Transfer to ratepayers equity	-	(3)
Closing balance	502	505
REVALUATION RESERVES*		
Opening balance	84,908	82,469
Reclassification to surplus or deficit on disposal	-	-
Net revaluation gains / (losses)	-	59,327
Impairment losses recognised in the revaluation reserve	(2,439)	-
Closing balance	82,469	141,796
TOTAL EQUITY	310,019	376,989
*REVALUATION RESERVES ARE MADE UP OF THE FOLLOWING		
Land & Building Revaluation Reserve	12,856	18,683
Aerodrome revaluation reserve	409	647
Roading Revaluation Reserve	49,277	79,968
Water Revaluation Reserve	2,041	8,109
Investment Revaluation Reserve	52	52
Drainage & Sewerage Revaluation Reserve	17,834	34,337
	82,469	141,796

Information about reserve funds held for a specific purpose is provided below:

2014: Special Funds

Reserve	Activities to which the reserve relates	Balance 01 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$000	\$000	\$000	\$000
Special funds					
Greymouth Sewerage Fund	Wastewater	8,128	131	(4,582)	3,677
Te Kinga Infra Upgrade Reserve	All activities	77	2	-	79
Rural Sewerage Capital Works Reserve	Wastewater	237	8	-	245
Cobden Stormwater Mitigation Reserve	Stormwater	43	2	-	45
Barrytown Area Infra Reserve	All activities	87	3	(4)	86
Atarau Area Infra Reserve	All activities	4	-	-	4
Ahaura Area Infra Reserve	All activities	151	6	-	157
Haupiri Area Infra Reserve	All activities	155	6	-	161
Nelson Creek Infrastructure Reserve	All activities	70	-	(55)	15
Ngahere Infrastructure Reserve	All activities	163	6	-	169
Blackball Area Infra Reserve	All activities	(4)	5	-	1
Runanga Area Infra Reserve	All activities	523	37	-	560
Kaiata Stillwater Area Infra Reserve	All activities	677	17	(493)	201
Karoro Infrastructure Development Reserve	All activities	526	19	-	545
South Beach/Paroa Infrastructure Reserve	All activities	350	13	-	363
Camerons Infrastructure Reserve	All activities	105	3	-	108
Gladstone Infrastructure Reserve	All activities	209	8	-	217
Arnold Valley Area Infra Reserve	All activities	87	4	-	91
Lake Brunner Area Infra Reserve	All activities	175	6	-	181
Hohonu Area Infra Reserve	All activities	40	2	-	42
Infra Renewal Reserve	All activities	43	86	-	129
Moana Water Supply	Water supply	7	1	-	8
Flood Protection Reserve	Stormwater/Flood protection	98	3	-	101
Cemetery Extension Reserve	Cemeteries	41	2	-	43
Cemetery Maintenance Reserve	Cemeteries	285	10	(15)	280
Footpath Reserve	Land transport	52	2	-	54
Roading Reserve - Exp Committed	Land transport	208	8	-	216
Land Fill Reserve	Solid waste management	156	5	-	161
Airport Maintenance Reserve	Airport	95	3	-	98
Disaster Recovery Reserve	All activities	1,737	80	-	1,817
Civil Defence Reserve	Emergency management	29	1	-	30
Rural Fire Authority Reserve	Rural fire authority	100	3	-	103
Economic Development Reserve	All activities	253	9	(15)	247
Harbour Endowment LS Reserves	Port	(222)	496	(274)	-
Land Sale Reserve	All activities	(234)	39	(99)	(294)
Reserves Subdivision Contributions	Community facilities and parks	-	30	(30)	-
Maori Land Compensation Reserve	Council property	206	7	(14)	199
TDS Reserve	Economic development	52	2	-	54
Town Clock Reserve	Community facilities and parks	19	1	-	20
Gas Management Plan Reserve	Council property	15	-	-	15
District Planning Reserve	District planning	53	2	-	55
Plant and Machinery Reserve	All activities	806	167	(238)	735
Building & Property Gen Reserve	Council property	50	7	(31)	26
Corp Equip and Furniture Reserve	Council administration	507	144	(106)	545
Staff Costs Reserve	Council administration	9	18	(9)	18
Sunshine Coach Reserve	Council administration	6	-	-	6
Rental Housing Reserve	Retirement housing	113	43	-	156
Miners Rec Centre Reserve	Proposed Miners' Rec Centre	731	21	(279)	473
Library Reserve	Libraries	35	2	-	37
SPECIAL FUNDS - Committed Expenditure	All activities	322	-	-	322
Total special funds		17,375	1,470	(6,244)	12,601

2014: Trusts and bequests

Reserve	Activities to which the reserve relates	Balance 01 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$000	\$000	\$000	\$000
Trusts and bequests					
McGlashan Trust	Community facilities and parks	9	-	-	9
E White Bequest	Community facilities and parks	34	1	-	35
Mayoral Flood Relief Fund	Democracy	7	-	-	7
Grey United Tennis Resurfacing Reserve	Community facilities and parks	-	-	-	-
Citizens Emergency Relief Fund	Democracy	58	2	-	60
Perotti Bequest	Community facilities and parks	12	-	-	12
Peters Bequest - Talking Books	Libraries	21	1	(2)	20
Vera Corbett Bequest	Libraries	27	1	-	28
Reserve Board Equity	Community facilities and parks	334	-	-	334
Total trusts and bequests		502	5	(2)	505

2013: Special Funds

Reserve	Activities to which the reserve relates	Balance 01 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$000	\$000	\$000	\$000
Special funds					
Greymouth Sewerage Fund	Wastewater	4,694	3,434	-	8,128
Te Kinga Infra Upgrade Reserve	All activities	75	2	-	77
Rural Sewerage Capital Works Reserve	Wastewater	231	6	-	237
Cobden Stormwater Mitigation Reserve	Stormwater	42	1	-	43
Barrytown Area Infra Reserve	All activities	88	2	(3)	87
Atarau Area Infra Reserve	All activities	4	-	-	4
Ahaura Area Infra Reserve	All activities	208	4	(61)	151
Haupiri Area Infra Reserve	All activities	151	4	-	155
Nelson Creek Area Infra Reserve	All activities	227	-	(227)	-
Nelson Creek Infrastructure Reserve	All activities	-	70	-	70
Ngahere Infrastructure Reserve	All activities	-	163	-	163
Blackball Area Infra Reserve	All activities	(4)	-	-	(4)
Runanga Area Infra Reserve	All activities	510	13	-	523
Kaiata Stillwater Area Infra Reserve	All activities	660	17	-	677
Karoro/Gladstone Area Infra Reserve	All activities	1,163	-	(1,163)	-
Karoro Infrastructure Development Reserve	All activities	-	529	(3)	526
South Beach/Paroa Infrastructure Reserve	All activities	-	350	-	350
Camerons Infrastructure Reserve	All activities	-	105	-	105
Gladstone Infrastructure Reserve	All activities	-	209	-	209
Arnold Valley Area Infra Reserve	All activities	85	2	-	87
Lake Brunner Area Infra Reserve	All activities	170	5	-	175
Hohonu Area Infra Reserve	All activities	39	1	-	40
Infra Renewal Reserve	All activities	108	2	(67)	43
Moana Water Supply	Water supply	7	-	-	7
Flood Protection Reserve	Stormwater/Flood protection	95	3	-	98
Cemetery Extension Reserve	Cemeteries	40	1	-	41
Cemetery Maintenance Reserve	Cemeteries	278	7	-	285
Footpath Reserve	Land transport	51	1	-	52
Roading Reserve - Exp Committed	Land transport	203	5	-	208
Land Fill Reserve	Solid waste management	140	16	-	156
Airport Maintenance Reserve	Airport	37	58	-	95
Disaster Recovery Reserve	All activities	1,694	43	-	1,737
Civil Defence Reserve	Emergency management	28	1	-	29
Rural Fire Authority Reserve	Rural fire authority	97	3	-	100
Economic Development Reserve	All activities	405	8	(160)	253
Harbour Endowment LS Reserves	Port	-	54	(276)	(222)
Land Sale Reserve	All activities	(190)	48	(92)	(234)
Reserves Subdivision Contributions	Community facilities and parks	(51)	82	(31)	-
Maori Land Compensation Reserve	Council property	201	5	-	206
TDS Reserve	Economic development	51	1	-	52
Town Clock Reserve	Community facilities and parks	18	1	-	19
Gas Management Plan Reserve	Council property	14	1	-	15
District Planning Reserve	District planning	52	1	-	53
Plant and Machinery Reserve	All activities	713	170	(77)	806
Building & Property Gen Reserve	Council property	(15)	65	-	50
Corp Equip and Furniture Reserve	Council administration	422	85	-	507
Staff Costs Reserve	Council administration	10	-	(1)	9
Sunshine Coach Reserve	Council administration	6	-	-	6
Rental Housing Reserve	Retirement housing	4	109	-	113
Miners Rec Centre Reserve	Proposed Miners' Rec Centre	769	19	(57)	731
Library Reserve	Libraries	35	-	-	35
SPECIAL FUNDS - Committed Expenditure	All activities	322	-	-	322
Total special funds		13,887	5,706	(2,218)	17,375

2013: Trusts and bequests

Reserve	Activities to which the reserve relates	Balance 01 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$000	\$000	\$000	\$000
Trusts and bequests					
McGlashan Trust	Community facilities and parks	9	-	-	9
E White Bequest	Community facilities and parks	33	1	-	34
Mayoral Flood Relief Fund	Democracy	6	1	-	7
Grey United Tennis Resurfacing Reserve	Community facilities and parks	-	-	-	-
Citizens Emergency Relief Fund	Democracy	56	2	-	58
Perotti Bequest	Community facilities and parks	11	1	-	12
Peters Bequest - Talking Books	Libraries	22	1	(2)	21
Vera Corbett Bequest	Libraries	27	-	-	27
Reserve Board Equity	Community facilities and parks	334	-	-	334
Total trusts and bequests		498	6	(2)	502

Purpose of each reserve fund

Special funds	
Greymouth Sewerage Fund	To fund the wider Greymouth Area Sewerage Scheme.
Te Kinga Infra Upgrade Reserve	To fund land transport, water, and/or wastewater infrastructure upgrades required in the Te Kinga area.
Rural Sewerage Capital Works Reserve	To fund enhancement and development sewerage schemes other than the Greymouth Area scheme.
Cobden Stormwater Mitigation Reserve	To fund enhancement of stormwater management in Cobden.
Barrytown Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Atarau Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Ahaura Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Haupiri Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Nelson Creek Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Nelson Creek Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Ngahere Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Blackball Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Runanga Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Kaiata Stillwater Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Karoro/Gladstone Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Karoro Infrastructure Development Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.

Special funds	
South Beach/Paroa Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Camerons Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Gladstone Infrastructure Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Arnold Valley Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Lake Brunner Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Hohonu Area Infra Reserve	To develop/improve infrastructure in the respective areas per the preference of people in the area.
Infra Renewal Reserve	To fund expenditure in connection with deferred maintenance, major maintenance and renewal in respect of land transport (including footpaths), wastewater, water supply, stormwater and solid waste
Moana Water Supply	To fund any design options for a reticulated water supply servicing Moana (not signalled in this plan).
Flood Protection Reserve	To fund capital works to enhance flood protection measures in the District for which Council is responsible for.
Cemetery Extension Reserve	To fund additional capacity, renewal and maintenance of cemeteries.
Cemetery Maintenance Reserve	To fund additional capacity, renewal and maintenance of cemeteries.
Footpath Reserve	To fund the development or renewal of footpaths in the District (land transport activity).
Roading Reserve - Expenditure Committed	To spread funding of key roading (land transport) renewal projects, given that they do not have an equal funding requirement year to year.
Land Fill Reserve	To fund capital works required for solid waste management
Airport Maintenance Reserve	To fund the periodic re-seal of airport runway and other significant maintenance.
Airport Runway resealing reserve	To fund the periodic re-seal of airport runway and other significant maintenance.
Disaster Recovery Reserve	To fund Council's excess on the loss of Council assets in the event of a major disaster (all activities).
Civil Defence Reserve	To fund any extraordinary expenditure associated with providing Council's emergency management function.
Rural Fire Authority Reserve	To fund the expenditure associated with major rural fires and any significant renewals capital expenditure required for the rural fire activity.
Economic Development Reserve	To fund economic development, including a share of land transport, wastewater, water supply, and stormwater development expenditure incurred via subdivision.
Harbour Endowment LS Reserves	To fund any operating deficits of port related activities
Land Sale Reserve	To fund purchase of land, key strategic assets and obtaining fee simple ownership of leasehold property; and to fund other significant projects as decided by Council as part of the Annual Plan.
Reserves Subdivision Contributions	To fund the creation of new recreational areas/reserves.
Maori Land Compensation Reserve	To fund part of the rent increases on land leased from the Mawhera Incorporation (all activities with associated leases).
TDS Reserve	To fund a portion of any projects that may arise as a result of the Town Development Strategy.
Town Clock Reserve	To fund renewal/major maintenance of town clock.

Special funds	
Gas Management Plan Reserve	To fund a portion of any associated costs of identifying and mitigating effects of any land associated with historic gasworks.
District Planning Reserve	To fund any large costs arising from District Plan reviews or one-off projects associated with planning and regulations.
Plant and Machinery Reserve	To replace existing plant (vehicles), or effect major maintenance to existing plant.
Building & Property Gen Reserve	To fund major maintenance and renewal of Council buildings and associated facilities excluding dedicated reserves (property activity).
Corp Equip and Furniture Reserve	To fund the upgrade and renewal of office equipment and furniture; and to fund new office equipment and investment in new technology
Staff Costs Reserve	To fund the cost of recruiting and replacing staff (all activities)
Sunshine Coach Reserve	To fund any renewal and significant maintenance cost associated with the 'Sunshine Coach'
Rental Housing Reserve	To maintain in perpetuity, Council's retirement housing stock.
Miners Rec Centre Reserve	To fund the proposed Miners' Recreation Centre (now referred to as the Westland Recreation Centre)
Library Reserve	To fund any key maintenance work or equipment upgrades required at Council's District library.
Special Funds - Committed Expenditure	Holds amounts already committed by Council from other Special Funds, but not yet spent
Port Plant Renewal	To replace existing port operational plant or effect major maintenance to existing port operational plant.
CWS Ltd Share Sale Reserve	General purpose reserve available for use in any Council activities.

Trusts and bequests	
McGlashan Trust	Maintenance development of war memorial areas in the District.
E White Bequest	Surface development/maintenance of reserve land lying alongside or adjacent to the Greymouth/Hokitika railway line, including Petrie Avenue (parks and reserves, parking).
Mayoral Flood Relief Fund	To assist victims of flooding and other adverse events.
Grey United Tennis Resurfacing Reserve	Money held on behalf of the Grey United Tennis club.
Citizens Emergency Relief Fund	To assist victims of flooding and other adverse events.
Perotti Bequest	A bequest for general municipal purposes (any activities).
Peters Bequest - Talking Books	To purchase talking books for the library.
Vera Corbett Bequest	To purchase library books.
Reserve Board Equity	Equity relating to Reserve Boards that Council has administrative responsibility for.

[26] Reconciliation of operating surplus to net cash inflows from operating activities

	Actual 2013 \$000	Actual 2014 \$000
Surplus from operations	3,019	7,643
ADD/(LESS) NON CASH ITEMS		
Depreciation	7,715	7,563
Impairment in value of Property, Plant and Equipment	-	-
Impairment in value of Available for sale financial assets	62	-
Vested assets	-	(158)
Unrealised landfill aftercare costs	51	115
Movement in provision for financial guarantee	1,231	(29)
Movement in employee entitlements (non-current)	235	29
Debt forgiven	-	-
Assets written off	-	-
	9,294	7,520
MOVEMENTS IN WORKING CAPITAL		
(Increase)/decrease in accounts receivable	(1,227)	949
(Increase)/decrease in interest receivable	-	-
(Increase)/decrease in inventory	-	(115)
Increase/(decrease) in accounts payable	(20)	(537)
Increase/(decrease) in interest payable	143	(8)
Increase/(decrease) in income in advance	161	(30)
Increase/(decrease) in employee entitlements	(167)	41
	(1,110)	300
LESS ITEM CLASSIFIED AS INVESTING ACTIVITY		
Net gain(loss) on sale of property, plant & equipment and non-current assets held for sale	(111)	(486)
Fair value (gains)/losses on valuation of investment property	-	(3,007)
less amortisation of fair value of term loans	-	(93)
Change in fair value of interest swap	(445)	(397)
	(556)	(3,983)
Net cash flow from operations	10,647	11,480

[27] 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 2013 (incl. GST) \$	Amount payable 2013 (incl. GST) \$	Amount paid to the business 2014 (incl. GST) \$	Amount payable 2014 (incl. GST) \$
Gibson	A.J Muffler Shop West Coast Ltd	Vehicle repairs	-	-	-	173
Haddock	P.R Westland Engineering	Engineering Services	3,782	-	2,593	210
Haddock	P.R E-Quip Engineering	Engineering Services	15,207	-	10,349	-
Haddock	P.R Greymouth Equipment Centre	Engineering Services	171	2,707	4,842	-
Hay	M Hay Brothers Painters	Painting Contractors	-	-	-	-
Kokshoom	A.F Greymouth Car Centre	Vehicle repairs	288	-	1,277	-
Kokshoom	A.F Greymouth Evening Star	Printing and advertising	43,483	5,531	60,600	5,095
Sandrey	C.R Cliff Sandrey Contracting	General Contracting	5,187	-	1,088	-
Sandrey	C.R West Coast Coaches Ltd	Transport	897	-	-	-
Truman	D.J Central Paper Plus	Office supplies	4,241	345	4,817	293
			73,256	8,583	85,566	5,598

Tourism West Coast

Amounts paid to the organisation 2013 (excl. GST) \$	Amount payable 30-Jun-13 (excl. GST) \$	Amounts paid to the organisation 2014 (excl. GST) \$	Amount payable 30-Jun-14 (excl. GST) \$
87,374	-	107,400	-

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

West Coast Rural Fire Authority

Amounts paid to the organisation 2013 (excl. GST)	Amount payable 30-Jun-13 (excl. GST)	Amounts paid to the organisation 2014 (excl. GST)	Amount payable 30-Jun-14 (excl. GST)
\$	\$	\$	\$
13,480	-	13,112	-

Grey District Council makes one appointment to the West Coast Rural Fire Authority. The board member appointed by Grey District Council has 20% of the voting rights to the entity. Grey District Council does make a contribution to West Coast Rural Fire Authority for operational purposes but does not have any rights to any distributions from that entity. Therefore no income, expenses or assets are recognised in respect of these investments.

West Coast Theatre Trust

Amounts paid to the organisation 2013 (excl. GST)	Amount payable 30-Jun-13 (excl. GST)	Amounts paid to the organisation 2014 (excl. GST)	Amount payable 30-Jun-14 (excl. GST)
\$	\$	\$	\$
675,313	-	163,418	4,000

Grey District Council makes two appointments to the West Coast Theatre Trust. Grey District Council does make a contribution to West Coast Theatre Trust for operational purposes but does not have any rights to any distributions from that entity. Therefore no income, expenses or assets are recognised in respect of these investments.

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).

During the year Council engaged Totara Valley Landscape And Tile Limited, a landscaping and tiling firm in which Quecha Horning, Manager Corporate Planning and Community is a Shareholder, and in which her partner is Director and Shareholder. The firm was engaged to replace damaged pool tiles and investigate other tiling issues at the Grey Aquatic Centre. These services cost \$65,517.87 (2013 \$567.43) and were supplied on normal commercial terms. There was a nil balance outstanding for unpaid invoices at year end (2013 nil).

No debts involving a related party have been written off or forgiven during the year. (2013 – 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

	Actual 2013 \$	Actual 2014 \$
Salaries and other short term employee benefits	958,506	922,311
Employer superannuation contributions	28,918	25,809
Post employment benefits	-	-
Total compensation	987,424	948,120

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

[28] 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.

In the 2009/2010 financial year the West Coast Regional Council completed an upgrade of the Greymouth floodwall. The value of this upgrade was vested in the Grey District Council (as the owner of the floodwall) and was recorded as vested asset income in 'Other gains/ (losses)'. The value was also added to the appropriate asset category in Property Plant and Equipment.

[29] 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

	Actual 2013 \$000	Actual 2014 \$000
OFFICE EQUIPMENT		
Not later than one year	46	42
Later than one year and not later than two years	24	39
Later than two years but not later than five years	16	46
Later than five years	-	-
	86	127
LAND LEASES		
Not later than one year	282	281
Later than one year and not later than two years	279	237
Later than two years but not later than five years	461	328
Later than five years	641	579
	1,663	1,425
Total non-cancellable operating leases	1,749	1,552

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 30 th September 2017.
Utilities Maintenance (incl. Maintenance and Operation of the Greymouth Flood Scheme)	To 31 August 2014
Roading Maintenance Works	To 30 June 2016

Subloos New Zealand Limited

Solid Waste Operation Contract	To 30 June 2020
--------------------------------	-----------------

Provision of Services for Civil Defence

Tied in to Contracts

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.

Capital commitments approved and contracted

During its annual planning process for the 2014/2015 financial year, Council approved \$18,042,000 to be spent on Capital Works (2013/2014 - \$20,138,000) associated with Council's various assets and functions. A detail of the works to be carried out is included in the 2014/2015 Annual Plan which was adopted by Council on 9 June 2014 and released to the public.

Council has also approved budget carry-forwards for work not completed during 2013/2014 of \$18,691,844.

[30] Contingent liabilities

Financial guarantees

Westurf Recreation Trust

The Council has agreed to act as a sole guarantor for a Westurf Recreation Trust loan, up to a maximum of \$200,000, for the purposes of upgrading their artificial turf at the Greymouth Hockey Stadium. This is contingent on final Council satisfaction on the project being financially sustainable. As at balance date the trust has not yet proceeded with uplifting of a loan, and has indicated to Council that they are unlikely to require the loan.

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 32). 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 nil (2013: Nil).

[31] 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 2014, the payments to be made to Council in the future totalled \$124,143 (2013 \$155,417).

Grey District Aquatic Centre

Council is currently working towards resolving issues associated with the tiling at the Grey District Aquatic Centre (Aquatic centre). These relate to known issues with the tiling of the spa pool along with the tiling of the changing rooms. There is a question of liability and there are several parties involved in the litigation. Council considers that it is a growing likelihood that it will be successful in recovering a large portion of the estimated total repair costs of \$350,000. Given the complexity of the case and the uncertainty about how exactly it will be resolved it is difficult to estimate what portion of the \$350,000 may be recovered by Council.

[32] Defined benefit superannuation scheme

The Council contributes to a multi-employer defined benefit superannuation scheme (the scheme), operated by the National Provident Fund. The funding level (solvency ratio) of the Scheme is the ratio of the net assets available to pay benefits to the value of the past service liabilities. The Actuary has estimated the funding level, as at 31 March 2014, as 108% (107% as at 31 March 2013). This funding level is an estimate based on the valuation results and membership data as at 31 March 2012, and allows for the investment return for the year ended 31 March 2014.

Periodically the Scheme's Actuary carries out a review of the Scheme to determine an employer contribution rate sufficient to meet the accrued and future liabilities of the Scheme. Based on the latest review, completed as at 31 March 2011, the Actuary recommended the employer contributions to the Scheme be suspended with effect from 1 April 2012.

[33] Elected members remuneration

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

		Honarium 2014	Meeting Fees 2014	Travel Allowance 2014	Total 2014	Total 2013
		\$	\$	\$	\$	\$
MAYOR						
Kokshoom	A.F	72,199	n/a	-	72,199	69,708
COUNCILLOR						
Becker	A.D	14,134	-	476	14,609	-
Berry	P.F	4,730	1,160	32	5,923	20,886
Brown	K.R	18,864	725	-	19,589	19,061
Coll	A.P	19,170	725	-	19,895	19,351
Gibson	A.J	14,134	-	22	14,155	-
Haddock	P.R	18,630	580	-	19,210	20,366
Hamilton	K.F	4,730	1,160	-	5,890	19,931
Hay	M	14,134	-	-	14,134	-
Osborne	A.E	4,730	435	34	5,199	18,918
Sandrey	C.R	18,630	580	-	19,210	19,061
Truman	D.J	26,257	1,015	-	27,272	26,431
Total elected members remuneration		230,343	6,380	563	237,286	233,713

[34] Chief Executive Officer's remuneration

	Actual 2013 \$	Actual 2014 \$
Salary	182,431	182,952
Employer Superannuation Contributions	9,619	9,619
Telephone rental	638	609
Car - Full Use	8,914	9,041
Professional Allowances/Fees	512	523
Total Chief Executive Officer's remuneration	202,114	202,744

[35] Council employees

2014

	Actual 2014
<\$60,000	56
\$60,000 - \$79,999	19
\$80,000 - \$99,999	6
\$100,000 - \$219,999	6
Total employees	87

2013

	Actual 2013
<\$60,000	59
\$60,000 - \$79,999	22
\$80,000 - \$119,999	7
\$120,000 - \$199,999	4
Total employees	92

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 48 (2013 47) full-time employees, with the balance of staff representing 14 (2013 15) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

[36] 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 cost of service statement for 'community facilities and events' includes revenue and expenditure relating to these reserve boards. The amounts included are:

	Actual 2013 \$000	Actual 2014 \$000
Income	16	26
Expenditure	(139)	(29)
Net surplus (deficit) for the year	(123)	(3)

[37] Bonds receivable and bonds payable

Council is party to a surety bond agreement along with the West Coast Regional Council and Buller District Council with regards to a number of resource consents. The agreements are jointly executed by the three Councils, with said funds only called upon if remedial action is required per the conditions of the resource consents. As Council has no automatic right of claim over the funds, it is not recognised in the balance sheet as an asset or liability.

[38] Severance payments

There were no severance payments during the 2013/2014 year that meets the definition of a severance payment as in clause 33 of schedule 10 of the Local Government Act 2002. (Total payments 2013 were \$1,252).

[39] Setting of rates

23(2)(b) of the Local Government (Rating) Act 2002 requires Council to set its rates in accordance with the relevant provisions of Council's long-term plan and funding impact statement for that financial year. In the process of setting rates for the 2012/13 financial year, Council has not fully complied with this requirement with respect to its Uniform Annual General Charges and Targeted Rates for Refuse Collection. The wording used as a basis for these rates in Council's annual Rates Resolution, passed on 27 June 2013, was inadvertently at variance with that used in its funding impact statement for the 2013/2014 financial year. Despite this Council considers that there is no material impact on ratepayers, and that the risk of challenge or potential liability arising is very low. These issues have been resolved for 2014/2015.

[40] Events subsequent to balance date

No subsequent events.

[41] 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:

	Actual 2013 \$000	Actual 2014 \$000
FINANCIAL ASSETS		
Loans and receivables		
Cash and cash equivalents (net)	20,140	12,869
Short term investments > 3 -12 months	-	5,705
Trade and other receivables	6,999	6,050
	27,139	24,624
Held to maturity investments		
Term investments	-	-
Borrower notes (Local Government Funding Agency)	240	320
Local authority stock	515	517
	755	837
Available for sale		
Unlisted shares (Civic Assurance)	40	40
	40	40
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	4,547	3,576
Secured loans	29,205	29,864
	33,752	33,440
Fair value through statement of comprehensive income		
Derivative financial instruments (interest rate swap)	719	322
	719	322

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 cash and cash equivalents are disclosed in note 11 and on Council's borrowings in note 23.

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 cash and cash equivalents, short term investments and held to maturity investments at 30 June 2014 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus/deficit by \$104,000 (2013:\$105,000).

Based on financial instrument disclosures at the balance date and with other variables held constant; if interest rates on borrowings at 30 June 2014 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$146,000 (2013: \$146,000) 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 Council 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 Council 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 Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$15,000,000 (2013: \$10,000,000) plus available credit on a credit line facility with Westpac of \$5,861,000 (2013 \$170,000). 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 18 and 23 respectively.

[42] 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 Plan (LTP) 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 LTP.

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.

[43] Explanation of major variances against budget

Explanations for major variations from Council's estimated figures in the 2013/2014 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):

Statement of comprehensive income

Significant variations from budget are:

Fees, charges, and targeted rates for water supply \$1,218,000 greater than budget. This line in the financial statements captures many different income streams across all of Council's activities, however the main reason for the actual being higher than budget is that it includes the amount Council received in lump sum contributions towards the Taylorville/Dobson/Kaiata wastewater schemes. There were a higher number of ratepayers electing to pay the lump sum option than budgeted, resulting in additional income of \$1,323,000 being recorded for 2013/2014.

Subsidies and grants \$11,151,000 less than budget

- The budget included \$5,555,000 to be received towards the proposed Westland Recreation Centre. Due to project delays in confirming/commencing this project, actual grants received were \$630,000
- Actual subsidies received for wastewater were \$3,728,000 less than budget due to delays in major projects, notably the new Taylorville/Dobson/Kaiata scheme. Subsidies are paid based on actual expenditure incurred meaning the balance will be received in 2014/2015.
- NZTA financial assistance (subsidy) received was \$1,192,000 less than budget due to some projects not being approved for funding (Taylorville-Blackball Road strengthening) and other maintenance/renewal works not fully completed and carried forward to 2014/2015.
- Water supply subsidies were \$712,000 less than budget due to delays in projects that are to receive Ministry of Health subsidies (Dobson/Taylorville supply upgrade and Runanga supply upgrade).

Other revenue \$924,000 greater than budget which is largely due to:

- Recoveries associated with the Greymouth Aquatic Centre, where third parties have contributed \$565,000 in cash towards the roof deflection remediation.
- Insurance recoveries of \$251,000 related to the former harbour goods sheds which were damaged beyond economic repair in the Easter 2014 storm.

Other gains/ (losses) \$3,627,000 greater than budget largely related to:

- Net gain (loss) on sale of property plant & equipment \$195,000 greater than budget, relating to the sale of surplus port land that wasn't factored into the budget
- A \$397,000 gain on the fair value of derivatives (interest rate swaps). This fair value recognises the cost to Council should they exit these agreements as at balance date. Council does not intend to exit these agreements as they have been arranged to provide a longer term fixed interest cost for their borrowing.
- Fair value gain on investment property \$3,007,000 greater than budget. The transfer of "non-current assets held for sale" into this category wasn't factored in to the budget and therefore the associated fair value gain through revaluing also wasn't included in the budget.

Depreciation and amortisation expense \$913,000 less than budget. A large increase in depreciation was expected/budgeted associated with the completion of major capital projects (such as wastewater). The delay in their completion/commissioning means that the associated depreciation expense has not been incurred.

Finance costs \$599,000 less than budget due to the actual interest costs incurred being lower than budgeted due to more favourable interest rates as well as new loans being uplifted later in the year than originally budgeted.

Other comprehensive income relates to the movement in asset revaluation reserve being \$35,567,000 greater than budget due to construction costs increasing more than expected and improved data on the condition and quantity of infrastructure assets owned.

Statement of movements in equity

Significant variations from budgeted changes in equity are as follows:

- \$3,005,000 of lower surplus in the current year, and
- \$35,567,000 of higher revaluation movements for Property, plant and equipment.

Total equity is \$28,255,000 higher than budgeted primarily due to the \$32,562,000 of variations above, less a \$4,307,000 lower opening position due to annual plan budget timing.

Balance sheet

Significant variations from budget are as follows:

Current assets are \$9,767,000 higher than budget primarily due to:

- Cash and cash equivalents/Short-term investments overall \$6,304,000 greater than budget. This is due largely to significant capital expenditure (such as Greymouth Sewerage scheme and Taylorville/Dobson/Kaiata Sewerage Scheme) being delayed as compared to budget. The result is that funds set aside and raised specifically for the purpose have not yet been utilised. The difference in classification of term of investment between actual and budget is related to Council choosing to keep more funds in cash & cash equivalents to meet contract payments as required.
- Trade and other receivables \$3,047,000 greater than budget due to a number of large receivables were billed as at 30 June 2014 for work relating to 2013/2014

Non-current assets are \$17,155,000 higher than budget primarily due to

- An increase in asset value of \$35,567,000 greater than budgeted as a result of the revaluation movement as discussed above.
- The increase in asset value due to capital expenditure is less than budget given key capital projects have not progressed as far as anticipated, such as the Greymouth Sewerage scheme and the Taylorville, Dobson, Kaiata Sewerage scheme. These projects are expected to be completed in the 2014/2015 year. This lower amount of capital expenditure partly offsets the above variance in the asset revaluation resulting in the actual overall increase in value of actual *Property, plant and equipment* being above budget by \$13,276,000
- Investment property has increased above budget by \$3,772,000 as the transfer of “non-current assets held for sale” into this category wasn’t factored in to the.

Total liabilities are \$1,333,000 less than budget due to:

- Total borrowings \$2,767,000 less than budget due to capital projects that require part debt funding not being as far advanced as planned (notably wastewater and water supply projects).
- Provisions \$1,386,000 higher than budget, as at the time of preparing and adopting the 2014 budget Council had not made the provision for the West Coast Theatre Trust loans as detailed in note 22.

Total equity is \$27,883,000 higher than budgeted as referred to above. In addition to this overall difference Council’s Special funds balance is \$3,855,000 higher than budget due to capital projects that require part funding from special funds not being as far advanced as planned (notably wastewater and water supply projects).

Statement of cash flows

Significant variations from budget are as follows:

- Net cash flows from operating activities is \$7,943,000 less than budget largely due to the lower subsidies and grants received as discussed above.
- Net cash flow from investing activities is \$1,053,000 less than budget due to \$6,044,000 less being spent on purchase of property plant and equipment, offset by \$5,081,000 less being drawn down from investments.

8 Funding impact statement for whole of Council

	2013 Annual Plan	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	8,297	8,441	8,458	8,690
Targeted rates (other than a metered rate for water supply)	4,842	5,096	5,184	5,195
Subsidies and grants for operating purposes	1,803	2,412	1,884	1,509
Fees, charges, and metered rates for water supply	4,047	3,996	4,150	4,038
Interest and dividends from investments	695	403	437	540
Local authorities fuel tax, fines, infringement fees, & other receipts	378	419	348	515
Total operating funding [A]	20,062	20,767	20,461	20,487
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	14,947	15,709	15,581	14,839
Finance costs	1,251	542	2,004	1,405
Other operating funding applications	-	1,283	-	115
Total applications of operating funding [B]	16,198	17,534	17,585	16,359
Surplus (deficit) of operating funding [A - B]	3,864	3,233	2,876	4,128
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	7,355	7,201	15,734	4,925
Development and financial contributions	56	216	57	79
Increase (decrease) in debt	17,310	13,774	959	(1,216)
Gross proceeds from sale of assets	180	237	399	932
Lump sum contributions	-	-	-	1,323
Other dedicated capital funding	-	-	-	816
Total sources of capital funding [C]	24,901	21,428	17,149	6,859
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	1,000	130	-	-
—to improve the level of service	26,787	14,325	15,037	10,918
—to replace existing assets	5,359	4,365	5,101	3,216
Increase (decrease) in reserves	(4,374)	3,493	(111)	(4,771)
Increase (decrease) of investments	(7)	2,348	-	1,624
Total applications of capital funding [D]	28,765	24,661	20,027	10,987
Surplus (deficit) of capital funding [C - D]	(3,864)	(3,233)	(2,878)	(4,128)
Funding balance: [A - B] + [C - D]	-	-	(2)	-

Reconciliation of Operating Funding to Statement of Comprehensive Income

	2013 Annual Plan	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000
Surplus (deficit) of operating funding	3,864	3,233	2,876	4,128
Add sources of capital funding recognised as revenue in Statement of Comprehensive Income			-	-
Subsidies and grants for capital expenditure	7,355	7,201	15,734	4,925
Development and financial contributions	56	216	57	79
Lump sum contributions	-	-	-	1,323
Adjust for other sources of non cash items excluded from the Funding Impact Statement			-	-
Depreciation and amortisation expense	(8,035)	(7,715)	(8,476)	(7,563)
Net gain (loss) of non current assets held for sale	10	46	45	(57)
Net gain (loss) on sale of property plant & equipment	56	65	291	486
Vested assets income/Other dedicated capital funding	86	-	85	816
Fair value gain on investment property	-	-	-	3,007
Other non operating income/(expenditure)	-	(27)	36	499
			-	-
Surplus/(deficit) after tax attributable to Grey District Council	3,392	3,019	10,648	7,643

9 Financial Reporting and Prudence Disclosures

The government has introduced the new Local Government (Financial Reporting and Prudence) Regulations 2014.

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

These measures allow for comparison of financial performance with other Councils. However, readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Grey District Councils' results with other Councils due to their size, location and provision of services.

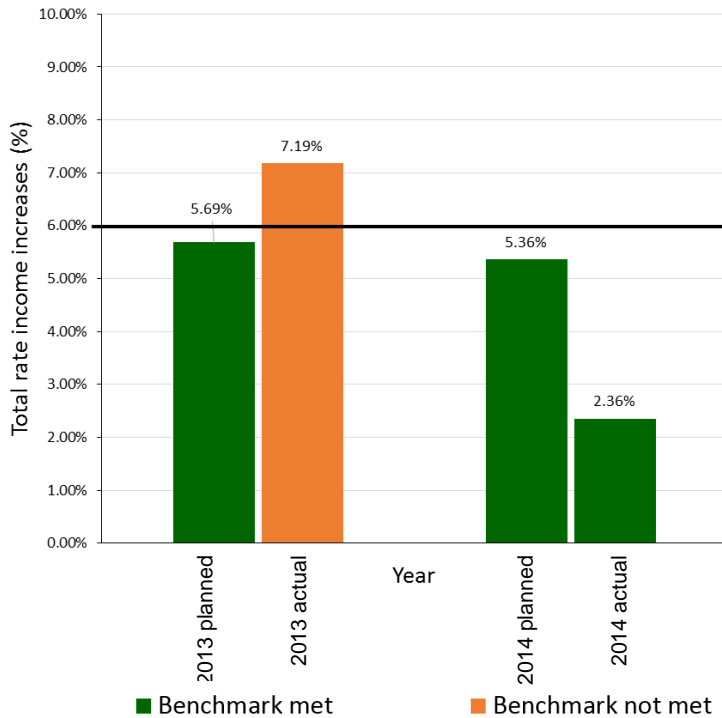
[1] Rate affordability benchmarks

The council meets the rates affordability benchmark if—

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

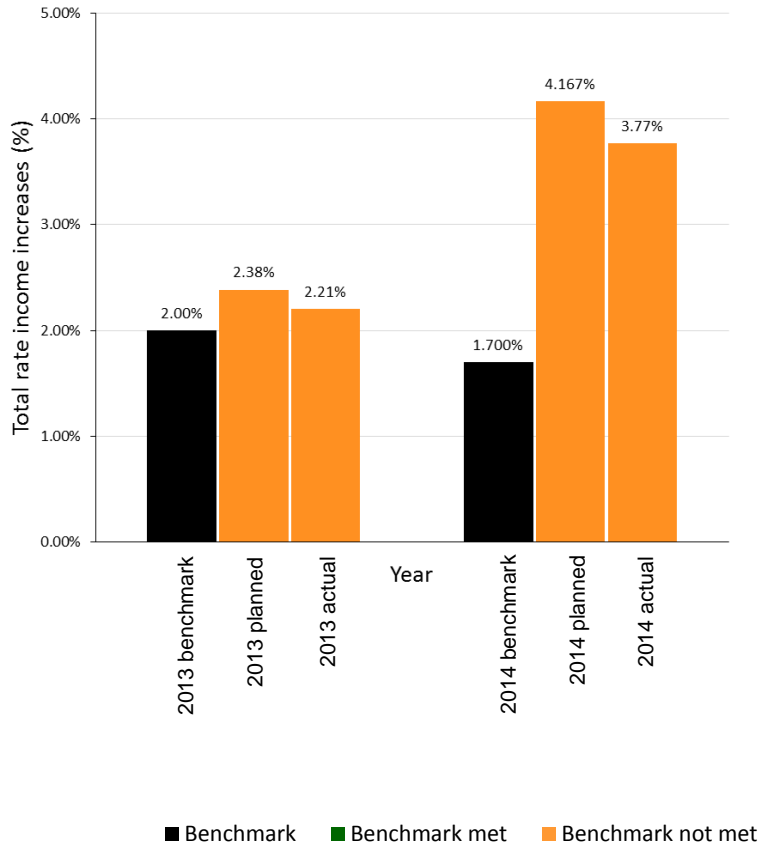
Total actual rate income percentage increases

The limit as contained within Council's financial strategy is for the total rate increase in any year to be no more than 6% (6% being the benchmark).



Actual general rate income percentage increases

The limit as contained within Council’s financial strategy is for the general rate increase in any year to be limited to within 1% of inflation (CPI + 1% being the benchmark).

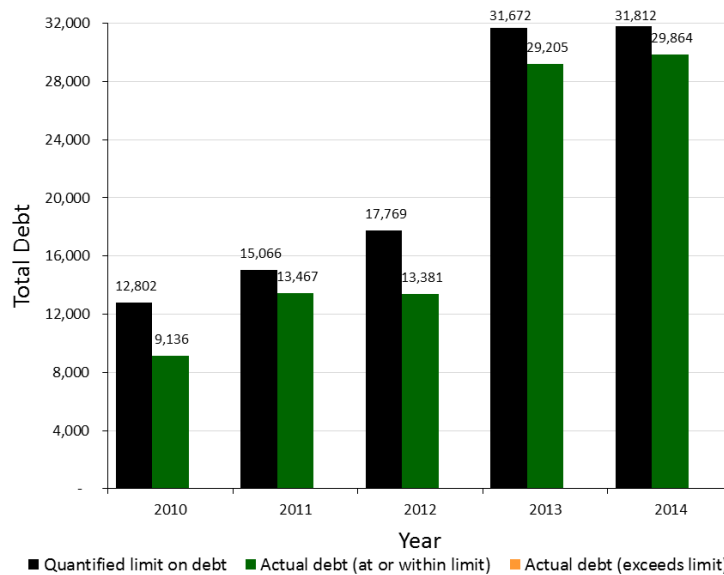


[2] Debt affordability benchmarks

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has five measures for debt affordability and these are set out below.

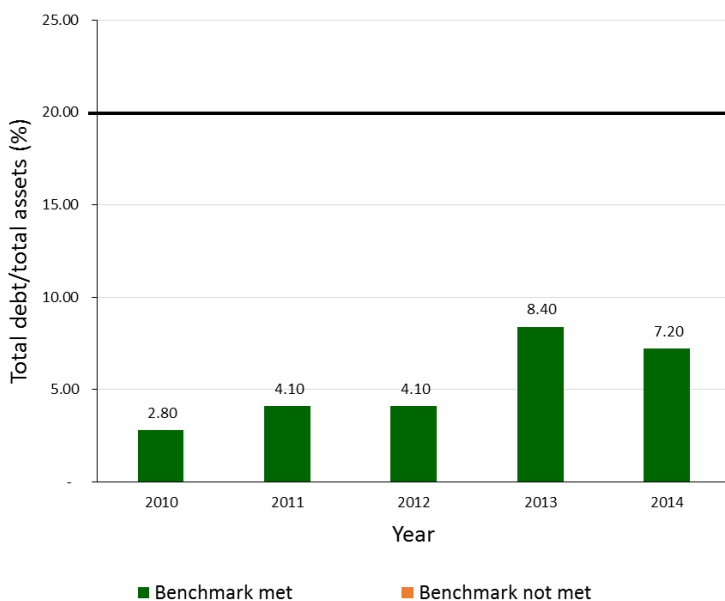
Actual debt compared to forecast debt

The following graph compares total actual debt as compared to what total budgeted was forecast to be (with the budgeted total debt being the benchmark). The benchmark is met if total actual debt is less than or equal to total budgeted debt.



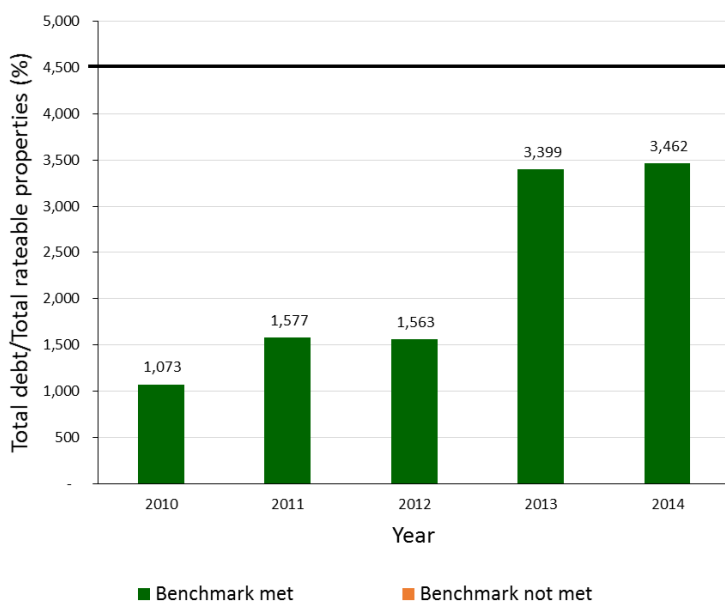
Total actual debt as a percentage of total actual assets

The following graph displays total actual debt as a percentage of total assets. Council’s benchmark is for total debt to remain less than 20% the total asset value.



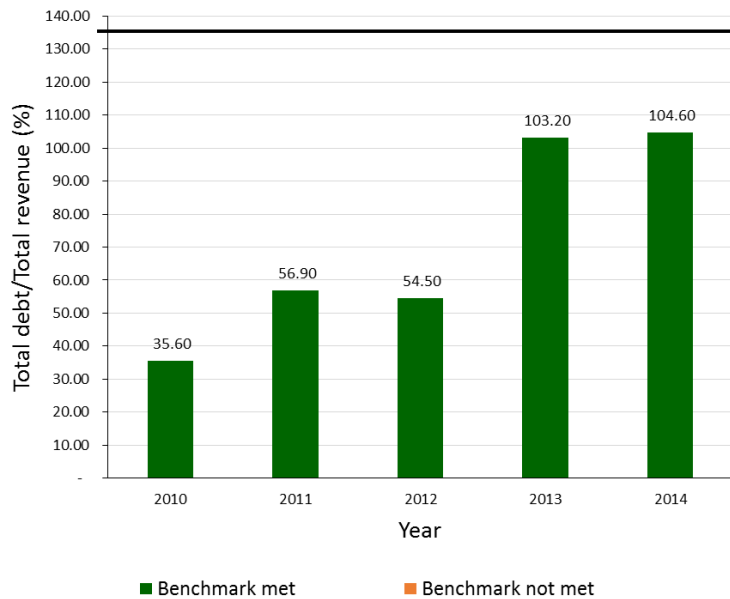
Total actual debt per rateable property

The following graph displays the total actual debt per rateable property. Council’s benchmark is for total debt per rateable property to remain less than \$4,500.



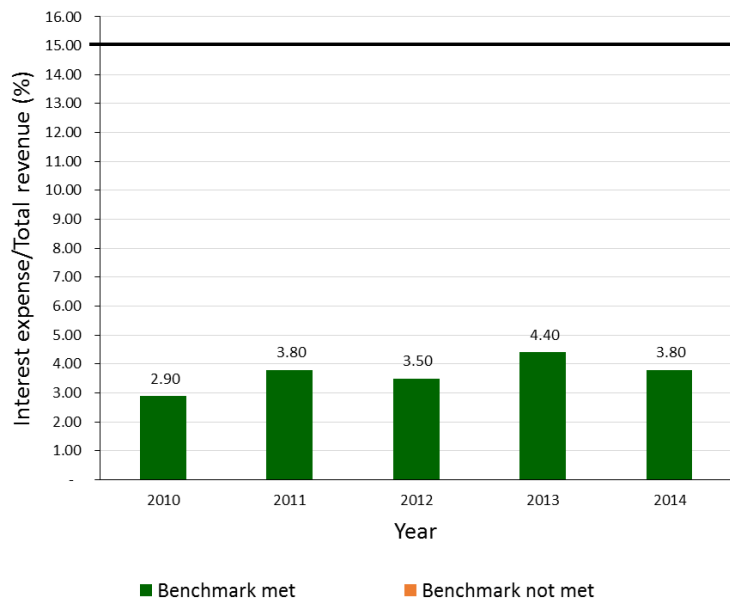
Total actual debt as a percentage of total actual revenue

The following graph displays total actual debt as a percentage of total revenue. Council's benchmark is for total debt to remain less than 135% of total revenue.



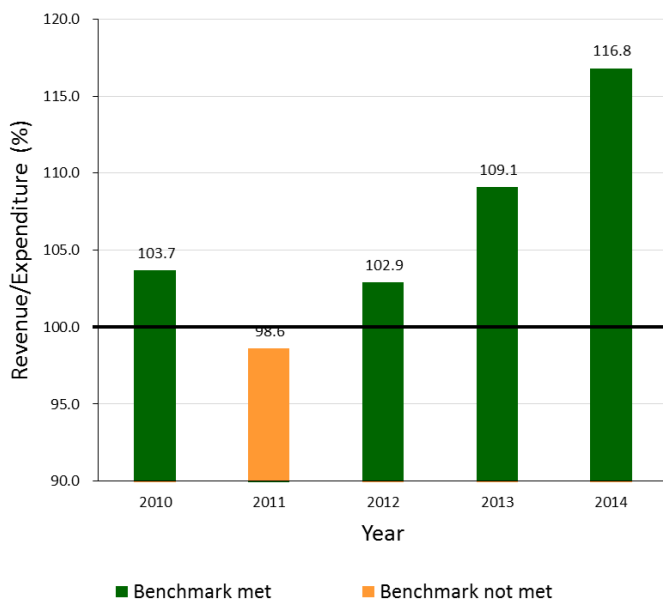
Actual interest expense as a percentage of total actual revenue

The following graph displays total actual interest expense as a percentage of total revenue. Council's benchmark is for total interest expenses to remain less than 15% of total revenue.



[3] Balanced budget benchmark

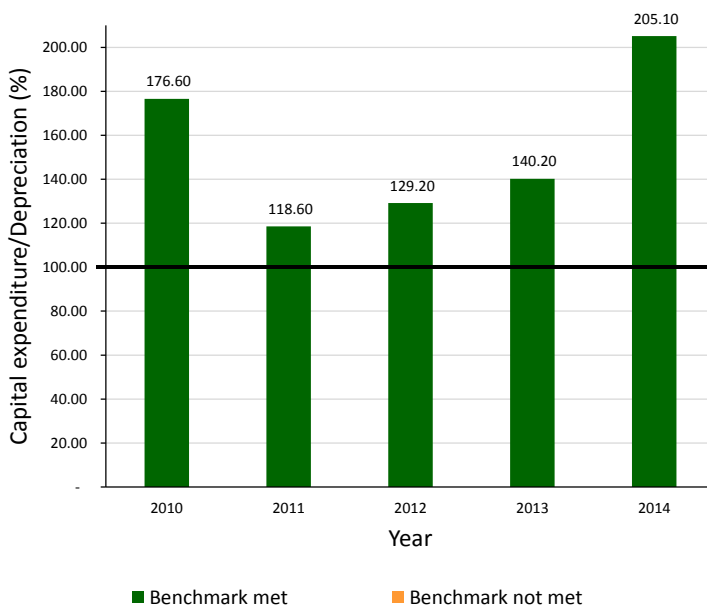
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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



[4] Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

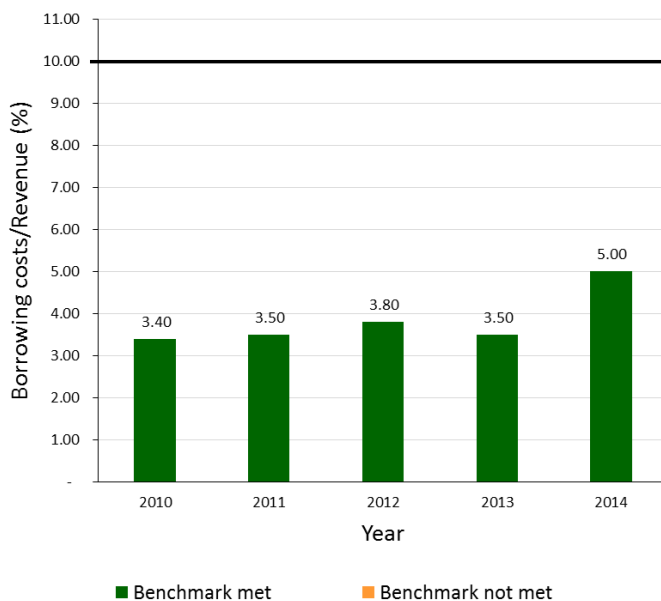
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



[5] Debt servicing benchmark

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

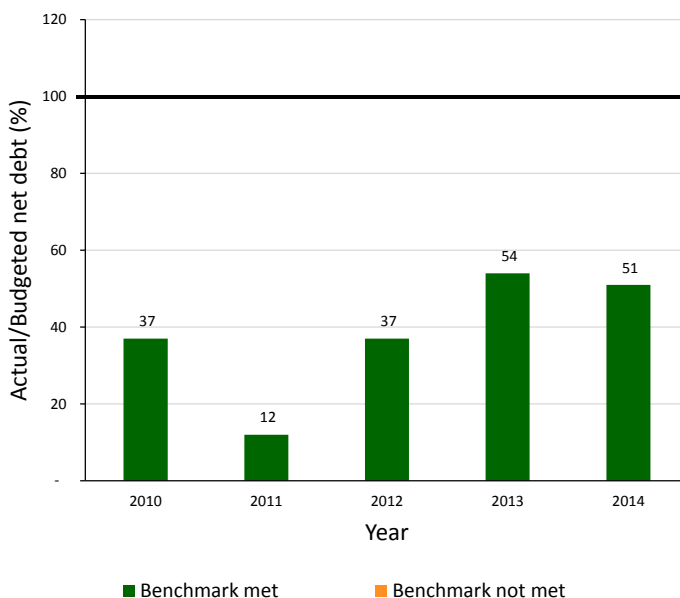
Because Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



[6] Debt control benchmark

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

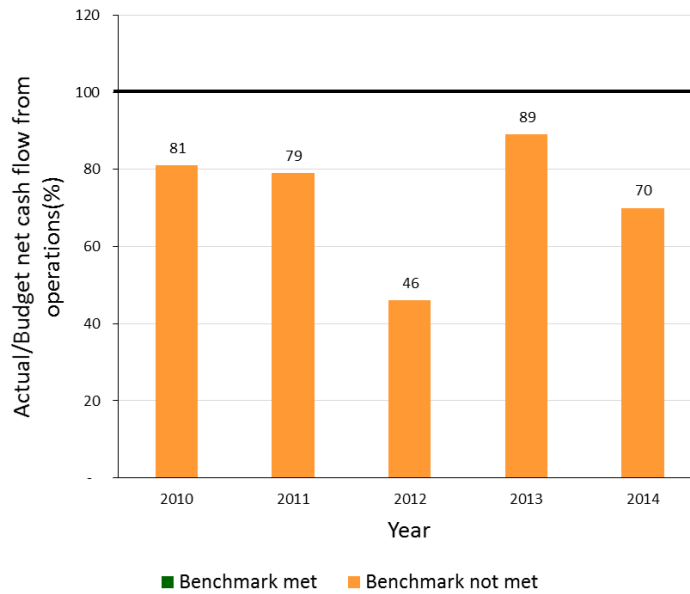
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



[7] Operations control benchmark

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

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



10 Rating base information

This information is provided in terms of Schedule 10 clause 30A of the Local Government Act 2002:

The annual report must state—

- a. the number of rating units within the district or region of the local authority at the end of the preceding financial year:*
- b. the total capital value of rating units within the district or region of the local authority at the end of the preceding financial year:*
- c. the total land value of rating units within the district or region of the local authority at the end of the preceding financial year.*

**As at 30 June
2013**

Total number of rating units	9,116
Total capital value of rating units	2,944,152,400
Total land value of rating units	1,518,213,600

PART D: Group of Activity Statements

Resident satisfaction survey–

Council used an independent research company to carry out a resident satisfaction survey on Council's behalf. The interviews took place between 5 August 2013 and 18 August 2013. Initial random sampling was combined with quota sampling to ensure a representative sample was achieved. Quotas were set for age, gender and area according to the 2006 Census.

The statistical margin of error for the total sample of 350 is plus/minus 5.3% at a 95% confidence level.

These same survey results have been disclosed for both and 2012/2013 and 2013/2014 (i.e. Council has not carried out a new survey). Council is satisfied that these results fairly reflect the result for both years given the timing of the survey and that no significant events have occurred subsequent to the survey that would be likely to influence the results.

1 Land transport

1.1 Activities included in this group

Land Transport includes the following key functions:

- Council roads (State Highways excluded as NZTA responsibility)
- Footpaths
- Bridges and large culverts
- Bus Shelters
- Promotion of road safety

The Car parking function is dealt with under the 'Other Transport' section.

The Coastal Pathway is included in this activity but is likely to be taken over by the Westland Wilderness Trust during the next few years.

1.2 Why we are involved in this activity/these activities

Council provides sealed roads (including bridges where necessary), footpaths, bus shelters and street lights so that motor vehicles, bicycles and pedestrians can travel efficiently and safely.

Modern society cannot function without access. Access is important as it enables the convenient movement of people and goods to places of work, trade, health services, education and recreation. Promotion of road safety is also important to avoid damage to property, injury and deaths while people are using land transport infrastructure.

1.3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality service of	By providing a safe-roading network	Minimum % of residents who agree that local roads are safe when using them.	75%	88%	88%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		Maximum percentage road crashes on local roads caused by road factors	35%	Nil	Nil	Of the 57 crashes reported, none of them were caused by road factors.
	Council will provide a local roading network that is 'fit for purpose'	Minimum % satisfied per survey with Council's roading network	80%	66%	66%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	Residents are provided with a reliable roading network	Minimum % satisfied with the way local roads are maintained.	75%	58%	58%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		Minimum % satisfied with the way footpaths are maintained.	60%	52%	52%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		Number of reported local road closures due to surface flooding is less than X per year.	30	Nil	Nil	None of the reported local road closures were due to surface flooding.
Financial sustainability	Services are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded). ¹	90%	89%	83%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service. The actual result is lower than target as Council has decreased its renewal expenditure in accordance with its approved NZTA programme.

¹ Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

1.4 Funding impact statement for land transport

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	2,574	2,627	2,581	2,649	2,721
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	1,581	1,612	1,514	1,319	1,384
Fees, charges, and metered rates for water supply	14	14	67	26	76
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	195	201	239	197	246
Total operating funding [A]	4,364	4,454	4,401	4,191	4,427
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2,661	2,787	2,243	2,614	2,004
Finance costs	31	30	7	29	11
Internal charges and overheads applied	72	75	294	76	447
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	2,764	2,892	2,544	2,719	2,462
Surplus (deficit) of operating funding [A - B]	1,600	1,562	1,857	1,472	1,965
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	2,663	2,573	2,545	2,794	1,536
Development and financial contributions	-	-	10	-	42
Increase (decrease) in debt	(4)	(5)	(15)	(5)	(16)
Gross proceeds from sale of assets	-	-	-	-	42
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	2,659	2,568	2,540	2,789	1,604
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	900	548	680	1,101	723
—to replace existing assets	3,498	3,724	3,140	3,174	2,108
Increase (decrease) in reserves	(139)	(142)	1	(14)	19
Increase (decrease) of investments	-	-	576	-	719
Total applications of capital funding [D]	4,259	4,130	4,397	4,261	3,569
Surplus (deficit) of capital funding [C - D]	(1,600)	(1,562)	(1,857)	(1,472)	(1,965)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

1.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	2,574	2,627	2,581	2,649	2,721
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	4,244	4,185	4,059	4,113	2,920
User charges & regulatory income (consent fees, infringements etc)	209	215	67	223	76
Internal charges and overheads recovered	-	-	-	-	-
Other income	43	44	249	44	288
Other gains/losses	-	-	-	-	24
Total income	7,070	7,071	6,956	7,029	6,029
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	2,661	2,787	2,243	2,614	2,004
Finance costs	31	30	7	29	11
Internal charges and overheads applied	72	75	294	76	447
Other operating expenditure	-	-	-	-	-
Depreciation	4,353	4,368	4,351	4,368	4,376
Total expenditure	7,117	7,260	6,895	7,087	6,838
Surplus (deficit) of activities	(47)	(189)	61	(58)	(809)

1.6 Variations from budget

- Subsidies and grants (operating and capital) are less than budget by \$1,193,000 as final approved programme from New Zealand Transport Agency (NZTA) was less than budgeted for. Given the approved programme and associated subsidy was reduced, Council reduced its expenditure accordingly (refer comments below)
- Payments to staff and suppliers/Operating & maintenance costs less than budget by \$610,000 given that the final approved programme from New Zealand Transport Agency (NZTA) was less than budgeted for. Given the approved programme and associated subsidy was reduced, Council has spent less where it can.
- Internal charges and overheads applied greater than budget by \$371,000 which relates to this amount being incorrectly classified as a 'payment to staff and suppliers' in the budget
- Capital expenditure —to improve the level of service: The decrease from budget of \$378,000 relates to a capital project was deferred awaiting approval from NZTA (refer disclosures below)
- Capital expenditure —to replace existing assets less than budget by \$1,066,000. This is due to the final approved programme from New Zealand Transport Agency (NZTA) being less than budgeted for. Given the approved programme and associated subsidy was reduced, Council spent less. Also some works were not completed in 2013/2014 and have been carried forward to 2014/2015.
- Increase (decrease) of investments is greater than budget by \$719,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

1.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
General renewals and miscellaneous new capital	2,588	2,555	2,395	2,248	1,938
General Bridge component renewals	484	502	236	255	177
Replacement of assets after severe weather	456	473	218	465	3
Rum Creek Bridge Renewal	-	107	-	106	-
Footpath Renewals	109	102	69	100	72
On-going minor safety improvements	257	266	304	330	192
Taylorville-Blackball Rd strengthening	289	267	-	771	-
Coastal Pathway	215	-	598	-	449
Total capital expenditure	4,398	4,272	3,820	4,275	2,831

General renewal projects and bridge renewals were less than budget/LTP due to a reduced approved programme and some work that has not been completed being carried forward to 2014/2015.

The Taylorville-Blackball Rd strengthening project has not been approved for funding from NZTA and therefore Council has delayed proceeding with the project.

Additional funds were spent on the Coastal Pathway compared to budget due to works being carried forward from previous years.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

1.8 Identified effects of these activities on the community

- With a high level of capital expenditure occurring (notably Greymouth wastewater upgrade and Dobson/Taylorville/Kaiata sewerage scheme) a number of roads have been dug up to allow the installation of new pipes. This has resulted in a short term decrease in the quality of these roads.
- On-going minor safety improvements have decreased the risk to users of the district's roading network.
- There has been a regular number of extreme weather events and the consequent impacts on roading infrastructure
- Continued reduction in funding (in real terms) from the NZTA for subsidised works in line with the Government Policy Statement on Land Transport Funding (i.e. no adjustment for inflation) has placed a higher financial burden on the local community.

2 Stormwater

2.1 Activities included in this group

Stormwater includes the following key functions:

- Management of Stormwater systems (mostly in urban residential areas) including public open drains.
- Flood prevention. This includes maintaining urban watercourses.

Note: Council has a minor Flood Protection responsibility in that it puts floodgates in place in specific locations when levels in the Grey River reach a specific height.

2.2 Why we are involved in this activity/these activities

Council needs to control stormwater to protect our community's health and safety and minimise property damage and access. Adequate collection and disposal arrangements are of critical importance and the flood prevention focus is important.

2.3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By providing a reliable and efficient stormwater system	Requirements of the Greymouth Flood Scheme Action Plan are met prior to and during significant storm events.	Achieved	Achieved	Achieved	A significant storm event is when the Grey River reaches 5 metres at the town of Dobson, which is a Stage 2 alarm in the Greymouth Flood Scheme Action Plan. There was one significant event in September 2013 where it was agreed not to assemble the Grey Area Flood Committee.
		Minimum % satisfied per survey with overall stormwater service.	65%	69%	69%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		Minimum % satisfied with the way their property drains stormwater in urban and residential areas.	60%	77%	77%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		Number of local road closures due to surface flooding is less than X per year.	30	Nil	Nil	None of the reported local road closures were due to surface flooding.
	Information is readily available on the schemes	Basic fact information provided on Council's web site. More detailed information is provided within 10 working days.	Achieved	Not Achieved	Not Achieved	Due to high level of capital works being undertaken by this department, staff were unable to meet this target.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Financial sustainability	Schemes are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) ²	40%	73%	84%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.
Environmental sustainability	Stormwater discharges are managed without adversely affecting the receiving environment.	Maximum number of resource consent breaches	Nil	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions.

² Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

2.4 Funding impact statement for stormwater

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	787	810	801	763	795
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and metered rates for water supply	-	-	3	-	7
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	787	810	804	763	802
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	296	314	279	260	207
Finance costs	79	77	19	74	34
Internal charges and overheads applied	135	139	171	137	156
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	510	530	469	471	397
Surplus (deficit) of operating funding [A - B]	277	280	335	292	405
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	13	-	-
Increase (decrease) in debt	237	(32)	(7)	(32)	(7)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	237	(32)	6	(32)	(7)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	130	-	-
—to improve the level of service	3	3	10	7	4
—to replace existing assets	511	245	180	253	44
Increase (decrease) in reserves	-	-	(128)	-	-
Increase (decrease) of investments	-	-	149	-	350
Total applications of capital funding [D]	514	248	341	260	398
Surplus (deficit) of capital funding [C - D]	(277)	(280)	(335)	(292)	(405)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

2.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	787	810	801	763	795
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory income (consent fees, infringements etc)	-	-	3	-	7
Internal charges and overheads recovered	-	-	-	-	-
Other income	17	18	13	18	-
Other gains/losses					10
Total income	804	828	817	781	812
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	296	314	279	260	207
Finance costs	79	77	19	74	34
Internal charges and overheads applied	135	139	171	137	156
Other operating expenditure	-	-	-	-	-
Depreciation	663	663	635	663	562
Total expenditure	1,173	1,193	1,104	1,134	959
Surplus (deficit) of activities	(369)	(365)	(287)	(353)	(147)

2.6 Variations from budget

1. Payments to staff and suppliers/operating and maintenance costs is \$53,000 less than budget due to some works being deferred due to a priority being given to other activities, notably wastewater.
2. Finance costs are \$40,000 less than budget due to some loan funded projects not proceeding as well as Council's average cost of borrowing being less than used in the forecasts.
3. There has been \$25,000 less debt repaid given that the activities carry less debt than original forecast when preparing the 2013/2014 budget.
4. \$209,000 less has been spent on renewing assets as many renewals have been deferred with resources committed to other projects, notably wastewater upgrades. The deferral has been on the basis that there would be no detriment to levels of service.
5. Increase (decrease) of investments is greater than budget by \$350,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.
6. Depreciation is \$101,000 less than budget, due to a large portion of the network being fully depreciated (i.e. near its end of life). There is also a slight variance due to capital expenditure in this year and prior years being deferred.

2.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
General renewals (replacement of assets)	244	245	184	253	47
Replace Nelson Quay stormwater pump	183	-	-	-	-
Structural repairs - Johnson St	84	-	-	-	-
Miscellaneous new capital	3	3	-	7	1
New stormwater developments	-	-	130	-	-
Runanga flood mitigation	-	-	6	-	-
Total capital expenditure	514	248	320	260	48

The majority of general renewals have been deferred with resources committed to other projects, notably wastewater upgrades. The deferral has been on the basis that there would be no detriment to levels of service.

Renewal projects have been identified through Council’s Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

2.8 Identified effects of these activities on the community

- The nature of some of Council’s stormwater network is such that overflows in higher rainfall are not uncommon. This has short term negative effects as overflows can enter private property and flow down secondary flow paths (such as roads)
- The on-going effects of climate change are potentially leading to more frequent high intensity storms which reduce the ability of stormwater systems to cope.
- The ongoing Greymouth wastewater upgrade is starting to demonstrate results for the Greymouth stormwater system working more efficiently.

3 Wastewater (sewerage)

3.1 Activities included in this group

Sewerage includes collection, treatment and disposal in the 6 Council schemes of:

- Wider Greymouth area (Greymouth, Cobden, Blaketown, Boddytown)
- Karoro, South Beach, Paroa
- Runanga/Dunollie
- Moana
- Blackball
- Iveagh Bay (Te Kinga)

3.2 Why we are involved in this activity/these activities

By collecting, treating and disposing of wastewater, Council provides a service to residents and businesses that supports development in the District and protects the physical environment and our community's health.

3.3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Note
Quality of service	By providing a safe service	Wastewater overflows into houses due to faults in the public reticulation.	Nil	Nil	Nil	No wastewater overflows into houses were reported in the 2013/2014.
		Maximum number of overflows affecting properties more than twice a year per 1000 properties.	20	Nil	2	There were two properties that received more than 2 overflows during the 2013/2014 year.
		Any non-compliance is publicly advertised: Within ½ hour on the website Same day on the local radio station The next publication of the local daily newspaper	Achieved	Achieved	Achieved	There were no reports of non-compliance in 2013/2014, and therefore no advertising was required.
	Residents overall satisfaction with the service	Minimum % satisfied per survey.	65%	67%	67%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	Residents are provided with a reliable and efficient sewerage service	Maximum number of customers who experience a public wastewater service problem in any year	20	60	70	This represents the actual reported service problems in the network and is mainly as a result of a large number of properties still having a combined stormwater/sewerage connection. These combined connections cause capacity issues however is expected to decrease as more residents connect to the new sewerage systems.
		All planned shutdowns are notified at least 24 hours prior	Achieved	Achieved	Achieved	There were no planned shutdowns in 2013/2014.
Information is readily available on the schemes	Basic fact information provided on Council's web side. More detailed information is provided within 10 working days.	Achieved	Not achieved	Not achieved	Due to high level of capital works being undertaken by this department, staff were unable to meet this target.	

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Note
---------------	--------------------------------	----------------------------	--------	------	------	------

Financial sustainability	Schemes are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) ³	45%	140%	99%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service. The actual result is a lot higher than the target largely due to the activity depreciation expense being lower than budget, which itself is due to the capital expenditure programme being behind target.
Environmental sustainability	Treated waste water discharges are managed without adversely affecting the receiving environment.	Maximum number of resource consent infringements	Nil	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions.

³ Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

3.4 Funding impact statement for wastewater

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (other than a metered rate for water supply)	2,012	2,182	2,107	2,115	2,075
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and metered rates for water supply	38	39	50	38	203
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	155	-	-	-	-
Total operating funding [A]	2,205	2,221	2,157	2,153	2,278
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	733	787	527	739	834
Finance costs	49	1,071	112	1,019	599
Internal charges and overheads applied	176	184	167	194	166
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	958	2,042	806	1,952	1,599
Surplus (deficit) of operating funding [A - B]	1,247	179	1,351	201	679
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	2,667	5,979	4,016	5,979	2,251
Development and financial contributions	13	14	88	14	9
Increase (decrease) in debt	14,488	180	13,317	179	(491)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	1,323
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	17,168	6,173	17,421	6,172	3,092
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	22,585	6,216	12,625	6,213	8,637
—to replace existing assets	209	481	145	474	176
Increase (decrease) in reserves	(4,372)	(338)	3,280	(314)	(5,057)
Increase (decrease) of investments	(7)	(7)	2,722	-	15
Total applications of capital funding [D]	18,415	6,352	18,772	6,373	3,771
Surplus (deficit) of capital funding [C - D]	(1,247)	(179)	(1,351)	(201)	(679)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

3.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,012	2,182	2,107	2,115	2,075
Subsidies and grants (operating and capital)	2,667	5,979	4,016	5,979	2,251
User charges & regulatory income (consent fees, infringements etc)	206	53	50	38	203
Internal charges and overheads recovered	-	-	-	-	-
Other income	13	13	88	27	1,332
Other gains/losses					166
Total income	4,898	8,227	6,261	8,159	6,027
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	733	787	527	739	834
Finance costs	49	1,071	112	1,019	599
Internal charges and overheads applied	176	184	167	194	166
Other operating expenditure	-	-	-	-	-
Depreciation	784	1,001	738	1,001	706
Total expenditure	1,742	3,043	1,544	2,953	2,305
Surplus (deficit) of activities	3,156	5,184	4,717	5,206	3,722

3.6 Variations from budget

1. Fees, charges, and metered rates for water supply are \$165,000 greater than budget, as a result of additional funds recovered from contracts where Council supplied materials direct.
2. Finance costs are \$420,000 less than budget as a result of both some debt being uplifted later during the year (due to the associated projects being delayed) and Council's average cost of borrowing being lower than forecast in the budget.
3. Subsidies and grants for capital expenditure are \$3,728,000 less than budget due to delays in major projects, notably the new Taylorville/Dobson/Kaiata scheme. Subsidies are paid based on actual expenditure incurred meaning the balance will be received in 2014/2015.
4. Debt has decreased by \$491,000 as compared to the budget forecasting a \$179,000 increase (\$670,000 difference) as given capital projects have not proceeded as quickly as anticipated and more reserve funds were available due to prior year delays Council was in a position to reduce the debt levels slightly.
5. Lump sum contributions are greater than budget by \$1,323,000 as it was a later decision by Council to accept lump sum contributions towards the Taylorville/Dobson/Kaiata wastewater scheme and the amount to be received was not included in the budget (albeit Council expected to receive far fewer lump sum contributions).
6. Capital expenditure to improve the level of service: \$2,424,000 more than budget spent which is due to works being carried forward from prior years.
7. Capital expenditure to replace existing assets is \$298,000 less than budget as many renewals have been deferred with resources committed to other projects, notably wastewater upgrades. The deferral has been on the basis that there would be no detriment to levels of service.
8. Increase (decrease) in reserves: Associated reserves (special funds) have decreased by an additional \$4,743,000 compared to budget. This is due to a delay in drawing down these reserves from prior years to project delays.

9. Depreciation is \$295,000 less than budget, due to the capital upgrade programme being behind schedule. When preparing the budgets it was anticipated more new assets would have been built to completion and would have therefore been incurring associated depreciation expense.

3.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
General renewals & miscellaneous new capital	209	214	145	195	166
Runanga system replacement	-	267	-	279	10
Greymouth wastewater upgrade	15,350	6,000	11,172	6,000	4,998
Runanga Pond effluent discharge upgrade	-	216	-	213	-
Dobson/Kaiata/Taylorville scheme	7,235	-	1,453	-	3,639
Total capital expenditure	22,794	6,697	12,770	6,687	8,813

Due to a variety of reasons, including contractor availability, works on the Greymouth wastewater upgrade have not progressed as quickly as planned in the budget. The majority of outstanding work will be carried out in the 2014/2015 financial year.

Work on the Dobson/Kaiata/Taylorville scheme has not progressed as quickly as planned in the prior year budget meaning work was carried forward to this financial year. Further work to complete the scheme will take place in 2014/2015.

Other renewal projects have been deferred given the commitments to the above two projects.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

3.8 Identified effects of these activities on the community

- With a high level of capital expenditure occurring (notably Greymouth wastewater upgrade and Dobson/Taylorville/Kaiata sewerage scheme) a number of roads have been dug up to allow the installation of new pipes. This has resulted in a short term decrease in the quality of these roads.
- The on-going upgrades and new schemes have placed a recognised financial burden on those required to fund them. Whilst this has a negative impact it is considered that they are outweighed by the positive impacts, such as reduced discharges to the environment.

4 Water supply

4.1 Activities included in this group

Water supply includes sourcing, treatment and distribution from the 5 Council water supply, schemes of:

- Wider Greymouth (Greymouth, Cobden, Blaketown, Boddytown, Karoro, South Beach, Paroa)
- Runanga/Dunollie/Rapahoe
- Stillwater
- Blackball
- Taylorville/Dobson

4.2 Why we are involved in this activity/these activities

We provide quality, affordable water and, in the process contribute to:

- Our community’s health
- Community safety (through water supply for firefighting)
- Industrial and residential development.

4.3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By providing a safe water supply	Any non-compliance is publicly notified as soon as practical, by advertising: <ul style="list-style-type: none"> • Within ½ hour on the website • Same day on the local radio station • The next available publication of the local daily newspaper 	Achieved	Achieved	Achieved	No boil water notice was undertaken so no notification was required.
		Maximum number of notifiable water supply transgressions with Drinking Water Standards per year <ul style="list-style-type: none"> • Greymouth • Blackball • Runanga • Dobson/Taylorville • Stillwater 	<ul style="list-style-type: none"> • Nil • Nil • 5 • 1 • 1 	<ul style="list-style-type: none"> • Nil • Nil • 1 • Nil • Nil 	<ul style="list-style-type: none"> • Nil • Nil • Nil • Nil • Nil 	The number of transgressions allowed within each area was within the targeted amount for 2013-14.
	Residents are happy with the appearance and taste of water	Minimum % satisfied per survey	90%	76%	76%	The Resident’s Satisfaction Survey was conducted in August 2013. The full report is available on Council’s website.
	Residents are happy with the pressure and flow	Minimum % satisfied per survey	80%	89%	89%	The Resident’s Satisfaction Survey was conducted in August 2013. The full report is available on Council’s website.
	Residents overall satisfaction with the service	Minimum % satisfied per survey	75%	72%	72%	The Resident’s Satisfaction Survey was conducted in August 2013. The full report is available on Council’s website.
		All planned shutdowns are notified at least 24 hours prior	Achieved	Achieved	Achieved	There were 10 planned shutdown which were notified at least 24 hours prior.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Access to the service	Council will provide a reliable water supply	The number of unplanned interruptions (affecting mains and rider mains) per year does not exceed the following amounts (total for all schemes):	120	128	142	The actual result is higher than target which reflects the ageing and deteriorating condition of parts of the supply network.
Financial sustainability	Schemes are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) ⁴	90%	109%	114%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.
Environmental sustainability	Water is sourced from a sustainable resource	Maximum number of resource consent infringements	Nil	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions.

⁴ Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

4.4 Funding impact statement for water supply

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (other than a metered rate for water supply)	1,506	1,658	1,571	1,639	1,648
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and metered rates for water supply	338	350	257	341	238
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	3	-	-
Total operating funding [A]	1,844	2,008	1,831	1,980	1,886
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	943	1,003	914	949	818
Finance costs	331	377	117	359	238
Internal charges and overheads applied	90	99	249	101	215
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	1,364	1,479	1,280	1,409	1,271
Surplus (deficit) of operating funding [A - B]	480	529	551	571	615
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	693	-	927	215
Development and financial contributions	-	-	23	-	4
Increase (decrease) in debt	1,219	651	380	905	(27)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	1,219	1,344	403	1,832	192
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	1,054	1,392	179	1,943	454
—to replace existing assets	653	482	647	466	197
Increase (decrease) in reserves	(8)	(1)	(47)	(6)	31
Increase (decrease) of investments	-	-	175	-	125
Total applications of capital funding [D]	1,699	1,873	954	2,403	807
Surplus (deficit) of capital funding [C - D]	(480)	(529)	(551)	(571)	(615)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

4.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	1,844	2,008	1,828	1,980	1,883
Subsidies and grants (operating and capital)	-	693	-	927	215
User charges & regulatory income (consent fees, infringements etc)	-	-	-	-	3
Internal charges and overheads recovered	-	-	-	-	-
Other income	13	13	26	13	4
Other gains/losses	-	-	-	-	69
Total income	1,857	2,714	1,854	2,920	2,174
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	943	1,003	914	949	818
Finance costs	331	377	117	359	238
Internal charges and overheads applied	90	99	249	101	215
Other operating expenditure	-	-	-	-	-
Depreciation	541	576	396	576	390
Total expenditure	1,905	2,055	1,676	1,985	1,661
Surplus (deficit) of activities	(48)	659	178	935	513

4.6 Variations from budget

1. Fees, charges, and metered rates for water supply are below budget by \$103,000. This relates to a decrease in metered water charges due to an overall decrease in the actual usage, largely brought about by the downturn in the economy. This includes one large consumer no longer operating.
2. Payments to staff and suppliers less than budget by \$131,000 due to some works being deferred due to a priority being given to other activities, notably wastewater.
3. Finance costs are \$121,000 less than budget as a result of both some debt being uplifted later during the year (due to the associated projects being delayed) and Council's average cost of borrowing being lower than forecast in the budget.
4. Internal charges and overheads applied higher than budget by \$114,000. Per previous years the actual time of staff input has been higher than aimed for with the budgets. This has included responding to issues such as water contamination which have have required a large amount of staff input.
5. Subsidies and grants for capital expenditure are \$712,000 less than budget due to delays in projects that are to receive Ministry of Health subsidies (Dobson/Taylorville supply upgrade and Runanga supply upgrade).
6. Increase (decrease) in debt - \$932,000 less debt uplifted due to a delay in proceeding with water supply upgrades and the required debt funding not yet being required.
7. Capital expenditure to improve the level of service: \$1,489,000 less than budget spent which is due to major upgrade projects being delayed (refer disclosures below).
8. Capital expenditure to replace existing assets is \$269,000 less than budget as many renewals have been deferred with resources committed to other projects, notably wastewater upgrades. The deferral has been on the basis that there would be no detriment to levels of service.
9. Increase (decrease) of investments is greater than budget by \$125,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same

amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

10. Depreciation is \$186,000 less than budget, due to the capital upgrade programme being behind schedule. When preparing the budgets it was anticipated more new assets would have been built to completion and would have therefore been incurring associated depreciation expense.

4.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
General renewals & miscellaneous new capital	652	482	405	469	303
Life lines renewals and upgrades	-	-	267	-	-
Greymouth Pressure Reduction	38	-	-	60	-
Greymouth Filtration - Plant upgrade	1,017	-	66	-	-
Greymouth reservoir - roof replacement	-	-	88	-	-
Runanga Water Supply - Plant upgrade	-	699	-	687	2
Dobson/Taylorville - connect to Greymouth	-	693	-	1,193	5
Stillwater - connect to Greymouth	-	-	-	-	341
Total capital expenditure	1,707	1,874	826	2,409	651

The Runanga Water Supply upgrade has been delayed whilst Council deals with other priority projects (wastewater) and also work through final design issues with the community and Ministry of Health.

The Dobson/Taylorville upgrade has been delayed whilst Council deals with other priority projects (wastewater)

The Stillwater upgrade was brought forward in the schedule due to on-going issues with the existing supply giving this project a higher priority.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

4.8 Identified effects of these activities on the community

- There have been on-going problems associated with the protection of the Runanga water supply. The risk of contamination is increased after flood events, and contamination has occurred in 2013/2014. Upgrades have been signalled in the Long Term Plan, and options for this are currently being worked through and finalised with the community and Ministry of Health.
- The Stillwater water supply has experienced regular discolouration, which requires filters to be used on individual properties. This will be resolved with the upgrade of this supply in the next 12 – 24 months.
- Due to drought conditions over summer water restrictions were required to be implemented for a short period.

5 Solid waste (refuse and recycling)

5.1 Activities included in this group

Waste management involves:

- Refuse collection
- Recovery of recyclable materials
- Management of Landfill and Clean fill-Resource Recovery Centres
- Management of minor quantities of hazardous waste
- Litter Bin management
- Waste minimisation
- Environmental monitoring, also of closed refuse facilities

Litter control is a Regulatory function and is covered under a separate Activity Management Plan.

5.2 Why we are involved in this activity/these activities

Solid waste management is necessary for the health and quality of life of the community, the local economy and the environment.

5.3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By providing a convenient service	Minimum % of residents are satisfied facilities (litter bins, recycling stations, recycling centre) are kept clean and tidy.	75%	77%	77%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	Residents overall satisfaction with the service	Minimum % satisfied per survey.	90%	76%	76%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Access to the service	By providing convenient services that our residents are aware of and understand	Minimum % of waste collected, is recycled ⁵	35%	13%	7%	This has been calculated measuring the recyclables to market, which is 107,960 kilograms, as a proportion of total waste and recyclables, 1,613,021 kilograms. It is believed that the quality of recyclables, specifically paper, has not been of high enough quality to go to market, which is reflected in figure above. Council has provided funding in 2013-2014 for the expansion of the dry storage area to allow the contractor to collect and store recyclables. This will allow the contractor to obtain a higher value for the quantity and quality of recyclables. The original facility was built on the assumption that no processing would be done on site, however we now have the Materials Recovery Facility (MRF).
	Residents are provided with a reliable service	Minimum % satisfied that waste and recyclables are collected on time, (where services are provided).	90%	91%	91%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	Information is readily available on the schemes	Basic fact information provided on Council's web site. More detailed information is provided within 10 working days.	Achieved	Not Achieved	Not Achieved	Due to high level of capital works being undertaken by this department, staff were unable to meet this target.
Financial sustainability	Facilities and services are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) ⁶	100%	107%	110%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.
Environmental sustainability	Solid Waste facilities and services are managed without adversely affecting the receiving environment.	Maximum number of resource consent infringements	Nil	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions.

⁵ Where Council provides a recycling service.

⁶ Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

5.4 Funding impact statement for solid waste

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	177	140	182	104	111
Targeted rates (other than a metered rate for water supply)	1,100	1,139	1,184	1,184	1,214
Subsidies and grants for operating purposes	36	36	40	36	42
Fees, charges, and metered rates for water supply	653	720	609	620	546
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	36	36	-	-	-
Total operating funding [A]	2,002	2,071	2,015	1,944	1,913
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	1,699	1,739	1,510	1,641	1,277
Finance costs	69	64	42	61	69
Internal charges and overheads applied	96	100	125	109	106
Other operating funding applications	-	-	52	-	115
Total applications of operating funding [B]	1,864	1,903	1,729	1,811	1,567
Surplus (deficit) of operating funding [A - B]	138	168	286	133	346
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(79)	(85)	(132)	(85)	(312)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(79)	(85)	(132)	(85)	(312)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	30	31	27	26	17
—to replace existing assets	17	39	58	12	22
Increase (decrease) in reserves	12	13	16	10	-
Increase (decrease) of investments	-	-	53	-	(5)
Total applications of capital funding [D]	59	83	154	48	34
Surplus (deficit) of capital funding [C - D]	(138)	(168)	(286)	(133)	(346)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	177	140	182	104	111
Targeted rates (including targeted rates for water supply)	1,100	1,139	1,184	1,184	1,214
Subsidies and grants (operating and capital)	36	36	40	36	42
User charges & regulatory income (consent fees, infringements etc)	689	756	609	620	546
Internal charges and overheads recovered	-	-	-	-	-
Other income	-	-	-	-	-
Other gains/losses					19
Total income	2,002	2,071	2,015	1,944	1,932
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	1,699	1,739	1,510	1,641	1,277
Finance costs	69	64	42	61	69
Internal charges and overheads applied	96	100	125	109	106
Other operating expenditure	-	-	52	-	115
Depreciation	111	113	212	113	165
Total expenditure	1,975	2,016	1,941	1,924	1,732
Surplus (deficit) of activities	27	55	74	20	200

5.6 Variations from budget

1. Payments to staff and suppliers lower than budget by \$364,000 due to cost savings being delivered across a number of operational lines. Council's current commitment to purchasing and surrendering emission units per its ETS obligations has cost less in 2013/2014 than budgeted.
2. An additional amount of debt has been repaid, \$227,000 higher than budget. The estimated useful life of the current landfill cell is now known to be less than forecast when preparing the budget. Other expenditure savings have therefore been applied to repaying the associated debt with the landfill cell in order to repay the total debt prior to the end of its useful life.

5.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
Miscellaneous renewals & new capital	22	44	58	12	22
McLeans recycling area	-	-	17	-	-
Old Cobden landfill - reinstatement of area	25	26	10	26	17
Total capital expenditure	47	70	85	38	39

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

5.8 Identified effects of these activities on the community

- The introduction of kerbside recycling to the 'greater Greymouth' area has resulted in a significant reduction in the volume of waste being dumped in the landfill. This has a long term positive impact as the landfill facility can offer a longer useful life.
- The 'bring to' recycling facility at McLeans landfill has also been successful in providing a service for those who do not have the kerbside recycling service.
- The provision of environmentally compliant solid waste management services comes at a relatively high cost. Whilst this is accepted by most, a minority choose to dispose of refuse illegally. The cost of illegal dumping is wherever possible recovered from the offending party.

6 Emergency management

6.1 Activities included in this group

Emergency management includes:

- Civil Defence and Emergency Management, including:
 - Developing, implementing and monitoring District-wide emergency management plans.
 - Promoting community preparedness for emergencies.
 - Working with other authorities, both locally and in the Region to plan for and respond to hazards, risks and emergencies.
 - Mobilising and responding in the event of an emergency.
- Rural Fires:-management of and participation in the West Coast Rural Fire Authority (WCRFA) and controlling permitted fires.

6.2 Why we are involved in this activity/these activities

It is most important to make sure that our District is prepared for emergencies. The District is not only in a high rainfall area and, therefore subject to flooding, but inundation, cyclones and tornados have in the past caused problems. Most importantly, the District is a high risk earthquake area.

Council subscribes to the principles of “reduce, readiness, response, recovery”.

6.3 Performance measurement

EMERGENCY MANAGEMENT

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By emergency management personnel being aware of their roles and being proficient in the execution of duties	The number of in-house/national training exercises participated in annually.	2	2	2	The two exercises were: <ul style="list-style-type: none"> • Ex Twister September 2014 • Ex Flare Up December 2013
		A minimum percentage of personnel trained to CIMS 4 standard	80%	92%	79%	31 out of 39 Grey District Council Staff who man the Emergency Operations Centre are trained to the CIMS 4 standard.
Coverage of the service	By encouraging greater public awareness and participation from the public to be better prepared for emergency situations.	A minimum percentage of schools and pre-school organisations visited annually to deliver the “be better prepared” message.	80%	33%	52%	13 out of the 25 schools and pre-schools were visited, including Barrytown, Lake Brunner, Cobden, Grey High, and John Paul II.
	Information is readily available on service	Relevant details and plans are posted on Council’s website	Achieved	Achieved	Achieved	All Civil Defence Plans are on the website.
	Our residents are prepared for an emergency	% of residents surveyed who feel they are prepared to cope in an emergency	80%	72%	72%	The Resident’s Satisfaction Survey was conducted in August 2013. The full report is available on Council’s website.

RURAL FIRE

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By providing an efficient service	For the Zone management by Council (Zone 4) Council meets National Rural Fire Authority requirements.	Achieved	Achieved	Achieved	Council received a 'Satisfactory' performance against the National Rural Fire Authority's Performance Monitoring and Evaluation Framework (PMEF).
Quality of and Access to the service	By providing an efficient and convenient rural fire service	Maximum time to process and issue new Fire Permits will be 3 working days and renewals, 1 working day.	Achieved	Achieved	Achieved	491 of 491 fire permits and renewals were processed in 1 working day.
	Information is readily available on the service	Basic fact information provided on Council's web site. More detailed information is provided within 10 working days.	Achieved	Not Achieved	Not Achieved	Due to high level of capital works being undertaken by this department, staff were unable to meet this target.

6.4 Funding impact statement for emergency management

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	173	198	178	166	173
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	5	5	-	5	-
Fees, charges, and metered rates for water supply	16	16	1	16	7
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	194	219	179	187	180
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	117	119	94	118	158
Finance costs	3	5	-	4	-
Internal charges and overheads applied	65	68	47	55	38
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	185	192	141	177	196
Surplus (deficit) of operating funding [A - B]	9	27	38	10	(16)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	16	26	(3)	25	(3)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	16	26	(3)	25	(3)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	22	50	-	35	16
—to replace existing assets	3	3	-	-	-
Increase (decrease) in reserves	-	-	-	-	9
Increase (decrease) of investments	-	-	35	-	(44)
Total applications of capital funding [D]	25	53	35	35	(19)
Surplus (deficit) of capital funding [C - D]	(9)	(27)	(38)	(10)	16
Funding balance: [A - B] + [C - D]	-	-	-	-	-

6.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	173	198	178	166	173
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	5	5	-	5	-
User charges & regulatory income (consent fees, infringements etc)	16	16	1	16	7
Internal charges and overheads recovered	-	-	-	-	-
Other income	-	-	-	-	-
Other gains/losses	-	-	-	-	-
Total income	194	219	179	187	180
EXPENDITURE					
Staff costs	42	44	39	40	57
Operating & maintenance costs	75	75	55	78	101
Finance costs	3	5	-	4	-
Internal charges and overheads applied	65	68	47	55	38
Other operating expenditure	-	-	-	-	-
Depreciation	7	15	4	15	4
Total expenditure	192	207	145	192	200
Surplus (deficit) of activities	2	12	34	(5)	(20)

6.6 Variations from budget

1. Payments to staff and suppliers \$40,000 higher than budget which is largely related to Council's expenses incurred in responding to the Easter Storm (Cyclone Ita).
2. Increase (decrease) in debt: Debt has decreased by \$3,000, compared to a budgeted overall increase of \$25,000. Capital projects requiring debt funding have not proceeded at this stage due to other priorities.
3. Increase (decrease) of investments is greater than budget by \$44,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

6.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
Miscellaneous renewals & new capital	25	19	-	-	7
Purchase of Tanker Truck	-	34	-	33	-
New rural fire equipment	-	-	-	2	9
Total capital expenditure	25	53	-	35	16

The purchase of the Tanker Truck for Rural Fire has been delayed whilst additional funds are being sought from third parties.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

6.8 Identified effects of these activities on the community

- The ongoing pro-active measures undertaken serve to build a community more resilient and prepared for emergencies.

7 Environmental services

7.1 Activities included in this group

Environmental services include:

- Environmental Planning
- Amenity Management
- Environmental Health
- Building Control
- Animal Control

Local Government legislation requires that Council, where possible, maintain a clear division between its operational and regulatory functions. Local authorities, as facilitators of development and growth, also have to comply with statutory requirements and administer legislative powers in a fair and objective manner, and avoid conflicts of interest. It is for this reason that these activities are in the same grouping.

7.2 Why we are involved in this activity/these activities

Council undertakes these activities to contribute to providing a safe, healthy and sustainable environment.

- The environmental planning service ensures the District is able to promote development to support a prosperous community without compromising rights of residents and the District's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.
- Council's building control services ensures that the District's buildings and other associated structures (such as swimming pools) are safe, habitable and meet National legislative requirements. Of particular importance is Council's role in advising on and where necessary enforcing the statutory provisions relating to earthquake prone buildings.
- Amenity management activities focus on working with the community to ensure the District remains a peaceful and attractive place to live and work. By the careful application of Bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping and respond to noise nuisances, as well as encourage residents to maintain tidy sections.
- Environmental health services aims to protect our community from infectious and notifiable diseases by promoting food safety practices in food establishments. This activity also aims to ensure that hairdressing businesses, gaming machines, camping grounds and those selling liquor conform to appropriate standards.
- Dog and Stock control service aims to provide a safer District by reducing dog-related offences through ensuring the registration of dogs, the education of their owners and the investigation of complaints. In addition this service seeks to support safer road and rail corridors by responding to complaints about wandering stock and working with landowners to maintain stock proof fencing.

7.3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	We will efficiently process information requests and consent applications within statutory time limits	% of Land Information Memoranda (LIMs) issued within 10 working days of application	100%	97%	86%	157 of 182 Land Information Memoranda (LIMs) issued within 10 working days of application. The target was not achieved due to an increase in workload but no increase in staff.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes	
		% of non-notified land use consents processed within 20 working days	100%	100%	100%	86 of 86 land use consents were processed within the targeted timeframe.	
		% Building consents and Code of Compliance Certificates issued with statutory time limits	100%	100%	100%	357 of 357 building consents and 545 of 545 Code of Compliance Certificates were processed within the statutory time frame.	
		% of building inspection undertaken at agreed times	95%	99%	99%	Staff are confident that 99% of appointments are undertaken at agreed times. No complaints were reported regarding missed appointments.	
	We will ensure that buildings within the District are safe and meet national quality standards	% of owners of earthquake prone buildings in the District aware of their obligations to strengthen their buildings to the required standard	100%	100%	100%	All owners of buildings with earthquake prone issues received information regarding their obligations to strengthen their buildings.	
		Maintain accreditation as a building consent authority	Achieved	Achieved	Achieved	The Grey District Council continues to be an Accredited Building Consent Authority, as assessed by International Accreditation New Zealand.	
	We will provide for a safer District by promoting responsible dog ownership and monitoring food and liquor premises	% of known dogs registered by August each year	95%	87%	96%	2,760 of 2,864 total known dogs were registered by August 2013.	
		% food premises inspected each year	100%	100%	100%	89 of 89 food premises were inspected in 2013-14.	
		% of premises requesting new and renewed liquor licences that are inspected.	100%	100%	100%	67 of 67 premises requesting new and renewed liquor licences were inspected in 2013-14.	
	Availability of the service	We will respond to service requests in a timely manner	% after hours noise and animal control complaints responded to within 2 hours	95%	91%	100%	356 of 356 after hour's noise and animal control complaints were responded to within 2 hours.
			% complaints about breaches of bylaws and District Plan rules responded to within 5 working days	95%	97%	100%	48 of 48 complaints about breaches of bylaws and District Plan rules were responded to within 5 working days.
Financial sustainability	We will recover actual and reasonable costs for consent applications	% recovery of actual and reasonable costs	80%	51%	52%	This has been expressed as the percentage of user fee income against total operating expenditure. The recovery from building consenting was 76%, but has been offset by the reduced volume of resource consents being processed, which only had a 13% recovery from user fees	
	We will recover reasonable and actual costs for enforcement related activities	% recovery of actual and reasonable costs	80%	45%	52%	This has been expressed as the percentage of user fee income against total operating expenditure. Recoveries in these activities are inherently difficult.	

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Environmental sustainability	We will ensure that the District Plan remains effective in delivering sustainable development	% of land use consents issued since 2005 are monitored for compliance with conditions	20%	As required	As required	The monitoring needs of ALL 74 land use consents is determined as Council issues them i.e. no monitoring required/complete, or will be monitored by the building inspectors/engineers/finance team, or will need to be monitored so an appropriate bring-back date is assigned and do so accordingly. Monitoring is fluid as it can only occur when the consented activity is established and may require one or more frequent inspections and in some cases is on an on-going basis e.g. once per year.
		Review and update District Plan in line with agreed programme	Programme developed	Programme on hold	Programme on hold	The Programme is on hold while Council works to keep rate rises down.
		% of residents satisfied with their environment	90%	55%	55%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Cultural sustainability	We will consult <i>Iwi</i> on all new policies, bylaws, District Plan changes and notified resource consents	%of new policies, bylaws, DP changes and notified resource consents that have involved <i>Iwi</i> consultation	100%	Not required	Not required	No consent reached a threshold where high level consultation with <i>Iwi</i> was triggered.

7.4 Funding impact statement for environmental services

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	848	911	860	840	862
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and metered rates for water supply	1,129	1,164	915	1,030	948
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	41	42	83	42	178
Total operating funding [A]	2,018	2,117	1,858	1,912	1,988
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	411	431	311	335	362
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,641	1,722	1,575	1,616	1,456
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	2,052	2,153	1,886	1,951	1,818
Surplus (deficit) of operating funding [A - B]	(34)	(36)	(28)	(39)	170
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	43	44	82	43	24
Increase (decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	42
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	43	44	82	43	66
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	8	8	-	-	-
—to replace existing assets	143	-	41	146	100
Increase (decrease) in reserves	(142)	-	73	(142)	(50)
Increase (decrease) of investments	-	-	(60)	-	186
Total applications of capital funding [D]	9	8	54	4	236
Surplus (deficit) of capital funding [C - D]	34	36	28	39	(170)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

7.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	848	911	860	840	862
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory income (consent fees, infringements etc)	1,213	1,250	915	1,030	948
Internal charges and overheads recovered	-	-	-	-	-
Other income	-	-	165	85	202
Other gains/losses	-	-	-	-	-
Total income	2,061	2,161	1,940	1,955	2,012
EXPENDITURE					
Staff costs	1	1	1	-	10
Operating & maintenance costs	410	430	310	335	352
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,641	1,722	1,575	1,616	1,456
Other operating expenditure	-	-	-	-	-
Depreciation	37	38	23	-	12
Total expenditure	2,089	2,191	1,909	1,951	1,830
Surplus (deficit) of activities	(28)	(30)	31	4	182

7.6 Variations from budget

1. Fees, charges, and metered rates for water supply less than budget by \$82,000 due to consent fees continuing to be lower due to the economic climate.
2. Local authorities fuel tax, fines, infringement fees, & other receipts are higher than budget by \$136,000. This is mainly due to additional fines being issued for 'freedom camping' infringements.
3. Internal charges and overheads applied are \$160,000 less than budget. Given user fee recoveries were below budget expenditures were cut where practical.
4. Increase (decrease) of investments is greater than budget by \$186,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

7.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
Replacement of operational vehicles	143	-	39	140	100
Miscellaneous renewals & new capital	8	8	2	6	-
Total capital expenditure	151	8	41	146	100

Renewal projects have been identified through Council’s Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

7.8 Identified effects of these activities on the community

- During the year Council made minor amendments to its Earthquake-Prone Buildings (EQPB) Policy. In developing this policy the Grey District Council must balance the need to protect public health and safety against the economic implications of requiring significant remedial building work and the community’s desire to protect historic structures and the West Coast heritage. Council has continued to proactively engage with the community and building owners concerning their obligations under the policy.

8 Other transport

8.1 Activities included in this group

Other transport includes:

- Greymouth Airport which includes:
 - The airport including the runway, taxi area, grass runway for use by micro light aircraft as well as navigation lights.
 - The Greymouth Aero Club as service provider to incoming and departing aircraft.
 - Management of the land portfolio in the form of land leases and rights to occupy.
- Parking, which involves:
 - The provision of parking.
 - Regulating the use of parking.
- Port of Greymouth which involves:
 - Managing the port, the breakwaters, wharves and the slipway.
 - Managing the navigation safety function.
 - Managing the land holding portfolio.

8.2 Why we are involved in this activity/these activities

Council provides these services as part of a much wider array of services aimed at improving the health, safety, enjoyment and connectedness of our community. Each component contributes as follows:

- The Airport not only provides the opportunity for use by smaller commercial and private aircraft but also provides a convenient transport option for Grey Base Hospital for the transfer of patients and staff as well for emergency air rescue services. In addition it is an important training venue for related activities and defensive driver training.
- The Airport is an important strategic asset.
- The Parking function is an integral component of a vibrant and growing CBD and important access to other key services in the District. It provides for safety and convenient access to commercial, educational and service industries and venues.
- Port of Greymouth is an important fishing asset as it is located closest to the lucrative Hokitika Trench fishing grounds. It provides safe berthage to a local and, from time to time visiting fishing fleet as well. It is home to the fish handling and processing activities of 2 firms.

8.3 Performance measurement

AIRPORT

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By providing a safe service	Meet Civil Aviation Authority requirements for the Airport.	Achieved	Achieved	Achieved	The Aerodrome meets the requirements set out by Civil Aviation Rule Part 139 Aerodrome - Certification, Operation and Use.
	By providing residents with a service they are happy with	Minimum % satisfied that the airport is run efficiently.	55%	48%	48%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	Information on Facilities is readily available on the schemes	Basic fact information provided on Council's web site. More detailed information is provided within 10 working days of request.	Achieved	Not Achieved	Not Achieved	Due to high level of capital works being undertaken by this department, staff were unable to meet this target.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Financial sustainability	Facilities and services are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) ⁷	100%	105%	146%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.

PARKING

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By maintaining safe, convenient and accessible parking in the CBD	Off road car parks are inspected annually for deterioration in surface seal, markings and signage. Information on remedial action will be made publicly available via the monthly meeting agenda.	Yes	Yes	Yes	Car parks were inspected and as a result, the Badger Lane car park upgraded. There were no reported complaints in 2013/2014.
		Public satisfied with the availability of public parking	75%	79%	79%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Access to service	Through forward planning	Development of and implementation of a parking strategy for the CBD and environs with key stakeholders	Plan developed	To be investigated as part the CBD Renewal Project.	To be investigated as part the CBD Renewal Project.	The CBD Renewal Project was identified as part of the Community Economic Development Strategy 2013-23.

PORT OF GREYMOUTH

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By providing residents with a service they are happy with	Minimum % satisfied that the port is run efficiently.	55%	35%	35%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.

⁷ Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

8.4 Funding impact statement for other transport

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	214	220	217	217	222
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and metered rates for water supply	409	415	370	444	421
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	67	69	73	71	39
Total operating funding [A]	690	704	660	732	682
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	623	620	879	565	627
Finance costs	36	48	53	49	114
Internal charges and overheads applied	224	234	245	246	210
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	883	902	1,177	860	951
Surplus (deficit) of operating funding [A - B]	(193)	(198)	(517)	(128)	(269)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	300	-	177	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	263	96	445	89	(80)
Gross proceeds from sale of assets	-	165	10	166	548
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	251
Total sources of capital funding [C]	563	261	632	255	719
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	311	-	179	-	-
—to replace existing assets	3	3	6	69	71
Increase (decrease) in reserves	56	60	(227)	58	215
Increase (decrease) of investments	-	-	157	-	164
Total applications of capital funding [D]	370	63	115	127	450
Surplus (deficit) of capital funding [C - D]	193	198	517	128	269
Funding balance: [A - B] + [C - D]	-	-	-	-	-

8.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	214	220	217	217	222
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	300	-	177	-	-
User charges & regulatory income (consent fees, infringements etc)	476	484	370	444	421
Internal charges and overheads recovered	-	-	-	-	-
Other income	-	132	83	237	290
Other gains/losses					244
Total income	990	836	847	898	1,177
EXPENDITURE					
Staff costs	224	231	188	183	196
Operating & maintenance costs	399	389	691	382	431
Finance costs	36	48	53	49	114
Internal charges and overheads applied	224	234	245	246	210
Other operating expenditure	-	-	-	-	-
Depreciation	276	276	263	276	230
Total expenditure	1,159	1,178	1,440	1,136	1,181
Surplus (deficit) of activities	(169)	(342)	(593)	(238)	(4)

8.6 Variations from budget

1. Payments to staff and suppliers \$62,000 higher than budget which is largely related to Council's expenses incurred in responding to the Easter Storm (Cyclone Ita).
2. Finance costs \$65,000 higher than budget as the port continues to carry a higher debt than budgeted.
3. Gross proceeds from sale of assets \$382,000 higher than budget relating to the sale of surplus port land, the extent of which wasn't factored into the budget
4. Other dedicated capital funding - \$251,000 higher than budget. This relates to the insurance settlement for the demolished goods sheds, that were damaged in the Easter 2014 storm.
5. Increase (decrease) in reserves, an additional \$157,000 has been transferred to reserves, which is mainly due to the additional funds received from the land sales being transferred to dedicated reserves.
6. Increase (decrease) of investments is greater than budget by \$164,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

8.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
Miscellaneous renewals & new capital	6	3		3	-
Viewing platform on Southern Breakwater	308	-	177	-	71
Earthquake strengthening - tie down parapets: Harbour Board office	-	-	-	66	-
Breakwater renewals	-	-	8	-	-
Total capital expenditure	314	3	185	69	71

The expenditure on the viewing platform relates to work carried forward from the prior year budget.

The earthquake strengthening work has been delayed whilst a suitable/cost effective solution is determined. This is expected to occur in 2014/2015.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

8.8 Identified effects of these activities on the community

- The port operations continue to struggle financially, however there is a more positive outlook with the development of a new fish processing facility in Greymouth.
- The aerodrome continues to offer the facilities required to support the West Coast District Health Board functions.
- With the district economy taking a down turn the provision of parking enforcement has not been required to the same extent as previous years. Council has reduced the service provided to match the demand.

9 Property and housing

9.1 Activities included in this group

This includes:

- Retirement Housing which involves:
 - maintaining and managing occupation of 118 units
 - pro-active provision of further retirement housing units
- Property, which involves:
 - a land leasehold portfolio consisting of 54 residential leases, 35 commercial leases,
 - a building portfolio involving 3 leased buildings and the buildings supporting Council’s administrative function (Tainui St and Runanga service centre).
 - unused Council land consisting of various titles across the District.
- Management of leases with Mawhera Inc. re land leased by Council.

9.2 Why we are involved in this activity/these activities

Council is proud of its provision of quality pensioner housing. Council is also committed to managing its property portfolio responsibly so as to maximize income for the benefit of all residents.

9.3 Performance measurement

PROPERTY						
Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By providing a safe service	Meet Building Authority requirements.	Achieved	Achieved	Achieved	Regular property inspections are undertaken.
Financial sustainability	Facilities and services are maintained with respect for current and future generations	Tenants and occupiers of buildings meet their responsibilities and therefore Council’s investment is maximised	Achieved	Achieved	Achieved	Council maintains a proactive relationship with tenants that enables any potential issues to be identified at an early stage and rectified as necessary.
		Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded)	80%	104%	77%	This is measured as a percentage of the revenue that Council receives (excluding any ‘one off’ grant/contribution) against the total operating expenditure. Anything less than 100% signals that ‘catch up’ expenditure may be required in the future to maintain existing levels of service. Last year’s result was more favourable as operating and maintenance costs were \$102,000 less than this year. This year’s actuals include additional legal costs and some of Council’s response costs to the Cyclone Ita storm in Easter 2014.

RETIREMENT HOUSING

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By providing well maintained and comfortable housing.	A minimum percentage of occupancy rates achieved	95%	98%	96%	All units are effectively let. Council takes the opportunity between tenants to undertake any necessary renewal works.
		Retention of the 0800 24 hours contact service for emergency repairs and maintenance, (e.g. Water breaks etc.)	Achieved	Achieved	Achieved	Council continues to provide the 0800 number which is directed to a local service provider. All residents are advised of this service.
Availability of the housing	By encouraging waiting list applications from a wide sector of the community	Maintaining a waiting list of minimum 25 eligible applicants. By allowing applicants a maximum percentage of property, cash in the bank or investments.	Achieved	Achieved	Achieved	Council regularly reviews and updates the waiting list by contacting those on the list to check they are still interested in a flat.
	By providing affordable housing	Rent levels set annually below market rates	Achieved	Achieved	Achieved	Based on anecdotal evidence available from the Ministry of Business Innovation and Employment (MBIE) (median market rentals for one bedroom flats in the Grey District) rentals are approximately 60% of market rentals.
	Information is readily available on service	Details of service provided on Council's website	Achieved	Achieved	Achieved	Maintained and updated in partnership with Council's Communications Advisor.
	Being pro-active in the provision of housing units	Undertaking an annual review on the need for more housing units	Achieved	Not achieved	Not achieved	No formal review was undertaken in 2013-14.

9.4 Funding impact statement for property and housing

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and metered rates for water supply	749	768	737	797	797
Internal charges and overheads recovered	244	250	244	254	256
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	993	1,018	981	1,051	1,053
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	677	697	698	781	800
Finance costs	204	218	32	50	59
Internal charges and overheads applied	195	202	174	179	130
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	1,076	1,117	904	1,010	989
Surplus (deficit) of operating funding [A - B]	(83)	(99)	77	41	64
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	950	(536)	(17)	(33)	(66)
Gross proceeds from sale of assets	180	680	194	233	199
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	1,130	144	177	200	133
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	1,000	-	-	-	-
—to improve the level of service	-	-	-	-	-
—to replace existing assets	17	18	1	8	41
Increase (decrease) in reserves	30	27	196	212	(41)
Increase (decrease) of investments	-	-	57	-	197
Total applications of capital funding [D]	1,047	45	254	220	197
Surplus (deficit) of capital funding [C - D]	83	99	(77)	(20)	(64)
Funding balance: [A - B] + [C - D]	-	-	-	21	-

9.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory income (consent fees, infringements etc)	749	768	737	797	797
Internal charges and overheads recovered	244	250	244	254	256
Other income	66	207	94	203	-
Other gains/losses					3,206
Total income	1,059	1,225	1,075	1,254	4,259
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	677	697	698	778	800
Finance costs	204	218	32	50	59
Internal charges and overheads applied	195	202	174	179	130
Other operating expenditure/other losses	-	-	-	-	57
Depreciation	208	223	200	223	200
Total expenditure	1,284	1,340	1,104	1,230	1,246
Surplus (deficit) of activities	(225)	(115)	(29)	24	3,013

9.6 Variations from budget

1. Increase (decrease) in reserves: The budget signalled \$212,000 to be transferred to reserves, with the actual result a net transfer of \$41,000 from reserves – an overall difference of \$253,000. Funds are only transferred to reserves where funds are available (such as through asset sales). The actual result has meant these funds have not been transferred.
2. Increase (decrease) of investments is greater than budget by \$197,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.
3. Other gains/losses are \$3,206,000 higher than budget which represents the fair value gain on investment property that wasn't included in budgeting.

9.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
Miscellaneous renewals & new capital	17	18	1	8	1
Gresson St Subdivision - development costs	1,000	-	-	-	-
Retirement Housing renewals	-	-	-	-	40
Total capital expenditure	1,017	18	1	8	41

Renewal projects have been identified through Council’s Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

9.8 Identified effects of these activities on the community

- Council continues to offer quality retirement housing at below market rental rates. This has a positive impact on those in need, as evidenced by the popularity.
- A result of Council addressing its own responsibilities as a property owner was the temporary closure of the Left Bank Art Gallery. The West Coast Society of the Arts was therefore required to find temporary alternative locations. Initial remedial works were completed late in 2013 and the Left Bank Art Gallery re-opened shortly thereafter.

10 Community facilities and events

10.1 Activities included in this group

Community facilities include:

- Libraries, made up of
 - Greymouth Library (incl. Pioneer Library)
 - Runanga Library
- Swimming Pools, involving
 - Greymouth Aquatic Centre
 - Spring Creek Pool, Runanga.
- Heritage, involving
 - History House
 - Financial support to other Arts, Culture and Heritage bodies
- Indoor sport Centres, including
 - The Westland Recreation Centre (formerly referred to as the Miners' Recreation Centre)
 - Civic Centre
- Cemeteries, involving
 - Karoro Cemetery
 - Gladstone Cemetery
 - Stillwater Cemetery
 - Barrytown Cemetery
 - Blackball Cemetery
 - Ahaura Cemetery
 - Nelson Creek Cemetery (Ngahere)
 - Moonlight Cemetery (not maintained)
 - Maori Gully
 - Cobden Cemetery
 - Greenstone Cemetery
 - Dungaville Cemetery (not maintained)
 - Notown Cemetery
 - Napoleon's Hill Cemetery (not maintained)
- Parks and Tracks, involving
 - Parks
 - Playgrounds
 - Walking tracks
 - Other open areas accessible to the public.
- Council's In-house task force
- Public restrooms involving 10 public toilets some with other facilities

10.2 Why we are involved in this activity/these activities

It is a requirement for any community to have access to a wide range of services that makes living in that area and visiting that area attractive and enjoyable. It is often described as services and activities that make any community "whole". These services often "define" a community and give the community identity and a sense of belonging.

Services can be in the form of active and passive recreation and enjoyment.

10.3 Performance measurement

LIBRARIES

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By providing quality library service	% of users satisfied with service	80%	79%	79%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	By staff providing a friendly, efficient and professional service.	No more than 10 complaints per year	Achieved	Achieved	Achieved	There were no complaints in 2013-2014.
Access to service	By encouraging wide participation from the community	A minimum of 50 in-house outreach literacy learning and educational programmes delivered annually. (e.g. story-time, Summer Reading Challenge, education programmes for adults.)	50	111	170	The Library is very active in with its outreach programme, including story time two times a week and the Summer reading Challenge. Staff of the Library are visiting schools and bringing guest speakers to our District as well.
		The Greymouth library is open at least one late night per week and on Saturday mornings	Achieved	Achieved	Achieved	The library is open every Saturday morning except at Easter and opened every Wednesday night except on public holidays.
		Opening hours and available services posted on Council's website	Achieved	Achieved	Achieved	Maintained and updated in partnership with Council's Communications Advisor.
		Retain free public internet access for New Zealand citizens	Achieved	Achieved	Achieved	This provided by Aotearoa People's Network Kaharoa.
	By providing convenient access	An on-line service is provided to allow members to browse the library catalogue and make collection reservations	Achieved	Achieved	Achieved	Access to the on-line library service is available via Council's website.

SWIMMING POOLS

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	By providing a safe service	Percentage compliance with the NZ Water Quality Standards	100%	100%	100%	The Grey District Aquatic Centre has the New Zealand Recreation Association (NZRA) Pool Safe Accreditation. This verifies that the Centre complies with New Zealand Pool Water Quality Standards 5826:2010.
		Lifeguards are trained to the NZ national standard	Achieved	Achieved	Achieved	The NZRA Pool Safe Accreditation also ensures that hold current and valid Pool Lifeguarding Practising Certificates.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
	By providing a professional customer service	% of users satisfied with service	70%	78%	78%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Access to the service	By providing convenient services	A minimum number of users annually – Grey District Aquatic Centre	100,000	102,867	89,884	The numbers of users are currently not meeting the target. This is a result of the mine closures and families leaving the area.
		A minimum numbers of users annually – Spring Creek Pool, Runanga	4,000	2,900	1,448	Runanga is a small community that was affected by the closure of the Spring Creek Mine. This affected the use of the Spring Creek Pool.
		Service available seven days a week – Grey District Aquatic Centre Service available seven days a week during the swim season - Spring Creek Pool, Runanga	Yes	Yes	Yes	The facility is open seven days a week, except for the 3 day shut down for maintenance and replacing the boiler. 4 May 2014, the pool closed and reopened 19 May 2014.
		Admission fees and opening hours are posted on Council's website	Yes	Yes	Yes	Maintained and updated in partnership with Council's Communications Advisor.
		A minimum number of Swimming School registrations per term	185	356	376	The enrolments in the Swimming School continue to grow.
Financial sustainability	Maximising use of the facility by maintaining user numbers above national per capita swim averages	Minimum total swims per capita	7.2	7.7	6.5	89,884 divided by 13,900 is about 6.5 swims per capita.
Environmental sustainability	Coal fired boiler is managed without any adverse effect on the environment	No Resource Consent infringements	Nil	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions.

HERITAGE

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	Building local identity by providing or assisting in the provision of culture and heritage facilities	A minimum percentage of the public agree that the facilities are good or better.	70%	57%	57%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Access to the service	By providing convenient services	Facilities accessible seven days per week	Yes	Not Achieved	Not Achieved	This was not achieved due to staffing availability.

CIVIC CENTRE/WESTLAND RECREATION CENTRE

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of facilities	By providing safe, professional services.	% of users surveyed satisfied with service	70%	57%	57%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Access to the service	Facilities are open at times convenient to users	The Civic Centre and the eventual Westland Recreation Centre will be available for use 7 days a week.	Achieved	Achieved	Achieved	The current facility, the Civic Centre, is available for use seven days a week, as it is managed by Sport Canterbury.
	Information is readily available	Details of facilities and charges are available on Council's website.	Yes	Yes	Yes	Maintained and updated in partnership with Council's Communications Advisor.

CEMETERIES

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	Land availability in cemeteries relative to the number of people likely to be buried	Review three yearly	Achieved	Has not been reviewed yet	Has not been reviewed yet	Due to staff availability the review has not been completed.
	Providing an updated cemetery record based on available information on-line	On-line register updated with each new interment.	To be developed	Under review	Under review	This function of the website is under development and should be functional in 2015-2016.
Environmental sustainability	Facilities are managed without adversely affecting the receiving environment.	Maximum number of resource consent breaches	Nil	Nil	Nil	No breaches of the resource consents were discovered in 2013/2014.

PARKS AND TRACKS

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Quality of service	Residents overall satisfaction with the service	Minimum % satisfied per survey	80%	91%	91%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Access to the service	We will promote our parks and walking tracks to encourage widespread use	We will have publicly available information brochures on walking tracks and key parks in our District and also include the information on our website	Achieved	Achieved	Achieved	Information is available on Council's website and a brochure is available at Council's office.

10.4 Funding impact statement for community facilities and events

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	2,306	2,477	2,337	2,442	2,479
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	122	367	798	372	-
Fees, charges, and metered rates for water supply	595	613	883	671	607
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	17	18	3	14	5
Total operating funding [A]	3,040	3,475	4,021	3,499	3,091
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2,597	2,973	3,550	3,005	3,084
Finance costs	342	336	159	323	278
Internal charges and overheads applied	382	413	451	437	396
Other operating funding applications	-	-	1,231	-	-
Total applications of operating funding [B]	3,321	3,722	5,391	3,765	3,758
Surplus (deficit) of operating funding [A - B]	(281)	(247)	(1,370)	(266)	(667)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	1,725	5,975	463	6,034	923
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(80)	(86)	(192)	(37)	(207)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	565
Total sources of capital funding [C]	1,645	5,889	271	5,997	1,281
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	1,342	5,638	450	5,709	1,053
—to replace existing assets	128	158	67	224	200
Increase (decrease) in reserves	(106)	(154)	(191)	(200)	(423)
Increase (decrease) of investments	-	-	(1,425)	-	(216)
Total applications of capital funding [D]	1,364	5,642	(1,099)	5,733	614
Surplus (deficit) of capital funding [C - D]	281	247	1,370	264	667
Funding balance: [A - B] + [C - D]	-	-	-	(2)	-

10.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	2,306	2,477	2,337	2,442	2,479
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	1,847	6,342	1,261	6,406	923
User charges & regulatory income (consent fees, infringements etc)	612	631	883	671	607
Internal charges and overheads recovered	-	-	-	-	-
Other income	-	-	3	14	570
Other gains/losses					195
Total income	4,765	9,450	4,484	9,533	4,774
EXPENDITURE					
Staff costs	994	1,027	1,039	1,013	1,068
Operating & maintenance costs	1,603	1,946	2,539	1,992	2,016
Finance costs	342	336	159	323	278
Internal charges and overheads applied	382	413	451	437	396
Other operating expenditure	-	-	1,231	-	-
Depreciation	749	847	715	844	758
Total expenditure	4,070	4,569	6,134	4,609	4,516
Surplus (deficit) of activities	695	4,881	(1,650)	4,924	258

10.6 Variations from budget

- Subsidies and grants for operating purposes are less than budget by \$372,000. The budget relates mainly to funds expected to be received from Development West Coast's Extraordinary Distribution Fund. These are received when the respective recipients proceed with their projects, which hasn't occurred in 2013/2014.
- Fees, charges, and metered rates for water supply less than budget by \$64,000 mainly due to less admission charges received at the Greymouth Aquatic Centre.
- Payments to staff and suppliers \$79,000 higher than budget, mainly related to unbudgeted expenditure incurred advancing proceedings associated with the roof deflection at the Aquatic Centre.
- Subsidies and grants for capital expenditure - The budget included \$5,555,000 to be received towards the proposed Westland Recreation Centre. Due to project delays in confirming/commencing this project, actual grants received were \$630,000
- Other dedicated capital funding \$565,000 higher than budget, due to recoveries associated with the Greymouth Aquatic Centre, where third parties have contributed \$565,000 in cash towards the roof deflection.
- Increase (decrease) in debt an additional \$170,000 of debt repaid relating to the aquatic centre to match repayment timetable with future subsidies to be received.
- Capital expenditure —to improve the level of service less than budget by \$4,656,000 due to the Westland Recreation Centre's project delays.
- Increase (decrease) in reserves – an additional \$223,000 transferred from reserves mainly to fund the costs incurred progressing the Westland Recreation Centre to final design and tender stage
- Increase (decrease) of investments is greater than budget by \$290,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same

amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

10. Depreciation is \$86,000 less than budget, due to the capital programme being behind schedule (i.e. Westland Recreation Centre). When preparing the budgets it was anticipated this asset would have been built to completion and would have therefore been incurring associated depreciation expense.

10.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
Miscellaneous renewals & new capital	68	162	15	161	162
Vehicle/plant replacement	20	-	-	30	3
Northern Breakwater recreation area	75	75	34	75	88
Westland Recreation Centre	1,250	5,500	130	5,555	910
Library collection purchases	57	59	56	58	52
Heating upgrade: Greymouth Library	-	-	14	-	-
Memorial areas	-	-	268	-	13
Earthquake strengthening: History House - tie down parapets	-	-	-	14	-
Earthquake strengthening: Left Bank Art Gallery - tie down parapets	-	-	-	40	25
Total capital expenditure	1,470	5,796	517	5,933	1,253

Westland Recreation Centre - Due to project delays in confirming/commencing this project the construction has not commenced and the project has only advanced to the final design and request for tender stage. Subject to sufficient funding being available its construction is expected to commence in 2014/2015.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

10.8 Identified effects of these activities on the community

- Council continues to offer high quality community facilities that form an integral part of making the Grey District an attractive place to live, work, and invest. It is recognised that these facilities require a high level of general ratepayer input, and there is not always a direct link between those who pay and those who benefit. Council strives to deliver the services in the most cost effective manner possible.

11 Democracy and administration

11.1 Activities included in this group

Democracy and Administration includes:

- Council
- Facilitation of achievement of non-Council function outcomes i.e.
 - Health
 - Personal and Property Safety
 - Good Education
- Public consultation
- Council's Administration

11.2 Council's involvement

A healthy community requires its elected Council to show strong leadership, but, at the same time, to conduct its business in an open, transparent manner. An important part of this is for it to actively and constructively seek the involvement of the community in matters that affect them or are dear to them.

An important component of this is a Council Administration that executes Council's policies in a professional, objective and fair manner and, in doing so, respects the needs and circumstances of individual residents.

There are, however, functions that are of the utmost importance to communities which fall outside of the jurisdiction of local authorities. In our case, it involves the availability of good health and education services and personal and property safety. Council recognises the importance of these functions and actively engages with service providers to ensure that such services are in place.

11.3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
Accessibility and quality of service	We will provide the highest standard of customer service	Overall satisfaction from those who have contacted Council offices	85%	87%	87%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	We will conduct our business in a Transparent and accountable manner	Full opportunity for public participation in Council meetings through availability of speaking rights and the public forum	Achieved	Achieved	Achieved	The public forum has been available before every ordinary meeting of Council
		Minimum % of Council business conducted in open	>80%	90%	90%	Those items not included in the open agenda mainly relate to on-going legal cases where Council needs to maintain legal privilege.
		Minimum % surveyed that agree the public are consulted on important issues	90%	65%	65%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	We will maximise Local and regional co-operation opportunities to achieve efficiencies	Full participation in West Coast Mayors/Chairs and CEO meetings	100%	100%	100%	The Mayor and CEO attended all meetings in the 2013/2014 year.
		Full participation in Grey DC/DOC liaison quarterly meetings	100%	100%	100%	Staff have attended all liaison meetings.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2013	2014	Notes
	Our community will demonstrate strong Leadership	Public satisfaction with performance of Mayor and Councillors	85%	83%	83%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.

11.4 Funding impact statement for democracy and administration

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	1,218	1,259	1,285	1,277	1,327
Targeted rates (other than a metered rate for water supply)	224	229	234	246	258
Subsidies and grants for operating purposes	59	59	60	152	83
Fees, charges, and metered rates for water supply	106	191	104	167	188
Internal charges and overheads recovered	5,231	5,508	5,229	5,394	4,663
Local authorities fuel tax, fines, infringement fees, & other receipts	562	478	421	461	587
Total operating funding [A]	7,400	7,724	7,333	7,697	7,106
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	5,305	5,619	5,174	5,430	4,875
Finance costs	107	102	1	36	3
Internal charges and overheads applied	1,284	1,366	1,505	1,645	1,392
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	6,696	7,087	6,680	7,111	6,270
Surplus (deficit) of operating funding [A - B]	704	637	653	586	836
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	300	(69)	(2)	(47)	(7)
Gross proceeds from sale of assets	-	-	33	-	101
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	300	(69)	31	(47)	94
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	532	8	175	3	14
—to replace existing assets	177	311	80	275	257
Increase (decrease) in reserves	295	249	520	261	526
Increase (decrease) of investments	-	-	(91)	-	133
Total applications of capital funding [D]	1,004	568	684	539	930
Surplus (deficit) of capital funding [C - D]	(704)	(637)	(653)	(586)	(836)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

11.5 Activity income statement

	2013 LTP	2014 LTP	2013 Actual	2014 Annual Plan	2014 Actual
	\$000	\$000	\$000	\$000	\$000
INCOME					
General rates, uniform annual general charges, rates penalties	1,218	1,259	1,285	1,277	1,327
Targeted rates (including targeted rates for water supply)	224	229	234	246	258
Subsidies and grants (operating and capital)	59	59	60	152	83
User charges & regulatory income (consent fees, infringements etc)	668	669	104	628	188
Internal charges and overheads recovered	5,231	5,508	5,229	5,394	4,663
Other income	-	-	429	-	587
Other gains/losses					59
Total income	7,400	7,724	7,341	7,697	7,165
EXPENDITURE					
Staff costs	3,210	3,317	3,183	3,261	3,195
Operating & maintenance costs	2,095	2,302	1,991	2,169	1,680
Finance costs	107	102	1	36	3
Internal charges and overheads applied	1,284	1,366	1,505	1,645	1,392
Other operating expenditure	-	-	-	-	-
Depreciation	306	400	178	397	160
Total expenditure	7,002	7,487	6,858	7,508	6,430
Surplus (deficit) of activities	398	237	483	189	735

11.6 Variations from budget

- Internal charges and overheads recovered \$731,000 less than budget. Given expenditure reductions discussed below, there was a reduced requirement to recover overheads from other activities given these recoveries are based on actual expenditure.
- Local authorities fuel tax, fines, infringement fees, & other receipts \$126,000 more than budget. This includes interest income with the actual being approximately \$110,000 higher than budget.
- Payments to staff and suppliers \$555,000 less than budget. Cost reductions were delivered in various areas to account for less income being received in other areas (such as resource consenting)
- Internal charges and overheads applied \$253,000 less than budget. This also reflects that cost reductions delivered as discussed above, meaning there were less overheads to be recovered.
- Gross proceeds from sale of assets \$101,000 greater than budget. This relates to the proceeds from the sale of surplus Council assets, most notably vehicles that were replaced. These proceeds weren't factored into budgets.
- Increase (decrease) in reserves - \$265,000 more transferred to reserves compared to budget. This includes the proceeds from assets referred to above.
- Increase (decrease) of investments is greater than budget by \$133,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.
- Depreciation is \$237,000 less than budget, due to less spent on IT systems in prior years than originally forecast. When preparing the budgets it was anticipated this expenditure would have been higher and would have therefore been incurring a higher associated depreciation expense.

11.7 Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions

	2013 LTP \$000	2014 LTP \$000	2013 Actual \$000	2014 Annual Plan \$000	2014 Actual \$000
Miscellaneous renewals & new capital	15	26	-	3	19
Vehicle replacements	86	207	24	172	123
Office equipment (including IT)	84	86	56	103	109
Upgrade of core computer system	524	-	175	-	20
Total capital expenditure	709	319	255	278	271

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

11.8 Identified effects of these activities on the community

- Back in October 2012, key stakeholders identified from a cross section of organisations within the district were invited to be part of the Economic Development Liaison Group (EDLG) to help draft an Economic Development Strategy. Chaired by the Mayor, this group was responsible for overseeing and guiding the development of the Grey District Council's Economic Development Strategy, a ten year plan to help foster economic growth within the district. A draft Economic Development Strategy was put out to the community for feedback in May and on 11 July 2013, the EDLG met to hear and consider submissions on the draft plan. Following this, a final strategy was developed and subsequently adopted by Council on 12 August 2013. Work has progressed through 2013/2014 on the actions that were prioritised in this strategy including:
 - The proposed Discovery Centre and Discovery Lodge concept
 - Greymouth CBD Renewal Plan
 - Signage & Interpretation Project
 - The Real Stories Campaign

PART 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. This situation remains a 'status quo' from last year.

PART F: Council controlled organisations

1 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 as reported on earlier in this report:

- Tourism West Coast: [d][11] Democracy and administration, page 142.
- West Coast Rural Fire Authority: [d] [6] emergency management, page 114.

It is noted that Council has exempted both these organisations under section 7(3) of the Local Government Act 2002. This exemption was renewed on 12 March 2013.

2 West Coast Recreation Trust

Council signalled in the 2012/2022 LTP that the proposed West Coast Recreation Centre (the Centre) would be funded fully from external grants, donations and sponsorship. Since the Council cannot qualify as a charitable organisation, it was decided that an independent charitable trust should be formed to be used as a funding vehicle for the Centre. The proposal was consulted on with the community from 10 July to 10 August 2012 and Council resolved to form the West Coast Recreation Centre Trust, a CCO, on 27 August 2012. The Council has exempted the CCO under section 7(3) of the Local Government Act 2002; however a Statement of Intent has been prepared, consulted upon, and adopted by Council. This statement of intent narrows the purpose of the Trust and sets a key performance target. The target is to deliver the funding required to complete the Westland Recreation Centre.

The Trust has received no income nor made any payments for the financial year ending 30 June 2014 (2013 nil)